

AGENDA MANAGEMENT SHEET

Report Title: Council Tax Reduction Scheme 2025/2026

Name of Committee: Cabinet

Date of Meeting: 2 December 2024

Report Director: Chief Officer - Communities and Homes

Portfolio: Communities and Homes, Regulation and Safety

Ward Relevance: All

Prior Consultation: Chief officer - Communities and Homes, Portfolio Holder - Cllr Clare Edwards

Contact Officer: Zoe Chapman - Benefits Team Leader. Email: zoe.chapman@rugby.gov.uk

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):
☐ Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C)
☐ Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E)
☐ Residents live healthy, independent lives, with the most vulnerable protected. (HC)
☒ Rugby Borough Council is a responsible, effective and efficient organisation. (O)
[Corporate Strategy 2021-2024](#)
☐ This report does not specifically relate to any Council priorities but

Summary: It be recommended to Council that the adoption of a Council Tax Reduction Scheme for 2025/2026, be based on the current 85% discount for qualifying households

Financial Implications:	<p>Funding for the provision of a Local Council Tax Reduction Scheme is no longer separately identified within the Revenue Support Grant. The cost of awards is met by the major preceptors. However, the cost of administering a scheme is borne by Rugby Borough Council. Please see section 5 on further financial implications if the scheme were to be changed.</p>
Risk Management/Health and Safety Implications:	<p>The Local Government Finance Act 2012 requires Local Authorities to design and implement a Local Council Tax Reduction scheme for 2025/2026 by 11th March 2025.</p> <p>Any proposed change from the existing scheme, offering an 85% discount, would require consultation with the other preceptors.</p> <p>They are unlikely to support any proposed increase to the current discount as this would be detrimental to the funding of key public services within the borough, as well as reducing the discretionary support available to all households facing severe financial hardship.</p>
Environmental Implications:	<p>There are no environmental implications arising from this report.</p>
Legal Implications:	<p>The recommendations within this report are governed by Section 13A and Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).</p> <p>Section 5(2) of Schedule 4 of the Local Government Finance Act 2012, which inserts Schedule 1A to the Local Government Finance Act 1992 requires the Council to set its Council Tax Reduction Scheme by 31 January preceding the start of the financial year in which it is to apply.</p> <p>This has been further amended by Regulation 2 of The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 to 11 March.</p> <p>The Local Government Finance Act 2012 requires Local Authorities to design and implement a Local Council Tax Reduction scheme for 2025/2026 by 11th March 2025.</p>

Equality and Diversity:

The current Equality Impact Assessment has been reviewed and is attached as Appendix 1. The Council has duly considered its obligations in accordance with the Equality Act 2010.

Options:

1. Recommend to Council to approve the proposed scheme.
2. Reject the proposed scheme and subject any amendments to the required consultation.

Recommendation:

IT BE RECOMMENDED TO COUNCIL THAT the Council Tax Reduction Scheme for 2024/2025 be adopted as the Council's Local Council Tax Reduction Scheme for 2025/2026.

**Reasons for
Recommendation:**

To enable the Council to deliver a Council Tax Reduction Scheme for 2025/2026

Cabinet - 2 December 2024

Council Tax Reduction Scheme 2025/2026

Public Report of the Chief Officer - Communities and Homes

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT the Council Tax Reduction Scheme for 2024/2025 be adopted as the Council's Local Council Tax Reduction Scheme for 2025/2026.

1.0 Executive summary

- 1.1 The report sets out the context as to why agreement of a local Council Tax reduction scheme is needed as well as proposals to maintain the current 85% reduction of the overall council tax liability for qualifying households into 2025/26.
- 1.2 The potential financial impact on the council and the other preceptors (Warwickshire County Council and the Police), should the reduction levels be increased are explored, along with a sense of how the current scheme compares with those of a range of other local authorities.
- 1.3 This scheme only applies to customers of working age. Council Tax Reduction for pension age customers is calculated under a national scheme which is based on 100% of the council tax bill. Therefore, pension age customers in receipt of full Council Tax Reduction, have nothing to pay. The national scheme is also more generous and aligned with the pension age regulations for Housing Benefit. For example, there's a higher capital limit and certain income types are disregarded.
- 1.4 The report also sets out what additional discretionary support is available from the Council to all households (not just those qualifying for the Council Tax Reduction Scheme) in times of need.

2. Background

- 2.1 The Local Government Finance Act 2012 requires Local Authorities to design and implement a Local Council Tax Reduction scheme for 2025/2026 by 11th March 2025.
- 2.2 The scheme only impacts customers who are of working age. Council Tax Reduction for customers of pensionable age is calculated in accordance with a national scheme and therefore is not affected by proposals contained in this report. The national scheme is more generous and aligned with the pension age Housing Benefit regulations. For example, there's a higher capital limit

and certain income types are disregarded. The national scheme must be based on 100% of the council tax liability, therefore customers of pensionable age who are in receipt of full council tax reduction, have nothing to pay.

- 2.3 Rugby Borough Council, as the Billing Authority, takes the lead in designing and implementing the local scheme but is required to consult with major precepting authorities (Warwickshire County Council and the Warwickshire Police and Crime Commissioner), if any changes are proposed to a scheme.
- 2.4 The number of Council Tax Reduction Scheme working age claimants is broadly stable and as at end of July 2024 was 2,821 claimants. 2,263 of these claimants are up to date paying the 15% shortfall.
- 2.5 Those struggling to pay any shortfall in their Council Tax, can apply for a discretionary award via our Discretionary Council Tax Reduction scheme. This is available for all customers, including those who are not entitled to Council Tax Reduction but are experiencing severe financial hardship. Those identified by the Revenues Team, as struggling to keep up with payments, do make these customers aware of the discretionary scheme and encourage them to apply.

3. Review of the Scheme for 2025/2026

- 3.1 Details of the current scheme can be found at <https://www.rugby.gov.uk/ctrs>.
- 3.2 In summary, the scheme is designed to reflect the individual needs of the applicant's household, considering:
 - The size and makeup of the household.
 - If any members of the household have a disability.
 - If any grown up children or any other adults live with the applicant and could be expected to make a financial contribution towards the council tax bill.
 - Any savings or investments held by the applicant and / or partner.
 - The amount of income (wages, state benefits, etc.) received by the applicant and / or partner. Certain types of income are disregarded, in whole or in part, to provide additional support to those who have a disability or are in work.
 - Council Tax Reduction is limited to 85% of the applicant's weekly council tax liability.
 - Council Tax Reduction is not available to those who have savings or investments above £10,000.
- 3.3 As per the requirements of the Local Government Finance Act 1992, a Discretionary Council Tax Reduction Scheme is also available to all residents who are liable to pay council tax, this includes those that do not qualify for Council Tax Reduction but find themselves in severe financial hardship. The Council limits the amount available to £100,000 per year to provide this additional financial support to those with exceptional circumstances, or those who require additional support for a short period of time.

- 3.4 The costs of any discretionary amount awarded is split between preceptors in the appropriate proportions. However, the borough council bears the costs of administering the scheme.

4.0 How the current discount compares with other local authorities

- 4.1 A sample of CTRS of other local authorities (see table 1), including the rest of Warwickshire, indicates that the current discount is more generous than in some areas and slightly less than in others, but is not a significant outlier.
- 4.2 The discount is not the only cost factor. Authorities have different schemes therefore the criteria to qualify differs. Those authorities with a higher discount may have a more restrictive criterion, so less residents qualify for support.
- 4.3 The data is based on current schemes and may be liable to change as local authorities agree their budgets for 2025/26.

Table 1 Local Authority Council Tax Reduction Schemes

Local authority	% Maximum discount 2024/25
Torbay	75
Derby City	70
Chelmsford City	77
Stratford-on-Avon District	80
Bury	80
Nuneaton & Bedworth Borough	85
Coventry City*	80
Rugby Borough Council	85
North Warwickshire Borough	91.5
Liverpool City	91.5
Sunderland City	91.5
Warwick District	100

*decreased from 85% to 80% from 2024/25.

5.0 Potential financial implications should the discount level be increased.

5.1 The financial impact of increasing the current discount of 85% is detailed in the below table.

Table 2 Revised cost of scheme at different discount levels

Current Cost £000	Scheme Discount %	Revised Cost based on current Council Tax charges. £000	Increase (estimated) £000
3,436	85% (current)	3,436	-
3,436	90%	3,649	213
3,436	95%	3,884	448
3,436	100%	4,120	684

5.2 The workings in table 2 are based on the Council Tax Reduction caseload as of August 2024 and the 24/25 Council Tax charges.

5.3 Due to the complexities of the scheme the additional cost of any increase to the current discount offered at each interval is not exactly 5%. This is due to not all Council Tax Reduction recipients receiving the full 85%. Many receive a part award which is dependent on their household income and circumstances. This can vary considerably between £1 per week up to the full 85%.

5.4 It is also impossible to predict how many new claims will be received and how many recipients will no longer qualify for support due to changes in their circumstances throughout the year.

5.6 Any proposed changes to the scheme would require that the preceptors be consulted. A further report would then be required to be submitted to Council, outlining any revised proposals.

5.7 Based on the estimated increase detailed in table 2, the cost impact on the preceptors would be as follows

Table 3 Estimated impact on preceptors

Scheme Discount %	Total Cost £000	Warwickshire County Council 76% £000	Warwickshire Police 13% £000	Rugby Borough Council 11% £000
85% (current)	-	-	-	-
90%	213	162	28	23
95%	448	341	58	49
100%	684	520	89	75

6.0 Conclusion

- 6.1 The current scheme is flexible and considers the individual circumstances of households and any changes in the circumstances that may occur.
- 6.2 Additional, discretionary support remains available to households in need.
- 6.3 Any proposed increase to the discount would be detrimental to the funding of key public services within the borough, as well as reducing the discretionary support available to all households in severe financial hardship.

Name of Meeting: Cabinet

Date of Meeting: 2 December 2024

Subject Matter: Council Tax Reduction Scheme 2025/2026

Originating Department: Communities and Homes

DO ANY BACKGROUND PAPERS APPLY ☐ YES ☒ NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

☐ Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

Appendix 1

EQUALITY IMPACT ASSESSMENT (EqIA)

Context

1. The Public Sector Equality Duty as set out under section 149 of the Equality Act 2010 requires Rugby Borough Council when making decisions to have due regard to the following:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sex/gender
 - sexual orientation
3. In addition to the above-protected characteristics, you should consider the crosscutting elements of the proposed policy, such as impact on social inequalities and impact on carers who look after older people or people with disabilities as part of this assessment.
4. The Equality Impact Assessment (EqIA) document is a tool that enables RBC to test and analyse the nature and impact of what it is currently doing or is planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. The questions will enable you to record your findings.
6. Where the EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. Once completed and signed off the EqIA will be published online.
8. An EqIA must accompany all **Key Decisions** and **Cabinet Reports**.
9. For further information, refer to the EqIA guidance for staff.
10. For advice and support, contact:
Aftab Razzaq
Chief Officer for Legal and Governance
aftab.razzaq@rugby.gov.uk

01788 533521

Equality Impact Assessment

Service Area	Communities and Homes
Policy/Service being assessed	Council Tax Reduction Scheme 2025/26
Is this a new or existing policy/service? If existing policy/service please state date of last assessment	Annual adoption of Council Tax Reduction Scheme by Council November 2022
EqlA Review Team – List of members	Michelle Dickson and Aftab Razzaq
Date of this assessment	4 th November 2024
Signature of responsible officer (to be signed after the EqlA has been completed)	

A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Chief Officer for Legal and Governance.

Details of Strategy/ Service/ Policy to be analysed

<u>Stage 1 – Scoping and Defining</u>	
(1) Describe the main aims, objectives and purpose of the Strategy/Service/Policy (or decision)?	The adoption of the Council Tax Reduction Scheme will enable Rugby Borough Council to provide financial support to assist residents with payment of their council tax bill.
(2) How does it fit with Rugby Borough Council's Corporate priorities and your service area priorities?	<ul style="list-style-type: none"> • Optimise income and identify new revenue opportunities. • Ensure that the council works efficiently and effectively.
(3) What are the expected outcomes you are hoping to achieve?	The adoption of the Council Tax Reduction Scheme will assist residents with the payment of their council tax bill.
(4) Does or will the policy or decision affect: <ul style="list-style-type: none"> • Customers • Employees • Wider community or groups 	The scheme will affect customers.
<u>Stage 2 - Information Gathering</u>	As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).
(1) What does the information tell you about those groups identified?	We have household composition and financial information relating to our existing customers and therefore are able to assess the impact of any changes within the scheme.

(2) Have you consulted or involved those groups that are likely to be affected by the strategy/ service/policy you want to implement? If yes, what were their views and how have their views influenced your decision?	No consultation has been undertaken due to no changes to the existing scheme being proposed.		
(3) If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary.	No consultation has been undertaken due to no changes to the existing scheme being proposed.		
<u>Stage 3 – Analysis of impact</u>			
(1) <u>Protected Characteristics</u> From your data and consultations is there any positive, adverse or negative impact identified for any particular group, which could amount to discrimination? If yes, identify the groups and how they are affected.	RACE No	DISABILITY Yes - income from disability living allowance and personal independence payments will be disregarded when calculating entitlement	GENDER No
	MARRIAGE/CIVIL PARTNERSHIP No	AGE Yes – only working age claimants will be affected	GENDER REASSIGNMENT No

	RELIGION/BELIEF No	PREGNANCY MATERNITY Yes - Customers who had/have a third child since April 2017 receive less financial support compared to a similar customer already in receipt of benefit as at 31 March 2017.	SEXUAL ORIENTATION No
<p>(2) <u>Cross cutting themes</u></p> <p>(a) Are your proposals likely to impact on social inequalities e.g. child poverty, geographically disadvantaged communities? If yes, please explain how?</p> <p>(b) Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes, please explain how?</p>	<p>The scheme will provide financial support to assist with the payment of their council tax bill and therefore releasing income for other expenses.</p>		
(3) If there is an adverse impact, can this be justified?	<p>The Council Tax Reduction Scheme takes into account the circumstances of the applicant and household to ensure that applicants receive financial support based on their individual needs.</p>		
(4) What actions are going to be taken to reduce or eliminate negative or adverse impact? (This should form part of your action plan under Stage 4.)	<p>A discretionary hardship fund will be available to provide additional support in appropriate cases.</p>		
(5) How does the strategy/service/policy contribute to the promotion of equality? If not, what can be done?	<p>N/A</p>		

(6) How does the strategy/service/policy promote good relations between groups? If not, what can be done?	n/a
(7) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	None

<u>Stage 4 – Action Planning, Review and Monitoring</u>					
If No Further Action is required then go to – Review and Monitoring (1) Action Planning – Specify any changes or improvements that can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.	EqIA Action Plan				
	Action	Lead Officer	Date for completion	Resource requirements	Comments
(2) Review and Monitoring State how and when you will monitor policy and Action Plan	The Council Tax Reduction Scheme is subject to adoption by Council on an annual basis.				

Please annotate your policy with the following statement:

‘An Equality Impact Assessment on this policy was undertaken on (date of assessment) and will be reviewed on (insert review date).’

A

Discretionary Awards Scheme

**Discretionary Housing Payments
Homelessness Prevention Fund
Discretionary Council Tax Reduction
(Support) Scheme**

Discretionary Support

1. BACKGROUND

The council provides additional financial support to those who have to pay rent and / or council tax for their current home or to assist them with moving to a new home.

The Discretionary Housing Payments (DISCRETIONARY HOUSING PAYMENT) scheme from April 2013 will only cover shortfalls in housing costs. Every customer who is entitled to the minimum amount of Housing Benefit or Universal Credit and who has a shortfall is entitled to make a claim for help. The purpose of the scheme is to provide additional funds to help customers who are experiencing exceptional financial hardship and are unable to meet their housing costs.

Housing costs are not defined in the regulations and this gives Rugby Borough Council a broad discretion to interpret the term as we wish. In general, housing costs means rental liability. However, housing costs can be interpreted more widely to include:

- Rent in advance.
- Deposits.
- Other lump sum costs associated with a housing need such as removal costs.
-

The Discretionary Council Tax Reduction (Support) (DCTRS) Scheme will be available to most residents who are liable to pay council tax. It is not limited to customers in receipt of Council Tax Reduction (Support).

To minimise administration and aid consistency of decision making, the following guidance will apply to both discretionary schemes.

2. Aims

The Community Advice and Support Team will aim through the operation of this policy to:

- Alleviate poverty.
- Encourage and sustain the Authorities residents in employment.
- Help those who are trying to help themselves.
- Keep families together.
- Prevent child poverty.
- Support the vulnerable in the local community.
- Help customers through a personal crisis / difficult event.
- Support households that are returning to work after a period of unemployment and provide assistance in the managing of their finances

during the transition from coming off benefit and receiving wages and securing Working Tax Credit entitlement.

- Support those who are in affordable housing but at risk of becoming homeless due to being unable to meet their full rent liability due to severe financial difficulties from the effects of the current economic climate.
- Preventing Homelessness and supporting residents to remain in their home as part of a Personal Housing Plan intervention

3. What can a Discretionary Award help with?

Discretionary Housing Payment	Homelessness Prevention Funds	Discretionary Council Tax Reduction Scheme
Rent officer restrictions such as Local Reference Rents (LRR), Single Room Rent (SRR) size criteria or when the Local Housing Allowance (LHA) does not meet the rent.		

Discretionary Housing Payment	Discretionary Council Tax Reduction (Support)
	The difference between the amount of council tax charged per day and the amount of local council tax support awarded.
Reductions in Housing Benefit or Universal Credit entitlement following changes to the LHA rates.	In the case of someone not in receipt of local council tax support, up to the daily council tax charged.
Non-dependant deductions.	
Income tapers.	
Rent deposits and rent in advance: a DISCRETIONARY HOUSING PAYMENT can be awarded for a rent deposit or rent in advance for a property that the customer has yet to move into if they are already entitled to Housing Benefit or Universal Credit for their present home. In the case of rent in advance – potential payment of HB or UC Housing Element needs to be taken into account to avoid duplication of award.	
On two homes: the regulations permit a person to have help through	

a DISCRETIONARY HOUSING PAYMENT award with rent due on a property they have moved into when treated as temporarily absent from their home e.g. the customer has moved due to domestic violence. If the customer is liable for the rent on both properties and in both cases there is a shortfall, a DISCRETIONARY HOUSING PAYMENT could be awarded in respect of both properties subject to the weekly limit on each property.	
If the customer is liable for payments on one dwelling but is having to pay rent on two, a weekly DISCRETIONARY HOUSING PAYMENT could be made to assist with the temporary accommodation up to the level of the weekly eligible rent on the dwelling from which they are temporarily absent.	
Rent shortfalls to prevent a household becoming homeless whilst the Housing Department explores alternative options.	
Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied.	
Reductions in Housing Benefit or Universal Credit for under-occupation in the social rented sector.	
Reductions in Housing Benefit or Universal Credit as a result of LHA restrictions to the shared room rate for those customers who have not reached 35 years.	

4. Discretionary Awards cannot help with;

Discretionary Housing Payment	Discretionary Council Tax Reduction (Support)
Ineligible service charges.	Recovery costs.
Increases in rent due to arrears.	Charges relating to empty homes that are normally rented out on a commercial basis.

Shortfalls in Council Tax Support.	Shortfalls between the amount of Housing Benefit / Universal Credit and the rental liability.
Certain sanctions and reductions in benefit.	

5. The main features of the schemes are:

- The schemes are purely discretionary; a customer does not have a statutory right to a payment.
- The amount that can be paid out by the Council in any financial year is cash-limited; by the Secretary of State (in the case of Discretionary Housing Payments), or, by the Council (in the cases of DCTRS and Prevention Activity).
- The administration of the scheme is for the Community Advice and Support Team to determine.

6. Community Advice and Support Team Policy

The purpose of this policy is to specify how Rugby Borough Council's Community Advice and Support Team will operate the scheme and to indicate some factors that will be considered when deciding if a discretionary award can be made. Each case will be treated strictly on its own merits and all customers will be treated equally and fairly when the scheme is administered.

7. Objective

- 7.1 The Community Advice and Support Team will consider making a payment of a DISCRETIONARY HOUSING PAYMENT to customers who meet the qualifying criteria. Before making an award the authority must be satisfied that the customer is entitled to:
- Housing Benefit; or
 - Universal Credit; and
 - has a rental liability; and
 - requires further financial assistance with housing costs.
- 7.2 The Community Advice and Support Team will consider making a DCTS payment to customers who meet the qualifying criteria.
- The customer is liable to pay council tax on the property (Council Tax Support does not need to be in payment)
- 7.3 This policy is not intended to define the specific situations of when we will or will not make a discretionary payment, to do so would make the policy too rigid and may prevent payments being made where there are exceptional or unusual circumstances. Payments are expected to be made to meet current needs rather than past debts.

8. The Application Process

- 8.1 Application is made via completion of the on-line claim form.
- 8.2 The claim should normally be made by the person who has claimed Housing Benefit or Universal Credit or by the person liable for council tax, however, a claim could be received from a person acting on their behalf, such as an appointee or advocate, if the customer is vulnerable and requires support.
- 8.3 Due to the nature of the information required, the customer may be requested to attend an interview to obtain sufficient information to enable a decision to be made.
- 8.4 The Community Advice and Support Team may request any reasonable evidence in support of an application for a discretionary award, and all requests will be made in writing. The customer will be asked to provide the evidence within one month of such a request, although this will be extended in appropriate circumstances. Sufficient evidence will need to be obtained to enable the decision maker to compare income against expenses to identify where there is a shortfall.

If the customer does not provide the information requested then the claim for discretionary support will not be considered.

9. Information that needs to be established

- 9.1 The following areas of information will need to be gathered in order that a decision can be made. The list is not exhaustive and additional information relevant to individual cases may be requested.

9.2 Financial Circumstances

- A full income and expenditure profile.
- Does the customer have other debts to pay?
- Has debt advice been sought?
- Have arrangements been made to renegotiate non-priority debts
- Has the customer claimed all other benefits that they can claim?
- Does the customer have capital or disregarded income (not taken into account in the calculation of Housing Benefit, Universal Credit or Local Council Tax Support) that could be used to make up the shortfall?
- Could a reduction of spending on non-essential items (stopping smoking, cancelling / reducing subscription services, etc.) enable the customer to pay household bills?
- Is the customer or family faced with additional cost of living, this could be due to;

- additional travel to work costs due to distance, availability of public transport or unusual shift patterns (e.g. split shift)
- additional dietary needs due to a medical condition of a member of the household.
- It may be appropriate to request bank statements or other proof to support the level of income expenditure, eg the customer states they have no / very low level of income but have outgoings.

9.3 Medical Circumstances

- Do any members of the household have any health or support needs?
- Has the customer encountered financial difficulty due to a medical condition which has prevented them from dealing with their affairs in a timely manner?
- Due to the circumstances is it more appropriate to be dealing with someone else, or should someone else be acting on their behalf.
- Have adaptations been made to assist the customer living in their home? Would these adaptations have to be made if the customer had to move home?

9.4 Other circumstances

- Is the customer attending a training scheme to enhance their skills; enabling them to seek employment or increase their chances of obtaining employment?
- Are they undertaking care duties for a relative (excluding own dependant children living with them) who lives in the neighbourhood? How does this impact on them? e.g. unable to increase working hours, additional travel costs, etc.
- Can an award be used to encourage a customer to remain in employment e.g. benefit trap where they may be better off on benefit rather than in work.
- Any other factors that identify a need for short-term financial assistance.

10. Decision making process

- 10.1 All applications will be considered by the Community Advice and Support Lead Officers in the first instance. Case where circumstances do not fall within the guidelines should be referred to a Community Advice and Support Technical Officer for further advice.
- 10.2 The Council will compare the household income and expenditure to see whether the customer is in need of further financial assistance to meet their housing costs. Each decision reached is “discretionary” and is not governed

by strict regulations, although the Council will ensure that all decisions made are impartial and reasonable.

- 10.3 Please note that the regulations regarding the treatment of income in Housing Benefit and Universal Credit claims do not apply in the DISCRETIONARY HOUSING PAYMENT decision making process. Therefore, we may decide to take income into a DISCRETIONARY HOUSING PAYMENT calculation that might have been disregarded in the Housing Benefit or Universal Credit assessment e.g. Child Benefit and Maintenance Payments.
- 10.4 Similarly we can use our discretion when determining if the expenses are reasonable. Any decisions made about a person's expenditure will be done on an individual basis and may require some additional clarification by the Council.
- 10.5 When awarding a DISCRETIONARY HOUSING PAYMENT to assist the customer with securing a new tenancy, the authority will consider the following:
- The authority will include information about the legal obligations for landlords to protect any deposit paid in a Government approved tenancy deposit protection scheme. Compliance with this requirement will help reduce the need for future help with deposits.
 - Establishing if the customer is due to have a deposit in respect of their existing tenancy returned to them.
 - Making payment to the landlord rather than the customer.
 - In addition to help with a deposit, a payment equivalent to the difference between the rental liability and appropriate LHA rate will be awarded for a period of 12 months.
 - Assistance with rent in advance may be appropriate via the Homelessness Prevention Fund.
- 10.6 The Community Advice Lead Officers will decide how much to award based on all of the customer's circumstances. This may not cover the difference between the liability and the payment of Housing Benefit, Council Tax Reduction or Universal Credit. A discretionary award does not guarantee that a further award will be made at a later date, even if the customer's circumstances have not changed.
- 10.7 Factors to be taken into account
- **Are other sources of funding more appropriate, or can be accessed as well?**

If the customer needs additional help with Council Tax they may also need help with the payment of rent (if they are a tenant receiving Housing Benefit), or a Discretionary Housing Payment may then increase household income to enable them to pay their Council Tax contribution.

It may also be more appropriate to consider sign-posting towards the Local Welfare Scheme operated by Warwickshire County Council (if the issue is regarding help with fuel bills), or Rugby Foodbank in the case of short-term issues with Food. Discretionary funding may also be provided through the Homelessness Prevention fund, this may be in addition to any Discretionary Housing Payment.

➤ **How will an additional payment make a difference?**

if the customer has a high level of multiple debts then a payment to assist with Council Tax may not have a high impact on the level of debt overall, therefore a repayment plan avoiding recovery costs may be better.

If the circumstances are only likely to last for a short period of time or have only just happened and it is not known how long it will last, it may be necessary to defer a decision and set a time to review when a more informed decision can be made, in this case consider what other support could be provided – e.g. hold future recovery action or change the repayment plan.

➤ **What is the customer doing to help themselves?**

The customer needs to be engaged with a view to improving the situation on a medium to long-term basis, with a discretionary award supporting them in the short-term. If there is no engagement from the customer then an award may not be appropriate – need to establish if there are any underlying reasons preventing engagement.

If a customer is undertaking training to improve their prospects of employment, consider how a discretionary award could support them through this.

If a customer has a arrears of rent or council tax is it appropriate to use discretionary awards to promote good behaviour – e.g. if they maintain a repayment plan for a given time then a lump sum amount is awarded, payments made by the client to reduce arrears attract match funding.

➤ **Vulnerability of a customer**

A customer may be vulnerable due to a medical condition or due to other factors and may therefore require support not only on a short-term basis

but on a long term basis. Assistance with the payment of historical arrears may be appropriate

➤ **Council Budget implications**

- An award can only be made if funding is available.
- The pressure on other Council budgets if an award is not made – eg compared to the cost of providing homelessness accommodation.

11. Period of award

11.1 Discretionary awards are intended to provide short-term financial assistance. The Community Advice and Support Lead Officers will decide the length of time for a discretionary award but will normally not exceed a period of three months. In very limited cases on-going support may be appropriate, e.g. a disabled customer who has had adaptations made to their property to accommodate their needs. However, no award will last for more than six months without being reviewed. It may be appropriate to reduce discretionary awards for follow-up periods to aid the migration to reduced benefit support, rather than discretionary awards becoming a long-term solution. This is to ensure that on-going awards do not prevent other customers receiving short-term help.

11.2 The start date of an award will normally be:

- i. The Monday after the written claim form for a discretionary award is received or initial request made to the Community Advice and Support Team; or
- ii. The date on which entitlement to Housing Benefit, Council Tax Support or Universal Credit commenced (providing the discretionary award application form is received within one calendar month of the claim for Housing Benefit, Council Tax Support or Universal Credit being decided), whichever is the most appropriate.

The Community Advice and Support Lead Officers will look at each claim on its own merits when deciding whether or not to backdate a discretionary award.

12. Priority Groups

12.1 The limitation on funding means that discretionary awards cannot cover all instances where the customer is facing a shortfall. Therefore priority will be given to the following groups;

- Families with children at a critical point in their education.
- Young people leaving local authority care.

- Foster carers, including those between placements: who are deemed to be under-occupying their accommodation because they have rooms occupied by foster children, or being kept available for future placements.
- Families with kinship care arrangements.
- Families with a child temporarily in care but who is expected to return home.
- Families with a social services intervention, for example highly dependent adults, children at risk or involvement in a family intervention project.
- People who have had to flee domestic violence or have moved because of the threat of violence in another area.
- Where someone in the household is expecting a baby (including those currently in shared accommodation or subject to an under-occupation reduction).
- Ex-homeless people being supported to settle in the community.
- People with health or medical problems who need access to local medical services or support that might not be available elsewhere.
- People with disabilities who need, or have had, significant adaptations made to their property, or where they are living in a property particularly suited to their needs.
- Where the customer or someone in the household has a disability which requires them to have a larger property than would usually be the case for the size of their household due to, for example, a medical condition or where a child has a particular disability that might mean they are unable to share a bedroom.
- People with disabilities who receive informal care and support in their current neighbourhood from family and friends which would not be available in a new area. In this respect the authority may also consider families who have a child with a disability who rely heavily on local support networks.
- Households with disabled children who require an overnight carer.
- People who need to live near their jobs because they work unsocial hours or split shifts; or where moving home may mean living in an area where public transport would be inadequate to enable them to sustain their current job.

13. Changes in Circumstances

The Community Advice and Support Lead Officers will need to revise an award of a Discretionary Housing Payment where the customer's circumstances have materially changed.

14. Method of payment

The Community Advice and Support Lead Officers will decide the most appropriate person to pay based upon the circumstances of each case. This could include:

- **In receipt of Housing Benefit**
Payment will be made along with payment of Housing Benefit
- **In receipt of Council Tax Support**
Payment will be made by directly crediting the council tax account of the customer.
- **In receipt of Universal Credit**
Payment will be made monthly in arrears to the Universal Credit customer via BACs.

15. Notification of decision

- 15.1 The Community Advice and Support Lead Officers will inform the customer of the outcome of their application within 14 days of receipt of all of the information being received, (or as soon as possible thereafter). Where the application is unsuccessful, the letter will set out the reasons why this decision was made and explain the right of review. Where the application is successful, the letter will advise:
- The weekly amount of DISCRETIONARY HOUSING PAYMENT awarded.
 - The period of the award.
 - How, when and to whom the award will be paid.
 - The requirement to report a change in circumstances.
- 15.2 Where customers have been identified as struggling to manage their financial affairs, the customer will be signposted to independent advice e.g. Citizens Advice Bureau or the National Debt Helpline.

16. Reviewing a decision regarding a discretionary award

- 16.1 Discretionary awards are not payments of Housing Benefit and therefore are not subject to the statutory appeals mechanism. Discretionary CTR awards are subject the CTR appeals process to the Valuation Tribunal
- 16.2 The Community Advice and Support Team will operate the following process for dealing with a decision about a refusal to award a discretionary award, a decision to award a reduced amount of discretionary award, a decision not to

backdate a discretionary award or a decision that there has been an overpayment of a discretionary award.

- A customer (or their appointee) who disagrees with a decision may dispute the decision. A request must be made in writing to the Community Advice and Support Manager within one calendar month of the written decision about the discretionary award being issued to the customer.
- The Community Advice and Support Manager will then review the decision and all of the evidence held and will make a decision as soon as possible.
- Where the Community Advice and Support Manager makes the decision not to revise the original decision, the customer will be informed of the decision in writing, setting out the reasons for the decision.
- This decision is final and binding and may only be challenged via Judicial Review, or by complaint to the Local Government Ombudsman, if there is an allegation of maladministration.
- In exceptional circumstances the above time period may be extended.

17. Recovery of overpaid discretionary awards

- 17.1 Discretionary awards can only be recovered if the authority decides that the payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. A discretionary award is also recoverable if it was paid as a result of an error made when the claim was determined.
- 17.2 Overpayments of discretionary awards in respect of help with rent will be recovered by invoice; discretionary awards for Council Tax can be recovered via the customer's council tax account.

18. Publicity

- 18.1 The Community Advice and Support Team will continue to publicise the scheme and will work with all interested parties to achieve this. Discretionary awards will continue to be promoted. Staff are trained and knowledgeable and will advise those who are considered to be in financial difficulty of the availability of these payments.

19. Fraud

- 19.1 The Community Advice and Support Team is committed to the fight against fraud in all its forms. A customer who tried to fraudulently claim a discretionary award by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Fraud Act 2006. Where the Community Advice and Support Team

suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

20. Monitoring

- 20.1 The Government provides a contribution to the Local Authority each year for the provision of Discretionary Housing Payments and the Authority can add an additional 2.5 times the Government contribution to the fund. This is the permitted amount that can be spent on discretionary payments. Once the overall cash limit has been met, no further Discretionary Housing Payments can be awarded. There is no government contribution towards Discretionary Council Tax Reduction (Support) payments. This is funded locally.
- 20.2 The legislation which specifies the overall limit on expenditure is Article 7 of The Discretionary Housing Payment (Grants) Order 2001.
- 20.3 Following a successful application for Discretionary Housing Payments, the authority should record the main reason for the award, as detailed below:
 - i. To support customer affected by benefit cap.
 - ii. To support customer affected by social sector size criteria.
 - iii. To support customer affected by LHA reforms.
 - iv. Combination of Welfare Reform changes
 - v. Any other reason (covers original funding).
- 20.4 Circular A11/2013 gives details of the returns to be made to the DWP regarding DISCRETIONARY HOUSING PAYMENT expenditure (these do not refer to Discretionary Council Tax Reduction (Support) Scheme expenditure.
- 20.5 The budget for providing support with payment of rent will normally be restricted to the amount of financial support provided by the DWP. The budget for discretionary Council Tax Reduction (Support) will be decided during the annual budget setting process for the following year.
- 20.6 Reports will be provided for members throughout the year highlighting the actual spend against budget profile and the reasons for award based on the DWP categories.

21.0 Homelessness Prevention Fund

- 21.1 In addition to the Discretionary Housing Payment, the Community Advice and Support Team can also provide discretionary financial support through this additional fund. Funding can be provided in the form of a non-recoverable grant, or if appropriate through the provision of a repayable loan
- 22.0 **What can the Homelessness Prevention Fund help with?**

Homelessness Prevention Fund	Grant / Loan
Rent Arrears If the client is facing homelessness as a result of rent arrears that cannot be covered through the provision of a Discretionary Housing Payment.	Grant The client must be engaging with appropriate support agencies to minimise arrears occurring in the future. To encourage the client to take responsibility for housing costs, match funds may be appropriate.
Rent in Advance Future awards of HB or UC will not impact.	Loan Ensure a loan agreement is in place and arrangement made to raise an invoice with agreed repayment terms.
Moving / Storage Costs If cannot be covered by DISCRETIONARY HOUSING PAYMENT	Grant
Supporting Discharge of Main Duty If cannot be covered by DISCRETIONARY HOUSING PAYMENT	Grant
Miscellaneous It may be appropriate to provide funding for other circumstances e.g. a small payment to cover living costs in exceptional circumstances	Grant To be approved by Community Advice and Support Team Leader / Manager

23.0 Application Process

An application form is not required from the client. However, a record of why the payment is being made needs to be recorded on Information@Work and also on a Spreadsheet within Sharepoint.

23.1 Evidence

Appropriate evidence needs to be provided to support the expenditure. This could be in the form of quotes etc for removal costs.

24. Payment and Repayment of Awards

- 24.1 Prevention Fund Payments will be made via the Council's Financial Management System and require the completion of a payment request. Expenditure should be coded as follows;

CAS06 0148	Rent in advance (repayable)
CAS06	Rent Deposit (grant)
CAS06	Moving Costs (grant)
CAS06	Rent Arrears (grant)
CAS06 0721	Living costs (grants)
CAS06 0444	Miscellaneous

- 24.2 Payments through the Council's Financial Management System are made on a weekly basis, if an urgent payment is required, this will need to be agreed with the Financial Services Team. Faster payments incur an additional charge.