

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 09 October 2023

Portfolio:	Policy and Resources
Subject:	THE COUNCIL TAX SUPPORT FUND
Report of:	Assistant Director (Finance & ICT)
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

To seek Executive approval of The Council Tax Support Fund Policy, which deals with the allocation of Fareham's proportion of Government funding, with the aim to assist those residents receiving Council Tax Support who have an outstanding Council Tax liability, by up to £25.00 via a Mandatory Scheme. Also, to provide a Discretionary Fund, where local authorities can determine their own approach to supporting economically vulnerable households with their Council Tax.

Executive summary:

On 23 December 2022 the government announced the Council Tax Support Fund, stating that they recognised 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 policy covers the administration of Fareham's proportion of the fund which is £99,331, split between:

- A mandatory fund, which assists those receiving Council Tax Support who have an outstanding Council Tax liability of up to £25.00.
- A Discretionary Fund, where local authorities can determine their own approach to supporting economically vulnerable households.

Recommendation/Recommended Option:

It is recommended that the Executive agree that the key principles of the Council Tax Support Fund Policy as outlined in this report, be approved for adoption in Fareham.

Reason:

The principles have been drawn up to help develop a policy which maximises the benefit that can be provided to as many residents as possible who are in receipt of Council Tax Support.

Cost of proposals:

The Government has allocated £99,331 to fully fund this scheme. It is not intended to make any payments beyond this funded sum.

Background papers: None

Reference papers:

This scheme has been designed based on general guidance issued by the Department for Levelling Up, Housing and Communities. The guidance can be found at: www.gov.uk/government/publications/council-tax-support-fund-guidance

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BOROUGH COUNCIL

Executive Briefing Paper

Date:	09 October 2023
Subject:	Hardship Policy
Briefing by:	Assistant Director (Finance & ICT)
Portfolio:	Policy and Resources

INTRODUCTION

1. On 23 December 2022 the government announced the Council Tax Support Fund, stating that they recognised 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”.
2. This policy covers the administration of a mandatory Council Tax Support Fund, which will reduce the Council Tax of those receiving Council Tax Support, with an outstanding Council Tax liability by up to £25.00, and a Discretionary Fund, where local authorities can determine their own approach to supporting economically vulnerable households.
3. Councils can decide locally how to best make use of the discretionary funding to provide support to vulnerable households with Council Tax bills.
4. The Government has allocated £99,331 in funding for the mandatory and discretionary schemes, the expectation being that all funds will be utilised to maximise the support given to vulnerable households through a reduction to their Council Tax balances.
5. This scheme has been designed based on general guidance issued by the Department for Levelling Up, Housing and Communities. The guidance can be found at: www.gov.uk/government/publications/council-tax-support-fund-guidance
6. Any additional assistance, outside of the funding, would fall to be paid by the Council itself. Therefore, once all the allocated funds are exhausted, no further reduction in Council Tax liability will be made under this policy.
7. Payments of the support will be made using our discretionary powers under Section 13A(1)(c) of the Local Government Finance Act 1992.

FUNDING

8. Government has provided funding to the Council which is to be distributed by 31 March 2024. Payments of the support will be made using our discretionary powers under Section 13A(1)(c) of the Local Government Finance Act 1992.

9. The Government's funding is to provide a mandatory and discretionary scheme, and it expects the council, where possible, to use all the funding provided. The Council will fully utilise the funding to maximise the support given to vulnerable households with paying their Council Tax. Any additional assistance, outside of the funding, would fall to be paid by the Council itself. Therefore, once all the allocated funds are exhausted, no further reduction in Council Tax liability will be made under this policy.

THE COUNCIL TAX SUPPORT FUND SCHEMES

10. The Council Tax Support Fund scheme is separated into two elements, the mandatory scheme and discretionary scheme. In all cases, Government expects billing authorities to apply the reductions to the 2023/24 Council Tax bills.

MANDATORY SCHEME

11. Awards have already been made to all non-zero Council Tax Support claimants who on 1 April 2023, were responsible for the payment of Council Tax and had an outstanding Council Tax liability for the 2023/24 financial year.
12. The award was a maximum of £25.00 per household. To confirm:
- Where the Council Tax liability for 2023/24 is, following the application of any relevant discounts and Council Tax support, £25.00 or more, a further reduction in Council Tax liability of £25.00 will be made.
 - Where the Council Tax liability for 2023/24 is, following the application of any relevant discounts and Council Tax support, greater than nil but less than £25, then a further reduction in Council Tax liability will be made to reduce the liability to nil, and
 - Where the Council Tax liability for 2023/24 is, following the application of any relevant discounts and Council Tax support, nil, then no further reduction to Council Tax liability will be made.
13. Where there are joint occupiers of a property and one or both of whom are in receipt of Council Tax Support, the maximum Council Tax Support Fund awarded onto the Council Tax account will be £25.00.
14. There will be no requirement for any taxpayer to apply for this support as the award will be credited automatically to their Council Tax account.
15. We have already made the Mandatory £25.00 award to relevant cases from 01 April 2023, and this has delivered £42,337.43 worth of relief to 2,190 claimants.
16. The mandatory scheme will not pay any further new claims from 01 April, this late in the year, as claims are rarely backdated. So, £56,993.57 (£99,331.00 less £42,337.43) is available for further distribution under the discretionary scheme.

DISCRETIONARY SCHEME

17. The Council will use residual funding (£56,993.57) after the application of the mandatory scheme, as detailed above.
18. An award of £25.00 from the discretionary fund has already been granted to any new Council Tax Support claimants since April 2023. This policy seeks to retrospectively agree these awards and enhance them by:
 - Increasing the Mandatory Scheme Support of up to £25.00 by up to a further £25.00 from the discretionary fund, so that the total support provided is a maximum of £50.00. The amount will be applied automatically to the Council Tax account, along with the Mandatory award, with no need for an application.
 - Providing all households who receive Council Tax Support during 2023/24 with a maximum award of £50.00 from the discretionary fund. This will be funded from the remaining £13,993.57 (£56,993.57 Less £43,000.00).
19. The funding will be reviewed regularly and if there appears to be an excess of funding unspent, this will be used to assist exceptional hardship cases as designated by Local Tax and Corporate Debt Manager or the Benefits Manager.
20. Claimants will not need to make a separate application for the award as this will be applied automatically to the Council Tax account:
21. To confirm, following the application of any relevant discounts and Council Tax support and a maximum of £25.00 from the Mandatory fund, where the remaining Council Tax liability for 2023/24 is:
 - £25.00 or a higher sum, the reduction in Council Tax liability will be £25.00.
 - Greater than nil but less than £25.00, then a further reduction in Council Tax liability will be made to reduce the liability to nil, and
 - Nil, then no reduction to the Council Tax liability will be made.
22. Only one allocation of a maximum of £50.00 will be made to each household, claiming Council Tax Support, so if a claimant moves during 2023/2024, they will not receive further funding.
23. Once the total grant funding has been awarded, the discretionary scheme will close, and no further awards will be made.

NOTIFICATION OF DECISIONS

24. Awards of the mandatory scheme was notified to claimants in their Council Tax bill for the 2023/24 year in March 2023, with the amount of Council Tax Support Fund awarded.
25. Where a discretionary award is made throughout 2023/24 a Council Tax bill will be issued to confirm the amount awarded.

CHANGES IN CIRCUMSTANCES

26. Where a claimant has a change in circumstances that affects the amount of Council Tax Support, the Council Tax Support Fund award will be recalculated.
27. Where a claimant moves address, any residual Council Tax Support Fund up to a total maximum amount of £50.00, can be awarded onto the new Council Tax account.

REVIEW OF DECISIONS

28. Whilst there is no statutory appeal process, the Council will operate an internal review process and will accept an applicant's request for an appeal of its decision by the Local Tax and Corporate Debt Manager or the Benefits Manager
29. All such requests must be made in writing or by e-mail to the Council, within 21 days of the Council's decision, and should state the reasons why the applicant is aggrieved with the decision of the Council.

FRAUD

30. The Council is committed to protecting public funds and ensuring funds are awarded to households that are rightfully eligible to them. Neither the Council, nor Government will accept deliberate manipulation of the scheme and fraud.

RECOVERY OF AMOUNTS INCORRECTLY PAID.

31. If it is established that a Council Tax Support Fund has been awarded incorrectly or in error, due to a failure to provide correct or accurate information to the Council by an applicant or their representative(s), the Council will adjust the Council Taxpayers account and the taxpayer will be sent a bill.

DATA PROTECTION AND USE OF DATA

32. All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy.

[Council Tax and Business Rate Privacy Notice \(fareham.gov.uk\)](http://fareham.gov.uk)

Enquiries:

For further information on this report please contact Adrian Collier Local Tax and Corporate Debt Manager (01329) 824632