

POLICY AND RESOURCES COMMITTEE – 17 JULY 2023

PART I

5. COUNCIL TAX SUPPORT FUND 2023 (DoF)

1 Summary

- 1.1 The government notified us on 23 December 2022 that they are providing £100million of additional funding for local authorities to support the most vulnerable households in England. The funding will allow councils to deliver additional support to households already receiving council tax support (also known as council tax reduction) against their 2023/24 Council Tax bill.
- 1.2 The government recognises increases in council tax could be higher from April 2023 than in recent years following the government announcement in the 2022 Autumn Statement, to increase the referendum principles for core council tax to 3% and up to 2% for Adult Social Care.
- 1.3 Three Rivers have been allocated £98,620 under the Council Tax Support Fund 2023.
- 1.4 Although the government are setting out minimum requirements for how this fund will need to be used, any remaining allocation is for local authorities to determine.

2 Details

- 2.1 This report sets out our proposals for how best to utilise this fund.
 - 2.1.1 The government expects local authorities to use most of their funding allocations (£98,620 for Three Rivers) to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25.00 against the 2023/24 financial year (mandatory element). Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
 - 2.1.2 The government recognises that council tax increases set by local authorities may mean some individuals may struggle to meet council tax payments. The government expects that billing authorities will use their grant allocation to fund further reductions in the council tax liability of individuals receiving LCTS who have an outstanding liability, by up to £25.00.
 - 2.1.3 This reduction applies to the 2023/24 year and for those LCTS households that have an outstanding council tax liability. This means that those households in receipt of 100% support would not qualify as they don't have a liability to pay council tax.
 - 2.1.4 The government requires councils to deliver this funding using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992. This means that we will need to agree a local policy for determining our scheme.
 - 2.1.5 The government does not expect that recipients of LCTS will need to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible and automatically apply the discount.

- 2.1.6 It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.
- 2.1.7 Local authorities will be required to maintain a record of support provided either through the main scheme or under the discretionary element. We will be required to provide quarterly returns to The Department for Levelling Up, Housing & Communities.

3 Options and Reasons for Recommendations

- 3.1.1 Like most schemes we've administered on behalf of government there are two elements:

- Main part – based on government criteria (up to £25)
- Discretionary part – for local councils to determine.

- 3.2 **Main Scheme.** Based on modelling undertaken on current caseload the cost of providing up to £25.00 under the government criteria part of the scheme would be approximately £32,028.

- 3.2.1 This would leave £66,592 of funding available for the discretionary scheme.

- 3.3 **Discretionary Scheme.** Funding available approximately £66,592.

Provide up to a further £25 support to eligible households in receipt of LCTS which in total would provide up to £50 of Council Tax Support 2023 Funding. This would cost approximately £30,780.

Retain 25% (£16,648) to support households who become eligible for LCTS during the financial year 2023/24 (by awarding £50.00)

Use the remainder of the funding (£19,164 or less if more is needed to support households who become eligible for LCTS during 2023/24)) for s13a requests from households experiencing exceptional financial hardship. Section 13A(1)(c) of the Local Government Finance Act 2012 gives the council additional discretionary powers to reduce the amount of Council Tax payable individuals. Such requests will be considered under our general s13a policy. Applications would not be limited to just those in receipt of LCTS and there would be no limit on the amount of the award.

There is an expectation by government that the majority of the funding will be used to reduce bills for all current working and pension age CTR claimants. Remaining funds will be used to ensure those households who are not in receipt of CTR on 01 April 2023, but later become entitled within the financial year 23/24, are awarded a payment in line with the main and the discretionary parts of the fund. Households who may not be in receipt of CTR but are considered to be economically vulnerable following assessment by the Revenues Team may also be considered for a payment from the fund subject to available funds.

4 Financial Implications

- 4.1 The financial details are contained within the report and scheme costs are being met from Government funding.

5 Equal Opportunities Implications

5.1 Impact Assessment, low risk.

6 Recommendation

6.1 That the main and discretionary schemes as outlined in part 3 of the report are agreed.

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