

Meeting date: 9 February 2023

Report to: Full Cabinet

Report title: Council Tax Support Fund 2023/24

Report from: Acting Chief Executive

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

Exempt by virtue of paragraph:

1. Executive Summary

- 1.1 The purpose of this report is to provide Cabinet with details of the Council Tax Support Fund for 2023/24 and to present a policy for approval.
- 1.2 The Council Tax Support Fund is a new fund announced by the Government and applies to 2023/24. The fund is to provide support to vulnerable households in England including those households receiving council tax support. Councils have the flexibility to determine a local approach to be confirmed in a published policy.

2. Decision(s) Recommended

- 2.1 Cabinet is asked to approve the Council's Council Tax Support Fund Policy for 2023/24 attached at appendix A.
- 2.2 Cabinet is asked to delegate approval to make any changes necessary to ensure that all the funding is allocated within the specified time-frame to the Cabinet Member for Resources in conjunction with the Acting Chief Executive.

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3. Matters for Consideration

- 3.1 Recognising the impact of rising council tax bills, the government will be distributing £100 million of new grant funding in 2023/24 for local authorities to support economically vulnerable households in their area with council tax payments. This is known as the Council Tax Support Fund and was announced alongside the 2023/24 provisional local government finance settlement in December 2022.
- 3.2 The government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age claimants of local council tax support (LCTS) by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
- 3.3 The Council Tax Support Fund award should apply to current LCTS claimants that have an outstanding council tax liability for the 2023/24 financial year. In accordance with government guidance, where a LCTS claimant's liability for council tax for 2023/24 is less than £25 they will receive a part award reducing their liability to nil. Where a LCTS claimant's liability for council tax for 2023/24 is nil they are not eligible for an award.
- 3.4 Guidance confirms that there should be no need for any claimant of LCTS to make a separate claim for an award under this scheme. It is for the local council to assess who is eligible for the support and automatically make the award.
- 3.5 An award from the Council Tax Support Fund should be applied from the beginning of the 2023/24 financial year for existing LCTS claimants and this award should be reflected in council tax bills issued in March. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year. Further information regarding this is set out in section 4.
- 3.6 Solihull Council has received a funding allocation of £339,502 for the Council Tax Support Fund.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 The number of LCTS claimants increased considerably during 2020/21 because of Covid-19. Since April 2022 the number of LCTS claimants is slowly reducing to pre-pandemic levels. There are 12,727 claimants currently in receipt of LCTS.
- 4.2 In Solihull all LCTS claimants of working age are required to pay a minimum of 15% towards their council tax charge. There is no such minimum for pensioners as they are covered by the national prescribed regulations.

MODELLING OF CURRENT LCTS DATA

- 4.3 The table below shows the outcome of modelling based on our most current LCTS data. The table shows how many of our current LCTS claimants would receive a full award (based on the government guide of £25), how many would receive a partial

award (because the amount of council tax they have to pay is between £0.01 and £24.99) and how many would not be eligible as they receive 100% LCTS so have no council tax to pay.

Council Tax Support Fund Award	No. of LCTS claimants	Household Age Group	
Full award	9,333	Pensioner	1,715
		Working age	7,618
Partial award	84	Pensioner	84
		Working age	0
No award as nil council tax to pay (receiving 100% LCTS)	3,310	Pensioner	3,310
		Working age	0

4.4 The table below shows the number of LCTS claimants by council tax band. This shows that the majority of those eligible for an award are in council tax bands A to C.

Council Tax Band	A	B	C	D	E	F	G	H	Total
Full award of £25	4,067	2,172	1,911	766	240	124	51	2	9,333
Partial award	24	23	18	14	4	1	0	0	84
Nil award	1,165	878	766	321	107	50	23	0	3,310

NEW LCTS CLAIMS

4.5 A total of 1,990 new claims qualified for LCTS during the period 1 April 2022 and 9 January 2023. Of these 78% would be eligible for either a full award or a partial award from the Council Tax Support Fund. Extrapolating this to a full year gives an estimated number of new LCTS claim for 2023/24 that would be eligible for an award of 2,079 with a spend in the region of £52,000.

4.6 This is based on an assumption that the number of new LCTS claims for 2023/24 will remain consistent to those received in 2022/23. There is the potential that the number

of new claims in 2023/24 could increase as a result of cost-of-living pressures which is something that will be monitored closely.

DISCRETIONARY SCHEME

- 4.7 Solihull Council has a well-established scheme to support any resident experiencing financial hardship as a result of their council tax liability. Known as the Council Tax Discretionary Reduction Policy, the policy provides the Council with additional discretionary powers to enable it to reduce the council tax liability where statutory discounts, exemptions and reductions do not apply.
- 4.8 As of 17 January 2023, a total of 16 applications have been approved for a council tax discretionary reduction with a total value of £22,000. This leaves a remaining fund of £78,000.

IMPLEMENTATION OPTIONS

- 4.9 **OPTION 1** – To automatically award up to £25 to all existing and new LCTS claimants with an allocation of funding to the Council’s existing Discretionary Reduction Fund.

Automatically award up to £25 to existing LCTS claimants (9,333 full award + 84 partial award)	9,417	£234,147
Automatically award up to £25 to any new claimant of LCTS who becomes eligible during 2023/24	2,079	£51,975
Allocation of funding to the Council’s Discretionary Reduction Fund		£53,380
TOTAL SPEND		£339,502

- 4.10 **OPTION 2** - To automatically award £30 to all existing LCTS claimants with the remaining funding allocated to the Council’s existing Discretionary Reduction Fund. Any new LCTS claimant entitled during 2023/24 would be signposted to make an application for support from the Discretionary Reduction Fund if experiencing financial hardship.

Automatically award up to £30 to existing LCTS claimants (9,333 full award + 84 partial award) NB: There may also be a small increase in the number of claimants receiving a partial award as a result of the increase to £30, which would increase this amount and reduce the allocation to the Council's Discretionary Reduction Fund accordingly.	9,417	£280,812
Allocation of funding to the Council's Discretionary Reduction Fund – all new LCTS claimants entitled during 2023/24 signposted to make a claim.		£58,690
TOTAL SPEND		£339,502

4.11 **OPTION 3** - To automatically award £35 to all existing LCTS claimants with the remaining funding allocated to the Council's existing Discretionary Reduction Fund. Any new LCTS claimant entitled during 2023/24 signposted to make an application for support from the Discretionary Reduction Fund if experiencing financial hardship.

Automatically award up to £35 to existing LCTS claimants (9,333 full award + 84 partial award) NB: There may also be a small increase in the number of claimants receiving a partial award as a result of the increase to £35, which would increase this amount and reduce the allocation to the Council's Discretionary Reduction Fund accordingly.	9,417	£327,477
Allocation of funding to the Council's Discretionary Reduction Fund– all new LCTS claimants entitled during 2023/24 signposted to make a claim.		£12,025
TOTAL SPEND		£339,502

5. Reasons for recommending preferred option

- 5.1 It is recommended that option 1 is implemented. Automatically awarding up to £25 to all existing LCTS claimants is in line with the government guidance. Automatically awarding up to £25 to any new LCTS claimant who becomes eligible during 2023/24 ensures this is a fair and equitable scheme with LCTS claimants receiving the same level of support regardless of when they became entitled. This would not be the case with options 2 or 3.
- 5.2 Making automatic awards to both existing and new LCTS claimants will allow us to apply the support quickly to those that are eligible. No application forms are needed

from new LCTS claimants with option 1 therefore minimising the administrative burden on the claimant and the Council and maximising take up for the scheme.

- 5.3 Allocating a portion of the funding in option 1 to the Council's existing Discretionary Reduction Fund will ensure that support can be offered to any resident experiencing financial hardship as a result of their council tax charge. This could be residents in receipt of LCTS or those who are not eligible. An application form is required for this in accordance with the policy.
- 5.4 It is worth noting that the funding allocations in option 1 are based on estimates using existing data and forecasts based on previous trends. These figures are likely to fluctuate which means the amount of residual funding allocated to the Discretionary Reduction Fund is subject to change.
- 5.5 To ensure all funding for the Council Tax Support Fund is spent during 2023/24 it is recommended that the scheme be reviewed at regular intervals and any changes to the policy be delegated for approval by the Cabinet Member for Resources in consultation with the Acting Chief Executive.

6. Implications and Considerations

- 6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>The Council Tax Support Fund will provide additional support to vulnerable households in Solihull.</p>
<p>Economy:</p> <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. 	<p>N/A</p>
<p>Environment:</p>	<p>N/A</p>

Priority:	Contribution:
8. Enhance our natural environment, improve air quality and reduce net carbon emissions.	
9. Promote employee wellbeing	N/A

6.2 Consultation and Scrutiny:

6.2.1 This report has not been presented to a scrutiny board.

6.3 Financial implications:

6.3.1 Funding for the scheme has been allocated to councils based on their share of LCTS claimants for quarter 2 of 2022/23.

6.3.2 Solihull Council has been awarded funding of £339,502 to be used within the 2023/24 financial year.

6.3.3 The number of LCTS claimants is continually changing based on new claims made and changes to existing claimants' circumstances. Therefore, the figures for option 1 set out in section 4.9 will fluctuate as the LCTS caseload changes. The Council Tax Support Fund will be monitored closely and any changes required will be presented for approval by the Acting Chief Executive to the Cabinet Member for Resources.

6.4 Legal implications:

6.4.1 None

6.5 Risk implications, including Risk Appetite:

6.5.1 There is a risk that the Council could be open to challenge if a policy was not agreed and published.

6.5.2 The risk appetite is low as the policy is based on government guidance.

6.6 Equality implications:

6.6.1 The Council Tax Support Fund applies to any ratepayer regardless of age. From the modelling work undertaken working age households will be the main recipient of the Council Tax Support Fund (81%). This is expected as working age LCTS claimants in Solihull are required to pay a minimum of 15% towards their council tax charge whereas pensioner age claimants do not have a minimum contribution. Working age LCTS claimants also account for 60% of our overall LCTS caseload.

6.6.2 If approved, the Council Tax Support Fund award will be processed automatically to those LCTS claimants identified as eligible. The award will be made directly to their council tax account. Information will be placed on the Council's website so that the policy and eligibility are transparent. The Council's website meets accessibility criteria

and provides translation and interpreting tools to support people with communication barriers.

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1 None

7. List of appendices referred to

7.1 Appendix A – Solihull Council’s Council Tax Support Fund Policy 2023/24

8. Background papers used to compile this report

8.1 None

9. List of Other Relevant Documents

9.1 [Solihull Council’s Council Tax Discretionary Reduction Policy](#)

9.2 [Department of Levelling Up, Housing & Communities Council Tax Support Fund guidance](#)