

East Herts Council Report

Executive

Date of Meeting: 14 February 2023

Report by: Councillor Geoff Williamson - Executive
Member for Financial Sustainability

Report title: Discretionary Council Tax Support top up 2023

Ward(s) affected: All

Summary

To approve a discretionary scheme funded by Government.

RECOMMENDATIONS for Executive to recommend to Council:

(A) The approval of the discretionary 'Council Tax Support Top Up 2023' Scheme as detailed at paragraph 2.7; and

(B) That the Head of Revenues and Benefits Share Service, in conjunction with the Executive Member for Financial Sustainability, amend the scheme criteria if funds would otherwise not be allocated in full.

1.0 Background

- 1.1 On the 19th December 2022, the Government announced additional funding for local authorities to deliver support to households already receiving local Council Tax Support (LCTS), whilst also providing councils with funds to determine a local approach to support other vulnerable households in their area.
- 1.2 East Herts has been provisionally allocated £ 136,992. This is a

combined figure for both the mandatory and discretionary element. The final figure will be confirmed as part of the final local government settlement.

- 1.3 This is a cash limited allocated which will not be topped up, and unspent funds must be returned to the Government at the end of the scheme.
- 1.4 The funding is for the 2023-24 financial year. The guidance states *"The Government expects local authorities to use the majority of their 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."*
- 1.5 The Government guidance on the main scheme details;
 - I. Where a taxpayer's liability for 2023-24 is, following the application of council tax support, less than £25, then their liability would 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.
 - II. There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support and automatically apply the discount.
 - III. Council tax reductions should be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March.
 - IV. **It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.**

- V. Authorities will want to make their local populations aware of how the grant support package will be delivered e.g. through providing information on their websites.
- VI. 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

1.6 This report addresses the use of funds remaining **after** the mandatory scheme (above) has been completed, and includes consideration of 1.5 IV above.

2.0 Report

2.1 The current LCTS caseload (1.12.2022) is 5149 households. If all received the maximum £25.00 top up, it would leave just £8,267 for the discretionary scheme.

	Caseload at 1.12.2022		Potential awards
Elderly	2242		£ 56,050.00
Working age	2907		£ 72,675.00
	5149	@£25.00	£ 128,725.00

2.2 All Working age LCTS households will have a remaining liability in excess of £25.00, as they are required to pay 8.5% of their liability. As demonstrated below with a band A liability. This means they will all qualify for the maximum £25.00 award.

	Annual charge		8.50%
Band A	£ 1,344.82		£ 114.31
Band A with SPD	£ 1,008.62		£ 85.73

- 2.3 The Elderly caseload is subject to a national scheme for LCTS, and accordingly they have their entitlement calculated on 100% of their liability. Those households receiving maximum entitlement will therefore not have a residual balance to pay, and will therefore not receive a top up awards. It is not possible at this point to identify how many households are in this category.
- 2.4 The Government guidance states that it is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.
- 2.5 The indicative funds available for the discretionary scheme (£8,267) would enable 330 households who become eligible for LCTS during the year to receive the £25.00 top up.
- 2.6 The guidance goes on to say;
- The Government recognises that existing support mechanisms vary locally, including LCTS schemes, discretionary council tax discount/hardship schemes and local welfare schemes. Councils will want to consider using a proportion of their allocation to establish their own local approach to helping economically vulnerable households with council tax bills. 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.*
- 2.7 It is therefore proposed that:

A	<p>In the first instance new LCTS cases awarded from 1 April 2023, with entitlement in 2023/24, (and not previously awarded funds from this or the mandatory scheme), be awarded up to £25.00 in accordance with the mandatory scheme allocation criteria, until the funding allocation is exhausted.</p> <p>The eligible liability being determined by the difference between the LCTS award and the liability relevant to the same period as the award in 2023/24 year.</p>
B	<p>If there are any funds remaining in March 2024, the balance be used on Council Tax hardship applications considered during the year until the allocation is exhausted.</p>

3.0 Implications/Consultations

No

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

Only as referenced in the report

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

No

Specific Wards

No

4.0 Background papers, appendices and other relevant material

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

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