

From: Zena Cooke, Corporate Director Finance
To: Roger Gough, Leader of the Council
Decision No. 21/00031
Subject: **Council Tax Hardship Relief Support Scheme**
Classification: Unrestricted
Past Pathway of Paper: None
Future Pathway of Paper: Leader Decision
Electoral Division: All

Summary: The Government has provided significant grant funding to Kent County Council to support the local response to the coronavirus (Covid-19) pandemic. The County Council has used grant funding since the start of the pandemic in March last year to implement a range of support measures for both residents and local businesses.

This decision report sets out the recommended approach to using up to £6m of one-off unallocated Covid Emergency Grant funding to urgently respond to the impact of the virus through Council Tax Hardship Relief Support as part of the Helping Hands Scheme.

The delegations put in place by this decision confirm that the Corporate Director of Finance will need to consult with the Leader in reviewing the spend arrangements and approving any changes. Significant amendments to the arrangements will be subject to a recorded Officer Decision. Importantly, this one-off funding which is vital for Kent residents will be regularly reviewed by the Leader, Cabinet and the Policy and Resources Cabinet Committee.

The allocation of this funding will enable the continuation of vital support for residents.

Recommendation(s):

The Leader of the Council is asked to:

- 1) Agree up to £6m allocation from the available one-off Covid-19 Emergency Grant Funding to fund Council Tax Hardship Relief Support as part of the Helping Hands Scheme. This will be:
 - i) Used to automatically reduce the 2021-22 Council Tax bill for all existing CTRS working age households by the higher of £50 or the total council tax liability. New claimants throughout the year will also receive up to the maximum £50 reduction.

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| <ul style="list-style-type: none">ii) Provide one-off funding to each Kent district to be used to provide Council Tax relief due to financial hardship. This funding will be used to support those who have been seriously impacted by the pandemic and have suffered a loss in income or a change in the financial circumstances, such as furlough, or redundancy.2) Delegate authority to the Corporate Director, Finance, after consultation with the Leader, to update, review and amend the proposed level and distribution of the funding in response to changing need; and3) Delegate authority to the Corporate Director, Finance to take other necessary actions including but not limited to entering into contracts or other legal agreements, as required to implement this decision. |
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1. Introduction

- 1.1. The Government has provided significant one-off grant funding to Kent County Council to support the local response to the coronavirus (Covid-19) pandemic. The Council has worked with a range of partners to allocate funding to respond to the impact of the Covid-19 pandemic on the Council's services, to meet its public health obligations and to support those residents, families and businesses most in need of support since the start of the pandemic. In addition to a number of specific grants, a total of £95m Covid-19 Emergency Grant Funding has been received since March 2020.
- 1.2. As a result of the economic impact of the virus, the number of working age households that receive a discount to their Council Tax through the Council Tax Reduction Scheme has increased, reflecting increased levels of financial hardship across the county.
- 1.3. The Council is keen to respond to this increased need for support for Kent residents. It is proposed that up to £6m of the currently unallocated one-off Covid-19 Emergency Grant Funding is utilised to fund Council Tax Hardship Relief support as part of the Helping Hands scheme.
- 1.4. This report sets out the details of the recommended approach to ensure this grant allocation is used in the most effective way across the county to support those most in need.

2. Overall Approach

- 2.1. Each of the twelve Kent districts operates a Council Tax Reduction Scheme (CTRS) which reduces the Council Tax bill for low income households, based on their financial circumstances. The majority of districts have an income banded scheme that gives a fixed percentage reduction based on the net

household income. The reductions range from 75% to 90% of the total Council Tax bill.

- 2.2. We have seen the number of working age households that receive CTRS discounts increase since the start of the Covid-19 pandemic, mostly in the first few months of the financial year. Table 1 below illustrates how Working Age caseloads have increased in each Kent District between the beginning of April 2020 and the end of November 2020.

	April	November	Change	% Change
Ashford	4,503	5,504	1,001	22
Canterbury	4,986	5,937	951	19
Dartford	4,125	5,143	1,018	25
Dover	4,912	5,732	820	17
Folkestone & Hythe	5,379	6,372	993	18
Gravesham	4,162	4,238	76	2
Maidstone	5,491	6,152	661	12
Sevenoaks	3,214	4,002	788	25
Swale	5,490	6,128	638	12
Thanet	7,724	8,646	922	12
Tonbridge & Malling	3,812	4,302	490	13
Tunbridge Wells	2,909	3,420	511	18
Total	56,707	65,576	8,869	16

- 2.3. In addition to those households on the lowest incomes, there are also those households that were just about managing but have experienced financial hardship or are now in financial crisis as a result of the pandemic.
- 2.4. In recognition of the disproportionate impact of the pandemic on their finances, the County Council is proposing to fund Council Tax hardship relief support as part of the Helping Hands scheme to offset the majority of the planned increase in Council Tax in 2021-22 for these households.
- 2.5. The broad policy objectives of the hardship scheme are as follows:
- Support scheme in 2021-22 to widen reach of financial support for council tax payers
 - To provide help for those households identified as just about managing but not eligible for existing district council tax reduction schemes
 - To target those households that have been seriously impacted by the pandemic – including redundancy, furlough, self-employed
 - To implement a simple county wide scheme from 1st April 2021-22 delivered through the districts via their council tax discretionary relief schemes.

2.6. The proposed Council Tax Hardship Relief Support will be in two parts:

- (1) The 2021-22 CT bill for all existing CTRS working age households will be automatically reduced by a maximum of £50. New claimants throughout the year will also receive up to the maximum £50 reduction.
- (2) Each district will be given funding to be used to provide Council Tax relief due to financial hardship. This funding will be used to support those who have been seriously impacted by the pandemic and have suffered a loss in income or a change in the financial circumstances, such as furlough, or redundancy.

Automatic £50 reduction in Council Tax bill

- 2.7. It would cost a maximum of £3.3m to provide all working age households in receipt of CTRS as at the end of November with a £50 reduction to their Council Tax bill. It should be noted that the number of households entitled to CTRS changes throughout the year so additional provision would need to be set aside for in year applications. An additional 2,000 CTRS claimants would cost up to a further £100k. It should also be noted that the reduction would be a maximum of £50 as some households may have a lower liability depending on the total Council Tax due.
- 2.8. There will be administrative costs associated with implementing this scheme. It is estimated this could cost on average between £10-15k per district which totals £120 – £180k.

Fixed Allocation to Districts to fund hardship relief

- 2.9. The total amount of funding for districts to provide hardship relief to those household would be determined at the start of the financial year 2021-22 in discussion with the districts and it is proposed that it be based on a blended formula to recognise deprivation, the total number of households and the total caseloads per district, as this relief scheme is intended to provide support to those households that were just about managing. Table 2 below illustrates how a maximum of £2.4m one-off funding could be allocated to districts using the proposed methodology:

Table 2	Allocation based on deprivation £000s	Allocation based on caseloads £000s	Allocation based on dwellings £000s	Total Allocation £000s
Ashford	63.4	67.1	64.9	195.4
Canterbury	57.5	72.4	81.0	210.8
Dartford	64.4	62.7	55.5	182.6

Dover	75.8	69.9	62.8	208.5
Folkestone & Hythe	82.6	77.7	60.9	221.2
Gravesham	73.3	51.7	51.2	176.2
Maidstone	56.5	75.1	84.8	216.3
Sevenoaks	42.5	48.8	60.2	151.5
Swale	92.6	74.8	76.0	243.4
Thanet	107.1	105.5	79.5	292.1
Tonbridge & Malling	45.6	52.5	64.8	162.9
Tunbridge Wells	38.7	41.7	58.6	139.0
Total	800.0	800.0	800.0	2,400.0

2.10. District councils are required to have Council Tax hardship relief schemes in place so this additional funding will be available immediately at the start of the new financial year.

3. Financial Implications

3.1. There are no direct financial implications on the Council's revenue budget as the allocation is one-off grant funding received from the government to support the Council's response to the Covid-19 pandemic. The activities and projects funded by the Emergency Grant Funding are time limited and will not be a recurring cost to the Council. Any additional administrative costs will be charged to the grant.

3.2. An allocation of the one-off grant has been proposed which sets out the two categories of spend. However, due to the nature of the pandemic, the planned allocations may need to be varied or increased depending on need. Any variance will be monitored by the Finance team and where significant updates or changes are required, the Leader will be consulted in advance of the change.

3.3. District and borough councils will receive the funding and will apply the £50 reduction to all eligible 2021-22 Council Tax accounts and award Council Tax Hardship Relief support through their existing S13A Council Tax Hardship schemes. Districts and borough councils will provide regular management information to the County Council in terms of the number of Council Tax payers supported and how much of the funding has been spent. This information will form part of the regular reporting to Cabinet and Policy and Resources Committee.

4. Legal Implications

4.1. The Council will apply appropriate legal mechanisms where necessary, as part of issuing or deploying any grant monies to ensure districts and borough councils remain compliant. The Council will record, monitor and report on the deployment of the Emergency Grant Funding, in accordance with its formal budget monitoring and reporting arrangements.

- 4.2. Specific legislation to assist in outbreak control of Covid-19 in the UK includes the Coronavirus Act 2020 and the Health Protection Regulations 2010 (as amended).

5. Equality Implications

- 5.1. Efforts will be made to target specific groups who are vulnerable by raising their awareness of the support provided by the funding and any document made available to the public to support accessing funds will also be made available in accessible formats as appropriate.

6. Other Corporate Implications

- 6.1. Given the need to implement quickly, the Council will operate within existing data-sharing protocols whilst in parallel developing data sharing arrangements that will significantly enhance the Council's ability to target specific groups and individuals most in need of support going forward. Partners are not sharing information about those who are being helped, so there are no data protection implications.

7. Governance

- 7.1. The delegations put in place confirm that authority for ongoing management of the grant funding will be vested in the Corporate Director of Finance, in accordance with the agreed spend areas and eligibility criteria. This delegation includes reviewing the spend arrangements and approving changes after consultation with the Leader. Significant amendments to the arrangements will be subject to a recorded Officer Decision.
- 7.2. A key decision is required to enable the allocation of the Covid-19 Emergency Grant Funding as set out in this decision report. The decision asks the Leader to approve the approach set out in this report and delegate authority to the Corporate Director, Finance to implement the proposed arrangements.
- 7.3. The Council Tax Relief support scheme will be overseen by the Finance team as part of the regular monitoring and reporting of Council Tax related information.

8. Conclusion

- 8.1. As a result of the latest national lockdown and the new variant of the virus, additional and on-going needs have been identified that the Council, working with district and borough councils is keen to respond to, ensuring the continued support for Council Tax payers in Kent.

- 8.2. This report sets out the recommended approach to ensure this grant allocation is used in the most effective way across the county to support those Council Tax payers most in need.

9. Recommendations

Recommendation(s):

The Leader of the Council is asked to:

- 1) Agree up to £6m allocation from the available one-off Covid-19 Emergency Grant Funding to fund Council Tax Hardship Relief Support as part of the Helping Hands Scheme. This will be:
 - i) Used to automatically reduce the 2021-22 Council Tax bill for all existing CTRS working age households by the higher of £50 or the total council tax liability. New claimants throughout the year will also receive up to the maximum £50 reduction.
 - ii) Provide one-off funding to each Kent district to be used to provide Council Tax relief due to financial hardship. This funding will be used to support those who have been seriously impacted by the pandemic and have suffered a loss in income or a change in the financial circumstances, such as furlough, or redundancy.
- 2) Delegate authority to the Corporate Director, Finance, after consultation with the Leader, to update, review and amend the proposed level and distribution of the funding in response to changing need; and
- 3) Delegate authority to the Corporate Director, Finance to take other necessary actions including but not limited to entering into contracts or other legal agreements, as required to implement this decision.

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