



**Corporate Policy and  
Resources Committee**

**Thursday 9 February 2023**

**Subject: Council Tax Support Fund 2023/24**

Report by:	Director of Change Management, ICT & Regulatory Services
Contact Officer:	Alison McCulloch Revenues Manager  alison.mcculloch@west-lindsey.gov.uk
Purpose / Summary:	To consider and agree the distribution of the council tax support fund.

**RECOMMENDATION(S):**

**That Members approve to:**

- 1. Award all eligible local council tax support claimants a one-off amount of £50 against their council tax liability for 2023/24 to be shown on their annual council tax bills. This would be the reduction of £25 as stated in the guidance by the Government plus a further discretionary reduction of £25 which is an increase on the minimum amount required.**
- 2. For the remaining balance to be set aside as a council tax discretionary hardship fund to enable anyone (not just council tax support claimants) experiencing financial hardship to make an application from this fund. This is in accordance with the guidance that states councils can use their remaining allocation as they see fit to support vulnerable households with their council tax bills.**

**Legal:**

None directly from this report

**Financial :****FINANCIAL IMPLICATIONS:**

Confirmation has been received that West Lindsey District Council will be awarded £160,263 from Central Government for the Council Tax Support Fund 2023/24.

The report recommends Council Tax Support Claimants are awarded the sum of £50 each or less if they don't need as much to clear their Council Tax balance. This is an increase on the amount suggested by Government of £25 per claimant. Based on the current claimant figures this would be a total award of £105.7k. With the remaining £54.6k being put aside to establish a discretionary hardship fund, which would enable us to support economically vulnerable people and households in the district.

Council Tax Support funding	Total received	Total to CT Support Claimants *	Discretionary Hardship Fund
Award of £25 to Council Tax Support claimants	160,263	53,587	106,676
Award of £50 to Council Tax Support claimants	160,263	105,701	54,562

\* Based on current Council Tax (CT) Support Claimants

**FIN REF: FIN/140/23/MT/SSc**

**Staffing :**

None directly from this report

**Equality and Diversity including Human Rights :**

None

**Data Protection Implications :**

All data is being collected in accordance with GDPR.

**Climate Related Risks and Opportunities :**

None directly from this report

**Section 17 Crime and Disorder Considerations :**

None directly from this report

**Health Implications :**

None directly from this report

**Title and Location of any Background Papers used in the preparation of this report:**

Council Tax Support Fund Guidance announced by the Department for Levelling Up, Housing and Communities.

**Risk Assessment :**

This is being paid in accordance with Government guidance. By keeping any excess balance as a discretionary fund it will enable anyone in financial difficulties to make an application for some assistance. The fund will be monitored to ensure it is not over subscribed and once it is exhausted it will be closed.

**Call in and Urgency:****Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

**Yes**☐**No****X****Key Decision:**

A matter which affects two or more wards, or has significant financial implications

**Yes****X****No**☐

## 1 Introduction

On 23 December 2022 the Government announced a relief for council tax support claimants for 2023/24. West Lindsey DC will be awarded the sum of £160,263 from Central Government.

The Government's expectation for this fund is that all Local Council Tax Support (LCTS) claimants in 2023/24 will receive a further discount of £25. Where the liability is less than £25 the reduction should be applied to bring the liability down to NIL. This means no-one should be in credit and therefore refunded for this reduction.

The Government's aim for the council tax support fund is to support economically vulnerable people and households through additional council tax relief. Local Authorities are responsible for administering the council tax support fund and retain the discretion to make their own decisions on the levels and methods of delivering this additional support.

This reduction is to be made through the use of powers under Section 13A (1) (c) of the Local Government Finance Act 1992 and the Section 13A hardship policy will be amended in due course to include this.

Under these discretionary powers, if any, unallocated funding remains after all the awards have been made, a discount of more than £25 can be made and any remaining funds may be used to support economically vulnerable people and households in the district.

All expenditure must be recorded in line with Government expectations and a quarterly return will be required to be completed and submitted detailing the expenditure to date from this fund.

## 2. Cost of the Scheme

The scheme has been calculated using the current council tax support claimant details at 5<sup>th</sup> January 2023 and awarding the sum of £25 (as required by Government) or awarding the sum of £50 to all council tax support claimants.

If their council tax liability is less than £25 or £50, as above, they should only be awarded the amount that would clear their council tax liability. No claimant should have a credit balance due to this award.

<b>Amount of council tax support fund 2023/24</b>		<b>£160,263</b>	<b>Balance left after awards</b>
No. of LCTS claimants at 5.1.23	6,013		
No. of claimants with balance of 0 in 2022/23	3,845		
No. of claimants with less than £25 to pay in 2022/23	45		
No. of claimants with less than £50 to pay in 2022/23	67		

No. of claimants with more than £50 to pay in 2022/23 adding 5% council tax increase for 2023/24	2,056		
<b>Total cost if we paid £25</b>	2,056 + 67 = 2,123 x £25 = £53,075 45 cases = £511.90	£53,586.90	<b>£106,676.10</b>
<b>Total cost if we paid £50</b>	45 cases = £511.90 67 cases = £2,389.18 2,056 x £50 = £102,800	£105,701.08	<b>£54,561.92</b>

It is proposed that a Discretionary Hardship fund be established with the balance remaining of either £106k or £54k - depending on the agreed approach -which would enable us to support economically vulnerable people and households in the district.

This would need to be application based and all applications could be considered by the Revenues and Benefits Team Leaders with authorisation from either of the Revenues or Benefits Managers. This would ensure all cases are considered fairly, eligibility assessed consistently and then authorised by a Manager with a full record kept of every application and the result of any awards. This would comply with the requirements to keep a record of all cases.

### 3. Reasons to increase the initial award from £25 to £50

- the cost of delivering the discretionary awards is considerably higher than just allocating the amount with loading and testing software, running additional jobs at annual billing and ongoing monitoring of the awards
- the payment is to support economically vulnerable people and households in the district and by paying an additional amount to council tax support claimants we are ensuring more of them have less or no council tax to pay and thus more disposable income for other liabilities
- we have more surplus funding because, whilst our local council tax support scheme protects pensioners, War Disablement Pensioners/War Widows and the disabled, it does require everyone else to contribute to the council tax. All working age claimants have to pay approximately 10% of their council tax liability. Our current band A charge with no parish charge added is £1,290.81 making an annual charge of £129.08. A £50 payment would significantly reduce the amount payable making it more affordable which in turn should increase our yield for 2023/24.