

	Cabinet 6 th February 2023
	Report from the Corporate Director for Resident Services
Council Tax Support Fund 2023/24	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix 1: Council Tax: Discretionary Reduction Policy – Section 13A(1)(c) Local Government Finance Act 1992
Background Papers:	
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1.0 Purpose of the Report

- 1.1 On 23 December 2022 the government announced funding and guidance for its Council Tax Support Fund for 2023/24. This allows the Council to reduce Council Tax bills by up to £25 for those in receipt of Council Tax Support (CTS) and to use remaining funding to further support households in need.
- 1.2 The Government has advised that the mechanism which should be used to make these reductions in Council Tax liability is by relying on section 13A(1)(c) of the Local Government Finance Act 1992 (“1992 Act”). Therefore, this report recommends an amendment to the Council’s existing 13A(1)(c) policy as provided as appendix 1 to this report.
- 1.3 The government advice regarding the funded scheme for 2023/24 can be found here: [Council Tax Support Fund guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/council-tax-support-fund-guidance)
- 1.4 This report sets out to:

- i. Provide background information vis-à-vis the Council's policy regarding the use of and exercise of its discretion under section 13A(1)(c) under the 1992 Act.
- ii. Provides details of a new discretionary relief policy under section 13A(1)(c) of the 1992 Act.

2.0 Recommendation(s)

- 2.1 That Cabinet approves the proposed discretionary reduction Policy pursuant to section 13A(1)(c) of the Local Government Act 1992 as set out in appendix 1 to this report.
- 2.2 That Cabinet notes that the proposed Policy pursuant to section 13A(1)(c) of the Local Government Act 1992 links to council support for vulnerable residents alongside other support mechanisms such as Discretionary Housing Payments (DHP) and Resident Support Fund (Local Welfare Assistance).
- 2.3 That Cabinet delegates authority to the Corporate Director for Resident Services in consultation with the Corporate Director of Finance and Resources in respect of decisions on individual applications for reducing Council Tax payable pursuant to the proposed policy under section 13A(1)(c) of the Local Government Finance Act 1992 as set out in Appendix 1.

3.0 Detail

- 3.1 At the Council's Cabinet meeting of 20 July 2020 the existing policy regarding decisions on reductions in council tax under section 13A(1)(c) of the 1992 Act were delegated to the then Director of Finance and Strategic Director, Customer and Digital Services.
- 3.2 The proposed policy amendment sets the way in which the Council's discretion to make council tax reductions under section 13A(1)(c) of the 1992 Act will be utilised in 2023/24 and in subsequent years. The policy:
 - i. properly makes the distinction between debt write-off of an uncollectable debt due to deceased, bankrupt, vacation of a property where there is typically no ongoing liability and a section 13A(1)(c) council tax reduction where the taxpayer has a continuing liability for the property.
 - ii. sets out how individual cases are dealt with on their merits and provides criteria to consider as:
 - a) Fire and flood
 - b) Domestic violence
 - c) Losses due to theft
 - d) Safeguarding
 - e) The above list is not exhaustive and officers will use their discretion in reviewing applications.
 - iii. The policy sets out two classes of taxpayer as eligible:

- a) Those in receipt of those in receipt of Council Tax Support who will be entitled to an award of up to £25 off their Council Tax for 2023/24 under the government's Council Tax Support fund. This will apply to all awards to CTS for the 2023/24 financial year. These reductions are made to qualifying Council Tax accounts without application. Those that have CTS included in their Council Tax bill to be issued in March 2023 will have the reduction of up to £25 included in their bill.;
- b) That any excess funding provided to the Council and not used in iii. a) will be provided to the Council's Resident Support Fund from which vulnerable households are able claim support under 13A(1)(c).
- c) Those Brent care leavers aged between 18 and 24 years old who are liable for council tax in the borough.

3.3 It is expected that in 2023/24 reductions under this policy will benefit around 15,000 households.

4.0 Financial Implications

4.1 The cost of the Council Tax Support Fund is funded by the central government grant of £722,279.

4.2 The cost of supporting care leavers in 2020/21 is estimated at £80,000.

4.3 The cost of providing 13A(1)(c) reductions through the Residents Support Fund ("RSF") is expected to be around £600,000. This is funded through the RSF budget.

4.4 Ad hoc 13A(1)(c) awards made through the Council Tax team are expected to increase in demand during 2023/24. It is estimated that total awards will not exceed £100,000.

5.0 Legal Implications

5.1 The Council Tax Support Fund 2023-2024 Local Authority Guidance ("the Guidance") sets out the grant provisions for those Local Council Tax Support recipients.

5.2 This proposed policy regarding discretionary relief in respect of council tax liability under section 13A(1)(c) of the 1992 Act, which comes within the competence of the Cabinet as an executive function, is separate from the Council's powers to reduce council tax liability under the Council's Council Tax Support scheme under section 13A(1)(a) and 13A(2) of the 1992 Act. A Council Tax Reduction Scheme (also known as a Council Tax Support Scheme) has to be amended by Full Council.

5.3 The Council's power and discretion to make reductions in council tax liability under section 13A(1)(c) of the 1992 Act (i) includes the power to reduce the council tax liability to nil (cf. section 13A(1)(6) of the 1992 Act); and (ii) may be exercised in relation to particular cases or by determining a class of case in

which liability is to be reduced to an extent provided by the determination (section 13A(1)(7) of the 1992 Act).

5.4 The Council proposed to amend its section 13A(1)(c) policy in order to accommodate the additional funding for Council Tax Support that will be provided by the government (which was announced on 23 December 2022) and this is one reason why consultation on the amended proposed section 13(1)(c) policy has not taken place. The second reason for not carrying out consultation is because there is insufficient time to do so as the proposed section 13(1)(c) policy and changes arising from the government's additional council tax support funding will need to be incorporated into Council tax bills in advance of the next financial year. As stated above, the additional funding and guidance provided by the government was not announced until 23 December 2022.

5.5 The Government's guidance dated 23 December 2022 also sets out monitoring and reporting requirements for local authorities which will include liaising with the Department for Levelling Up, Housing and Communities to monitor implementation progress. The government's guidance dated 23 December 2022 includes the following advice:

- Councils will want to consider using a proportion of their allocation to establish their own local approach to helping economically vulnerable households with council tax bills;
- Local authorities should revisit their discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023-24 remains within their allocation.

6.0 Equality Implications

6.1 The public sector equality duty requires public bodies to pay due regard to the need to:-

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and those who do not.

6.2 The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

6.3 A new and revised LCTS scheme went live for those of working age on 1 April 2020. The scheme provides financial assistance for Council Tax payers who are financially vulnerable and require assistance to meet their Council Tax liability. LCTS for those of working age is calculated on the claimant's net CTAX liability after the granting of any other Council Tax discounts (e.g. Single Person Discount). The policy here provides an extra safety net as allowed by the legislation. It is expected to benefit around fifteen thousand households in 2023/24.

7.0 Consultation with Ward Members and Stakeholders

7.1 None, due to the short timescale between the government announcement on 23 December 2022 and the following financial year and for reasons set out in paragraph 5.4 of this report.

8.0 Human Resources/Property Implications (if appropriate)

8.1 None

Report sign off:

Peter Gadsdon
Corporate Director Resident
Services