

EXECUTIVE – 26 MARCH 2014

**THE REVIEW AND ALIGNMENT OF EXISTING POLICIES/
GUIDELINES FOR THE REVENUES AND BENEFITS SERVICE**

REPORT: DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

WARDS AFFECTED: ALL WARDS



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. **PURPOSE OF REPORT**

To seek approval to adopt the updated policies and guidelines for the Revenues and Benefits partnership

2. **RECOMMENDATION**

To approve the following revised policies and guidelines

Appendix A: Discretionary Housing Payment Guidelines

Appendix B: Housing Benefit and Council Tax Support Verification Policy

Appendix C: Local Housing Allowance Safeguarding Policy

Appendix D: Non Domestic Rate Hardship Relief Policy

Appendix E: Non Domestic Rate Discretionary Relief Guidelines

Appendix F: Recovery Policy

Appendix G: Sanctions and Prosecutions Policy

3. **BACKGROUND TO THE REPORT**

3.1 Each Council within the Revenues and Benefits Partnership have their own individual policies/guidelines covering the revenues and benefits service area. This creates problems for the partnership as staff are currently following three separate application and approval processes, which is an inconsistent and inefficient use of staff resources. Aligning all existing guidelines and policies will support the partnership in its aim to harmonise existing working practices and procedures. This will assist the customer services teams that support the partnership and enable one approach to be taken for the provision of staff training.

It will also satisfy audit recommendations who have stated that key procedures and processes within the partnership should be standardized.

3.2 As part of this review consideration has been given to the latest Government regulations to meet the changes in the administration of Council Tax, Council Tax Support, Housing Benefits, Fraud and Non Domestic Rates.

3.3 On November 20 2013, the Joint Committee for the partnership approved the policies/guidelines detailed above.

3.4 Below is a summary of what has changed to these policies and guidelines;

i) Appendix A
Discretionary Housing Payments (DHP) Guidelines

This has been updated to reflect the Government's Welfare Reform changes. The criteria have been expanded to allow for DHPs to be awarded for additional reasons such as hardship created by the bedroom subsidy, the Housing Benefit cap, changes to the Local Housing Allowance rates, support in rent deposit and moving costs. The old criteria are still in place whereby DHPs are paid if there is a shortfall in the rent and the claimant is suffering financial hardship.

ii) Appendix B
Housing Benefit and Council Tax Support Verification Policy

This policy has been aligned in terms of process and procedure to ensure consistency in the process followed when verifying evidence on new claims and changes. It has also been updated to reflect legislative changes which now allow a lower level of verification to be undertaken when a claimant has less than £6,000 in their bank account.

iii) Appendix C
Local Housing Allowance Safeguarding Policy

This is a County wide policy updated to encompass the changes in terminology and other specific legislative amendments which have come in under the government's Welfare Reform Act. Very little has changed from the existing policy.

iv) Appendix D
NDR Hardship Relief Policy

This is a revised policy and has been drafted to align the application and approval processes. The hardship criterion has not changed from the existing criteria. Each case must still be taken on its merits, be in the interests of Council Tax payers and be affordable by the Local Authority.

v) Appendix E
NNDR Discretionary Rate Relief Guidelines

The main body of this policy has been redrafted and aligned across the Partnership. It contains guidance from the Government on the legislative powers which provide for the award of discretionary rate reliefs and includes information about the state aid rules which we now need to take into account. It also contains an aligned procedure in terms of making and approving an application.

We have inserted an Appendix into each policy, to cover the extension to the Discretionary Rate Relief provisions to allow any other type of business to apply for this. This change came in from 1st April 2012. None of the Councils had any reference to this in their existing criteria and we need to have this element included.

The coalition government announced as part of the chancellor's autumn statement that occupied properties with a rateable value of £50,000 or less can apply for up to £1,000 relief from their non domestic rates. This relief is centered on hereditaments that are wholly and mainly used as shops, restaurants, cafes and drinking establishments. The Guidelines have also been updated to reflect this extension to the reliefs available.

vi) Appendix F

Recovery Policy

The partnership required an aligned strategy to ensure our customers were treated consistently and fairly. This also allows the Partnership to align the Court dates, which reduces the number of court visits as one Officer can present at Court for all three Councils at the same time.

We have also considered the Welfare Reform impacts and have taken into account the new category of debtor i.e. those working age claimants in receipt of Council Tax Support who have never had to pay before.

vii) Appendix G

Sanctions and Prosecution Policy

The main change is that Cautions and Administrative Penalties will now be finally signed off by each council's legal team. All other aspects of the new policy are largely the same as the previous policy.

The new policy describes in detail the legislative and procedural framework within which Council Officers must adhere when investigating Housing Benefit, Council Tax Benefit and Council Tax Support Fraud.

On Fraud cases, each specific case will be taken on its merits and investigated and sanctioned accordingly.

4. **FINANCIAL IMPLICATIONS (KP)**

4.1 **Summary of Changes with a financial impact**

Discretionary Rate Relief		
Current	New	Impact
Describes the cost of DR under the old pooling arrangements	Describes the cost of DR under the new rates retention rules	Under the new Rates Retention rules the cost of all reliefs is split 50/50 between central government and the local authority/major preceptors. The billing Authority now bears 40% of the cost of awarding relief, before this change, the cost to the Authority varied, depending on the type of relief. The cost was 0%, 25% or 75%.
There is no reference to the extended provisions which were introduced on 1 st April 2012	Introduction of Appendix 1D which outlines some new standardised criteria for the partnership in regard to the extended provisions.	The extended provisions allow for 'other' types of business to apply for Discretionary relief which, if granted, will impact on the amount retained.
No information included on Government guidance and State Aid.	Additional information is now contained within the guidelines	The additional information will assist officers in their decision making. In regard to the 'State Aid' rules, DR cannot be awarded if other grants or relief have already been received by the business and this exceeds the State Aid 200,000 Euro limit.

Hardship Rate Relief		
Current	New	Impact
Describes the cost of Hardship Relief under the old pooling arrangements	Describes the cost of Hardship Relief under the new rates retention rules	Under the new rates retention rules the cost of all reliefs is split 50/50 between central government and the local authority/major preceptors. The billing Authority now bears 40% of the cost of awarding relief, before this change, the cost to the Authority varied, depending on the type of relief, the cost was either 0%, 25% or 75% of the amount granted.
No information included on Government guidance and state aid.	Additional information is now contained within the guidelines	The additional information will assist officers in their decision making. In regard to the 'State Aid' rules, DR cannot be awarded if other grants or relief have already been received by the business and this exceeds the

		State Aid 200,000 Euro limit.
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5. **LEGAL IMPLICATIONS (AB)**

Contained within the body of the report

6. **CORPORATE PLAN IMPLICATIONS**

The administration, billing and collection of income due to the authority and payment of benefit all contribute to the delivery of all the Corporate Plan objectives.

7. **CONSULTATION**

Discussions have been held with key stakeholders including Section 151 Officers, Partnership Management Board, Legal Services, Partnership Managers, Housing, Social Landlords, and the Institute of Revenues, Rating and Valuation (IRRV).

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

If the policies/procedures are not adopted there is a risk that there will continue to be inconsistencies in the approach taken by staff, leading to an inefficient use of staff resources and additional training costs.

Inconsistencies in the policies/guidelines of the partnership have also been highlighted by external audit, which could potentially have a negative impact on the Council's final audit report

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

There is no impact on the Community by aligning the relief application and approval process.

Equality Analysis has been completed for Discretionary Housing Payment Guidelines, Non Domestic Rates Hardship Relief Policy and Discretionary Rate Relief Guidelines and no issues have been identified.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications – None relevant to this report
- Environmental implications– None relevant to this report
- ICT implications– None relevant to this report
- Asset Management implications– None relevant to this report
- Human Resources implications– None relevant to this report
- Planning Implications– None relevant to this report
- Voluntary Sector– None relevant to this report

Background papers: Local Government Finance Act 1988, 1992 and 2012

<http://www.legislation.gov.uk/ukpga/1988/41/contents>

<http://www.legislation.gov.uk/ukpga/1992/14/contents>

<http://www.legislation.gov.uk/ukpga/2012/17/enacted>

Localism Act 2011

<http://www.legislation.gov.uk/ukpga/2011/20/section/69/enacted>

Social Security Acts 1992 and 1998

<http://www.legislation.gov.uk/ukpga/1992/5/contents/enacted>

<http://www.legislation.gov.uk/ukpga/1998/14/section/12/enacted>

Welfare Reform Acts 2006, 2007, 2009 and 2013

<http://www.legislation.gov.uk/ukpga/2007/5/contents>

<http://www.legislation.gov.uk/ukpga/2009/24/contents>

<http://www.legislation.gov.uk/uksi/2013/2657/contents/made>

Social Security Fraud Acts 1997, 2001 and 2006

<http://www.legislation.gov.uk/ukpga/1997/27/contents>

<http://www.legislation.gov.uk/ukpga/2001/11/contents>

<http://www.legislation.gov.uk/ukpga/2013/3/enacted>

Regulation of Investigatory Powers Act 2000

<http://www.legislation.gov.uk/ukpga/2000/23/contents>

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