



# City of Westminster Cabinet Member Report

**Decision Maker:** Cabinet Member for Finance and Council Reform

**Date:** 09 February 2023

**Classification:** General Release

**Title:** **Council Tax Support Fund 2023/24**

**Wards Affected:** All

**Financial Summary:** The proposals as outlined in this report will be grant funded. The proposals will reduce the pressure on any additional Cost of Living funding provided by the Council in 2023/24.

**Report of:** **Martin Hinckley (Director of Revenues & Benefits)**

## 1. Executive Summary

- 1.1 This report outlines the Council's proposals for the utilisation of central government's recently announced Council Tax Support Fund for 2023/24.
- 1.2 The Council's proposals as outlined in this report meet the government's overall objective of "to support vulnerable households with council tax bills", including the government's required provision of up to £25 Council Tax allowance to residents in receipt of Council Tax Support at less than 100% of their Council Tax liability.

## 2. Recommendations

2.1 That the Council Tax Support Fund scheme is utilised in accordance with the proposals outlined in section 4 of this report.

### **3. Reasons for Decisions**

3.1 The Council's proposals as outlined in this report meet the government's overall objective "to support vulnerable households with council tax bills", including the government's required provision of a payment of up to £25 Council Tax allowance to residents in receipt of Council Tax Support at less than 100% of their Council Tax liability.

### **4. Proposal**

4.1 Alongside the provisional Local Government Finance Settlement on 19 December 2022, the government announced a new scheme (the Council Tax Support Fund) to assist some residents during the Cost-of-Living crisis with their Council Tax bills.

4.2 The scheme mirrors the process utilised under the government's Council Tax Support (CTS) "top-up" scheme that was introduced at the start of the pandemic, whereby CTS claimants not in receipt of 100% CTS received up to £150 Council Tax allowance. However under this latest scheme the Council Tax allowance for claimants not in receipt of 100% CTS is a payment up to £25.

4.3 The majority of our CTS claimants receive 100% CTS relief and therefore are not eligible under this new scheme. We currently have 1,900 CTS claimants not in receipt of 100% CTS. It is proposed that the City Council provide allowances of up to £150 in instances where the claimant has a balance to pay on their 2023/24 annual Council Tax bill (i.e. where the claimant is not in receipt of 100% Council Tax Support). The £150 will comprise of the government's required £25 and £125 from the discretionary element of the scheme outlined under paragraph 4.4 of this report. This increased level of allowance would mirror the £150 level in the government's Council Tax Support "top-up" scheme at the start of the pandemic. The level of up to £150 would result in the Council

using around £250,000 of our government funding allocation of £416,063. The Council will be left with approximately £165,000.

- 4.4 The government's guidance document states that a local authority can use the government funding as the Council "sees fit to support vulnerable households with council tax bills". It is therefore proposed that the remaining balance of funding is used for Council Tax Hardship (Section 13A allowances) during 2023/24. Council Tax Hardship allowances are awarded to vulnerable residents / residents with exceptional circumstances that have Council Tax debt that cannot be addressed through Council Tax Support. As part of the Council's response to the current Cost of Living crisis, it was agreed that £200k extra Council funding would be allocated for Council Tax Hardship cases in 2022/23. On the basis that the remaining balance of the government's Council Tax Support Fund were used for the Council Tax Hardship in 2023/24, there would be no need for a similar Cost of Living funding allocation from the Council in 2023/24.
- 4.5 The current Cost of Living crisis should result in an increase in Council Tax Hardship awards in 2023/24. However, during 2023/24 officers will consider a further bulk award to CTS claimants still with a remaining 2023/24 Council Tax liability after the £150 allowance has been applied.
- 4.6 It is proposed that that the allowances of up to £150 will have a CTS eligibility date of 1 April 2023 and the awards will be based on a single calculation at annual billing. Any new CTS claimants commencing their CTS eligibility after annual billing can be addressed through the Section 13A proposal as outlined in section 4.4 of this report.
- 4.7 The allowance will not be adjusted if the resident ceases to be in receipt of CTS after 1 April 2023. However, if it is subsequently identified that a resident was not entitled to CTS on 1 April 2023, the Council will remove the allowance.

## **5. Legal Implications**

- 5.1 The government has advised that Council Tax allowances provided under the Council Tax Support Fund should be granted

under Section 13A of the Local Government Finance Act 1992. This allows the government to ask local authorities to implement the new relief without any new legislation. The proposals in this report comply with the government guidance referred to above.

- 5.2 The Director of Revenues & Benefits already has delegated authority to award relief under this section of the Act. However, it was felt that a formal Cabinet Member determination was required for this new government fund.

## **6. Finance Implications**

- 6.1 The cost of this proposal will be funded by the discretionary Council Tax Support funding of £416k that the Council has received from the government.
- 6.2 The proposals in this report will reduce the pressure on any Cost-of-Living funding support provided by the Council in 2023/24, i.e. there will not be a similar requirement in 2023/24 for the additional Council funding of £200K allocated to Council Tax Hardship (Section 13A) allowances in 2022/23.

## **7. Ward Member Consultation**

- 7.1 The scheme applies to all Wards and therefore no separate Ward member consultation was requested.

## **8. Carbon Impact**

- 8.1 This report has no carbon impact.

## **9. Outstanding Issue**


- 9.1 There are no outstanding issues.

**If you have any queries about this report, please contact: Martin Hinckley, on 07816 215828 or via email to [mhinckley@westminster.gov.uk](mailto:mhinckley@westminster.gov.uk)**

For completion by the **Cabinet Member for Finance and Council Reform**

**Declaration of Interest**

I have no interest to declare in respect of this report

Signed:  Date: 09 February 2023

NAME: **Councillor David Boothroyd**

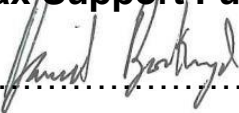
State nature of interest if any

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*(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled

**Council Tax Support Fund 2023/24**

Signed .....

**Cabinet Member for Finance and Council Reform**

Date ...09 February 2023.....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal & Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making

the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.