

Slough Borough Council

Report To:	Cabinet
Date:	17 March 2025
Subject:	Council Tax Support Hardship Fund Policy
Lead Member:	Cllr Shaik, IT, Customer Services, Revenues and Benefits, Procurement, and Performance
Chief Officer:	Annabel Scholes, Executive Director Corporate Resources (S151)
Contact Officer:	Andy Jeffs, Director of Revenues and Welfare Services
Ward(s):	All
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	Appendix A – Council Tax Support Hardship Fund Policy Appendix B – EQIA

1. Summary and Recommendations

- 1.1 Cabinet at its meeting on 20 January 2025 recommended to Full Council on 23 January 2025 the approval of a revised Council Tax Support (CTS) scheme for 2025/26. Full Council approved the scheme with effect from 1 April 2025.
- 1.2 At the January Cabinet meeting it was agreed that if Full Council approved the revised CTS scheme an increased CTS Hardship Fund of £0.350m would be made available to support residents in receipt of CTS and struggling due to financial hardship and that a new CTS Hardship Policy would be developed and brought back to Cabinet in March 2025. The policy if adopted will take effect from the 1 April 2025.

Recommendations:

Cabinet is recommended to:

- I. Adopt the CTS Hardship Policy outlined in Appendix A of the report.
- II. Delegate authority to the Executive Director of Corporate Resources, following consultation with the Lead Member for IT, Customer Services, Revenues and Benefits, Procurement, and Performance, to review the scheme on an annual basis and propose any changes to Cabinet for approval.

Reason:

The report outlines a new CTS Hardship Policy for awarding discretionary reductions in Council Tax following Full Council's approval of a revised CTS scheme from 1 April 2025. This CTS Hardship Policy will help to mitigate the impact of the changes on the most financially vulnerable.

Commissioner Review

The Commissioners are content with this report being considered.

Introduction

- 1.1 Under section 13A of the Local Government Finance Act 1992, the Council has discretion to reduce the amount of Council Tax payable that is not covered by statutory discounts and exemptions. The discretion can be exercised in relation to specific classes of case or by determining an individual case. The reduction can be for a specific period of time and the liability can be reduced by any amount the Council thinks fit.
- 1.2 In particular, the Council has the discretion to reduce the amount of Council Tax an individual person is liable to pay by any amount ranging from nil to 100% and for any period.
- 1.3 Under the Act, there is no statutory right of appeal against the Council's use of discretionary powers, although there is a right of appeal to a Valuation Tribunal regarding the application of the scheme in making a decision.
- 1.4 There are financial implications in that the cost of any reduction will be a direct cost to the Council and not major preceptors through the collection fund.

Background

- 1.5 Legislation requires the Council to consider annually whether the Council's CTS scheme should be revised or replaced. The Council must consider whether the scheme requires changing and must do this in time to ensure it has sufficient time to consult and determine the scheme prior to the deadline set out in legislation.
- 1.6 The working age CTS caseload as of October 2024 is 6,504 households. A decision to reduce the level of funding of CTS these households receive is recognised as being a difficult decision to make.
- 1.7 A range of options to amend the CTS scheme were considered and modelled. The revised scheme approved by Full Council changed the level of discount for those in Band 1 (not working) from 100% to 80% for those in the remaining Bands (working) from 75% to 10% to 50% to 5%. These are shown in Table 1 below.

Table 1 – Scheme Bands from 1 April 2025

Options	Current	Revised	Earnings threshold
Income Band	Discount off CT	Discount off CT	(weekly)
	liability	liability	
1	100.00%	80.00%	Not working
-	-	-	-
1	75.00%	50.00%	Earnings <£115.38
2	60.00%	40.00%	£115.39 - £184.61
3	40.00%	30.00%	£184.62 - £253.84
4	30.00%	20.00%	£253.85-£323.07
5	20.00%	10.00%	£323.08-£392.30
6	10.00%	5.00%	£392.31-£461.53
7	0.00%	0.00%	£461.54 and above

1.8 Following feedback during consultation, it was recommended to, and Cabinet approved the creation a CTS Hardship Fund of £0.350m in 2025/26 to support those who are in receipt of CTS and find themselves in financial hardship.

1.9 It was also agreed that a CTS Hardship Policy be developed and brought back to March 2025 Cabinet.

CTS Hardship Fund and Policy

1.10 The policy has been created to ensure that a level of protection and support is available to those applicants most in need. It should be noted that the CTS Hardship Fund is intended to help in cases of extreme financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition ‘Exceptional Hardship’ is not defined by the policy, it is accepted that changes to the level of CTS generally will cause financial hardship and any payment made will be at the total discretion of the Council.

1.11 Exceptional Hardship should be considered as ‘hardship beyond that which would normally be suffered’.

1.12 The purpose of the policy is to specify how the Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if a CTS Hardship Fund payment can be made.

1.13 Each case will be treated on its own merits and all applicants will be treated fairly and equally in terms of access to the fund and the decisions made.

1.14 The CTS Hardship Fund will be available to applicants where their daily award of CTS does not meet 100% of their Council Tax liability (less any appropriate discounts and any non-dependant deductions).

1.15 The main features of the fund are as follows:

- The operation of the fund will be at the total discretion of the Council
- The fund will be operated by the Revenues and Welfare Services section on behalf of the Council

- There is no statutory right to payments from the fund although the Council will consider all applications received
- The CTS Hardship Fund will only be available from 1st April 2025 and will not be available for any other debt other than outstanding Council Tax
- A pre-requisite to receiving a payment from the fund is that an amount of CTS must be in payment for any day that a CTS Hardship fund payment is requested
- Where a CTS Hardship Fund payment is requested for a previous period, exceptional hardship must have been proven to have existed throughout the whole of the period requested
- CTS Hardship Fund payments are designed as a short-term help to the applicant only and it is expected that payments will be made for a short term only; and
- All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

1.16 In exceptional cases, the Council may make decisions which fall outside the provisions of this policy.

1.17 As part of the process of applying for additional support from the CTS Hardship Fund, all applicants must be willing to undertake all of the following:

- (a) Make a separate application for assistance (where required by the Council)
- (b) Provide full details of all income and expenditure
- (c) Accept assistance from either the Council or third parties such as the Citizens Advice or similar organisations to enable them to manage their finances more effectively including the termination of non-essential expenditure
- (d) Identify potential changes in payment methods and arrangements to assist the applicant
- (e) Assist the Council to minimise liability by ensuring that all discounts, exemptions, and reductions are properly granted; and
- (f) Maximise their income through; the application for other welfare benefits and grants; cancellation of non-essential contracts and outgoings; and identifying the most economical tariffs (or rates) for the supply of utilities and services generally.

1.18 Through the operation of this policy, the Council will look to:

- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to “bridge the gap” during this time, whilst the applicant seeks alternative solutions

- Help households to manage their finances in the longer term
- Help applicants through personal crises and difficult events that affect their finances
- Help prevent exceptional hardship
- Help those applicants who are trying to help themselves financially; and
- Encourage and support people to obtain and sustain employment.

1.19 It cannot be awarded for the following circumstances:

- Where full Council Tax liability is already being met by CTS
- For any other reason, other than to reduce Council Tax liability
- Where the Council considers that there are unnecessary expenses/debts etc. and that the applicant has not taken reasonable steps to reduce these; or
- To pay for any additional Council Tax caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly.

1.20 The CTS Hardship Fund is limited to a maximum of £0.350m in 2025/26 and will be awarded on a first come first serve basis. Should the fund be fully utilised before the end of the 2025/26 financial year, the Council will review whether any additional funds can be utilised from the Household Support Fund. If they cannot, then the CTS Hardship scheme will close for applications.

Impacts

1.21 The people who are directly impacted by the changes to the CTS scheme are the 6,504 working age households who are currently supported by the scheme, and those who are dependents in their households, including children. The scheme offers different levels of support, depending on income levels. All groups who receive CTS will receive lower levels of support. 3,315 of those households receiving support have children, this is 50% of all claimants.

1.22 Detailed equality analysis of those in receipt of CTS is not available. However, as those impacted are either not working or on a low income, it is possible to use national data to understand the equality groups who are most likely to fall into this group.

1.23 According to national profiling of those whose income was persistently low or in poverty, those who are on low incomes are more likely to fall in the following groups (the reports used to evidence this analysis is provided in the EQIA):

- Age and sex:

Single parents with children, noting women are more likely than men to be single parents (90%)

- Age:
Children in families where no one was working
Children in families with 3 or more children
Children under 5, especially in larger families
- Ethnicity:
Asian/ Asian British head of household and Black/ African/ Caribbean/ Black British head of household
- Disability:
Adults with limiting health conditions or who are disabled
Families living with disabled children
Unpaid carers were 50% higher more likely to be in poverty
- Gender identity:
There is less research on people whose gender is different from that assigned at birth, but there is research that people may struggle with housing and (based on London data) live in deprived areas
- Pregnancy
earnings are impacted negatively during and after pregnancy
- Religion or belief:
People who identified as "Muslim" had the lowest percentage of people aged 16 to 64 years in employment; this resulted from the high percentages of people who were students or looking after home or family in this group.
- Sexual orientation:
Recent longitudinal research highlights the ways that Lesbian, Gay and Bisexual people may be more likely to face income inequalities
- Other groups:
Those in social housing

Mitigations

1.24 Under the revised scheme all 6,504 working age CTS households will have to pay more toward their Council Tax than they do currently. It is recognised that this could be difficult for some households, so consideration has been given to mitigations for the most in need:

- The adoption of a CTS Hardship Fund of £0.350m in 2025/26 to provide additional financial assistance to households who experience extreme financial difficulty and are unable to pay their full Council Tax charge. The CTS Hardship Fund Policy has been developed to target support to those most affected by the proposals. Accessibility to the fund has been considered in the development of the policy to ensure that households experiencing severe financial difficulties, including those disproportionately impacted protected characteristics, have equality of access to the fund.

- Debt and Welfare advice to assist households in managing their finances e.g., through a benefit check.
- The Council also has an enforcement policy which considers the individual needs of a debtor and will consider delaying collection or writing off a debt in appropriate circumstances.
- The government has announced that the Household Support Fund into 2025/26 to support households who may be impacted by the cost of living. Many of these households will be in receipt of CTS and could therefore receive additional support such as towards food or energy costs through vouchers.
- The Discretionary Housing Payment (DHP) fund will be available in 2025/26 and will continue to support people in receipt of housing costs who are struggling to manage a shortfall in their rent or housing support. These households may be impacted by restrictions to benefits such as the Benefit Cap and therefore find it more challenging to pay additional Council Tax. Assessment of DHP applications consider the income and expenditure for the household so will take into consideration any extra Council Tax charge resulting from the proposed changes.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 Creating a locally defined discount or using the power to award discounts from Council Tax based on hardship, is financed locally and is taken into account when setting Council Tax rates.
- 3.1.2 A one-off provision of £0.350m has been allocated to fund Council Tax Support Hardship awards. Half of this, £0.175m will be allocated from the gross reduction in CTS expenditure as a result of the revised scheme approved by Full Council from 1 April 2025; the remainder is funded through the Household Support Fund.
- 3.1.3 Whilst it is not possible to be precise in estimating the actual demand for support it is believed that it has been set at a reasonable level and will be monitored throughout the year.

3.2 Legal implications

- 3.2.1 Under section 13A of the Local Government Finance Act 1992, the Council has the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine and where national discounts and exemptions cannot be applied. Section 13A (1) (c) states that the amount of Council Tax which a person is liable to pay in respect of any chargeable dwelling and any day in any case, may be reduced to such an extent (or, if the amount has been reduced to any extent required by the authorities Council Tax Scheme, such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

3.3 Risk management implications

- 3.3.1 The following key risks should be considered when agreeing the recommendations to this report:

Risk Description	Mitigations	RAG
The Policy is not adopted	Members to be involved in the development of the Policy.	Green
The amount of funding set aside for this purpose is exceeded	The expenditure will be monitored monthly to ensure this does not occur.	Green
To many applications are received which makes it difficult to administer the fund	Existing resources will be able to process the applications due to the reduction in caseload as working age Housing Benefit claims are migrated to Universal Credit. The volume of applications will be monitored monthly.	Green

3.4 Environmental implications

3.4.1 There are no direct environmental impacts anticipated from the recommendations contained within this report.

3.5 Equality implications

3.5.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. Consideration of the duties should proceed any decision. It is important that Cabinet and Full Council has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at Section 149 of the Equality Act 2010 and are as follows:

3.5.2 A public authority must, in the exercise of its functions, have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take into account of disabled persons' disabilities.
- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- Tackle prejudice, and
- Promote understanding.

3.5.3 Compliance with the duties in this section may involve treating some persons more favourably than others, but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil Partnership

3.5.4 An EQIA has been carried out, which is attached as Appendix C to this report. The highlighted findings of the EQIA are set out below. The impacts are mitigated against by the proposals in this report.

3.5.5 The Council will keep the impact under review during the implementation of the scheme and use this information to inform whether revisions should be made to the scheme in future years.

3.5.6 The people who are directly impacted by the changes to the Council Tax Support scheme are the 6,504 working age households who are currently supported by the scheme, and those who are dependents in their households, including children. The scheme offers different levels of support, depending on income levels. All groups who receive Council Tax Support will receive lower levels of support. 3,315 of those households receiving support have children, this is 50% of all claimants.

3.5.7 Detailed equality analysis of those in receipt of Council Tax Support is not available. However, as those impacted are either not working or on a low income, it is possible to use national data to understand the equality groups who are most likely to fall into this group.

3.5.8 According to national profiling of those whose income was persistently low or in poverty, those who are on low incomes are more likely to fall in the following groups (the reports used to evidence this analysis is provided in the EQIA):

- Age and sex:
Single parents with children, noting women are more likely than men to be single parents (90%)
- Age:
Children in families where no one was working

Children in families with 3 or more children
Children under 5, especially in larger families

- Ethnicity:
Asian/ Asian British head of household and Black/ African/ Caribbean/ Black British head of household
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Adults with limiting health conditions or who are disabled
Families living with disabled children
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- Gender identity:
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- Pregnancy
earnings are impacted negatively during and after pregnancy
- Religion or belief:
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- Sexual orientation:
Recent longitudinal research highlights the ways that Lesbian, Gay and Bisexual people may be more likely to face income inequalities
- Other groups:
Those in social housing

3.5.9 To understand how impacts would affect those on Council Tax Support, a consultation exercise was undertaken. 280 people responded, 90% of whom were in receipt of Council Tax Support and equality information was collated. Whilst this sample is too small to use to form a profile of those on Council Tax support, it does provide valuable insight into the views of respondents by equality group. Not all groups responded to all equality questions. The response rates are provided in the EQIA.

3.5.10 The analysis of impacts has informed the mitigating actions which are going to be taken. In order to ensure these actions reach all of the diversity of groups who are most likely to fall into low income groups, actions will also be taken to work collaboratively with other services and community partners to ensure support reaches all groups.

3.5.11 Further analysis of the lived experience of groups who responded to the consultation will be undertaken to ensure that support continues to be revised in line with the issues raised.

4. Background Papers

Special Cabinet, Thursday 14th of November 2024, 6.00pm

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=8760&Ver=4>

Cabinet, Monday 20th of January 2025, 6.30pm

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=109&MId=8576&Ver=4>

Full Council, Thursday 23rd of January 2025, 7.00pm

<https://democracy.slough.gov.uk/ieListDocuments.aspx?CId=168&MId=8654&Ver=4>