



Title of meeting: Cabinet
Date of meeting: 06 February 2024
Subject: Council Tax Support Fund
Report by: Director of Finance and Resources
Wards affected: All
Key decision: Yes/No
Full Council decision: Yes/No

1. Purpose of report

- 1.1 The Council Tax Support Fund is designed by Central Government to meet the needs of all council taxpayers who were claiming Local Council Tax Support (LCTS) at the start of the 2023/24 financial year. The scheme has two elements, a core element that is prescribed by Central Government and a discretionary element that is subject to local determination.
- 1.2 The core element is to award all LCTS recipients with an additional reduction of up to £25.00 for the financial year ending 31 March 2024. This was to be included in the annual council tax bill for the financial year 2023/24.
- 1.3 Portsmouth City Council has been allocated £349,016 to provide additional support to reduce council tax bills during the 2023-24 financial year for those households receiving LCTS.
- 1.4 The majority of the funding has been used to meet the Government's objective of reducing bills for working age and pension age LCTS recipients by up to £25.00. This was completed in accordance with the Government's directive to include the additional support in the 2023/24 annual council tax bill. At this point £220,000 has been allocated to households.
- 1.5 Remaining funding will be available to Local Authorities to support vulnerable households with council tax bills.
- 1.6 The purpose of this report is to seek approval of the attached Council Tax Support Fund policy.

2. Recommendations

- 2.1 It is proposed that where funds remain available after making reductions as outlined in the core scheme's provisions, that Portsmouth City Council apply the discount as described within the core scheme to those chargepayers who become eligible for LCTS in respect of the 2023/24 financial year between 03 March 2023 and 31 March 2024. Any award will be calculated in the same way as those residents that received support from the core scheme within their 2023/24 annual bill. This will, in effect, treat all new recipients of LCTS in the same way as those that were receiving LCTS when annual council tax bills were prepared.
- 2.2 Should it become apparent that funding will be remaining above what is required for the activity detailed in 2.1, the Council will use its discretion to further support vulnerable households in receipt of LCTS where hardship has been identified through the council tax recovery process.
- 2.3 It is recommended that the proposed policy accompanying this report is approved.

3. Background

- 3.1 Council tax levels are a matter for local authorities to decide although the Government sets referendum principles so that residents can have the final say over excessive increases. At Autumn Statement 2022, the Government announced its intention to increase referendum principles to 3% for core council tax and up to 2% for the Adult Social Care precept, with additional flexibilities for some other authority types for both 2023-24 and 2024-25.
- 3.2 Recognising the impact of rising bills, the Government has distributed £100 million of new grant funding in 2023-24 for local authorities to support economically vulnerable households in their area with council tax payments.
- 3.3 Funding will be allocated to councils based on their share of local council tax support claimants according to their latest data. The Government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age LCTS claimants by up to £25.00. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
- 3.4 As such there are essentially two elements of this scheme. The first being the core scheme which follows the advice of the Department for Levelling Up, Housing & Communities, and the second being a discretionary element determined by Portsmouth City Council.

4. Reasons for recommendations

- 4.1 The core scheme principles have been determined by Government. The proposed discretionary element provides equity for new claimants of LCTS as those residents



would be treated the same as those residents that were in receipt of LCTS when annual bills were prepared. Additionally using entitlement to LCTS as a proxy for financial vulnerability, would further support the government's intention of seeking to support vulnerable households with council tax bills.

5. Integrated impact assessment

5.1 Please find attached at Appendix 2.

6. Legal implications

6.1 Section 13a(1)(c) of the Local Government Finance Act 1992, the Council has the power to reduce the amount of Council Tax a person must pay. This includes the power to reduce the amount to nil and may be applied in relation to specified cases, or by determining a particular type of property in which liability is to be reduced.

7. Director of Finance's comments

7.1 There is no cost to the Council in respect of Council Tax Support Fund awards as Government has made a funding allocation of £349,016. The budget available after the awarding of the initial maximum £25 at annual billing for the local discretionary offer in the 2023/24 year is estimated to be £129,000. The net cost to the council is nil.

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Signed by:

Appendices: Appendix 1 - Council Tax Support Fund Policy
Appendix 2 - Integrated Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Local Council tax Support Fund Guidance	Council Tax Support Fund guidance - GOV.UK (www.gov.uk)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: