

NORTH SOMERSET COUNCIL DECISION

DECISION OF: ASH CARTMAN

WITH ADVICE FROM: **STUART ANSTEAD (HEAD OF SUPPORT SERVICES)**
& **MELANIE WATTS (HEAD OF FINANCE)**

DIRECTORATE: **CORPORATE SERVICES**



DECISION NO: CSD021 2021/2022

SUBJECT: Local Council Tax Support (LCTS) – Hardship Scheme 2021/22

KEY DECISION: NO

BACKGROUND:

The Government announced as part of the 25 Nov 2020 Spending Review that it will provide local government with £670 million of new funding for 2021/22 in recognition of the increased costs of providing local council tax support and other help to economically vulnerable households following the Covid-19 pandemic.

North Somerset has been allocated a grant value of £1,922,954 to cover the direct impacts of LCTS and also an additional sum to support the administration of any new schemes or initiatives that may be developed.

It is expected that this funding will meet both the additional costs associated with increase in local council tax support ('LCTS') caseloads in 2021/22 brought about as a result of Covid-19, along with a new proposal which will provide targeted support to those in need.

When council set the budget for the 2021/22 financial year in February 2021, an expenditure budget was created to cover the LCTS costs, and at that time £500,000 was allocated to offset the anticipated claimant growth in 2021/22 leaving a budget of £1,422,954 to cover the costs of a new scheme.

The detailed design for 2021/22 scheme has been left at the discretion of each billing authority but an award with a greater emphasis on 'need' has been recommended as an enhancement to the 2020/21 LCTS scheme, which provided each claimant a single council tax liability reduction of £150.

The funding does not come with specific grant conditions but guidance has indicated that it should be used provide support to vulnerable households that are considered as working-age LCTS caseloads. For North Somerset this means residents that are only able to claim Council Tax Support (CTS) for up to 75.5% of their council tax liabilities.

DECISION:

A) This decision seeks to establish a policy and scheme design which supports the allocation of the remaining LCTS funding (£1,422,954). It is proposed that financial support be offered to residents through the following schemes:

- 1) A fixed automatic award of £75 to all working age CTS claimants providing a reduction in their council tax liability for the current year. It is estimated that this will apply to c. 9,300 accounts and would therefore cost approximately £700k
- 2) An award of £210 to the council's FirstSteps customers. It is estimated that this will apply to c. 3,000 customers and would therefore cost approximately £630k
- 3) Allocate an additional £70k to the Welfare Provision Scheme (WPS)

NB Individual claimants may qualify or apply for all three schemes.

B) Approval is sought to increase the council's Corporate Services income and expenditure budgets by £30,000 each, to reflect receipt of a new ring-fenced New Burdens grant funding and also enable administration costs to be incurred to facilitate delivery of the new scheme.

REASONS:

This scheme has been designed to support economically vulnerable households with rapid financial support and a mechanism to apply for additional 'top-up' support via WPS.

It should be noted that volume of CTS & FirstSteps caseloads will vary during the year. A full allocation will be provided even where a claimant only qualifies for a part year.

Additionally, expenditure will be monitored across all schemes and when funds are exhausted, the schemes will be stopped to avoid any over spend.

OPTIONS CONSIDERED:

A range of different classifications of vulnerable households and different allocation proportions have been considered. For example, residents in receipt of a Council Tax discount or exemption, or Benefit claimants. However, support to the two known groups: CTS claimants and customers of the FirstSteps service provide the best align with the ethos of the hardship fund and provide a swift mechanism to reduce current council tax liability.

Research has been undertaken to understand the intensions and scheme design as provided by other local authorities.

Cash payments will be avoided to maximise the long-term benefit to residents.

FINANCIAL IMPLICATIONS:

Costs & Income

Grant income of £1.9m has already been included in the council's base budget for 2021/22 as approved by full council in February 2021, and an equal sum was included as an expenditure budget to cover the associated costs.

It should be noted that costs relating to Welfare Provision Service will be charged directly to the council's revenue budget which is held within the Corporate Services directorate, whereas costs in respect of an increased LCTS caseloads and the new awards of £75 and £210, will be initially be reflected and monitored within the 'Collection Fund' accounts, in accordance with accounting requirements.

The administration costs of these schemes are expected to be fully covered under separate new burdens funding and are estimated at less than £30,000 however these are not yet reflected within the approved base budget and so the decision also includes a request to gross up both the income and expenditure budgets to recognise receipt of the income and to enable administration costs to be incurred.

LEGAL POWERS AND IMPLICATIONS

The powers available to the council during the coronavirus pandemic are contained within the following primary and secondary legislation:

- Coronavirus Act 2020
- Public Health (Control of Disease) Act, 1984
- The Health Protection (Coronavirus, Restrictions) (England) Regulations, 2020
- The Health Protection (Coronavirus, Restrictions) (No. 2) (England) Regulations, 2020

Additionally, the council has legal powers to deliver its obligations during a major incident as defined within the Civil Contingencies Act, 2004.

CONSULTATION

This grant expenditure has been discussed and agreed with the Corporate Leadership Team (CLT).

The strategy for awarding Local Council Tax Support grants has been endorsed by the Executive Member for Finance.

RISK MANAGEMENT

The economically vulnerable residents of North Somerset and wider communities face a wide variety of risks during the next year, some of which may have a financial consequence or impact. These risks have been increased as a result of the Covid pandemic meaning that mitigation and intervention has been required.

There is a risk that the scheme may be over subscribed meaning that a budget over spend could potentially occur however, given that the funding stream from central government is finite, detailed monitoring will be undertaken and the schemes will be stopped by the Head of Support Services when funding has been exhausted.

CLIMATE CHANGE & ENVIRONMENTAL IMPLICATIONS

The Council faces a wide variety of climate change and environmental impacts whilst delivering its many services to residents, some of which have a direct or indirect financial impact or consequence. There are no material considerations linked to this Decision.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Not for all items of spend.

The award of the LCTS grant do not require an equality impact assessment to be undertaken because they adhere to policies for which an equality impact assessment has already been conducted.

CORPORATE IMPLICATIONS

None

BACKGROUND PAPERS

None

SIGNATORIES:

DECISION MAKER:



Signed:

Title: Executive Member for Corporate Services

Date: 05.07.21

WITH ADVICE FROM:

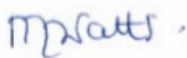


Signed:

Title: Head of Support Services

Date: 05.07.2021

WITH ADVICE FROM:



Signed:

Title: Head of Finance

Date: 05.07.21