



# **Council Tax Support Fund Policy 2023-24**

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## 1. Introduction

- 1.1 The following policy outlines the Council's approach to the recent initiatives by Central Government to assist the most vulnerable taxpayers who are suffering financial hardship due to the cost of living crisis.
- 1.2 This policy has been developed *in addition to* the S13A (1) (c) (Reduction in Liability for Council Tax) policy adopted by the Council.
- 1.3 Central Government have provided funds to the Council under S31 of the Local Government Act 2003 with the proviso that all monies are paid strictly in accordance with S13A (1) (c) of the Local Government Finance Act 1992 and in line with guidance issued on 23 December 2022.
- 1.4 The fund, named by Central Government as the 'Council Tax Support Fund' is designed to meet the immediate needs of all taxpayers who are currently claiming Council Tax Reduction (CTR) under S13 A (1) (a) of the Local Government Finance Act 1992. The fund will assist all Council Tax Reduction applicants who will be required to make a payment of Council Tax for the 2023-24 financial year.
- 1.5 Whilst it is essentially down to individual authorities to determine how to use the funds available, Central Government through the Department for Levelling Up, Housing and Communities (DLUHC) states that, in order to retain the funding, Councils must look to use monies as directed by them in their guidance.

## 2. Legislation

- 2.1 The relevant legislation (S13A of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

### **Reductions by billing authority**

(1) 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;
- (b) (not relevant to English Billing Authorities);
- (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.

- 2.2 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.
- 2.3 In relation to the 'Council Tax Support Fund', DLUHC have stated that Councils will use the powers given under that act.

### **3. Finance**

- 3.1 Any amounts granted under S13A(1)(c) are normally financed through the Council's general fund and do not form part of the collection fund. However, Central Government has provided funding directly to the Council (amounting to £299,337.00) to compensate for this particular support package and it strongly expects the Council, wherever possible, to use all of the funds provided as outlined within the Department's guidance
- 3.2 Any additional assistance, outside of the funding, would fall to be paid by the Council itself. In view of this, the Council has determined that once the allocated funds are exhausted, no further reduction in liability will be made under this policy.

### **4. The Council Tax Support Fund**

- 4.1 The Council Tax Support Fund is divided into two distinct elements as follows:
- (a) The minimum reduction in Council Tax liability for all taxpayers who are in receipt of Council Tax Reduction; and
  - (b) Discretionary support.
- 4.2 Each of these elements are detailed in the following paragraphs.
- 4.3 In all cases, Government expects billing authorities to apply the reductions to the 2023-24 Council Tax bills.

#### **The minimum reduction in Council Tax liability for all taxpayers who are in receipt of Council Tax Reduction**

- 4.4 In view of the fact that there is a need to support the most vulnerable taxpayers at this time, the Government's strong expectation is that billing authorities will provide all recipients of Council Tax Reduction (both working age and pension age) with a further reduction in their annual council tax bill of up to £25
- 4.5 This reduction will apply to all Council Tax Reduction recipients who have an outstanding liability for the 2023-24 financial year.

4.6 For the sake of clarity:

- (a) where the taxpayer's Council Tax liability for 2023-24 (after the application of any relevant discounts, reliefs, and Council Tax Reduction) is £25 or more, then a further reduction in Council Tax liability of £25 will be made;
- (b) where the taxpayer's Council Tax liability for 2023-24 (after the application of any relevant discounts, reliefs, and Council Tax Reduction) is greater than nil but less than £25, then a further reduction in Council Tax liability will be made to reduce the liability to nil; and
- (c) where the taxpayers Council Tax liability for 2023-24 (after the application of any relevant discounts, reliefs, and Council Tax Reduction) is nil then **no** further reduction in Council Tax liability will be made.

4.7 There will be no requirement for any taxpayer to apply for this reduction and any amount granted will automatically be applied based on the criteria being met on 1 April 2023.

4.8 Government has stated that it will be up to individual authorities to decide whether to allow the reduction for taxpayers who become eligible for Council Tax Reduction after 1 April 2023.

**Discretionary support.**

4.9 Where any funds remain available after the making the minimum reductions in liability as outlined above, Government expects authorities to determine their own local approaches to supporting economically vulnerable households with Council Tax bills.

**5. The Council's Policy in respect of the Council Tax Support Fund**

5.1 The Council is keen to support all eligible taxpayers within its area and, as such, will implement the scheme strictly in accordance with Central Government guidelines by taking the following actions:

**The minimum reduction in Council Tax liability**

5.2 A reduction of up to £25 will be made to the Council Tax account of taxpayers who are in receipt of Council Tax Reduction **on** 1 April 2023. It should be noted that where the liability of any taxpayer is less than £25 (after taking into account any discounts, reliefs, or reductions) then an amount will be granted to ensure that the liability is reduced to nil. There will be no requirement for any taxpayer to apply for this initial award and it shall be automatically applied to their account.

5.3 The reduction in liability will apply to both working age and pension age Council Tax Reduction applicants.

## Discretionary Support

- 5.4 Where any funds remain after applying the reduction in liability as outlined in 5.2 above the Council will continue to make similar payments to all applicants who become eligible for Council Tax Reduction for the first time after 1 April 2023. However, the following should be noted:
- the awarding of support under the discretionary scheme shall be exactly in line with the criteria give in paragraph 4.6;
  - the award shall only be granted to Council Tax Reduction applicants who are awarded reduction (after 1 April 2023) for the first time; and
  - only one award will be made to any applicant for the 2023-24 financial year (irrespective of any change or change of address).
- 5.5 In the event that funds are still available after applying the discretionary support scheme as detailed within 5.4, any remaining amounts will be allocated to the Council's, Council Tax Exceptional Hardship Fund for distribution.

## General requirements in relation to funding

- 5.6 As mentioned previously, the Council has been allocated a limited amount of funding and in view of this, should the allocation be exhausted, the policy of the Council will be to cease any further reductions in liability. Where this occurs, any taxpayer may apply for a reduction under the Council's existing S13A(1)(c) policy and each case will be considered on its merits in line with the legislation.
- 5.7 Any reduction in liability under this policy shall apply for the 2023-24 financial year **only**.

## 6. Payment

- 6.1 In line with legislation, any award shall be granted as a reduction in the liability of the Council Taxpayer thereby reducing the amount of Council Tax payable.

## 7. Notification

- 7.1 Eligible taxpayers will be notified of the decision to award any reduction in liability by means of a reduction applied directly to the Council Tax account for the 2023- 24 financial year only and this will be shown on the latest Council Tax demand.

## **8. Appeals**

- 8.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 8.2 The Council Taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and notify the Council Tax payer accordingly.
- 8.3 Where the Council Taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Council's website or from the Valuation Tribunal Service website.

## **9. Reductions in Council Tax liability granted in error or incorrectly**

- 9.1 Where a reduction in liability has been granted incorrectly or in error, either due to a failure to provide the correct or accurate information to the Council or some other circumstances, the Council Taxpayer's account will be adjusted and the taxpayer will be billed in the normal way.

## **10. Delegated Powers**

- 10.1 The policy for the Council Tax Support Fund has been approved by the Council. However, the Head of Revenues and Benefits is authorised to make technical amendments to ensure it meets the criteria set by Central Government and the Council.

## **11 Fraud**

- 11.1 The Council is committed to protecting public funds and ensuring funds are awarded to the people who are rightfully eligible to them.
- 11.2 An applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 11.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **12. Complaints**

12.1 The Council's complaints procedure (available on the Council's website) will be applied in the event of any complaint received about this policy.