

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 9 APRIL 2019

Title of report	DISCRETIONARY COUNCIL TAX DISCOUNT SCHEME
Key Decision	a) Financial No b) Community Yes
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Purpose of report	To present to members the budgetary position on the Discretionary Discount Fund (DDF) relating to Council Tax and seek member approval for the recommendations.
Reason for decision	Preceptor funding has been withdrawn resulting in a diminished budget.
Council priorities	Value for Money
Implications:	
Financial/Staff	The recommendations propose to utilise £34,172 from the remaining 2018/19 New Burdens funding for the purposes of maintaining the Discretionary Discount Fund in 2019/20.
Health and Safety	N/A
Risk Management	N/A
Equalities Impact Screening	The recommendations seek to maintain current funding levels to support those residents who may be experiencing financial hardship.
Human Rights	N/A
Transformational Government	N/A

Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Drafted in consultation with the Revenues & Benefits Partnership
Background papers	N/A
Recommendations	<p>THAT CABINET:</p> <ol style="list-style-type: none"> 1. NOTE THE REMOVAL OF PRECEPTOR CONTRIBUTIONS FOR THE DISCRETIONARY DISCOUNT FUND FOR 2019/20. 2. INCREASE THE BUDGET FROM £5,828 TO £40,000 FOR 2019/20 USING THE NEW BURDENS FUNDING TO ADDRESS THE RESULTING SHORTFALL. 3. COMMISSION A PUBLIC CONSULTATION IN 2019/20 ON FUNDING ARRANGEMENTS FOR FUTURE FINANCIAL YEARS.

1.0 BACKGROUND

- 1.1 The Discretionary Discount scheme was introduced to help protect the most vulnerable members of the community, in line with the requirements of the Government's localisation of benefits, which replaced the previous Council Tax Benefits system from 1 April 2013.
- 1.2 The Discretionary Discount scheme reduces the amount of Council Tax payable after considering eligibility for any national benefits, discounts, reliefs and exemptions, up to 100% of the remaining Council Tax liability.
- 1.3 This is in addition to Council Tax Support, which for working age claimants in NWL pays a maximum of 85% of the bill, or 100% for pensioners.

2.0 CURRENT POLICY

- 2.1 The policy is in place to support the most vulnerable, who are experiencing financial hardship. Possible award examples could include:
 - Supporting those subject to other welfare reform changes including income capping.
 - Supporting the vulnerable or the elderly in the local community.

- Helping customers through personal and difficult events.
- Supporting young people in the transition to adult life or promoting good educational outcomes for children and young people.
- To avoid disability or other unlawful discrimination.
- Households placed in their homes under the Council's statutory homelessness obligation.

2.2 There may also be households which for short periods of time may have exceptional circumstances or life events which lead to financial hardship.

2.3 Examples of applicants or households who may potentially be awarded a Council Tax Discretionary Relief under exceptional circumstances are:

- Recent bereavement and consequently benefits had been suspended which had caused a disruption to their income.
- Terminally ill and unable to contribute to the household income.
- Recovering from a serious illness and unable to contribute to the household income.

2.4 Relief is primarily intended as short-term assistance as opposed to a long-term reduction in Council Tax liability. The Council has discretion as to whether to award Council Tax Discretionary Relief, and each case is considered on its own merits with regard to all the relevant circumstances.

2.5 In 2018/19 there have been 269 successful claims made, all involving financial hardship, with a total value of £41,745 at 15 March 2019, with most claims arriving early in the financial year, as households become liable to pay. This gives an average award value to date of circa £155.

2.6 If the policy was not in place, it is likely that many of these customers would fall behind with their Council Tax payments, and trigger recovery action from NWLDC, incurring both recovery costs in officer time and at the court, and recovery agent stages to the customer (which are illustrated below).

Cost to LA – Officer time to Liability Order	£55.00
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Cost to the customer – Summons and Liability costs	£55.00
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Cost to the customer - Recovery Agent Fees:

Writing to the customer	£75.00
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Visiting the customer	£235.00
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Sale fee	£110.00
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2.7 The customer would be obliged, in the presence of recovery action to pay these additional fees, placing them in further financial hardship. Alternatively, by nature of the hardship that these customers are experiencing, these debts may ultimately be written off as non-collectable.

3.0 FINANCE

- 3.1 To 2018/19 the Discount Scheme has been financed across the funding partners as below:

Financing 2018/19

NWLDC	£5,828	14.57%
County	£28,156	70.39%
Police	£4,604	11.51%
Fire	£1,412	3.53%
Total	£40,000	100.00%

- 3.2 The forecasted spend for 2018/19 as at 15/03/2019 was as below

Authority	Gross Spend at 31 December 2018	*Forecasted spend for Q4= spend in each quarter	Forecasted Total spend 2018/19 (using data at 15/3/19)	Less Carry forward 17/18	Amount required for year (rounded)
NWL	£30,374	£10,100	£42,500	£754	£42,000

- 3.3 However, for 2019/20 the County Council, Police and Fire have confirmed that they will no longer contribute to the fund, leading to a £34,172 reduction in funding.
- 3.4 There are no further funding sources available from other partners. As all the budget was taken up in 2018/19, this suggests there is an ongoing short term need for the scheme to continue in 2019/20 at the same level.
- 3.5 The Council has received some additional funding in the form of 'New Burdens' funding to support the roll out of welfare reform. There is £48,000 remaining, which is enough to cover the shortfall in funding for the DDF scheme for 2019/20.

4.0 NEXT STEPS

- 4.1 It is recommended that the Council makes up the shortfall in funding of £34,172 for 2019/20 utilising the remaining New Burdens funding, to maintain the continuity of the scheme in assisting vulnerable residents.
- 4.2 In 2019/20 the Council will then seek to consult with the public around the long term future of the scheme and its financing.
- 4.3 The outcome of the consultation will then be presented back to Cabinet for consideration and decision prior to implementation from April 2020.