

<b>Subject:</b>	Council Tax Support Fund	<b>Status:</b>	For Publication
<b>Report to:</b>	Council	<b>Date:</b>	28 <sup>th</sup> February 2023
<b>Report of:</b>	Head of Customer Services & I.C.T.	<b>Lead Member:</b>	Housing and Customer Services
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	Attached: No	No
<b>Biodiversity Impact Assessment:</b>	Required: No	Attached: No	No
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## 1. RECOMMENDATIONS

- 1.1 That Council approve the allocation Council Tax Support Fund for 2023/24 as set out in this report.
- 1.2 Members are recommended to approve delegated authority to the s151 Officer in conjunction with the lead member for Resources for ongoing allocation of the discretionary element of the fund.

## 2. EXECUTIVE SUMMARY

- The Council Tax Support Fund is a discrete fund in addition to the local Council Tax Support scheme (LCTS).
- It is intended to supplement council tax support by providing an additional reduction of up to £25.00 to those customers in receipt of LCTS.
- Rossendale has been allocated £134,857.00 from Government for this scheme.
- Based on current estimates an award of £25.00 per qualifying customer made at annual billing would leave around £42k unallocated at April 2023.
- The Council Tax support Fund can also be used on a discretionary basis and for new claimants with entitlement to LCTS during 2023/24 and other vulnerable households with council tax liability.

## 3. BACKGROUND

For both 2023/24 and 2024/25 government has relaxed referendum principles concerning Council Tax increases. In recognition of the potential impact of rising council tax demands, Government allocated an additional fund to be allocated primarily to customers in receipt of council tax support.

The fund is in addition to the local council tax support scheme. It must be awarded against council tax liability and not as direct grants to individuals. Where customers have less than £25.00 to pay after the award of council tax support, then their liability can be reduced to nil. Where a customer is in receipt of full council tax support, or otherwise has a nil liability, no award is made under this scheme.

## 4. DETAILS

The Government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age LCTS claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.

The most recent caseload figures include:

- working age claimants 3,088
- pension age claimants 1,906
- second adult rebate claimants 20

Working age claimants can receive up to 80% of total council tax liability under the LCTS scheme and will therefore have a council tax liability in excess of £25.

Pension age claimants can receive up to 100% of council tax liability under LCTS. Only 618 of the current caseload have a liability in excess of £25. Another 51 cases have liability between £0.01 and £25. The remainder receive 100% LCTS.

Second adult rebate is claimed where the responsible party for Council Tax has a 2<sup>nd</sup> adult in the property who has low income. It is not proposed that these customers will automatically be allocated a payment from the Council Tax Support Fund.

If all working age customers and all pension age claimants with a liability are awarded £25, then approximately £94k of the £135k available would be allocated at annual billing, leaving around £41k still available.

In 2021/22, 705 new LCTS claims were received. No detailed breakdown for these claims, as distinct from the overall caseload, is available. Some of the claims will be pension age, with no liability to council tax. Some would have been nil qualifiers. The remaining funding would allow for approximately 1,700 new claims to receive £25 under the scheme. Funding is therefore sufficient to allow all new claimants in 2023/24 with a liability in excess of £25.00 to be paid in line with the existing claimant base, whilst still leaving a reserve for further discretionary awards to vulnerable customers.

Government Guidance on the scheme recommends that 'Local Authorities should revisit their discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023/24 remains within their allocation.'

Further allocations of the discretionary fund would be awarded quarterly based upon ongoing caseload numbers and claimant types (pension age/working age employed/working age other etc.) most impacted.

## 5. RISK

All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

## 6. FINANCE

The Council will receive £134,857 from Government to cover the cost of the Council Tax Support Fund. The Council will also receive New Burdens funding to cover reasonable additional costs associated with the implementation of the policy, such as staffing and software costs, however the amount of this grant is not yet known.

## 7. LEGAL

There are no legal or constitutional matters to note.

## 8. POLICY AND EQUALITIES IMPLICATIONS

The scheme will support national policy as noted in the body of the report.

## 9. REASON FOR DECISION

The recommendation should be adopted in order to allow for awards of £25.00 to LCTS claimants at annual billing and to all new claims thereafter. It also allows for a flexible approach to distribution of the remaining funds as budget allows.

Background Papers	
Document	Place of Inspection
Council tax Support Fund Guidance for Local Authorities on	<a href="https://www.gov.uk/government/publications/council-tax-support-fund-guidance">https://www.gov.uk/government/publications/council-tax-support-fund-guidance</a>