

	<b>Cabinet</b> 10 March 2025
	<b>Report of the Corporate Director Partnerships, Housing and Resident Services</b>
	<b>Lead Member – Cabinet Member for Housing &amp; Resident Services</b> (Councillor Fleur Donnelly Jackson)
<b>Council Tax: Discretionary Reduction Policy – 2025-26, Household Support &amp; Resident Support Fund</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	One Appendix 1: Draft Council Tax: Discretionary Reduction Policy – Section 13A(1)(c) Local Government Finance Act 1992
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Asha Vyas, Head of Customer Services and Assessments Tel: 020 8937 2705 <a href="mailto:asha.vyas@brent.gov.uk">asha.vyas@brent.gov.uk</a>  Peter Cosgrove, Head of Revenue and Debt Tel: 020 8937 3453 Email: <a href="mailto:peter.cosgrove@brent.gov.uk">peter.cosgrove@brent.gov.uk</a>  Thomas Cattermole, Director of Resident Services Tel: 020 8937 5446 Email: <a href="mailto:Thomas.Cattermole@brent.gov.uk">Thomas.Cattermole@brent.gov.uk</a>

## 1.0 Executive Summary

### 1.1 This report:

- Contains proposals for a revised proposal for the Council Tax: Discretionary Reduction Policy – (Section 13A(1)(c) Local Government

Finance Act 1992) to ensure that it is aligned to the revised Council Tax Support Scheme (CTS) in place from 1 April 2025 as approved by Council on 27 February.

- Outlines the allocation and the distribution of the Household Support Fund (HSF) extension, that is expected to run from 1 April 2025 to 31 October 2025

## **2.0 Recommendation(s)**

2.1 That that Cabinet approves:

2.1 The proposed discretionary reduction Policy pursuant to section 13A(1)(c) of the Local Government Act 1992 as set out in appendix 1 to this report following the changes to the Council's CTS from 1 April 2025.

2.2 Notes that the Council expects an allocation for the Household Support Fund (HSF) for the period 1 April 2025 to 31 October 2025, although this has yet to be formally confirmed.

2.3 The proposed approach whereby the Corporate Director, Partnerships, Housing and Residents Services (Corporate Director Housing and Residents Services from 1 April 2025) in consultation with the Lead Member for Resident Support & Culture agrees the detailed eligibility criteria for the allocation of the Household Support Fund and undertakes any subsequent modification as necessary, as well as engaging third party organisations and establishing the criteria for the allocation of Household Support Fund funding by those organisations, once funding is confirmed and in accordance with government guidance.

## **3.0 Detail**

### **3.1 Cabinet Member Foreword**

3.1.1 The 13A Policy and use of Household Support Fund directly contributes to strategic priority one *Prosperity and Stability in Brent*. Furthermore, through providing financial assistance to residents who need it most, the Council supports the desired outcomes of strategic priority three *Thriving Communities*. Residents are supported in overcoming financial barriers that might prevent them from engaging in the community and can be more empowered to be actively involved in their local communities.

### **3.2 Council Tax: Discretionary Reduction Policy – 2025/26 (Section 13A(1)(c) Local Government Finance Act 1992.**

3.2.1 This policy was last agreed at the Council's Cabinet meeting of 6 February 2023 regarding decisions on reductions in council tax under section 13A(1)(c) of the 1992 Act, delegating them to the Corporate Director for Resident Services in consultation with the Corporate Director, Finance and Resources.

3.2.2 The proposed policy amendment (appendix 1) sets out the way in which the Council's discretion to make council tax reductions under section 13A(1)(c) of the 1992 Act will be utilised in 2025/26 and in subsequent years.

3.2.3 The policy:

- i. properly makes the distinction between debt write-off of an uncollectable debt due to deceased, bankrupt, vacation of a property where there is typically no ongoing liability, and a section 13A(1)(c) council tax reduction where the taxpayer has a continuing liability for the property. This is because the only ways that the Council may reduce or remove council tax liability is through a Local Council Tax Reduction Scheme (CTS), writing off debt or through section 13A(1)(c).
- ii. sets out how individual cases are dealt with on their merits and provides criteria to consider such as:
  - a. Fire and flood
  - b. Domestic violence
  - c. Losses due to theft
  - d. Safeguarding
  - e. Eligible and in receipt of CTS and are struggling to meet the CT shortfall due to personal circumstances, etc,
  - f. The above list is not exhaustive, and officers will use their discretion in reviewing other exceptional applications
- iii. The policy sets out one class of taxpayer as eligible:
  - a. Brent care leavers aged between 18 and 24 years old who are liable for council tax in the borough.

3.2.4 The intention is that the new policy will apply from 1 April 2025.

3.2.5 This policy is required under Section 13A(1)(c) Local Government Finance Act 1992 enabling the Council to set out criteria under which it will consider claims and to set out any particular class of claim.

3.2.6 The CTS Scheme from 2025/26 places a responsibility upon all residents liable to pay at least 35% toward their council tax. This means that approximately 15,000 residents will be affected including around 9,000 who had nothing to pay in the years preceding 2025/26. Within the group of working age residents affected by the revised CTS Scheme will be a number who may qualify as in 3.3 ii above. To support working age residents following the change to CTS, £1.5m is available in 2025/26 to help alleviate hardship.

3.2.7 There is no statutory right to payments from the fund.

3.2.8 The Council will consider all applications received.

3.2.9 Applications under the 13A Policy are to be made online via the Council's website.

### 3.2.10 Pre-requisites to receive a payment from the fund will be:

- i. an amount of Council Tax Support shall be in payment for any day for which a request for payment is made.
- ii. where a 13A application is made for a previous period, exceptional hardship must have been proven to have existed throughout the whole of the period requested.
- iii. 13A awards provide short-term help to the applicant only.
- iv. all applicant/s will be expected to engage with the Council and undertake the full application process. Failure to do so may mean that no payment is made.
- v. applicants are encouraged to agree to an open review of their finances including opening banking both for the applicant/s and any non-dependants. Without this no award may be made until the applicant's situation has been reviewed by a debt advisor.
- vi. that any payments still required for council tax as part of an award will normally be required to be made by direct debit.
- vii. For most awards an amount of council tax will remain payable by the applicant/s, most recipients will be required to pay at least 12.5% of their council tax.

## 3.3 Household Support Fund

- 3.3.1 There is an expectation that government will extend HSF (Household Support Fund) funding for a further 6 months from April 2025. However, while the level is expected to be lower than for the last period, up to 31 March 2025, the amount nor the guidance have yet to be provided by government.
- 3.3.2 The HSF award from April to October 2025 will be HSF7 but as yet the details nor timescale are available from the DWP. However, DWP have stated that the funding nationwide will be £742m which is a reduction of 11.9%. It is therefore the case that the Council should prepare to see its funding reduced by at least the same amount until there is confirmation from government. Given this position it is proposed that, once funding is confirmed and in accordance with government guidance, the Corporate Director, Partnerships, Housing and Residents Services (Corporate Director Housing and Residents Services from 1 April 2025) in consultation with the Lead Member for Resident Support & Culture, agrees the detailed eligibility criteria for the allocation of the HSF and undertakes any subsequent modification as necessary, as well as engage third party organisations and establish the criteria for the allocation of HSF funding by those organisations.
- 3.3.3 As with previous iterations the aim is to support those most in need of help with rising living costs by providing extra funds to alleviate food poverty and to support them with their energy, water bills and other essentials. The Council

will use the same mechanisms used for the previous allocation of the HSF to distribute the funds.

#### **4.0 Stakeholder and ward member consultation and engagement**

4.1 None about the specific proposals in this report.

#### **5.0 Legal Considerations**

##### **5.1 13A Policy**

5.1.1 The Council Tax Support Fund 2023-2024 Local Authority Guidance ("the Guidance") sets out the grant provisions for those Local Council Tax Support recipients.

5.1.2 This proposed policy regarding discretionary relief in respect of council tax liability under section 13A(1)(c) of the 1992 Act, which comes within the competence of the Cabinet as an executive function, is separate from the Council's powers to reduce council tax liability under the Council's Council Tax Support scheme under section 13A(1)(a) and 13A (2) of the 1992 Act. A Council Tax Reduction Scheme (also known as a Council Tax Support Scheme) has to be amended by Full Council.

5.1.3 The Council's power and discretion to make reductions in council tax liability under section 13A(1)(c) of the 1992 Act (i) includes the power to reduce the council tax liability to nil (cf. section 13A(1)(6) of the 1992 Act); and (ii) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination (section 13A(1)(7) of the 1992 Act).

##### **5.2 HSF**

5.2.1 The allocation of HSF to the Council is subject to the terms and limitations placed in the guidance at Appendix 3 although the guide states that the Council can use its discretion on how to identify and support those most in need, considering a wide range of information.

5.2.2 The Council has powers to administer and distribute grant funding and implement the proposals to provide grants under HSF pursuant to the general power of competence as set out in section 1 of the Localism Act 2011.

5.2.3 In relation to section 4.11-4.16 above, it is noted that the Guide states that "If delivering application-based support through Third Party Organisations, the Council remains accountable for the eligibility criteria of these partners and must work with them to establish these. The Council must make sure that this support is clearly advertised and is inclusive and accessible.

5.2.4 Given the value of the HSF allocation to Brent from 1 October 2024 to 31 March 2025, the decision by the Corporate Director, Partnerships, Housing and Residents Services to agree and establish how HSF will operate in Brent from April 2025. The allocation of the HSF will itself be classed as a key decision.

## **6.0 Financial Considerations**

### **13A Support**

- 6.1 £1.5m has been set aside during 2025/26 to provide support with an additional £185,000 being required to support care leavers in accordance with the policy.

### **HSF**

- 6.2 The funding allocation for the Household Support Fund is yet to be announced for 2025/26. In 2024/25 the Council received £5.56m, but it is anticipated that a reduced amount will be received in 2025/26. The Household support fund expenditure is restricted to the funding made available by government. The allocation of HSF is subject to the terms and limitations placed in the guidance. A breach of this could result in the funds being returned. Any amounts unspent at the end of the funding period are required to be returned.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 7.1 The public sector equality duty requires public bodies to pay due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
  - advance equality of opportunity between people who share a protected characteristic and those who do not;
  - foster good relations between people who share a protected characteristic and those who do not.
- 7.2 The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 The policies set out in the report all focus on those who are financially vulnerable and require assistance to meet their various liabilities. The revised CTS went through a formal consultation process and does reduce the available support, the policies in this report stem from mitigations suggested from the equality impact assessment of that change given that the Council accept that reductions to the level of Council Tax Support may cause financial stress on taxpayers.
- 7.4 It is accepted that reductions to the level of Council Tax Support will issues for residents in receipt CTS. To militate against these adverse consequences the Council has put in place a hardship fund to support the 13A policy. This hardship funding will help ease part of the changes for residents.

## **8.0 Climate Change and Environmental Considerations**

- 8.1 None

## **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 None

## **10.0 Communication Considerations**

10.1 The change will be publicised to residents and partner organisations.

**Report sign off:**

**Peter Gadsdon**

Corporate Director, Partnerships,  
Housing & Resident Services