

## Council Tax Support Fund for Leeds

Date: 20<sup>th</sup> January 2023

Report of: Chief Officer Community Hubs, Welfare and Business Support

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief Summary

This report is to gain approval for Leeds City Council to accept £1,662,116 from the Department for Levelling Up, Housing & Communities (DLUHC) Council Tax Support Fund (CTSF) to support economically vulnerable households in their area with council tax payments from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

Authorities are asked to use their grant allocation to fund further reductions in the council tax liability of individuals receiving Local Council Tax Support (LCTS) with an outstanding council tax liability, by up to £25. Local authorities are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills.

The discount should apply to current LCTS claimants that have an outstanding council tax liability for the 2023-24 financial year. Government expects councils to deliver this using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

This report outlines the proposal for distributing the CTSF to LCTS recipients. These proposals aim to ensure residents receive support directly and quickly in line with the guidance from Government. The full guidance can be found here: [Council Tax Support Fund guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/council-tax-support-fund)

To ensure that the Council can start to allocate this funding as soon as possible the funding needs to be accepted and the approach agreed on how the funding is allocated.

### Recommendations

The Director of Communities, Housing and Environment is recommended to:-

- a) Accept the allocation of £1,662,116 from the DLUHC Council Tax Support Fund to support economically vulnerable households in with council tax payments from 1st April 2023 to 31st March 2024.
- b) Accept the proposed method of distributing the CTSF outlined in this report.

- c) Agree to make this decision exempt from call in as per the reasons in paragraph 16 of this report.

### **What is this report about?**

- 1 This report is to gain approval for Leeds City Council to accept £1,662,116 from the Department for Levelling Up, Housing & Communities Council Tax Support Fund (CSF) to support economically vulnerable households in their area with council tax payments from 1st April 2023 to 31st March 2024.
- 2 The report also proposes how the funding will be utilised in accordance with the guidance provided by Government.
- 3 Final guidance from DLUHC on how the funding should be spent was received on 23rd December 2022.
- 4 Key aspects of the guidance can be summarised as follows:
  - The Government expect LA's to use most 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.
  - The discount should apply to current LCTS claimants that have an outstanding council tax liability for the 2023-24 financial year.
  - 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.
  - 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. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.
  - Local authorities should maintain a record of support provided. Councils should ensure that they are able to monitor and report on the level of expenditure provided to LCTS claimants through the provision of additional discounts. Local authorities should also maintain records of the mechanisms and levels of support provided through discretionary schemes.
  - The Department for Levelling Up, Housing and Communities will undertake a quarterly DELTA collection exercise to monitor implementation progress. Councils should therefore ensure they put in place arrangements to support this data collection process.
- 5 Although Authorities are asked to reduce bills by up to £25, Councils have discretion to use their remaining allocation as they see fit and are therefore able to increase this amount if they so wish.
- 6 Authorities have been asked to aim to have arrangements in place as quickly as possible so that residents can be advised of their reduced bills during March.
- 7 To ensure that the Council able to start to allocate this funding as soon as possible the funding needs to be accepted and the approach agreed on how the funding is allocated.
- 8 For Leeds it is proposed the funding is allocated as follows:
  - All LCTS recipients with an annual balance of £25 or more to pay in 2023/24 will receive a credit of up to £40.00 on their Council Tax bill.
  - Based on current caseload data, this will mean 36,688 households in receipt of CTS will benefit as illustrated in the table on the following page:

*Projected number and value of awards based on 20/01/23 caseload data*

	Number	Value (£)
Number of LCTS recipients	62,302	
Number with no balance to pay	25,614	
Number with balance to pay	36,688	
Number of LCTS recipients with a balance of £40 or more to pay	35,932	(35,932 x £40) £1,437,280
Number of LCTS recipients with a balance of between 0 and £39.99 to pay	758	Combined value of balances £16,435
<b>Total Projected Value of Awards</b>		<b>£1,453,715</b>
Total Projected residual balance available for other initiatives		(£1662,116 - £1,453,715) £208,401

- These awards will only be available to existing LCTS recipients on 01/04/2023. Anyone claiming LCTS after 01/04/2023 will not receive an award. The guidance allows Authorities to make this decision
- A projected residual balance of £208,401 will be available to make awards to LCTS recipients who are identified as suffering hardship throughout the year. Potential eligibility and award value will be considered based upon Council Tax arrears and personal circumstances. Applicants suffering financial hardship who apply for Discretionary Housing Payments will be considered for an award. All such awards will be recorded for audit purposes and officers will ensure the full allocation is spent.

9 LCTS recipients deemed eligible for an award will receive notification of their reduced Council Tax Bill during March 2023 in accordance with the guidance.

**What impact will this proposal have?**

10 The Council Tax Support Fund will support economically vulnerable households in their area with council tax payments.

**How does this proposal impact the three pillars of the Best City Ambition?**

Health and Wellbeing       Inclusive Growth       Zero Carbon

**What consultation and engagement has taken place?**

Wards affected:	
Have ward members been consulted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

11 Cllr Harland has been briefed on the guidance and remit of the funding and proposed spending allocations.

12

**What are the resource implications?**

13 The government have made provision for Authorities to receive new burdens funding to cover any additional costs associated with implementing this scheme.

### **What are the key risks and how are they being managed?**

14 Leeds City Council will ensure that the support is delivered in accordance with the guidance set out by the Department for Levelling Up, Housing & Communities.

### **What are the legal implications?**

15 Government expects councils to deliver this using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992. Under S13A(1)(c) a person's Council Tax liability may be reduced, or reduced further, if it has already been reduced under the CTS scheme, to such extent as the Council in its capacity as billing authority thinks fit, including by reducing an amount to nil, and this power can be exercised in relation to individual cases or classes of case in which liability is to be reduced.

16 Approval is sought to waive the usual call-in period for this Key Decision, as any delay implementing the decision will mean the Council would not be able to notify residents of their entitlement to this additional financial support in their March bills in line with the Government guidance. The delay would also likely result in additional costs for the Council as 36,388 households would potentially require a duplicate Council Tax bill.

17 Approval is also sought to waive the usual period of 28 days on the list of key decisions for the reasons outlined above.

## **Options, timescales and measuring success**

### **What other options were considered?**

18 None

### **How will success be measured?**

19 By delivering the full allocation of financial support to LCTS residents in accordance with the Government's guidance.

### **What is the timetable and who will be responsible for implementation?**

20 Most awards are expected to be credited to Council Tax accounts in advance of April 2023. The residual funding will be distributed throughout 2023/24.

21 The Head of Service for Welfare and Benefits will be responsible for ensuring the support is delivered to LCTS recipients in accordance with the Government guidance.

## **Appendices**

- Equality Assessment

## **Background papers**

- None