

**Manchester City Council  
Report for Resolution**

**Report to:** Resources and Governance Scrutiny Committee – 20 July 2017  
Executive – 27 July 2017

**Subject:** Council Tax Support Scheme - Treatment of payments from the  
We Love Manchester Emergency Fund and London  
Emergencies Trust

**Report of:** City Treasurer

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**Summary**

The Council has the discretion to reduce council tax liability to people receiving payments from the We Love Manchester Emergency Fund and the London Emergencies Trust. This report seeks approval to use the Council's discretion under section 13 A (1) (c) of the Local Government Finance Act 1992 to reduce the Council Tax liabilities for these individuals.

**Recommendations**

Scrutiny Committee is requested to consider and comment upon the contents of the report.

The Executive is recommended to consider approving:

The proposal to reduce the liability of a liable person for Council Tax under section 13 A (1) (c) of the Local Government Finance Act for the following class of people:

- People receiving payments from the We Love Manchester Emergency Fund or the London Emergencies Trust.
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**Wards Affected:** All

**Full details are in the body of the report, along with any implications for:**

- Equal Opportunities Policy
  - Risk Management
  - Legal Considerations
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### **Financial Consequences – Revenue**

The financial impact on the revenue budget is calculated based on maintaining the current level of Council Tax Support (CTS) in payment rather than reassessing the award and reducing the amount of CTS awarded. There is therefore not a direct additional spend as a result of this policy.

The financial impact on the revenue budget is therefore not expected to be significant. This is because there are a discrete number of residents based on specific circumstances and those in receipt would need to be liable for Council Tax and also in receipt of Council Tax Support.

The loss of income will be met from the collection fund from where the Council Tax Support Scheme is funded.

### **Financial Consequences – Capital**

None

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#### **Background documents (available for public inspection):**

Letter from DCLG- Treatment of payments from the We Love Manchester Emergency Fund and London Emergencies Trust  
20 June 2017

DWP Housing Benefit Circular A8 2017  
The Social Security (Emergency Funds) (Amendment) Regulations 2017

## Introduction

1. Following the recent tragic terrorist attacks in Manchester and London, emergency funds have been set up to help those affected. Manchester City Council launched a 'We love Manchester Emergency Fund' (WLMEF) and in London the 'London Emergencies Trust' (LET) has been set up.
2. For a person receiving any means tested benefit, payments from either trust would be treated as income or capital and potentially reduce or extinguish their entitlement.
3. The DWP has taken action and the Social Security (Emergency Funds) (Amendment) Regulations 2017 (SI 2017/689] which were laid on 16 June 2017 and came into force on 19 June 2017, make amendments to the Housing Benefit Regulations 2006 (SI 2006/213) and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (SI 2006/214).
4. Following this, on 20 June 2017, the Department of Communities and Local Government (DCLG) sent a letter to all Chief Finance Directors of local authorities advising that they were intending to amend legislation in the autumn to ensure that the same disregard that will be applied to the Housing Benefit legislation described above is applied to local Council Tax Support schemes in the future (copy attached as the appendix to this report).
5. The DCLG letter also encouraged local authorities to consider their local discretionary powers to fully disregard any payments from the named schemes until such time as the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 can be amended.
6. This report details how the Council intends to deal with this and seeks approval from the Executive to provide a local discount.
7. Under section 13A of the Local Government Finance Act 1992 local billing authorities have the discretion to grant reductions and exemptions on an individual basis for a class of council tax payers. Section 13 A (1) (C) of the 1992 Act gives all councils a power to reduce liability in cases where they think fit. It is proposed that the discretionary power is used to implement a discount to a specific class of council tax payers namely those liable for council tax within the Manchester City Council area who are receiving an element of council tax support and have received a payment from either the We Love Manchester Emergency Fund or the London Emergencies Trust.
8. In practice this means that the Council would make a discretionary award to reduce the council tax liability, equivalent to what the claimant would have received under the Council's Council Tax Support Scheme (CTSS) had they not received the compensation from either the We Love Manchester Emergency Fund or the London Emergencies Trust.

9. This will continue indefinitely unless the government lays regulations to make a disregard of these payments a prescribed requirement of Council Tax Support schemes.
10. This aligns the Council's approach for Council Tax Support with other means tested benefits whose rules are determined by the DWP on behalf of central government, for example Housing Benefit.

### **Recommendation**

11. Scrutiny Committee is requested to consider and comment upon the contents of the report.
12. The Executive is recommended to consider approving:

That the Council exercises its discretionary powers to reduce the liability of a liable person for council tax under section 13 A (1) (c) of the Local Government Finance Act for the following class of people:

  - People receiving payments from the We Love Manchester Emergency Fund and
  - London Emergencies Trust.
13. The recommendation of this report is that the Council uses this flexibility to grant a discount for a specific class of council tax payers, namely those liable for council tax in the city who claim Council Tax Support or have been receiving an amount of Council Tax Support but whose entitlement is reduced or extinguished as a result of a payment from either the WLMEF or the LET funds.
14. Although DCLG has advised that it is aiming to amend legislation in the future that would prevent this local discount being required, it is proposed that the use of this flexibility is not time limited. The reason is, that this will allow the Council to administer the discount for as long as is required, which will be until government makes alternative statutory provision (the aim being that there are no issues for residents if the likely amending regulations are delayed).

## **Appendix**

### **Content of letter from DCLG to all Councils** **20 June 2017**

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20 June 2017

Dear Chief Finance Director

#### **Treatment of payments from the We Love Manchester Emergency Fund and London Emergencies Trust**

This letter sets out guidance to local authorities on treatment for the purposes of local council tax support schemes of payments made from the charitable fund which has been established to provide financial assistance to victims and relatives of those affected by the horrific terrorist attacks that occurred in Manchester on 22 May and in London on 22 March and 3 June.

The cross-government Victims of Terrorism Unit (VTU) wrote to all local authorities' Chief Executives in England on 9 June 2017 to introduce its work remit and update them on recent developments following the Manchester bombing and London terrorists attacks. The letter mentioned that we would shortly write to Finance Directors of local authorities in England to provide guidance on these incidents.

As you may know, Manchester City Council in partnership with the British Red Cross has launched the We Love Manchester Emergency Fund (WLMEF) (<https://www.justgiving.com/campaigns/charity/redcross/manchesteremergencyfund>), to support people who have been injured or bereaved by the Manchester bombing. In London the London Emergencies Trust (LET) (<http://www.londonfunders.org.uk/london-emergencies-trust>) has been set up to support those affected by the recent London terror attacks.

Under section 13A of the Local Government Finance Act 1992, local billing authorities have the flexibility to grant reductions or exemptions on an individual basis or for a class of council taxpayers. We therefore would like to encourage local authorities to consider using this power to disregard fully payments awarded from both funds to those injured or bereaved as a result of these incidents when reviewing existing cases or assessing eligibility for their schemes.

Provision has previously been made at paragraph 16(1) (a) of Schedule 16 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885) to disregard payments from the LBRCF following the terrorist attacks in London on 7 July 2005. We would like to apply the same provision to payments from the WLMEF and the LET as has been made in respect of the LBRCF.

The Department for Work and Pensions has already amended the relevant statutory provisions to ensure that all payments from the WLMEF and the LET are disregarded for benefits purposes. We will explore the option of amending SI 2012/2885 this autumn to ensure that the same disregard is applied in respect of local council tax support schemes.

Regarding those affected by the Grenfell fire, DCLG are working with DWP and local authorities to consider the impacts of this tragic incident on their existing and new benefits and local council tax support cases and offer relevant support.

If you require any further information regarding the contents of this letter please contact Mercy Adebisi at: [Mercy.Adebisi@Communities.gsi.gov.uk](mailto:Mercy.Adebisi@Communities.gsi.gov.uk).

**Chris Megainey**

Chris Megainey Deputy Director, Local Government Finance A Senior Civil Servant within the Department for Communities and Local Government

20 June 2017