

# REPORT TO RESOURCES PDG

**REPORT OF: Head of Finance**

**REPORT NO: HOF232**

**DATE: 28<sup>th</sup> March 2013**

<b>TITLE:</b>	<b>Discretionary Council Tax Payment Policy</b>	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	Key Decision	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Councillor Mike Taylor Portfolio: Strategic Resources - Well Run Council	
<b>CONTACT OFFICER:</b>	R Wyles (01476) 406210 <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a> C Scott (01476) 406240 <a href="mailto:c.scott@southkesteven.gov.uk">c.scott@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ANALYSIS:</b>	Carried out and Referred to in paragraph (7) below	Full impact assessment Required: No
<b>Equality and Diversity</b>	Appended to the report	
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	

## **1. RECOMMENDATIONS**

The PDG is asked to consider and comment with respect to the proposed Discretionary Council Tax Payment Policy. The policy is based upon the existing Discretionary Housing Payment scheme (DHP) which is funded by government grant.

## **2. PURPOSE OF THE REPORT**

The current Discretionary Housing Payment scheme (DHP) provides customers with further financial assistance, in addition to any other welfare benefits, when the Council considers that help with housing costs is required. Until 31st March 2013, these payments could be made to assist people who have severe difficulties with their council tax payments. However, following the abolition of council tax benefit from April 2013, DHPs can no longer be made towards council tax liability.

It has therefore been approved by Council as part of its budget proposals for 2013/14 that a locally funded scheme should be set up to help with cases of extreme hardship that may arise following the introduction of the local Council Tax Support scheme (CTS). The purpose of the report is to present the proposed policy which would provide the framework within which Benefit Officers would assess individual cases for eligibility for a Discretionary Council Tax Payment (DCTP).

For the most part, the DCTP Policy has been written to mirror the Council's DHP policy, however an important proposed change in the qualifying criteria is the criteria in order to financially support low income working households.

## **3. DETAILS OF REPORT**

# **Proposed Discretionary Council Tax Payment Policy**

### **Introduction**

The Discretionary Council Tax Payment scheme provides additional funding to help Working Age (in-work) claimants (see conditions of entitlement below) who are experiencing exceptional hardship arising from the introduction of Localised Council Tax Support. To qualify for consideration for assistance under this scheme the customer must already be getting some Council Tax Support.

Awards of Discretionary Council Tax Payments may be made where a tax payer has a short term financial difficulty that means they are unable to pay their Council Tax in full. Awards will normally be for a defined period and have

the effect of reducing the monthly contribution a tax payer has to make towards their bill.

Consideration will be given as to whether all other discounts and sources of help have been exhausted. Where appropriate, decisions will be deferred until other avenues have been explored. The Council therefore payments will normally be made in unusual or extreme circumstances where additional help would alleviate hardship.

#### Conditions for entitlement

- The tax payer must:
  - be entitled to Council Tax Support.
  - appear to South Kesteven District Council to require some further financial assistance (in addition to the benefit or benefits and support to which they are entitled) in order to meet their council tax charge.
  - Claimant (or Partner) must be in work or taking proactive steps to overcome worklessness

#### **Awards**

Normally awards will be made towards the current council tax charge rather than past debts. It is not expected that a significant award will be made towards past periods and tax payers should make applications for assistance within a reasonable time of their knowing that they will not be able to meet their monthly instalments.

Consideration will be given in particular to residents who have been clearly making an effort to pay their Council Tax, who have been engaging with us and are taking steps to resolving their financial difficulties. A higher priority will be given to those with short term difficulties; and a lower priority to people whose financial commitments are unsustainable and likely to remain so.

In making decisions on discretionary payments, the Council will also be mindful of national objectives to promote an individuals responsible behaviour, for example in the choice of a home or engagement in activities to address worklessness, debt or problematic behaviour.

Where a request for a discretionary payment has been refused, repeat requests will not be considered unless the resident can demonstrate that the situation has worsened significantly or a substantial period of time has elapsed.

The Council recognises that there may be circumstances in which Discretionary Council Tax Payments will be made other than as set out above. All awards are at the discretion of South Kesteven District Council.

#### **Making a claim**

The Council can decide how claims will be made, and can request further information to support its decision making process.

At South Kesteven District Council wherever a person either requests a Discretionary Council Tax Payment, or it is clear to the officer looking at the Council Tax Support award that a Discretionary Council Tax Payment would be of assistance, the customer should complete a Discretionary Council Tax Payment application form. This is not essential, but it is the most effective way to gain all the information required to make a decision on the Discretionary Council Tax Payment claim.

### **How will applications be dealt with?**

Discretionary Council Tax Payment applications will be passed directly to the Benefits technical support team. They will:

- record the application on the Discretionary Council Tax Payment spreadsheet
- send a holding letter
- complete the decision details sheet

### **Decisions and awards**

All decisions made will be recorded on the Discretionary Council Tax Payment spreadsheet and input on the system where an award is made. Decision letters will be sent to the tax payer. This will set out whether an award has been made, and if so, the amount and duration of the award.

### **Challenging decisions**

Where a customer believes that a decision is incorrect they can ask for it to be looked at again. There is no right of appeal through the Valuation Tribunal Service for discretionary decisions however a legal challenge may be made where the law permits.

### **Payment and overpayments**

Discretionary Council Tax Payments will always be made directly onto the appropriate council tax account. South Kesteven District Council will recover any overpaid awards by adjusting the level of discount on the Council Tax bill where a tax payers circumstances change.

## **4. Financial implications of proposed changes**

The council has agreed to fund the DCTP Scheme for 2013/14 at £30,000. The fund is a fixed budget and therefore when the fund is exhausted no further DCTP's can be paid within the financial year.

## **OTHER OPTIONS CONSIDERED**

None

## **5. RESOURCE IMPLICATIONS**

Existing resources are expected to be sufficient to cover the additional work arising from DCTP applications.

**6. RISK AND MITIGATION**

None

**7. ISSUES ARISING FROM IMPACT ANALYSIS**

Impact Analysis attached at Appendix 1.

**8. CRIME AND DISORDER IMPLICATIONS**

None

**9. COMMENTS OF FINANCIAL SERVICES**

- 9.1 A budgeted allocation of £30K has been included in the budget framework for 2013/14. Once a policy has been approved, the allocation of the provision will be carefully distributed based on the eligibility of the applicant.

**10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES**

- 10.1 The Council has already determined regulations relating to a council tax support scheme in accordance with the Local Government Finance Act 2012. S.10 of that Act, introduced 13A(1)(c) of the Local Government Finance Act 1992 in accordance with which authorities have a discretion to apply a further reduction in council tax bills.

The Department of Communities and Local Government has introduced guidance for the localisation of council tax support. It is recommended that any proposed scheme follows the guidance given.

**11. COMMENTS OF OTHER RELEVANT SERVICES**

11.1

**12. APPENDICES:**

Appendix 1

**Appendix 1**



# **South Kesteven District Council**

## **Equality Analysis (Stage 1)**

### **Discretionary Council Tax Support Payments**

<b>Service Area:</b>  Revenues & Benefits	<b>Lead officer:</b> Craig Scott	<b>Date of Analysis</b>  18 March 2013
	<b>Assessors:</b> Lee Sirdifield Craig Scott	
	<b>Neutral Assessor:</b>	

**1. Name and description of policy/service/function/strategy :**

**Discretionary Council Tax Support Payments**

The Welfare Reform Act 2010 introduced numerous changes to the way that the welfare benefit system will operate in the future. A major change impacting on local authorities is the replacement of Council Tax Benefit with a localised council tax support system. A full impact assessment was undertaken for this change.

Given the magnitude of this change it has been proposed that a discretionary scheme is introduced to help those most in need with a specific focus on those in low paid employment.

A draft policy has been produced for member consideration.

**Is this a new or existing policy?**

This is a new policy



		officers with the ability to mitigate the effects of these changes in exceptional cases.
<b>Disability</b>	<b><u>Neutral</u></b>	The Council Tax Support Scheme already mitigates the financial impact for this group. It is therefore less likely that they will need to access this fund.
<b>Race</b>	<b><u>Not relevant</u></b>	The proposed scheme does not impact specifically on this group.
<b>Gender Reassignment</b>	<b><u>Not relevant</u></b>	The proposed scheme does not impact specifically on this group.
<b>Religion or Belief</b>	<b><u>Not relevant</u></b>	The proposed scheme does not impact specifically on this group.
<b>Sex</b>	<b><u>Not relevant</u></b>	The proposed scheme does not impact specifically on this group.
<b>Sexual Orientation:</b>	<b><u>Not relevant</u></b>	The proposed scheme does not impact specifically on this group.
<b>Pregnancy and Maternity</b>	<b><u>Not relevant</u></b>	The proposed scheme does not impact specifically on this group.
<b>Marriage and Civil Partnership</b>	<b><u>Not relevant</u></b>	The proposed scheme does not impact specifically on this group.
<b>Carers</b>	<b><u>Neutral or positive</u></b>	The Council Tax Support Scheme already mitigates the financial impact for this group. It is therefore less likely that they will need to access this fund.

<b>Other Groups (e.g. those from deprived (IMD*) communities; those from rural communities, those with an offending past)</b>	<u><b>War Pensioners</b></u>	The Council Tax Support Scheme already mitigates the financial impact for this group. It is therefore less likely that they will need to access this fund.
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\*(IMD = Indices of multiple deprivation)

**3. What equality data/information did you use to inform the outcomes of the proposed policy/service/function/strategy? (Note any relevant consultation who took part and key findings)**

An extensive analysis was completed in advance of the Council Tax Support Scheme being introduced. We have used the same data to inform the discretionary policy and target support to those in need.

**If there are any gaps in the consultation/monitoring data, how will this be addressed?**

The discretionary scheme allows us to consider needs on a case by case basis. This will help officers to adjust the awards made should unexpected needs present themselves.

**4. Outcomes of analysis and recommendations (please note you will be required to provide evidence to support the recommendations made): Please tick one of the options.**

- a. **No major change needed: equality analysis has not identified any potential for discrimination or for negative impact and all opportunities to promote equality have been taken**

If you have ticked option (a) go to stage 3

- b. **Adjust the proposal to remove barriers identified by equality analysis or to better promote equality.**  **ase complete the questions in the box below.**

**b.1 In brief, what changes are you planning to make to your proposed policy/service/function/strategy to minimise or eliminate the negative equality impacts?**

**b.2 Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.**

**If you have ticked option b go to Stage 2**

- c. **Adverse impact but continue**  **please provide an explanation in the box below that clearly sets out your justification for continuing with the proposed policy/function/service/strategy. You should consider in stage 2 whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact.**

**If you have ticked option c please go to Stage 2**

- d. **Stop and remove the policy/function/service/strategy as equality analysis has shown actual or potential unlawful discrimination**

**Signed (Lead Officer):**

**Date completed:** 18 March 2013