

<b>Subject:</b>	<b>Emergency Amendment to the Council Tax Reduction Scheme</b>		
<b>Date of Meeting:</b>	<b>23 April 2020</b>		
<b>Report of:</b>	<b>Acting Chief Finance Officer</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nigel Manvell</b>	<b>Tel:</b> 01273 293104
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<b>Ward(s) affected:</b>	<b>All [If not All, insert affected wards]</b>		

**FOR GENERAL RELEASE****1 PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report provides a record of the use of officer urgency powers by the Acting Chief Finance Officer to amend the Council Tax Reduction Scheme.
- 1.2 The Council's Constitution contains provision, following consultation with the Chair of the relevant Committee, for the exercise of officer urgency powers where it is not reasonably practicable to obtain prior approval of a Committee or Sub-Committee. In such cases, a record of the Officer Urgency Decision is made, including the detail of the consultation undertaken, and reported to the next available Committee. In the case of amendments to the Council Tax Reduction Scheme, decisions are reserved to full Council.

**2 RECOMMENDATIONS:**

- 2.1 That the use of officer urgency powers by the Acting Chief Finance Officer under delegations provided to the Executive Director of Finance & Resources to amend the Council Tax Reduction Scheme to mitigate against losses of benefit that would otherwise arise from the introduction of government COVID-19 increases to welfare benefits be noted; and
- 2.2 That the amendment to the scheme as set out in the report be agreed.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 An urgent change to the Council Tax Reduction (CTR) Scheme was required in order to implement government COVID-19 measures and to protect recipients of Council Tax Reduction from inadvertent losses.
- 3.2 The urgency arose because it became apparent that without an immediate technical adjustment to the Brighton & Hove City Council CTR scheme, residents could see an unintended reduction of their benefit, due to a technical mismatch between the legislative framework for CTR and the government's intended COVID-19 support. If the scheme remained unaltered, the consequences would have resulted in reductions in CTR entitlement of up to £10 per week, but more

significantly, would also have resulted in disqualification from the £150 hardship payment instructed by government and funded via the COVID-19 Hardship Fund.

- 3.3 The government has increased Working Tax Credit by £20. However, without changing allowances in other means-tested benefits, such as Housing Benefit and Council Tax Reduction, this would give the appearance that a person had more income, and, in accordance with the normal application of the scheme, their other benefits would be reduced accordingly. To counteract this, the government introduced an additional £20 earnings disregard into HB regulations, so that the extra Working Tax Credit would not affect entitlement.
- 3.4 The CTR Scheme is a locally approved scheme in accordance with statutory regulations, based largely on the same rules and allowances as Housing Benefit. The local scheme therefore needs to be altered to introduce and protect the amended allowances, but usually a CTR scheme cannot legally be altered mid-year. Without making amendments to the scheme, some residents would have seen their Council Tax Reduction discount reduce or stop entirely, which was clearly not the government's intention as they clearly made an equivalent amendment to the Housing Benefit regulations to ensure the entitlement was unaffected by the increased Working Tax Credit.
- 3.5 To rectify this, and due to the urgent need to instruct the council's IT System supplier, the Acting Chief Finance took a decision using officer Urgency Powers, under delegations to the Executive Director of Finance & Resources, to amend the scheme and instruct the system supplier to amend the council's system accordingly.
- 3.6 Although urgency powers had to be used to enable the Council to respond immediately, the amendment of the Council Tax Reduction scheme is technically a matter reserved to full Council. Full Council is therefore being asked to agree the amendment to the scheme.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The alternative of not taking an urgency decision would have resulted in CTR discounts being reduced or stopped in the April 2020 Council Tax billing run for working age claimants.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The Chair of Policy & Resources was consulted in advance of the decision being taken as required by the constitution. The opposition spokespersons for the committee were also consulted as required.

#### **6. CONCLUSION**

- 6.1 The use of officer urgency powers has ensured that the council's local Council Tax Reduction scheme does not inadvertently penalise claimants for increases in other benefits introduced by the government in response to the COVID-19 crisis.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The urgency decision has no direct financial implications. The funding of additional discounts, including the £150 hardship payment, through the CTR scheme was previously covered in the report to (virtual) Policy & Resources Committee on 31 March 2020 and will be funded by the Hardship Fund of £2.330m provided by government as part of its emergency response funding package.

*Finance Officer Consulted: James Hengeveld*

*Date: 15/04/20*

### Legal Implications:

- 7.2 Changes to the CTR scheme would normally require full Council decision. In this case, it is appropriate that officer urgency powers were used and the Chair of Policy & Resources Committee was the appropriate member to consult in making this decision, including consultation with the two opposition spokespersons.
- 7.3 In such cases, a record of the Officer Urgency Decision is made, including the detail of the consultation undertaken, and reported to the next available Committee, which in this case is full Council.
- 7.4 Although the above was appropriate to enable urgent action to be taken, full Council is recommended to agree the changes to comply with the legislation governing changes to Council Tax Reduction schemes.

*Lawyer Consulted: Elizabeth Culbert, Head of Legal Services Date: 15/4/2020*

### Equalities Implications:

- 7.5 There are no direct equalities implications in this report. The change to the CTR scheme does not change eligibility for the scheme but does ensure that unintended consequences arising from other welfare benefit changes do not impact on the discounts received.

### Sustainability Implications:

- 7.6 There are no sustainability implications arising from this report.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Record of Urgent Decision taken by the Acting Chief Finance Officer

### **Background Documents**

None

