

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Cabinet

14 February 2023

TITLE:	Council Tax Support Fund 2023-24
PORTFOLIO HOLDER:	Councillor Cllr Worthington - Portfolio Holder for Finance
CONTACT OFFICER:	Martin Owen – Executive Director (Finance and Customer Services) Joanne Wheeldon - Head of Revenues and Benefits
WARDS INVOLVED:	Non Specific

1. Reason for the Report

- 1.1 The purpose of this report is to advise the Cabinet of the details surrounding the Council Tax Support Fund Scheme 2023-24 announced by Government in December 2022.

2. Recommendation

- 2.1 That Cabinet approve the award of up to £25.00 to reduce council tax bills for vulnerable households on Local Council Tax Support (LCTS) s7.1 and to direct the remaining funding during 2023-24 in line with the proposal at s8.1.

3. Executive Summary

- 3.1 Recognising the impact of rising bills, the Government is distributing £100 million of new grant funding in 2023-24 for local authorities to support economically vulnerable households in their area with council tax bills.
- 3.2 Government expects local authorities to use the majority of the funding allocations to reduce council tax bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25.
- 3.3 The remaining fund can be used to further support vulnerable households with council tax bills.

3.4 The reduction will be automatically applied to council tax bills for 2023-24.

4. How this report links to Corporate Priorities

4.1 Aim 1 - Financial inclusion.

5. Alternative Options

No other reasonable options given the tight parameters and small amounts of money

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None

6.2 Workforce
The delivery of a further government scheme will have some impact on resource.

6.3 Equality and Diversity/Equality Impact Assessment
The report has been prepared in line with Council policies

6.4 Financial implications
Funding of £123,103 will be provided by Central Government to deliver the scheme via a grant under section 31 of the Local Government Act 2003.

6.7 Legal
Funding will be delivered using discretionary powers using s13A(1)(c) of the Local Government Finance Act 1992.

6.8 Internal and External Consultation
Internal consultation with members

6.9 Risk Assessment
None

Martin Owen
Executive Director (Finance & Customer Services)

Web Links and Background Papers

<https://www.gov.uk/government/publications/council-tax-support-fund-guidance/council-tax-support-fund-guidance>

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7. Details

- 7.1 Funding is being allocated to councils based on their share of local council tax support claimants according to the latest data. The Council, as expected by government, will use the majority of its funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit, to support vulnerable households with council tax bills.
- 7.2 Local authorities are expected to use their grant allocation to fund further reductions in the council tax liability of individuals receiving LCTS with an outstanding council tax liability, by up to £25. They are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills.
- 7.3 The discount will apply to current LCTS claimants that have an outstanding council tax liability for the 2023-24 financial year. The funding will be delivered this year using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.
- 7.4 Where a taxpayer's liability for 2023-24 is, following the application of council tax support, less than £25, their liability will be reduced to nil. Where a taxpayer's liability for 2023-24 is nil, no reduction to the council tax bill will be available and those bills should not be credited.
- 7.5 There will be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The local authority will assess who is eligible for support and apply the discount automatically.
- 7.6 Council tax reductions will be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts will be reflected in council tax bills issued in March 2023.
- 7.7 The Council will provide information about the scheme on its website and through social media.
- 7.8 It is the Government's intention that any assistance provided from the Council Tax Support Fund will not affect the eligibility of recipients for other benefits.

8. Discretionary Support

- 8.1 The Council will deliver this funding using its discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992. In order to continue supporting vulnerable households with council tax bills, it is recommended that any remaining funding following the main award of up to £25 will be spent as follows:

- A top up to the original award, for those households in receipt of LCTR
- An award of up to £25 for new claimants within the financial year 2023-24 and a top up where further support is needed.

8.2 As the Council is implementing a Council Tax Reduction Banding Scheme from 1.4.23 and increasing current support, it is not yet able to estimate the amount of funding that will be spent on reducing the council tax bill and the amount of remaining funding left. The Council will therefore revisit its discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023-24 remains within its allocation.

9. Monitoring and reporting requirements

9.1 As requested by Government the Council will maintain a record of support provided. In particular, we will ensure that we are able to monitor and report on the level of expenditure provided to LCTS claimants through the provision of additional discounts. We will also maintain records of the mechanisms and levels of support provided through discretionary schemes.

9.2 The Department for Levelling Up, Housing and Communities will undertake a quarterly DELTA collection exercise to monitor implementation progress. The Council will ensure it puts in place arrangements to support this data collection process.

10. New burdens

10.1 The Government recognises that the implementation of this policy will place an additional burden on local authorities, in particular the requirement to purchase software to deliver the support via council tax accounts plus additional demand on resource. In accordance with the new burdens doctrine, the Government will conduct an assessment of the expected reasonable additional costs associated with the implementation of the policy.