

## LONDON BOROUGH OF CROYDON

To: All Member of Council  
Croydon Council website  
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### **STATEMENT OF KEY DECISION MADE BY THE LEADER OF THE COUNCIL ON 22 MAY 2020**

The Leader of the Council has taken the decision below under Special Urgency, following the notice published on 12 May 2020.

The making of this decision is urgent to allow the council to offer residents support with their Council Tax during these unprecedented times that have arisen due to Covid19.

The following apply to the decisions listed below:

**Reasons for these decisions:** As set out in the Part A report.

**Other options considered and rejected:** As set out in the Part A report.

**Details of Conflicts of Interest declared by the Decision Maker:** None

**Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Decision Maker:**

None.

**Key Decision no.:** 2720LR

**Decision Title:** COVID19 COUNCIL TAX HARDSHIP FUND

**Details of decision:**

Having carefully read and considered the Part A report and the requirements of the Council's public sector duty in relation to the issues detailed in the body of the reports, the Leader of the Council in consultation with the Cabinet Member for Finance & Resources

**RESOLVED:** To

1. To agree to exercise the Council's discretionary powers under s13A(1)c of the Local Government Finance Act 1992 and approve the new Council Tax support schemes detailed in section 3 of this report which were agreed by Council GOLD group on 1st May 2020 to support Croydon residents with payment of their Council tax in 2020/21 during this COVID19 Pandemic.
2. To note this decision will be reported at the next full Council meeting.

**Signed:** Council Solicitor and Monitoring Officer

**Notice date:** 22 May 2020

## For General Release

<b>REPORT TO:</b>	<b>The Leader and Cabinet Member for Finance and Resources</b>
<b>SUBJECT:</b>	<b>COVID19 Council Tax Hardship Fund</b>
<b>LEAD OFFICER:</b>	Lisa Taylor, Director of Finance, Investment and Risk and S151 Officer
<b>CABINET MEMBER:</b>	Councillor Tony Newman, Leader of the Council Councillor Simon Hall Cabinet Member for Finance and Resources
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON:</b> This report sets out a number of measures that Croydon Council will be implementing to support our residents with their Council Tax bills during these unprecedented times that we are currently experiencing as a result of the Covid19 pandemic.	
<b>FINANCIAL IMPACT</b> £4.4m has been received from Government in response to COVID19 to support residents with payment of Council Tax.	
<b>KEY DECISION REFERENCE NO.: 2720LR</b>	

### 1. RECOMMENDATIONS

The Leader of the Council and the Cabinet Member for Finance and Resources has delegated authority to make the following decisions:

- 1.1 To agree to exercise the Council's discretionary powers under s13A(1)c of the Local Government Finance Act 1992 and approve the new Council Tax support schemes detailed in section 3 of this report which were agreed by Council GOLD group on 1<sup>st</sup> May 2020 to support Croydon residents with payment of their Council tax in 2020/21 during this COVID19 Pandemic.
- 1.2 To note this decision will be reported at the next full Council meeting.

### 2. EXECUTIVE SUMMARY

- 2.1 As part of its response to COVID19, the Ministry of Housing, Communities and Local Government (MHCLG) announced in the Budget on 11<sup>th</sup> March that it would provide local authorities in England with £500m of new grant funding to

support economically vulnerable people and households in their local area with Council Tax support. This guidance is attached as a background paper and Croydon are observing to this guidance in distribution of the grant funding.

- 2.2 The expectation is that the majority of the funding will be used to provide Council Tax relief, alongside existing local Council Tax Support schemes.
- 2.3 Croydon's share of this £500m funding is £4.4m.
- 2.4 It was agreed by Special Urgency Decision on the 27<sup>th</sup> March 2020 that Croydon Council would implement two new Council Tax support schemes for the financial year 2020/21, to help residents who are already in receipt of local Council Tax reduction. These are detailed in section 3.1 below for information only and are referred to as schemes 1 and 2 in this report.
- 2.5 We are proposing to further implement two new Council Tax support schemes referred to as schemes 3 and 4 in this report, to help residents who are not in receipt of local Council Tax reduction. These are detailed in full in section 3.2 and 3.3 below. A recommendation to set up these new Council Tax support schemes was agreed by Council GOLD group on Friday 1<sup>st</sup> May 2020.
- 2.6 This report is seeking approval under Special Urgency powers, to agree to the implementation of these new Council Tax support schemes that will be funded by the £4.4m grant funding. The making of this decision is urgent to allow the Council to offer residents support with their Council Tax during these unprecedented times that have arisen due to COVID19.

### **3. DETAIL OF THE COUNCIL TAX HARDSHIP FUND**

- 3.1 **Scheme 1 & 2** - All existing working age Council Tax Support claimants will receive up to £150 off their Council Tax liability. There are 12,075 claimants who have something to pay towards their Council Tax, after their Council Tax Support award. We estimate that this award will cost £1.75m, with 11,043 residents being awarded £150, and 1,032 residents being awarded less than £150, which will reduce their Council Tax liability to zero, and they will have nothing further to pay. This is in line with MHCLG guidance, and has already been implemented.
- 3.2 **Scheme 3** - Any new working age Council Tax Support claimants between 1<sup>st</sup> April and 30<sup>th</sup> May 2020 will receive up to £150 off their Council Tax liability after their award of Council Tax Support. We have seen an increase in Council Tax Support claims of 111% compared to the same time last year, as a result of Covid19, this equates to 1,698 claims being received during the first three weeks of lockdown. We have estimated this may increase by up to 5 times more, and this could be as a result of the Department of Works and Pensions (DWP) clearing their back log of Universal Credit claims, as a result of Covid-19, and also the continued financial effect Covid19 is having on our community and residents, i.e. more and more residents are being financially impacted and suffering hardship. We have therefore estimated that 8,490 residents may fall into this category and assuming all will receive £150, this will cost £1.27m. Residents who have an entitlement to Council Tax Support that has a start date after the end of May 2020 will not qualify. However, if after the end of May 2020 a resident receives Council Tax Support with a start date of between 1<sup>st</sup> April and 31<sup>th</sup> May 2020, they will be entitled to the additional hardship award of up to

£150. We will make allowances for delays in processing Council Tax Support claims, due to the known DWP delays in processing Universal Credit claims.

- 3.3 **Scheme 4** – The introduction of a Covid19 hardship scheme which includes but is not exhaustive to, support self-employed residents who have reduced or no earnings, unemployed or furloughed residents, residents who have reduced or zero hours employment, and who are not entitled to Council Tax Support. We estimate that there may be 6,738 residents who could qualify for this scheme and assuming all receive an award of £150 towards their Council Tax this will cost £1m. The reasons that a resident may not qualify for Council Tax Support is likely to be, because someone else in their household is earning i.e. their husband/wife/partner, or adult son or daughter, or because a resident has savings of over £8k. It should also be noted that this is a separate hardship scheme, to the already existing Council Tax section 13a Hardship scheme, which is administered by the Council.
- 3.4 All residents who wish to apply for Covid19 hardship funding, will be required to make a simple application for Council Tax Support in the first instance, if they have not already done so. We fully anticipate that residents will move between schemes 3 and 4 depending on their circumstances and to ensure claims are processed in a timely manner will allow residents if eligible to receive an award under scheme 4 and transfer to scheme 3 at a later date if eligible. No resident will be able to qualify for more than one scheme.
- 3.5 **Scheme 5** – Is a designated contingency fund for Council Tax liability, which based on the estimated costs detailed above will be approx. £350k
- 3.6 The detailed report presented to Council GOLD on the 1<sup>st</sup> May 2020 is a background paper to this report.

#### **4. Summary and Conclusion**

- 4.1 As all Members are aware, we are currently experiencing unprecedented times. The recommendations in this report to provide support to residents struggling to pay Council Tax are felt to be fair whilst also trying to protect the financial position of the council so it can continue to remain financially viable and deliver services.

#### **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 The full financial impact to Croydon Council as a result of Covid19 is currently unknown.
- 5.2 We know that the government has said that it will refund local authorities for costs incurred as a result of Covid19 and that they have already committed two funding streams in the form of Council Tax support and Emergency funding. These two funding streams for Croydon total £24.3m. (£19.9m of emergency funding and £4.4m for Council Tax Support)

The estimated cost of the Council Tax Support schemes as detailed in this report is £4.4m and detailed in the table below.

<b>COVID19 COUNCIL TAX HARDSHIP FUND</b>			
<b>Scheme</b>		<b>Estimated No. of Claimants</b>	<b>£m</b>
1	Existing working age Council Tax Support claimants £150 awarded	11,043	1.75
2	Existing working age Council Tax Support claimants under £150 awarded	1,032	Included above
3	New working age Council Tax Support claimants during April and May 2020	8,490	1.27
4	Covid19 hardship scheme - details in para 3.3	6,738	1.00
5	Contingency	TBC	0.35
		<b>27,303</b>	<b>4.37</b>

### **5.3 The effect of the decision**

Additional support of up to £150 off Council Tax will be available to residents who qualify within one of the schemes.

The schemes will utilise government grant funding of £4.4m.

### **5.4 Risks**

The spend against the funding will be monitored each week to ensure that the funding grant is not exceeded. There is also a proposed contingency of approximately £350k under scheme 5.

### **5.5 Options**

Some of the criteria for distribution of the grant was prescribed by Government and these have already been agreed as per scheme 1 & 2 described above in 3.1. Other schemes were considered and subsequently agreed by Council GOLD on 1<sup>st</sup> May 2020 as per schemes 3-5 above in paras 3.2 to 3.5.

### **5.6 Future savings/efficiencies**

This is one off government funding made available to support residents with their Council Tax as a result of COVID-19 in the financial year 2020/21.

(Approved by Lisa Taylor, Director of Finance, Investment and Risk)

## **6. LEGAL CONSIDERATIONS**

6.1 The government issued guidance should be followed and kept under review as

the Covid19 situation develops.

Approved by Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance & Deputy Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no direct staffing impacts of these recommendations. Processing will be completed as part of our business continuity planning arrangements.

Approved by: Sue Moorman – Director of Human Resources

## **8. EQUALITIES IMPACT**

- 8.1 The Equality Act, 2010, also requires the Council to have due regard to the three aims of the Public Sector Equality Duty (the Equality Duty) in designing policies and planning / delivering services. In reality, this is particularly important when taking decisions on service changes. The three aims of the Equality Duty are to;-

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity; and
- Foster good community relations between people who share any of the defined Protected Characteristics and those who do not.

- 8.2 The Act lists nine Protected Characteristics as age, disability, race, religion or belief, sex (gender), sexual orientation, gender reassignment, marriage and civil partnership and pregnancy and maternity. However, it is highly unlikely that these “protected characteristics” will all be of relevance in all circumstances.

- 8.3 The scheme will have a positive impact on groups that share a protected characteristic and vulnerable groups as it will put in place a number of measures that will provide them with support during these unprecedented times.

- 8.4 We also recognise that there will be residents who will not qualify and who are struggling to pay their Council tax at this time. For these residents we will be offering a two month deferral of their Council Tax payments, giving them the opportunity to benefit from various government schemes and assess their financial position and, if necessary, apply for financial support through our existing channels including Council Tax Support, Universal Credit and Housing Benefit.

- 8.5 Residents will be given the option to make online applications via the Councils website. We will ensure there are other options to make applications are made available or those who do not have internet access.

Approved By Yvonne Okiyo, Equalities Manager.

## **9. ENVIRONMENTAL IMPACT**

9.1 There are no direct environmental considerations arising from this report.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 There are no savings which should impact upon this Corporate Priority.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 The council has a duty to support its residents during these difficult times and due to the financial impact of the recommendations being made in this report it is essential that there is a clear decision making process in place. The financial support available from central government is therefore being utilised to support local residents.

## **12. OPTIONS CONSIDERED AND REJECTED**

12.1 Various other options were considered in terms of the level of support we offer to our residents. The ones recommended in this report are considered to be appropriate and fair at this time. These are ultimately decisions of policy and political choice.

## **13. DATA PROTECTION IMPLICATIONS**

The schemes proposed in this report will be treated in the same way as all other Residents data in relation to Council Tax is treated and in accordance with the Council's Corporate Privacy Notice.

### **13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**YES**

**HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

**NO**

The current arrangements in place for Council Tax will continue to apply.

## **14 Pre Decision Scrutiny**

14.1 The 2020/2021 budget was presented to Scrutiny and Overview committee on two separate occasions, September 2019 and February 2020. These proposals to amend Council Tax Support as a result of Covid19 have occurred since these

scrutiny meetings and due to the urgency it has not been possible to formally present this to Scrutiny Committee.

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**CONTACT OFFICER:** Catherine Black, Head of Revenues, Payments Benefits and Debt

**APPENDICES TO THIS REPORT**

*None*

**BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972**

Council Tax Hardship Fund 2020/21 presented to Council GOLD 1<sup>st</sup> May 2020.

Government Guidance Council Tax:

COVID-19 hardship fund 2020-21 – Local Authority Guidance

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/874867/COVID-19 Council Tax Hardship Fund Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874867/COVID-19_Council_Tax_Hardship_Fund_Guidance.pdf)