



Date of Meeting: 25 June 2019

Lead Member: Cllr Tony Ferrari – Cabinet Member for Finance, Commercial and Assets

Lead Officer: Aidan Dunn, Executive Director (Corporate Development S151)

Executive Summary:

The Revenues & Benefits Service administers, on the Council's behalf, a number of discretionary policies and schemes. This report considers the discretions that relate to:

- Housing Benefit awarded in respect of those receiving a War Disablement or War Widows Pension
- Council Tax discount
- Business Rates Revaluation Relief
- Hardship Relief
- Discretionary Housing Payments.

The report recommends that Cabinet agrees to adopt the attached policies and schemes to help ensure that a consistent approach is made to decision making across the Council's area.

Equalities Impact Assessment:

Equalities Impact Assessments have been completed in respect of the Council Tax discretionary discount and Discretionary Housing Payments policies and there are no implications arising from this report. 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.

Budget:

The cost of any discretionary award or payment can be met either from direct government grant or from budget provision

Risk Assessment:

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk LOW

<p><u>Other Implications:</u></p> <p>None</p>
<p><u>Recommendation:</u></p> <p>That Cabinet agrees:</p> <ol style="list-style-type: none">1. To recommend to Full Council that, effective from 1 April 2019, that 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 A2. To adopt the attached Council Tax Discretionary Discount Policy at Appendix B3. To adopt the Business Rates Revaluation Support Scheme set out at Appendix C4. That any underspend in the government grant allocation of £243,000 be used to provide additional support for struggling businesses and that approval of such cases be delegated to the Executive Director (Corporate Development S151) in consultation with the Lead Member for Finance, Commercial and Assets.5. To adopt the Hardship Relief Policy set out at Appendix D6. To adopt the Discretionary Housing Payments Policy set out at Appendix E.
<p><u>Reason for Recommendation:</u></p> <p>To ensure that a consistent approach is taken in relation to the award of discretionary awards, discounts, payments and reliefs.</p>
<p><u>Appendices:</u></p> <p>Appendix A – Housing Benefit – Local Scheme Resolution Appendix B – Council Tax Discretionary Discount Policy Appendix C – Business Rates Revaluation Support Scheme Appendix D – Hardship Relief Policy Appendix E – Discretionary Housing Payments Policy</p>
<p><u>Background Papers:</u></p> <p>None</p>
<p><u>Officer Contact</u> Name: Stuart Dawson, Head of Revenues & Benefits Tel: 01305 211925 Email: stuart.dawson@dorsetcouncil.gov.uk</p>

1. Introduction

- 1.1 There are a number of matters that require Cabinet's attention to help ensure that decisions and determinations made by the Revenues & Benefits Service are made consistently across the Dorset 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 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 Hardship Relief

- Agreeing a policy for the awarding of Discretionary Housing Payments.

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

- 2.1 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.
- 2.2 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.
- 2.3 Following a successful campaign by the Royal British Legion, most Councils, including the Dorset District and Borough Councils, agreed to completely disregard any War Disablement or War Widows Pension when calculating entitlement to Housing Benefit.
- 2.4 Government has agreed to meet 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.

Council	Total expenditure £	Government contribution £	Cost met by Council £
East Dorset	20,698	15,524	5,174
North Dorset	26,329	19,747	6,582
Purbeck	11,020	8,265	2,755
West Dorset	54,695	41,021	13,674
Weymouth & Portland	24,277	18,208	6,069
Total	137,019	102,765	34,254

- 2.5 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.
- 2.6 The estimated cost of implementing the full disregard is set out below and is covered by existing budget provision.

Council	Total expenditure £	Government contribution £	Cost met by Council £
Dorset Council	122,051	91,538	30,513

3.0 Council Tax discretionary discounts

- 3.1 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.
- 3.2 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.
- 3.3 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 B is adopted. The Policy has been developed having regard to the policies established by the Dorset District and Borough Councils and emerging best practice.

4.0 Revaluation Support Scheme

- 4.1 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.
- 4.2 In developing their schemes for awarding the rates relief the Dorset District and Borough Councils agreed the following common principles.
- 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 automatically awarded. However, arrangements would also be introduced allowing those businesses which are not positively identified to still be able to apply if they think that they are entitled
 - 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.
- 4.3 The table below sets out the amount of rates relief awarded across the Dorset Council area in 2018/19.

Council	Grant allocation £	Relief Awarded £	No of Cases
East Dorset	109,000	98,011	263
North Dorset	77,000	65,623	205
Purbeck	106,000	105,901	93
West Dorset	212,000	211,628	174
Weymouth & Portland	87,000	86,202	70
Total	591,000	567,365	805

- 4.4 The grant allocation for Dorset Council is £243,000 in 2019/20 and £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 C be adopted for 2019/20. This has been developed having regard to the 2018/19 schemes that were adopted by the Dorset District and Borough Councils and looks to ensure that the full grant allocation of £243,000 is utilised.

4.5 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.

4.6 There is a possibility that there will be an underspend of grant due to recipient businesses relocating during the year. With this in mind it is also proposed that the situation be monitored regularly and that any identified underspend of grant be used to provide additional support to those businesses that need extra help to meet their increased rates liability. This additional support would be considered on a case by case basis and determined by the Executive Director (Corporate Development S151) in consultation with the Lead Member for Finance, Commercial and Assets.

5.0 **Hardship Relief**

5.1 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 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.

5.2 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.

5.3 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 D is adopted. The Policy has been developed having regard to the policies established by the Dorset District and Borough Councils and incorporates the above guidance.

6.0 **Discretionary Housing Payments**

6.1 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.

6.2 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.

6.3 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. However, it does not include ineligible service charges, Council Tax charges, increases due to rent arrears or due to sanctions and reductions in Benefit.

6.4 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 DHPs awarded across the Dorset Council area in 2018/19.

Council	Government Grant £	DHPs Awarded £	No of Awards
East Dorset	98,750	69,051	116
North Dorset	99,703	41,265	95
Purbeck	79,438	66,207	145
West Dorset	155,593	127,562	300
Weymouth & Portland	180,732	148,901	291
Total	614,216	452,986	947

Dorset Council's grant allocation for 2019/20 is £553,455.

- 6.5 DHPs 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.
- 6.6 DHPs can have a positive impact on the lives of claimants who are struggling to meet their housing 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.
- 6.7 The Dorset District and Borough Councils have operated DHP policies or guidelines for a number of years. The Policy set out at Appendix E has been based on these documents but updated to incorporate "plain English". It is proposed that the Policy be adopted to help ensure that a consistent approach is taken to the award of DHPs.

