

INDIVIDUAL EXECUTIVE DECISION MAKING MEETING

EXECUTIVE MEMBER - THE MAYOR

RECORD OF DECISION

An Individual Executive Decision Making meeting was held on 18 May 2020.

PRESENT: Councillors Mayor A Preston (Chair)

OFFICIALS: S Bonner, S Blood, C Lunn and J Savage

19/3 AMENDMENT TO SECTION 13A DISCRETIONARY HARDSHIP POLICY

The Strategic Director of Finance, Governance and Support submitted a report that sought approval for an amendment to the Council's Section 13a policy, under the Local Government Finance Act (LGFA) 1992 (as amended) on reductions not covered under its Council Tax Reduction Scheme.

The report required approval as the power to be exercised under the Local Government Finance Act 1992 (as amended) related to a class of case in which liability was to be reduced, and its effect would be to reduce the amount of council tax due to be collected by a significant sum.

On 25 March 2020, Central Government announced that funds would be made available to the Council under Section 31 of the Local Government Finance Act 2003; these funds would be allocated in line with latest caseload reported.

The existing Section 13a policy provided the Council with the power to make discretionary payments to Council Tax payers where hardship could be demonstrated and funds remained available.

Following the announcement on 25 March 2020, in response to COVID-19, funding of £2.8m had been provided to the Council to support working age council tax support residents with Council Tax payments in respect of the financial year 2020-2021. .

Central Government had provided for a minimum payment of £150.00 to be applied to the respective accounts using powers under Section 13a, whilst recognising that each Council may determine an additional sum may be awarded. Should a Council Tax payer's liability for 2020-21 be less than the determined amount, then a lesser amount of Council Tax Support would be applied which would result in a zero bill. No additional application was necessary from the Council Tax payer; neither did the Council Tax payer need to demonstrate that there had been a direct/indirect impact of COVID-19.

The Council currently have 13,317 identified working age Council Tax Reduction claims (this figure could increase or decrease during the year depending on the economic climate). Of these claims, circa 5,800 had a balance of £155.00 or less in Council Tax to pay. Applying £150.00 would result in an amount due that would fall below the de minimus amount for Council Tax collection and would not be considered cost effective to pursue. On that basis, it was suggested that the amount to be awarded would be increased to £155.00 amounting to a cost of £2.06 million, which was well within the allocated £2.8m. The remaining £0.74 million would be assigned to any new eligible residents claiming Council Tax Reduction within the 2020/2021 financial year, with the overall funding capped at £2.8m.

Indications were that guidance would require the reduction to be applied to each and every account, irrespective of duration. Based on 2019, during which 16,971 accounts included an award of Council Tax Support, and applying a 4.9% increase, the cost of reducing liability by up to £155 would be £2,532,739. This would leave funding available for an additional 1932

awards before the balance of the grant would be consumed (£299.5k).

The revised Section 13a policy was attached to the report for consideration.

Options

Other potential decisions and why these have not been recommended

Central Government had provided funding to all Councils with the expectation that this funding was allocated in line with the guidance to those in financial need amid the current situation. As such no other decisions had been considered.

ORDERED

- **That the Mayor approves the amendment to the Section 13a policy (attached) following the announcement from Central Government in providing a hardship payment to Council Tax Reduction claimants in response to COVID-19.**
- **That the Mayor notes an amount of £155.00 to be paid (£5 more than the minimum suggested by Government) to all identified working age recipients of Council Tax Reduction in Middlesbrough**
- **That delegated authority to approve any future similar schemes or modifications to schemes to be given to the Director of Finance, Governance and Support as Section 151 Officer.**

REASON

The decisions were supported by the following reason:

Central Government had provided funding and guidance as to how this funding should be allocated. This would mean, to many Middlesbrough residents, a significant reduction in the amount of Council Tax payable and in many instances the awarding of £155.00 with reduce council tax bills to zero.

The decision will come into force with immediate effect and is not subject to scrutiny call-in procedures.