

<b>Board/Committee:</b>	FULL COUNCIL
<b>Date of meeting:</b>	10 <sup>th</sup> February 2023
<b>Title:</b>	Council Tax Support Fund Policy 2023-24
<b>Author:</b>	Head of Benefits Procurement & Insurance
<b>Status:</b>	FOR DECISION

### **Purpose**

This report sets out the details of the Council's Council Tax Support Fund Policy 2023/24 developed in response to the announcement by Central Government (alongside the 2023-24 provisional local government finance settlement) for Local Authorities to distribute additional financial support to the most vulnerable households in England in receipt of Local Council Tax Support (LCTS) in the 2023/24 financial year.

### **Recommendation**

That Council approves the Council Tax Support Fund Policy 2023/24 attached as Appendix 1 and gives delegated authority to the Head of Benefits, Procurement & Insurance in consultation with the Borough Treasurer to make technical amendments to ensure it meets the criteria set by Central Government and the Council.

## **1.0 Background**

- 1.1 On the 23<sup>rd</sup> December, DLUHC announced the Council Tax Support Fund as follows: "We are also today announcing £100 million of additional funding for local authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving council tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area".
- 1.2 Gosport's allocation for this scheme is £123,604 and the funds are provided to the Council under S31 of the Local Government Act 2003 with the proviso that all monies are paid strictly in accordance with S13A (1) (c) of the Local Government Finance Act 1992 and in line with the guidance issued on the 23<sup>rd</sup> December 2022.
- 1.3 Whilst it is essentially down to individual authorities to determine how to use the funds available, DLUHC states that in order to retain the funding Councils must look to use monies as directed by them in their guidance.

## **2.0 Report**

- 2.1 S13A of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012, allows for Councils to create and make

payments to Council Tax payers under the local LCTS schemes (also known as Council Tax Reduction CTR). This legislation also allows for additional sums to be awarded and this power is used to administer Gosport's Exceptional Hardship scheme for Council Tax. The Council has powers under this legislation to reduce a Council Tax liability to Nil if it so chooses

- 2.2** The guidance issued on the 23<sup>rd</sup> December expects the Council to award £25 additional support to recipients of LCTS, or a lesser amount if their resultant liability after their LCTS award (and any other discounts) is under £25 for the financial year 2023/24.  
If the resident does not pay any Council Tax due to maximum benefit then no payment of £25 is made.
- 2.3** DLUHC expects that these payments will be reflected in annual bills due to be dispatched in early March 2023.
- 2.4** Software to allow these payments to be made was received on the 23<sup>rd</sup> January 2023 and is currently being tested alongside the year end software release.
- 2.5** Once the £25 payments are allocated from the Gosport funds, it is a matter for Gosport to design and administer a discretionary scheme.
- 2.6** Various schemes have been modelled with a view to designing a scheme that requires the minimum of administrative process, does not require any application form in the vast majority of cases and allows for the maximum amount of financial help to be applied to Council Tax accounts for the 1<sup>st</sup> April 2023.

<b>Grant Allocation</b>	<b>£123,600</b>	
<b>Gosport caseload:</b>		
CTR cases as at 18/1	4745	
CTR cases with full CTR	1268	<i>(no further award required)</i>
CTR cases with a weekly shortfall	3477	<i>(up to £xx can be awarded)</i>
	3477	

Modelling	Balance remaining		Further cases that could benefit from award
up to <b>£25</b> for 3477 cases	£85,950	£37,650	1506
up to <b>£27.50</b> for 3477 cases	£94,476	£29,124	1059
up to <b>£30</b> for 3477 cases	£103,000	£20,600	687
<b>up to £33 for 3477 cases</b>	<b>£113,638</b>	<b>£9,962</b>	<b>302</b>
up to <b>£35</b> for 3477 cases	£120,444	£3,156	90

*1268 cases are in receipt of full LCTS, so will not receive any additional help as they do not have any Council Tax to pay for the 2023/24 financial year.*

*Of the 3477 with a council tax balance to pay, some applicants will receive £33 (the original £25 stipulated by DLUHC, and £8 discretionary top up). Some will receive a lower amount where their liability for the 2023/24 financial year is less than £33.*

**2.7** The proposed scheme attached as Appendix 1 would allow a maximum of £33 to be awarded in additional LCTS to appropriate cases. This reflects a payment of up to £25 from the standard scheme and up to £8 from the discretionary scheme.

**2.8** The balance of £9,962 remaining after the payments are made will be used for any new cases applying after 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2024. If a residual balance is then left this will be allocated to the Councils Exceptional Hardship, which requires a full application form to ascertain the household circumstances and exceptional need. An updated policy with full EIA is also being submitted to this Council.

### **3.0 Risk Assessment**

**3.1** There is a risk that the software provided by Northgate will not function correctly, however this is very unlikely as the software has been designed based on the previous Covid additional payments of £150 made to LCTS recipients.

**3.2** Modelling has been thorough to ensure the maximum amount of funds awarded whilst maintaining a balance for new claims after 1<sup>st</sup> April 2023.

**3.3** Any additional payments made via the Exceptional Hardship policy follow an application process ensuring equitable treatment for all applicants.

### **4.0 Financial implications**

**4.1** Financial implications are addressed at 2.6, the scheme will cease once allocated funds are exhausted.

**4.2** New burdens funding will be payable by DLUHC towards software and staffing costs for this scheme but have not yet been notified to the Council.

### **5.0 Conclusion**

The scheme designed maximises the support available under the Council Tax Support Fund and ensures recipients will receive this assistance as early as possible. Members are asked to approve the recommendation above.

<b>Financial Services comments:</b>	<i>Contained within the report</i>
<b>Legal Services comments:</b>	
<b>Equality and Diversity:</b>	<i>None</i>
<b>Climate Change implications:</b>	<i>None</i>
<b>Crime and Disorder:</b>	<i>None</i>
<b>Service Improvement Plan implications:</b>	<i>None</i>
<b>Corporate Plan:</b>	The scheme helps to support customers with additional financial support thereby providing “the best service to our residents”
<b>Risk Assessment:</b>	<i>Included within the report</i>
<b>Background Papers:</b>	<i>None</i>
<b>Appendices:</b>	Appendix 1-Council Tax Support Fund Policy 2023-24
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