

REPORT TO:	Leader of the Council
DATE:	27 February 2023
SUBJECT:	Council Tax Support Fund 2023/24 and Council Tax Discretionary Reduction Policy
PURPOSE:	Approval for the Council Tax Support Fund scheme 2023/24, to be delivered under the council's discretionary powers contained in Section 13A (1) (c) of the Local Government Finance Act 1992
KEY DECISION:	N/A
PORTFOLIO HOLDER:	Councillor Richard Fry, Executive Portfolio Holder for Finance
REPORT OF:	Christine Marshall, Deputy Chief Executive – Corporate Development (S151)
REPORT AUTHOR:	Sharon Hammond, Head of Revenues and Benefits
WARD(S) AFFECTED:	All
EXEMPT REPORT?	No

SUMMARY

This report sets out the proposals for the Council Tax Support Fund 2023/24 scheme, announced and funded by central government, to be administered using the council's discretionary powers under Section 13A (1) (c) of the Local Government Finance Act 1992.

RECOMMENDATIONS

1. That the Council Tax Support Fund scheme for 2023/24, as set out in section 2 of this report is approved to be delivered under the discretionary powers in Section 13A (1) (c) of the Local Government Finance Act 1992.
 - o Award up to £25 discount to existing Council Tax Support recipients that have an outstanding council tax liability for 2023/24, and
 - o Provide a hardship discretionary scheme, to the extent of available funding, that supports economically vulnerable households with council tax bills

and

2. The 2023/24 Council Tax Discretionary Reduction policy, including the Council Tax Support Fund scheme is approved.

REASONS FOR RECOMMENDATIONS

Approval of this scheme will ensure eligible Council Tax payers receive the intended reduction from their 2023/24 Council Tax bill, in line with government guidance to local authorities, as part of annual billing processes in March 2023.

The approval of the approach for any remaining funds will allow the council to identify and support economically vulnerable households with council tax bills, through engagement with customers, or by application.

OTHER OPTIONS CONSIDERED

Do nothing – this option is discounted because eligible households would not benefit from the intended additional government support.

Different options were considered in terms of the distribution of the remaining funds under a discretionary element of this scheme, however it is felt the final recommendation will ensure access to the extent of available funding to those most in need.

1. BACKGROUND

- 1.1 On 23 December 2022, central government published guidance to local authorities in relation to £100million of additional funding for the 2023/24 financial year, to support the most vulnerable households in England. This funding will allow councils to deliver additional support to households already receiving Council Tax Support (CTS) and to determine local approaches to support other vulnerable households in their area.
- 1.2 The government requires councils to deliver this scheme using their discretionary powers under Section 13A (1) (c) of the Local Government Finance Act 1992. It outlines the underpinning principles for the use of the fund and expected eligibility criteria.
- 1.3 East Lindsey has been allocated £324,427, which will be paid through a grant under section 31 of the Local Government Act 2003.

2 COUNCIL TAX SUPPORT FUND 2023/24

- 2.1 The funding is split into two distinct elements,
 - i) A 'core' scheme element, which will be applied to current CTS recipients that have an outstanding council tax liability for the 2023/24 financial year, and
 - ii) Discretionary support, where councils may utilise remaining funds to determine local approaches to support economical vulnerable households with council tax bills.

In all cases, the government expects councils to apply the reductions to 2023/24 Council Tax bills.

2.2 Core Scheme

- 2.2.1 Billing authorities are required to use their grant allocation to fund further reductions in the council tax liability of individuals receiving CTS with an outstanding 2023/24 council tax liability by up to £25.
- 2.2.2 Where the outstanding 2023/24 council tax liability is less than £25 then the liability would be reduced to nil. Where a taxpayer liability for 2023/24 is nil, no reduction to the council tax bill will be available.
- 2.2.3 This reduction should be applied from the beginning of the 2023/24 financial year for existing CTS recipients, with discounts being reflected in council tax bills issued in March.
- 2.2.4 Subject to testing of software and billing processes it is anticipated this will be delivered as part of the 2023/24 annual billing process, with East Lindsey council tax bills being issued mid-March.
- 2.2.5 Indicative data suggests around £244k of East Lindsey's £324k allocation will be utilised through this element of the scheme, however the actual final amount will only be confirmed once the billing process is complete. It is proposed that the remaining funding is then used as 'hardship' fund to be delivered under the Discretionary support element of the scheme, set out in section 2.3 below.

2.3 Discretionary Support

- 2.3.1 The government recognise that support mechanisms vary locally, and that councils will want to consider their own local approach to helping economically vulnerable households with council tax bills.
- 2.3.2 It is proposed that the remaining funding is used to support Council taxpayers facing financial hardship, and that the scheme, administered under the provisions of Section 13A (1) (c), can be accessed either through identification of hardship through the course of usual business engagement and interaction with customers, or by application from customers.
- 2.3.3 To receive an award under this scheme, council taxpayers will need to demonstrate economic vulnerability and financial hardship. Where eligible it is proposed the standard discount awarded under this scheme will be up to £100, with officer discretion to increase this amount in exceptional circumstances. Decisions will be made on a case-by-case basis.
- 2.3.4 To support as many households as possible, it is proposed that only one discretionary award will be allowed, although a recipient could receive a discount under both elements of this scheme.

- 2.3.5 The Council has been allocated a limited amount of funding for this scheme, and once the allocation is exhausted this Council Tax Support Fund scheme will cease and no further awards will be made. Where this occurs, any taxpayer may still apply for a reduction under the main Council Tax Discretionary Reduction Scheme.

3 COUNCIL TAX DISCRETIONARY REDUCTION SCHEME

- 3.1 The Council Tax Support Fund 2023/24 scheme is included as an Addendum to the main Council Tax Discretionary Reduction Policy. See Appendix A.

4 OTHER OPTIONS CONSIDERED

- 4.1 Do nothing - this option is discounted because eligible households would not benefit from the intended additional government support.
- 4.2 The government recognises that it is for local authorities to decide how to treat households that become eligible for CTS during the financial year. It is felt that the approach proposed in section 2.3 above will ensure access to this funding by those households where there is financial hardship, which may include households who become eligible for CTS during the year.
- 4.3 It was considered that the council could use its discretionary element of funding to increase core scheme amount to CTS recipients, above the £25 required by government. This however would not leave funding to support other households who are identified through the year as being economically vulnerable.
- 4.4 The discretionary scheme award level could be set at £25, aligned to the core scheme, however it is felt the level of award should be up to £100 to make a more meaningful difference to households.

5 CONCLUSION

- 5.1 The approach set out in section 2 of this report in relation will ensure that
- a) the council is complying with the guidance provided by central government meeting the conditions for the funding, and
 - b) the Discretionary support scheme element will be administratively efficient, getting some additional support as quickly as possible through reduction on council tax bills to households who are identified, or make application, as being economically vulnerable.
- 5.2 The Council Tax Support Fund 2023/24 scheme will end once funds are fully utilised. No further discounts will be awarded under this scheme, however the council would continue to consider applications made under its Council Tax Discretionary Reduction policy.

EXPECTED BENEFITS TO THE PARTNERSHIP

Not applicable

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

None

CORPORATE PRIORITIES

None

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

The government requires local authorities to deliver the Council Tax Support Fund 2023/24 scheme using their discretionary powers under Section 13A (1) (c) of the Local Government Finance Act 1992, and as such this requires a formal decision to be made.

This scheme forms part of the Council Tax Discretionary Reduction policy.

DATA PROTECTION

None

FINANCIAL

The Council Tax Support Fund 2023/24 scheme is funded by central government, with this council being allocated £324,427. The proposals are for the scheme to close when this funding is exhausted.

The Council is still required to consider applications for reductions in line with the provisions of Section 13A (1) (c) of the Local Government Finance Act, and its Council Tax Discretionary Reduction policy. Any awards that are not funded through the Council Tax Support Fund scheme will continue to be borne by East Lindsey District Council. In light of the economic pressures on households it may be reasonable to expect greater demand for support in 2023/24.

The government recognises that the implementation of this policy will place an additional burden on local authorities and will assess new burden funding to cover reasonable costs of implementation, staffing and software. No details have yet been received.

RISK MANAGEMENT

None

STAKEHOLDER / CONSULTATION / TIMESCALES

The Section 151 Officer and Portfolio Holder for Finance has been consulted.

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

There are no equality issues as a result of this report.

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

ACRONYMS

CTS – Council Tax Support

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A

Draft Council Tax Discretionary Reduction Policy

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body'. Also delete the below text/boxes.

REPORT APPROVAL

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