

Title: Council Tax Support Fund

Lead Officer: Paul Town (paul.town@warwickdc.gov.uk – 01926 456073)

Portfolio Holder: Councillors Hales & Tracey

Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	23/1/23	Cllr Richard Hales & Cllr Jody Tracey
Finance	23/1/23	Andrew Rollins
Legal Services		N/A
Chief Executive	23/1/23	Chris Elliott
Head of Service(s)	23/1/23	Andrew Rollins
Section 151 Officer	23/1/23	Andrew Rollins
Monitoring Officer	23/1/23	Andrew Jones
Leadership Co-ordination Group	23/1/23	
Final decision by this Committee or rec to another Cttee / Council?	Yes Recommendation to Council 27 February 2023	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

The Government have created and funded a new scheme titled The Council Tax Support Fund to enable financial support the most vulnerable. This report provides a recommendation as to how this should be administered at Warwick District Council.

Recommendation(s)

That Cabinet recommends to Council to award the Council Tax Support Fund, set out at Paragraph 1.7 or 1.8 below, to those residents in receipt of Local Council Tax Reduction, in support of the decision by Council on revision to that Scheme.

1 Reasons for the Recommendation

- 1.1 The Government are funding an additional £100million to support the most vulnerable households. The funding will allow Councils to deliver additional support to households already receiving Local Council Tax Reduction (LCTR), whilst also providing the flexibility to determine the local approaches to support the most vulnerable households in their area.
- 1.2 Warwick District Council have been allocated £191,494 for this scheme.
- 1.3 The guidance states that an award of up to £25 should be given to any LCTR recipient that has a Council Tax liability to pay, for example - if a customer has a liability of £100 to pay, this would be reduced to £75, whereas if a customer only has £10, this would be reduced to nil.
- 1.4 For the proportion of the allocation that is not used in the above, Councils should establish their own local approach to helping vulnerable households with Council Tax bills.
- 1.5 The Government have stated there should be no need for LCTR recipients to make a claim for this support, it should be assessed and automatically applied by the local authority. This should be in place to be reflected in the 2023/24 Council Tax bills which will be raised and issued in early March.
- 1.6 For Warwick District Council to award the remainder of its allocation to the most vulnerable residents and without creating complicated discretionary schemes or application processes and causing unnecessary additional work, I propose the following 2 options. The reason there are 2 options is because we are consulting on increasing our LCTR scheme to award up to 100% for several working age claimants. If this decision is agreed by Council on 27 February, the implementation of this increase would heavily reduce the number of claimants that have a Council Tax liability to pay. This would be an addition to the Council's response to the Cost of Living crisis.
- 1.7 **Option 1** (maximum LCTR for working age claimants does not increase to 100% and stays at 85%).

We grant every LCTR recipient with a Council Tax liability to pay an award of up to £25 (dependant on their liability amount).

	No. of eligible claimants	Total amount of CT Support payments
Working Age	4,606	£115,150
Pensioners	1,040	£26,000
Total		£141,150

This would leave £50,344, allowing up to £25 to be awarded to every new LCTR recipient, with a CTax liability to pay, throughout 2023/24, but as this would allow for over 2,000 claimants, this may leave monies unspent by the end of the year.

- 1.8 **Option 2** (maximum CTR for working age claimants does increase to 100%)
We grant every CTR recipient with a Council Tax liability to pay an award of up to £75 (dependant on their liability amount).

	No. of eligible claimants	Total amount of CT Support payments
Working Age	1,400	£105,000
Pensioners	965	£72,375
Total		£177,375

This would leave £14,119, allowing up to £75 to be awarded to every new CTR recipient, with a CTax liability to pay, throughout 2023/24 until the funding was exhausted. This would allow for around 188 further claimants to receive the award, but as the new 100% scheme would be in place, we would expect the number with a CTax liability to be substantially reduced.

2 Alternative Options

- 2.1 There isn't an alternative to awarding these funds to vulnerable residents, however the alternative to this proposal would be to award the minimum of £25 to those on LCTR and create a discretionary scheme with an application and verification process for the remaining funds.

3 Legal Implications

- 3.1 The scheme is set by the government under s13A(1)(c) of the Local Government Finance Act 1992 and therefore the final decision on this matter must be taken by Council..

4 Financial

- 4.1 The financial implications of the proposal for the Council should be zero, DLUCH are providing new burdens monies which should cover the expenses of the software required and the staff time to administer the scheme.

5 Business Strategy

- 5.1 If the scheme is agreed there will be a direct positive impact on the health and wellbeing of some of our most vulnerable residents. The changes will provide further assistance during the current cost of living crisis.

6 Environmental/Climate Change Implications

- 6.1 None.

7 Analysis of the effects on Equality

- 7.1 The effects on equality are positive as this scheme is directed to help the most vulnerable of our residents.

8 Data Protection

- 8.1 None.

9 Health and Wellbeing

9.1 The proposal will have a direct positive impact on residents who are entitled to Local Council Tax Reduction, which will contribute to their health and wellbeing.

10 Risk Assessment

10.1 The main risk is that we do not award the monies, provided to us by Government, to our most vulnerable residents. This scheme and proposal allows us to mitigate this risk completely.

Background papers: None

Supporting documents:

Appendix 1 - Letter from DLUCH regarding the scheme

Appendix 2 - Guidance from DLUCH on the scheme