

Report for:	Shadow Executive
Meeting Date:	28th January 2020

Title of Report:	Revenues and Benefits Operational Policies
Shadow Portfolio Holder	Councillor Katrina Wood
Responsible Officer	Richard Ambrose
Report Author Officer Contact:	Andy Green 01494 421001 andy.green@wycombe.gov.uk
Recommendations:	That Shadow Executive agrees <ol style="list-style-type: none"> 1. To recommend to the Shadow Authority that effective from 1 April 2020, 100% of all income from War Disablement or War Widows Pension be disregarded when calculating entitlement to Housing Benefit in line with the resolution at Appendix A 2. To adopt the Discretionary Housing Payments & Discretionary Award Policy set out at Appendix B & B(ii) 3. To adopt the attached Council Tax Discretionary Discount Policy at Appendix C 4. To adopt the Business Rates Revaluation Support Scheme set out at Appendix D 5. To adopt the Business Rates Hardship Relief Policy set out at Appendix E 6. To adopt the Local Business Rates Discretionary Relief Policy set out at Appendix F.
Corporate Implications:	The financial and legal implications of the recommendations are set out in the report. The resolution on disregards for War Disablement or War Widows Pension must be agreed by the Shadow Authority. The other policies can be approved by the Shadow Executive and are legally required to ensure Buckinghamshire Council can deal with claims received from taxpayers under the relevant Council Tax and Business Rates legislation.
Options: (If any)	The Policies and schemes have been drawn up based on the existing policies & schemes of the current District Councils. These policies can be amended if required by Members
Reason:	To ensure that a consistent approach is taken in relation to the award of discretionary awards, discounts, payments and reliefs.

1. Purpose of Report

- 1.1 The Revenues & Benefits Service collects Council Tax, Business Rates and administers claims for Housing Benefit and Council Tax Reduction. Whilst much of the service is prescribed there is some local discretion. This report sets out the final set of policies where local discretion exists that need to be in place for Vesting day. The policies are required to ensure that a fair and consistent approach is taken for decision making across the Council's area, and to ensure the correct legal framework is in place.

2. Executive Summary

- 2.1 There are a number of matters that require Shadow Executive attention to help ensure that decisions and determinations made by the Revenues & Benefits Service are made consistently across the Buckinghamshire Council area. These matters include:
- Agreeing a local scheme resolution for awarding of Housing Benefit in respect of those in receipt of a War Disablement or War Widows Pension
 - Agreeing a policy for the awarding of Discretionary Housing Payments & Discretionary Awards
 - Agreeing a policy for the awarding of Council Tax discretionary discounts
 - Agreeing a Revaluation Support scheme for the awarding of relief to those local businesses affected by the 2017 national Rates revaluation
 - Agreeing a policy for the awarding of Business Rates Hardship Relief
 - Agreeing a policy for Local Business Rates Discretionary Relief

3. Content of Report

Each Policy is explained below:

Housing Benefit awards for those in receipt of War Disablement or War Widows Pension

- 3.1 Housing Benefit is a means tested benefit which is awarded to those on low income who need help with their rent. The Housing Benefit scheme is administered locally by the Council on behalf of government, which meets most of the costs of the awards.
- 3.2 Government has decided that certain income should be disregarded when calculating entitlement to Housing Benefit. This includes the first £10.00 per week of any War Disablement or War Widows Pension received by the claimant. Under Section 134 (8) of the Social Security Administration Act 1992, Councils have the discretion to increase the amount that is disregarded of such income.
- 3.3 Three of the four Bucks Districts completely disregard any War Disablement or War Widows Pension and one disregards 90% when calculating entitlement to Housing Benefit. Expenditure has reduced over the years. The additional cost to uprate this disregard across the whole County is £700.
- 3.4 Government funds 75% of the expenditure due to a Council voluntary disregarding War Disablement or War Widows Pensions, providing it is within a determined limit. The table below shows the voluntary expenditure in 2018/19 and the subsidy claimed, together with an estimated cost in 2020/21.

War Widows expenditure 2018/19			
	Expenditure	Government contribution	Local funding
AVDC	24,914	18,686	6,229
CDC	5,681	4,261	1,420
SBDC	5,613	4,210	1,403
WDC	24,976	18,732	6,244
Total	61,184	45,889	15,296

- 3.5 The full disregard of War Disablement Pension and War Widows Pension is in line with the principles of the Armed Forces Covenant as it can have a positive impact on the lives of those that have given much, such as the injured and the bereaved. It is, therefore, proposed that the Council agrees to disregard 100% of War Disablement Pension and War Widows Pension, effective from 1 April 2019, in line with the resolution set out at Appendix A.
- 3.6 The estimated cost of implementing the full disregard in 2020/21 is £16,000, which can be absorbed from within the overall existing budget provision.

Discretionary Housing Payments (Housing Benefit) Appendix B (i) & Local Discretionary Awards (Council Tax Reduction Scheme) Appendix B (ii)

- 3.7 **Discretionary Housing Payments (DHPs)** are payments that are made at the discretion of the Council to help those in receipt of Housing Benefit or Universal Credit with their housing costs.
- 3.8 In making an award of DHP the Council must be satisfied that:
- The claimant has a rental liability in respect of their accommodation and is receiving support with their housing costs through the payment of Housing Benefit or Universal Credit
 - There is a shortfall between the claimant's eligible rent (i.e. the actual rent less any ineligible service charges such as charges for water, heating, meals, etc) and the support they are receiving
 - Based on the claimant's circumstances (financial and otherwise) it is reasonable to provide additional support.
- The Policy is set out in Appendix B (i)
- 3.9 For the purposes of awarding a DHP, housing costs includes rent in advance, deposits and other lump sum costs associated with a housing need, such as removal costs. The Districts currently work closely with their Homelessness teams to prioritise DHP applications from claimants at risk of becoming homeless, and this is a continuing priority under the new policy. DHP's would not normally include ineligible service charges or increases due to rent arrears or where sanctions have been applied.
- 3.10 The Council receives a government grant allocation each year for DHPs. Any amount not spent must be returned at the end of the year. The Council can supplement the grant, from its own funds, up to a determined limit. The table below sets out the total DHP funding for Bucks District Council's in 2019/20.

DHP Funding 2019/20	
AVDC	302,207
CDC	103,579
SBDC	87,621
WDC	309,322
Total	802,729

- 3.11 The Policy that Officers will use to determine eligibility is set out at Appendix B (i) and are based on a combination of existing guidelines & Government (DWP) guidance. There are no additional financial implications.
- 3.12 Requests for a review of a decision not to grant a DHP will be carried out by an independent manager who was not involved in the original decision. Appeals against decisions not to grant relief can only be made via Judicial Review.
- 3.13 **Discretionary Awards** are extra amounts of Council Tax Reduction for claimants that need additional support and are funded locally. The Shadow Executive has already approved funding of £305,000 as part of the Council Tax Reduction Scheme. The policy sets out the criteria that needs to be met in order receive a Discretionary Award.
- 3.14 DHP/DA's are administered by the Council's Benefits Service as it is best placed to determine whether the applicant is eligible for additional support with their housing costs.
- 3.15 DHP/DA's can have a positive impact on the lives of claimants who are struggling to meet their housing and Council Tax costs. As the total that can be awarded each year is cash limited it is essential that applications are always considered based on their individual merits.
- 3.16 The Buckinghamshire District Councils have operated DHP for a number of years. The Policy that Officers will use to determine eligibility is set out at Appendix B (ii) and are based on a combination of existing guidelines. Guidelines may be updated in line with Government guidance for DHP or local demands, requirements.
- 3.17 Appeals against decisions not to grant relief can be made to the Valuation Tribunal.

Council Tax Discretionary Discounts (Appendix C)

- 3.18 Councils have the discretion to award Council Tax discounts of up to 100% of the amount due. Discounts can be awarded on an individual basis or in respect of a specific class of property or Council Taxpayer. An example of where this discretion could be used is where a property (or group of properties is flooded)
- 3.19 Applications for discretionary discounts must be considered on their individual merits and awards should only be made where the case is exceptional. The costs of any such discount awarded are met from the Council's General Fund (i.e. locally). This discretion has been rarely used by the Districts in recent years (1 case totalling £2,800 in the last 2 years), nevertheless a Policy needs to be in place to accommodate unusual circumstances that are outside the existing discounts and exemptions for council tax.
- 3.20 In order to ensure that a consistent approach is taken towards the award of discretionary discounts it is proposed that the Policy set out at Appendix C is

adopted. The Policy has been developed having regard to existing practices and similar policies established by Local Authorities.

- 3.21 Decisions on the award of relief will be made by Officers in accordance with the Policy agreed by Members and scheme of delegation. If there is a request for a decision to be reviewed this will be carried out by an independent Manager with, in exceptional circumstances, the Portfolio Holder for Resources. Appeals against a decision not to grant relief are made to the Valuation Tribunal.

Business Rate Revaluation Support Scheme (Appendix D)

- 3.22 In 2017, Government committed to provide Councils with funding of £300m nationally to help support those businesses that were facing significant rates increases, as a result of the 2017 revaluation. Government asked Councils to use their discretionary powers under Section 47 of the Local Government Finance Act 1988 to distribute this funding over the financial years 2017-21 through the award of rates relief.
- 3.23 2020-21 is the last year of this scheme. Government funding has reduced over the 4 years of the scheme, with only a small amount (£34,000) provided in the final year.
- 3.24 In developing their schemes for awarding the rates relief the Bucks Districts agreed the following common principles which are in line with Government guidance.
- That relief would only be awarded for those ratepayers who have a rates liability on both the 31/03/17 and 01/04/17
 - No relief would be awarded in respect of unoccupied premises
 - Relief would be awarded to local independent businesses and not to those businesses that are part of a franchise, national or multi-national in nature
 - Relief would not be awarded to financial institutions, education establishments, health organisations and public bodies.
- 3.13 As Central Government funding 2020/21 is significantly less than earlier years it is difficult for meaningful awards to be applied to a wide group of ratepayers. In view of this, a case by case approach is recommended, and will be applied in line with the proposed criteria based on those already used for assessing applications for hardship and the existing discretionary relief scheme (primarily if the organisation benefits the local community, including consideration of local employment impacts or the organisation's role in providing services not existing nearby).
- 3.25 The grant allocation for Buckinghamshire Council is £34,000 in 2020/21. To help ensure that support continues to be provided to those local ratepayers it is proposed that the scheme set out at Appendix D be adopted for 2020/21. This has been developed having regard to the schemes that were adopted by the District Councils and looks to ensure that the full grant allocation is utilised.
- 3.26 Relief awarded under the scheme will be subject to State Aid rules. Recipients will be made aware of their responsibility to notify the Council if their business has received State Aid of more than €200,000 over the last three years.

- 3.27 Decisions on the award of relief will be made by Officers in accordance with the Policy agreed by Members and scheme of delegation. If there is a request for a decision to be reviewed this will be carried out by an independent Manager with, in exceptional circumstances, the Portfolio Holder for Resources. The only formal appeal process for the ratepayer is via Judicial Review.

Business Rates Hardship Relief (Appendix E)

- 3.28 Section 49 of the Local Government Finance Act 1988 provides the Council with discretion to award rates relief in order to alleviate hardship. The cost of awarding relief is shared 50/50 between the national rating pool and the local Council Taxpayer. In view of this, no awards can be made unless the Council considers it to be in the interests of the Council Taxpayer to do so.
- 3.29 Although the relief is awarded at the Council's discretion, government has provided the following guidance.
- Each case should be considered on its own merits
 - The awarding of the relief should be the exception rather than the rule
 - Hardship need not be confined strictly to financial hardship. All relevant factors affecting the ability of the business to meet its rates liability should be considered
 - The "interests" of the local Council Taxpayers may go wider than direct financial interests, (e.g. where the employment prospects in the area would be worsened by the company going out of business, or the amenities of the area reduced, etc.)
 - Where the granting of the relief would have an adverse effect on the financial interests of the local Council Taxpayers, the case for awarding relief may still on balance outweigh the cost to the Taxpayer.
- 3.30 In order to ensure that a consistent approach is taken towards the award of Hardship Relief it is proposed that the Policy set out at Appendix E is adopted. The Policy has been developed having regard to existing practices and similar policies established by Local Authorities. This is not a discretion that has been used often in recent years. Only one of the 4 Districts has made awards in the last 2 years. One for £1,500 (2017/18), the other for £3,000 (2018/19).
- 3.31 Decisions on the award of relief will be made by Officers in accordance with the Policy agreed by Members and scheme of delegation. If there is a request for a decision to be reviewed this will be carried out by an independent Manager with, in exceptional circumstances, the Portfolio Holder for Resources. The only formal appeal process for the ratepayer is via Judicial Review.

Local Business Rates Discretionary Relief (Appendix F)

- 3.32 The Localism Act 2011 introduced a discretion for Councils to award Local Business Rate Relief of up to 100% of the amount due. Relief can be awarded in respect of any circumstances it sees fit, having regard to the effect on the Council Tax payers of its area.
- 3.33 These provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Tax payers.
- 3.34 This discretion has not been used in recent years by the existing Districts, mainly because the Government has introduced a number of national schemes to give extra help to businesses. Nevertheless it is good practice to have a

policy in place so that relief can be considered at any time. The Policy is set out in Appendix F.

- 3.35 Decisions on the award of relief will be made by Officers in accordance with the Policy agreed by Members and scheme of delegation. Any appeals will be considered by the Service Director in conjunction with the Portfolio Holder for Resources. The cost of relief is funded 50% Locally and 50% by the Government
- 3.36 The only formal appeal process for the ratepayer is via Judicial Review

4 Financial Implications

- 4.1 Financial implications are detailed in each of the headings above. All costs are expected to be contained within existing budgets / funding

5 Legal Implications

- 5.1 These policies are required as part of the legal requirement to administer Council Tax, Business Rate collection and Housing Benefits.

6 Other Key Risks

- 6.1 Having these policies in place reduces the risk of legal challenge. Having considered the risks associated with this decision, the level of risk has been identified as Low

7 Dependencies

- 7.1 There are no dependencies associated with the recommendations outlined in the report.

8 Consultation

- 8.1 Not Applicable.

9 Communications Plan

- 9.1 Details of all policies will be available on the Council's website. Where appropriate, and in line with Statutory requirements, information will be included in Council Tax/Business Rate Bills. Customer advisors will receive training to make customers aware of policies that are available.

10 Equalities Implications

- 10.1 Equalities Impact Assessments have been completed in respect of the Housing Benefit War Widows & War Disablement disregard, the Council Tax Discretionary Discount and the Discretionary Housing Payments/Awards policies and there are no implications arising. Assessments in relation to the



other areas covered in the report are not necessary as there are no identified negative, or unclear, impact on any of the protected characteristic groups.

11 Data Protection Impact assessment

11.1 Not required as this is already covered under existing Data Protection Impact statements. There are no new requirements

12 Next Steps

12.1 The recommendation on disregards for War Disablement or War Widows Pension will be referred to the Shadow Authority meeting on 27 February as part of the budget resolutions. The other policies will be used to determine claims made to Buckinghamshire Council for the respective awards, discounts, relief and payments.

Background Papers	None other than referred to in the report
--------------------------	---

