

CABINET
25 MARCH 2021
GENERAL ASSEMBLY OF THE COUNCIL (under Standing Order 38)

COUNCIL TAX HARDSHIP RELIEF SUPPORT SCHEME 2021/22

1. Summary

1.1 This report sets out a scheme, funded by Kent County Council, to provide additional council tax relief for low-income households and for households suffering financial hardship as a consequence of the Covid-19 pandemic.

2. RECOMMENDATIONS

To Cabinet

2.1 That the additional funding to be provided by Kent County Council for the purpose of providing council tax relief, as detailed in paras. 3.3 and 3.4 of the report, be noted.

To the General Assembly of the Council

2.2 That the additional funding to be provided by Kent County Council for the purpose of providing council tax relief; as detailed in paras. 3.3 and 3.4 of the report, be noted.

2.3 That delegated authority be granted to the Strategic Director (Internal Services) to finalise and implement the necessary system changes to apply the additional council tax relief from 1 April 2021 and to make any necessary revisions to the Council Tax Hardship Policy.

3. Background and Discussion

3.1. As a result of the economic impact of Covid-19, the number of working age households that receive a reduction in their council tax through the Council Tax Reduction Scheme has increased. Dartford has seen a 25% increase in claimants from April 2020 to November 2020. In addition to those households on the lowest incomes, there are a number of households that are now in financial crisis as a result of the pandemic. This may include those who have been impacted by redundancy or furlough.

3.2. The Council is working with Kent County Council to respond to this increased need by implementing additional Council Tax Hardship Relief support. Whilst the scheme will be administered by the Council, the cost of the scheme will be met in full by KCC.

3.3. KCC have allocated £6m from its Covid-19 Emergency Grant Funding to:

- Automatically reduce the 2021/22 council tax bills for all existing Council Tax Reduction Scheme working age households by a

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maximum of £50. New claimants throughout the year will also receive up to the maximum £50 reduction.

- 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 financial circumstances, such as furlough or redundancy. It is proposed that an allocation will be made to each district for this element based on a blended formula to recognise deprivation, the total number of households and the total caseloads. Based on this methodology, Dartford Borough Council's allocation would be £182,600.
- 3.4. The Council will seek to apply the £50 reduction to working age households in receipt of Council Tax Reduction support automatically and is working with the software supplier to ensure the necessary amendments can be made within the system.
- 3.5. The Council will review its Council Tax Hardship Policy to reflect the increased funding available.
- 3.6. As system changes have to be made and applied the week commencing 6 April 2021, the delegation recommendation (para.2.3 above) to the GAC, will be dealt with under Standing Order 38 and reported to the next ordinary meeting of the GAC.
4. Relationship to the Corporate Plan
- Not applicable.
5. Financial, legal, staffing and other implications and risk assessments*

Financial Implications	The cost of the scheme will be met in full by Kent County Council. KCC will also cover the administration and software costs arising from this and will underwrite caseload increases.
Legal Implications	Acting on the recommendations is within the Council's powers as set out at S13A Local Government Finance Act 1992. The Council can use its discretionary power, to reduce the council tax liability payable by individuals in its area, above the discounts already included in the Council Tax Support Scheme.
Staffing Implications	None
Administrative Implications	The administrative costs will be met by KCC
Risk Assessment	None specifically

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6. Details of Exempt Information Category

Not applicable.

7. Appendices

None.

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date / File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
		Sarah Martin	Internal Services	N/A