

**RUNNYMEDE BOROUGH COUNCIL****CONSULTATION WITH APPROPRIATE CHAIRMAN AND VICE- CHAIRMAN FOR URGENT ACTION TO BE TAKEN UNDER STANDING ORDER 42**

**TO: Councillors  
Chairman and Vice- Chairman of the Corporate Management Committee**

**FROM: Linda Norman**

**OFFICER REFERENCE: Sec13a Local Discount      DATE: 16 May 2022**

**1. Synopsis of report:**

To create a Local Council Tax discount under Section 13A (1) (C) equivalent to any potential loss of Local Council Tax Support (LCTS) that could arise by Sponsors receiving the monthly £350 'Thankyou payment' under the Homes for Ukraine scheme. Whilst regulations have been laid to disregard this payment in calculating Housing Benefit entitlement, under the Council's LCTS scheme, this has not been included as the scheme was approved prior to the Government announcing its intention. Regulations do not allow for changes mid-year to Local Council Tax Support schemes and therefore the Government have introduced subsequent legislation that allows councils to introduce a local discount equivalent to the loss of LCTS. The Collection Fund (Council Tax Reductions) (England) Directions 2022 will allow for the exclusion of any discretionary discounts which are as a result of offsetting lost LCTS due to the Homes for Ukraine scheme from the requirement to transfer the level of discounts awarded under S13A(1)(c) from General Fund to Collection Fund.

**2. Reasons why this matter cannot wait for a Committee Decision.  
(Please state if agreement of Chairman and Vice-Chairman required within 24 hours, and why)**

The Council is committed to supporting the Homes for Ukraine scheme and already have Ukrainian refugees staying with Sponsors who are in receipt of Council Tax Support. It is therefore important to create this local discount and implement it as quickly as possible to ensure those Sponsors who are supporting refugees are not adversely affected whilst the Council goes through the democratic process of implementing this discount. The Government are expecting Local Authorities to create such schemes as quickly as possible and have passed enabling legislation to facilitate this through Section 13A (1) (C)

**3. Recommendation(s)**

To create a Local Council Tax discount under Section 13A (1) (C) equivalent to any potential loss of Local Council Tax Support (LCTS) that could potentially arise by having the £350 'Thank you payment' under the Homes for Ukraine scheme.

#### 4. Context of report

When announcing Homes for Ukraine on 14 March 2022, the Secretary of State indicated that the scheme would not affect the sponsor's benefits or council tax status.

On 11 April 2022, the Government laid regulations which made the following changes:

- Amending the Council Tax (Additional Provisions for Discount Disregards) Regulations 1992 so that a person who has secured a visa under the Homes for Ukraine sponsorship scheme is disregarded for council tax discounts. This will protect the sponsor's single person discount and the 50% discount received by any households where all the occupants are already disregarded.
- b) Amending the Council Tax (Exempt Dwellings) Order 1992 so that there is no loss of an exemption where a household hosts a person who has secured a visa under the Homes for Ukraine sponsorship scheme.

The Local Government Finance Act 1992 ('the 1992 Act') does not permit in-year changes to billing authorities' LCTS schemes. Therefore, for the 2022/23 year, it is not possible to ignore the £350 monthly thank you payment when calculating an LCTS for the host household and this will result in less LCTS being awarded.

To protect the LCTS reduction of the host household, the Government wishes to encourage billing authorities to offset any Homes for Ukraine-related changes in Council Tax Support through discretionary discounts made under s13A(1)(c) of the 1992 Act.

To facilitate this, the Government has revoked the Collection Fund (Council Tax reductions) (England) Directions 2013 and replaced them with directions specifying that where a discount is provided to offset an increase in liability resulting from a Homes for Ukraine thank you payment or non-dependant deduction no billing authority payment need be made into the collection fund.

All other provisions in the directions will remain unchanged. The net impact of this measure will be that billing authorities and major preceptors will receive the same amount of income as if there had been no Homes for Ukraine-related impact on the LCTS claim during 2022-23. Persons arriving from Ukraine via the Homes for Ukraine and other schemes will have access to local council tax support in cases of financial hardship and it will be open to billing authorities to provide discretionary discounts where they consider this appropriate.

## 5. Report and, where applicable, options considered

As the Council is committed to supporting the Homes for Ukraine scheme, a local discount needs to be created to offset any reduction in LCTS that may occur due to a sponsor receiving the £350 'thank you' payment as part of their income allowance when calculating entitlement to LCTS. To not create a local discount to cover this anomaly between the Housing Benefit Regulations and Runnymede's LCTS scheme is not a viable option that Runnymede should consider.

Legislation has been laid to facilitate the introduction of this discount with no loss of income to the billing authority or preceptors involved. The decision for the Council is simple. It should create a local discount under existing powers to ensure there is no loss of LCTS to a sponsor family. The amount of discount required will be equivalent to the reduction of LCTS lost.

The Government have already made provision for a statutory discount to protect a sponsors 25% single person discount by amending The Council Tax (Discount Disregards and Exempt Dwellings) (Amendment) (England) Order 2022 (SI 2022/439) and The Collection Fund (Council Tax Reductions) (England) Directions 2022 have been published.

The SI adds a new class of "persons of other descriptions" to the list of those disregarded under The Council Tax (Additional Provisions for Discount Disregards) Regulations 1992 (SI 1992/552) so that a person who holds permission to stay in the UK under the Homes for Ukraine scheme is disregarded for council tax purposes.

In addition, for properties which are exempt under any of the classes B, D, E, F, H, I, J, K, L, Q or T any occupation by a person under the Homes for Ukraine scheme is disregarded.

Changes have also been made to classes N, S and U to also include anyone who is occupying under the Homes for Ukraine scheme.

The Council needs to approve the creation of a local discount 'Ukraine Sponsor Discretionary Council Tax Reduction' equivalent to loss of LCTS when considering the £350 thank you payment as income.

## 6. Policy framework implications

- This policy underpins the Council's Corporate Theme of 'Supporting Local People'
- This policy underpins the Council's commitment to supporting the Governments Homes for Ukraine scheme

## 7. Financial and Resource implications (where practicable)

Software is being developed from the Council's Revenues and Benefits Supplier (NEC) to be able to administer both the statutory discounts and a local discount. The cost is expected to be offset by the £10,500 per refugee that the Government is providing.

The cost of the discount will be covered by The Collection Fund (Council Tax Reductions) (England) Directions 2022

## 8. Legal implications

The Government have already made provision for a statutory discount to protect a sponsors 25% single person discount by amending The Council Tax (Discount Disregards and Exempt Dwellings) (Amendment) (England) Order 2022 (SI 2022/439) and The Collection Fund (Council Tax Reductions) (England) Directions 2022 have been published.

The SI adds a new class of "persons of other descriptions" to the list of those disregarded under The Council Tax (Additional Provisions for Discount Disregards) Regulations 1992 (SI 1992/552) so that a person who holds permission to stay in the UK under the Homes for Ukraine scheme is disregarded for council tax purposes.

The creation of this local discount is covered by Section 13A (1) (C)

9. **Equality implications**

By creating a local discount equivalent to any potential loss of LCTS, will have a positive impact on any resident with protected characteristics

10. **Other implications (Environmental/biodiversity/ sustainability must be addressed)**

There are none

11. **Background papers**

There are none

12. **Chief Officer(s) Decision**

Signature of authorised officer .....Linda Norman.. 

I have been consulted and agree with the above

Signature(s) and position(s) of other relevant Chief Officer, Corporate Heads or authorised representatives

 AMANDA FAHEY : ASSISTANT CHIEF EXECUTIVE ..

NB: this must include the Assistant Chief Executive or his authorised representative where the decision involves expenditure, loss of income, or future implications for budget or financial forecast.

13. **Chief Executive's Decision**

Signature of Chief Executive 

I have been consulted and agree with the above

14. **Chairman and Vice-Chairman Comments**

I concur in the Chief Officer's decision

Signed 

Date 18<sup>th</sup> May 2022

Signed 

Date 18 May 2022

I have the following further comments: