

To: **Executive Member for Transformation and Finance**
13 February 2023

Use of Discretionary Element of Council Tax Support Fund
Executive Director: Resources

1 Purpose of Report

- 1.1 As part of the Local Government Finance Settlement 2023/24 the Government made funding available through its Council Tax Support Fund to local authorities. The Government 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."
- 1.2 Based on current caseloads and allowing for potential new cases adding 10% to these figures, it is estimated that providing £25 reductions to council tax bills for council tax support claimants (both, working age and pensioners) will require around £102,300 of Bracknell Forest's £128,690 grant allocation. This report seek approval for the approach to distribute the remaining £26,400 funding, over which the Council has discretion. This decision was delegated to the Executive Member for Transformation and Finance by the Executive at its meeting on 7 February 2023.

2 Recommendation(s)

- 2.1 **That a further reduction of up to £25 to Council Tax bills for eligible pensioner households receiving council tax support is funded from the discretionary part of the Council Tax Support Fund, at an estimated cost of £17,400;**
- 2.2 **That the remaining funding, estimated at £9,000 is used to supplement the Council's existing £10,000 Council Tax hardship fund, administered by the Welfare and Benefits team.**

3 Reasons for Recommendations

- 3.1 To ensure that the Council makes maximum use of the Council Tax Support Fund to support economically vulnerable households in the Borough.

4 Alternative Options Considered

- 4.1 To offer discounts of less than £25 to eligible households, which is permitted under the scheme. However, this would significantly erode its intended impact and has therefore been discounted.
- 4.2 To invite households to bid for the funding remaining after the Government's expectation of it being used to provide £25 discounts to council tax support claimants has been fulfilled. This has been discounted due to the administrative complexity that such an approach would introduce, which would be disproportionate to the relatively small amount of funding available.

- 4.3 To provide further discounts to all council tax support households, both working age and pensioners. This is not recommended due to the Council having agreed its own local £75 Council Tax discount for working age claimant households.
- 4.4 To use all the remaining funding to provide the highest possible discounts to pensioner households, which would be up to a maximum of £73. This has been discounted, recognising that there is a wide range of alternative financial support available to low income pensioner households which is not the case for other households experiencing financial hardship who could be eligible for support through the Council's Council Tax Hardship Support fund, which currently has a limited budget of £10k.

5 Supporting Information

- 5.1 The Government has recognised that many households in the United Kingdom are facing financial difficulties and has made available a range of financial support packages, including £100m in England through its Council Tax Support Fund. This has been provided to enable local authorities to make available discounts to council tax bills for low income households eligible for council tax support.
- 5.2 In Bracknell Forest there are currently around 3,050 working age households in receipt of council tax support, with the numbers fluctuating regularly as household circumstances change. Whilst the overall number of such households has remained relatively static in Bracknell Forest over the past two years, the number of successful claimants over the past 12 months has totalled around 3,400, with some claimants losing eligibility during the year due to their incomes increasing. Under Bracknell Forest's local council tax support scheme, working age households must pay at least 20% of their council tax liability.
- 5.3 There are also currently just over 1,800 low-income pensioner households receiving discounts on their council tax bills, with the level of discount being dependent on their actual household incomes. Just over 1,100 of these, on the lowest incomes, make no payments at all for council tax. The remaining 700 on higher incomes pay an average of £465 towards their council tax bills. 27 pay less than £25 and a further 42 pay between £25 - £50. In common with the number of working age claimants, the scale of pensioner households receiving council tax support varies during the year, but is typically less volatile.
- 5.4 With all households receiving council tax support being eligible for the Council Tax Support Fund, around 3,750 current claimant households will receive reductions of up to £25 on their council tax bills. The proposal in this report is to award reductions of £25, with anything lower than this level not offering a meaningful contribution to household finances. It is estimated that up to 500 additional households may become eligible during the 2023/24 financial year, bringing the total number of households supported by the Government's fund to up to 4,250, at an estimated cost of £102,300, leaving £26,400 of the Council's grant allocation to support households with their council tax bills as we best determine.
- 5.5 Bracknell Forest Council has provided discounts to council tax bills for working age council tax support recipient households in 2021/22 and 2022/23 and proposes to do so again in 2023/24, at £75 per dwelling. This will bring the total discount from council tax bills for working age claimant households to £100, including the Government's Council Tax Support Fund contribution.

- 5.6 It is proposed that the remaining £26,400 funding is used both to provide additional discounts to low income pensioner households receiving council tax support of up to a further £25 (the level of discount being capped at the level of the actual council tax bill) and to supplement the Council's existing Council Tax hardship fund. This is administered by the Welfare and Benefits team on a case by case basis, providing support to households most in need.

6 Consultation and Other Considerations

Legal Advice

- 6.1 Under Section 13A(1) (a) and (c) of the Local Government Finance Act 1992 the Council has a discretionary power to reduce Council Tax liability and these discretionary awards can be given to individual council taxpayers and groups of council taxpayers defined by a common set of circumstances.

The provision allows the Council the discretion to provide assistance to taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in such circumstances where the Council considers that the level of discount, exemption or reduction is insufficient given the circumstances and the Council is therefore able to determine the qualifying criteria for such an award under the Council Tax Support Fund

The Department for Levelling Up Housing and Communities published Council Tax Support Fund Guidance on 23rd December 2022.

Financial Advice

- 6.2 The financial implications are set out in the report. The proposals relate to spending grant awarded to Bracknell Forest under the Government's Council Tax Support Fund, which will need to be returned to Government if it is not spent.

Other Consultation Responses

- 6.3 None

Equalities Impact Assessment

- 6.4 The proposals are aimed at supporting low income, vulnerable households who are most at risk from financial hardship.

Strategic Risk Management Issues

- 6.5 None

Climate Change Implications

- 6.6 The recommendations in Section 2 above are expected to:

Reduce emissions of CO₂/Increase emissions of CO₂/Have no impact on emissions of CO₂.

OFFICIAL SENSITIVE (COMMERCIAL)/OFFICIAL SENSITIVE (PERSONAL)

The reasons the Council believes that this will reduce emissions/have no impact on emissions are/To reduce the impact of this increase, the Council will

Health & Wellbeing Considerations

- 6.7 The proposals are intended to directly support low income households and their health and wellbeing.

Background Papers

Revenue Budget report to Executive 7 February 2023

Contact for further information

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