

Council Tax Support Fund Policy

Revenues & Benefits

June 2023

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1. Background

- 1.1 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
- 1.2 Recognising the impact of rising 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.
- 1.3 Funding will be allocated to councils based on their share of local council tax support claimants according to the 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 Local Council Tax Support (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.
- 1.4 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.

2. Funding

- 2.1 The funding is for the 2023-24 financial year and provisional allocations have been announced with final allocations to be confirmed at the final Local Government Finance Settlement.
- 2.2 Portsmouth City Council has been allocated £349,016 to provide additional support to reduce council tax bills during the 2023-24 financial year, to households already receiving LCTS.
- 2.3 The majority of government funding will be used to meet the government's objective of reducing bills for current working age and pension age LCTS claimants by up to £25.00.
- 2.4 Remaining funding, once expenditure for the core element of the Council Tax Support Fund has been incurred, will be available to Local Authorities to support vulnerable households with council tax bills.

3. Council Tax Support Fund - Core Element

- 3.1 Using discretionary powers under Section 13A of the Local Government Finance Act 1992, Portsmouth City Council will use funding from the Council Tax Support Fund to

reduce to the Council Tax liability of individuals receiving LCTS who have an outstanding balance of Council Tax to pay by up to £25.00 for the final year commencing 01 April 2023.

- 3.2 Where a chargepayer's council tax liability, following the award of LCTS, is £25.00 or less, it will be reduced to £0.00, Where a chargepayer's liability for 2023/24 is £0.00, there will be no further reduction to the council tax charge or credit to the council tax account.
- 3.3 Eligibility for the Council Tax Support Fund will be automatic where the chargepayer qualifies for LCTS on 03 March 2023 when the council tax bills for the period 01 April 2023 to 31 March 2024 were calculated. An application form for this reduction from the Council Tax Support Fund is not required and Portsmouth City Council will assess who is eligible and automatically apply the reduction.
- 3.4 Council Tax Support reductions have been applied from the start of the 2023/24 financial year for existing LCTS customer and was reflected in the annual council tax bill dated 14 March 2023.
- 3.5 It is for Local Authorities to decide how to treat households that become eligible for LCTS during the period from 03 March 2023 and throughout the 2023/24 financial year. As such this matter sits outside the core element of the Council Tax Support Fund and is managed within the discretionary element of this scheme's provisions.
- 3.6 If a chargepayer moves during the 2023/24 financial year, no further payment will be made to the council tax account in respect of the chargepayer's new property.
- 3.7 Reductions through the Council Tax Support fund will not affect the eligibility to any other benefits.

4. Council Tax Support Fund - Discretionary Element

- 4.1 Where funds remain available after making reductions as outlined in the core scheme provisions, the Council will apply the reduction as described in the core element to chargepayers who become eligible for LCTS in respect of the 23/24 year between 03 March 2023 and 31 March 2024.
- 4.2 The award will be calculated in the same way as the core scheme.
- 4.3 Any award relates to the 2023/24 financial year only.
- 4.4 As eligible chargepayers will be identified by the council, and the reduction applied automatically to the council tax bill, an application form is not required.
- 4.5 This policy will be reviewed at intervals during the year (see Section 11), following which the Council reserves the right to modify this approach to discretionary awards.

- 4.6 Should the funding be insufficient to meet the demand the scheme shall close.
- 4.7 Should it become apparent to the Council that funding will be remaining above what is required within the current scope of the discretionary fund, it will use its discretion to top up accounts where hardship has been identified through the council tax recovery process.

5. Notifications

- 5.1 Eligible chargepayers will be notified of any decision to award a reduction from the Council Tax Support Fund through the issue of a Council Tax bill.

6. Payments

- 6.1 In accordance with legislation any award/reduction from the Council Tax Support Fund will be granted as a reduction in Council Tax liability, which subsequently reduces the amount of council tax payable. Payments will not be made direct to chargepayers.

7. Monitoring and reporting

- 7.1 Portsmouth City Council will maintain a record of the support that has been provided, so that the council is able to monitor and report on the level of expenditure provided to residents receiving support through the provision of the additional discounts from the Council Tax Support Fund.
- 7.2 Information will be compiled and provided to the Department for Levelling Up, Housing & Communities at their request.

8. Appeals

- 8.1 A chargepayer may appeal to the Council, outlining the reason for their appeal, if they consider the council has made an incorrect decision. Once received, the Council will consider whether any new information would justify a change to an original decision and notify the chargepayer accordingly.
- 8.2 Where a chargepayer remains dissatisfied with the outcome of their appeal, they may lodge a further appeal to the Valuation Tribunal. This further appeal should be made within two months of the council's decision to not grant any reduction. Full details can be obtained by the Valuation Tribunal Service website.

9. Fraud & Error

- 9.1 Portsmouth City Council is committed to protecting public funds and ensuring such funds are awarded to those people who are eligible for them.

- 9.2 Any person who tries to fraudulently claim LCTS or reductions from the Council Tax Support Fund by falsely declaring their circumstances, providing false statement or evidence may have committed an offence under the Fraud Act 2006.
- 9.3 Where the Council suspects that fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.
- 9.4 Where a reduction in liability has been granted in error, the chargepayers council tax account will be adjusted and the chargepayer will be billed in the normal way.

10. Complaints

- 10.1 The Council's complaints process, which is available on the Council's website, will be followed in the event of any complaint associated with this policy.

11. Policy Review

- 11.1 In accordance with Government guidance, Portsmouth City Council will revise its discretionary approach at intervals during the financial year in order to ensure that expenditure for 2023/24 remains with the allocation provided to the council.
- 11.2 Portsmouth City Council reserves the right to end this scheme should the government funding allocation be exhausted.

12. Delegated Authority

- 12.1 This policy has been approved by the Council however authority is delegated to the Director of Finance and Resources to make technical amendments to ensure the policy continues to meet the criteria set by Government and the Council.