



Joint Strategic Committee
7 February 2023

ADUR & WORTHING COUNCILS

Key Decision: No

Ward(s) Affected: All

Council Tax Support Fund in respect of 2023/24

Report by the Director for Digital, Sustainability & Resources

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Executive Summary

1. Purpose

- 1.1 Following the provisional Local Government Finance Settlement for 2023/24, on 23 December 2023 the Department for Levelling Up, Housing & Communities wrote to local authorities and issued guidance in respect of the Council Tax Support Fund.
- 1.2 Each council will be provided with funding to award a maximum of £25.00 additional Council Tax Support to both working age and pensioner households in respect of 2023/24. Councils can utilise their remaining funding allocation as they see fit to support vulnerable households with Council Tax bills.
- 1.3 This report therefore recommends the criteria to be adopted by Adur District Council and Worthing Borough Council in respect of the Council Tax Support Fund.

2. Recommendations

- 2.1. The Joint Strategic Committee is recommended to:
 - i) note the content of this report and to recommend to the respective Full Councils that the criteria to be adopted in respect of Council Tax Support Fund for 2023/24

should be those detailed in paragraph 4.8 and in accordance with the government guidelines.

ii) Approve a budget virement in 2023/24 of £94,900 for Adur District Council and £146,400 for Worthing Borough Council to create the budgets required to implement this new scheme.

iii) In the event that the Government amends the scheme, that the Committee delegates to the Head of Revenues and Benefits the ability to make minor and non-consequential adjustments to the scheme in consultation with the Leaders.

3. Context

3.1 Alongside the provisional Local Government Finance Settlement that was announced on 19 December 2022, on 23 December 2022 the Department for Levelling Up, Housing & Communities advised local authorities that £100m of additional funding would be provided

“.....to support the most vulnerable households in England.

This funding will allow councils to deliver additional support to the 3.8 million households already receiving Council Tax Support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area.”

The new scheme is known as the Council Tax Support Fund.

3.2 Each year since April 2020 additional awards of up to £150.00 have been provided to working age residents in receipt of Council Tax Support. These awards were initially funded by the former Ministry of Housing, Communities & Local Government and more recently by West Sussex County Council together with Adur and Worthing Councils.

3.3 The £150.00 awards end from 31 March 2023 and have never been available to pensioner residents in receipt of Council Tax Support (the criteria for which is not determined locally).

3.4 The £25.00 Council Tax Support Fund applies to both working age and pensioner households where Council Tax Support has been awarded on any day on or after 1 April 2023 until (and including) 31 March 2024. Awards are to be made by reducing the amount of Council Tax that residents are asked to pay.

3.5 In Worthing, Members have already determined that the £5.00 weekly Council Tax Support restriction for working age customers will end after 31 March 2023, with the associated discretionary budget also ending.

3.6 At the time of producing this report, further advice is awaited from the Councils' software supplier in respect of software enhancements that are likely to be required to enable awards from the Council Tax Support Fund to be made. Consequently the timing of the roll out of the awards is dependent on the delivery of this functionality.

4. Issues for consideration

- 4.1 The Government expects councils to deliver awards of the Council Tax Support Fund using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.
- 4.2 Funding has been provided to each council on the basis of their respective shares of the working age Council Tax Support caseload using data from Quarter 2 2022/23. The allocations are
- Adur: £94,903
 - Worthing: £146,401
- 4.3 The guidance issued by the Department for Levelling Up, Housing & Communities advises that
1. Total awards cannot exceed each council's funding allocation
 2. Where a resident's Council Tax liability for 2023/24 is (following their award of Council Tax Support)
 - Less than £25 then their liability will be reduced to £nil
 - Already £nil, no award will be available
 3. There should be no need for a resident to make a separate claim for a Council Tax Support Fund award. Rather, awards should be made automatically
 4. Awards should be applied from the beginning of the 2023/24 financial year and should be reflected in Council Tax bills that are issued in March 2023. It is for councils to decide how to treat households that become eligible for Council Tax Support during the course of the financial year
 5. It is the government's intention that awards will not affect the eligibility of recipients for other benefits
 6. Funding allocations should be used within the 2023/24 financial year
- 4.4 A comparison of the available budget and Council Tax Support caseload as at 1 January 2023 for each Council shows that:

	<u>Adur</u>	<u>Worthing</u>
Total CTS caseload	3,509	5,452
Available budget	£94,903	£146,401
Maximum cost of awards at £25 based on current caseload*	£87,725	£136,300
Minimum remaining budget	£7,178	£10,101
Additional awards at £25 that could be made based on remaining budget	287	404

* The actual cost is likely to be lower depending on the makeup of the caseload.

- 4.5 The amount of Council Tax that a resident is asked to pay is calculated on a daily basis (i.e. if a resident moves into or out of the area during the course of the year, their account is apportioned based on their date of occupation or vacation).
- 4.6 Members could determine that awards from the Council Tax Support Fund are also apportioned (equal to £0.0683 per day). However, this approach has not been applied to the recent discretionary awards of £150.00 due to the administrative complexities (manual adjustments) that would have been required and it is therefore strongly recommended to Members that awards from the Council Tax Support Fund should not be apportioned.
- 4.7 Additionally, and in the interests of administrative simplicity, if accounts are not to be apportioned it is also recommended to Members that an award of up to £25.00 is made to residents who become entitled to Council Tax Support after 1 April 2023. This approach would also be consistent with the criteria for the recent £150.00 awards and is likely to utilise the “Remaining budget” figures shown in the table in paragraph 4.4.
- 4.8 It is therefore recommended that the qualifying criteria for the Council Tax Support Fund should be
1. Residents will not need to apply for an award; rather, awards will be made automatically based on whether the resident already receives Council Tax Support;
 2. A flat rate award of £25.00 will be made to all residents in receipt of Council Tax Support on any day from 1 April 2023 to 31 March 2024 inclusive;
 3. An award will only be reduced where the net amount of Council Tax that is payable (after Council Tax Support has been awarded) is less than £25.00;
 4. Awards will not otherwise be apportioned;
 5. Awards will not be made retrospectively after 31 March 2024 (see point 6 in paragraph 4.3)

5. Financial Implications

- 5.1 The Department for Levelling Up, Housing & Communities has confirmed that councils will be fully reimbursed by the Government for the cost of awards from the Council Tax Support Fund. It is also anticipated that the Councils will be provided with New Burdens funding to meet the costs of administering the scheme.
- 5.2 There are therefore no direct financial implications to the Councils but Members will nevertheless wish to ensure that use of the available funding is maximised to provide support to the most vulnerable residents who are liable to pay Council Tax.

Finance Officer: Sarah Gobey

Date: 3rd January 2023

6. Legal Implications

6.1 S13A(1)(c) of the Local Government Finance Act 1992 provides that

The amount of Council Tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13) -

- (a) In the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's Council Tax Reduction scheme (see subsection (2));*
- (b) In the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by the authority's Council Tax Reduction scheme made under regulations under subsection (4) that applies to that dwelling;*
- (c) In any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.*

6.2 The Councils are therefore able to determine the qualifying criteria for the Council Tax Support Fund in respect of 2023/24.

Legal Officer: Joanne Lee

Date: 17/01/2023

Background Papers

Local Government Finance Act 1992

[Council Tax Support Fund guidance](#) issued by the Department for Levelling Up, Housing & Communities on 23 December 2022

Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.