

## EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

<b>Date:</b> Wednesday 27th March, 2024
<b>Time:</b> 2.00 pm
<b>Venue:</b> Spencer Room, Municipal Buildings

### AGENDA

1. Council Tax Support Fund (Discretionary Scheme) 2023/24 3 - 10

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Tuesday 19 March 2024

### MEMBERSHIP

Councillor N Walker

### Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Joanne McNally. 01642 728329, [joanne\\_mcnally@middlesbrough.gov.uk](mailto:joanne_mcnally@middlesbrough.gov.uk).

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Finance
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<b>Relevant Executive Member:</b>	Executive Member for Finance and Governance
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<b>Submitted to:</b>	Single Member Executive
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<b>Date:</b>	27 March 2024
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<b>Title:</b>	Council Tax Support Fund (Discretionary Scheme) 2023/24
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Vulnerability
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will have a significant impact in two or more wards
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<b>Subject to call in?:</b>	Yes
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<b>Why:</b>	non urgent report only
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<b>Proposed decision(s)</b>	
That Executive approves the Council Tax Support Fund (Discretionary Scheme) for 2023/24.	

<b>Executive summary</b>	
<p>Central Government provided Local Authorities one-off additional funding to support vulnerable households through the Council Tax Support Fund in 2023/24.</p> <p>Middlesbrough was allocated £473,542 of which around £0.37m has been allocated to Council Tax Accounts through mandated guidance provided by Central Government. The guidance also provides that the Council can allocate any remaining funds which are estimated at £0.101m through discretionary powers provided for under the scheme.</p>	

The Council has discretionary powers to utilise the remaining £0.101m by the end of the financial year to further assist low-income working age households and to support the collection of Council Tax.

To further assist low-income household's funds will be allocated to Council Tax accounts, subject to approval, as follows:

- To assist residents who have been adversely affected by the decision to include childcare costs as 'income' received through Universal Credit in the 2023/24 Council Tax Reduction Scheme.
- To provide further financial assistance to around 3,000 residents whose current Council Tax Reduction award is made at the 72% band rate or less.

### **Purpose**

1. To seek approval of the Council Tax Support Fund (Discretionary Scheme) for 2023/24 .

### **Recommendations**

2. That Single Executive approve the Council Tax Support Fund (Discretionary Scheme) for 2023/24.

The proposals are:

- To assist residents who have been adversely affected by the decision to include the childcare cost element of Universal Credit as 'income' within the 2023/24 Council Tax Reduction scheme.
- To provide further financial assistance to around 3,000 residents whose current Council Tax Reduction (CTR) award is made at the 72% band rate or less.

### **Rationale for the recommended decision(s)**

3. Central Government provided Local Authorities one-off additional funding to support vulnerable households through the Council Tax Support Fund in 2023/24.
4. Middlesbrough was allocated £473,542 of which around £0.37m has been allocated to Council Tax accounts through mandated guidance provided by Central Government. The guidance also provides that the Council can allocate any remaining funds which are estimated at £0.101m through discretionary powers provided for under the scheme.
5. The Council has discretionary powers to utilise the remaining balance to further assist low-income households, however, needs to confirm an approach before being able to make any awards. Without the approval of this scheme the remaining funds would need to be returned to Central Government.

6. The policy is a key decision that impacts on two or more wards. The remaining funding is estimated at £0.101m and therefore does not exceed the Council's Financial Procedure Rules threshold. Due to the varying number of claimants, it is not possible to provide an exact amount remaining, however it will remain within the Council's Financial Procedure Rules threshold and therefore can be subject to single member approval.

### **Background and relevant information**

7. Central Government provided Local Authorities one-off additional funding to support vulnerable households through the Council Tax Support Fund in 2023/24 as outlined in para 3 and 4. [Council Tax Support Fund guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/council-tax-support-fund)
8. The Government provided the funding to reduce Council Tax bills for current working age and pension age residents who receive help with their Council Tax as CTR through the Council's local Council Tax Support scheme, by up to £25.
9. For those residents who were due to pay £25 or less Council Tax, the amount payable was to be reduced to nil. Any remaining funds were available to use by Local Authorities at their discretion to support vulnerable households with Council Tax bills.
10. The 2023/24 bills for eligible households awarded CTR, as outlined in para 8, were reduced automatically and no application was required.
11. The proposals compensate those residents who have been adversely affected by the decision to include the childcare cost element of Universal Credit as 'income' within the 2023/24 Council Tax Reduction scheme. The 2024/25 scheme to be agreed by Council disregards the element, so the additional support from the Fund will therefore alleviate the impact during the current financial year for affected residents before this change takes effect.
12. In addition, the proposals will provide further financial assistance to around 3,000 residents whose current Council Tax Reduction award is made at the 72% band rate or less.
13. Those who do not receive CTR at the maximum 90% rate have additional income at a level which qualifies them for a lower rate and so have more Council Tax to pay. This group will include those Council taxpayers in employment and others who will not have received direct support from Central Government by way of Cost of Living payments.

### **Other potential alternative(s) (and why these have not been recommended)**

14. Do nothing: however, without a suitable scheme to provide sufficient defined criteria, any remaining funds will not be able to be utilised by the Council and would need to be returned to Central Government.

## **Impact(s) of the recommended decision(s)**

### ***Financial (including procurement and Social Value)***

15. Central Government provided one off additional funding of £473,542 as outlined in the Executive summary. As of 29 February 2024, the Council has allocated in accordance with the government fund conditions £372,287.76, leaving a balance of circa £0.101m to be allocated to residents' Council Tax accounts. The Council can utilise the remaining funding as per Central Government guidance (para 7) and will not exceed the grant funding available.
16. The Council has discretionary powers to utilise the remaining balance to further assist low-income households and support the collection of Council Tax. This will be allocated to accounts by 31 March 2024.

### ***Legal***

17. Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, provides the Council additional discretionary powers to further reduce the amount of Council Tax payable.

### ***Risk***

18. The scheme supports the delivery of the Council's strategic priority to reduce poverty as set out in the Council Plan 2024-2027. The Council Tax Support Fund (Discretionary Scheme) 2023/24 will enable residents to pay less Council Tax with no loss to the Council of the funding that it needs to work with communities and other public services in Middlesbrough to improve the lives of local people.
19. The implementation of a local discretionary scheme ensures that there is adequate governance in place to comply with all relevant legislation and the Council does not breach governance requirements or fail to deliver organisational priorities (Risk 08-054).

### ***Human Rights, Public Sector Equality Duty, and Community Cohesion***

20. There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equity law.

### ***Climate Change / Environmental***

21. There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.

### ***Children and Young People Cared for by the Authority and Care Leavers***

22. The Council Tax Support (Discretionary Scheme) 2023/24 does not differentiate between applicant background and therefore has no adverse impact on children and young people cared for by the Authority and Care Leavers.

**Data Protection / GDPR**

23. The collation and use of personal data will be managed in accordance with the Council's Data Protection policy and the Benefits, Council Tax and Business Rates Privacy Notice [Privacy notice - Housing Benefit and Council Tax Reduction | Middlesbrough Council](#)

**Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline
The proposed reductions will be applied to the corresponding Council Tax accounts.	Janette Savage	31 March 2024

**Appendices**

Initial Impact Assessment

**Background papers**

No background papers were used in the preparation of this report.

**Contact:** Janette Savage (Head of Resident and Business Support)  
**Email:** Janette\_Savage@middlesbrough.gov.uk

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Impact Assessment Level 1: Initial screening assessment

<b>Subject of assessment:</b>	Council Tax Support Fund (Discretionary Scheme) 2023/24			
<b>Coverage:</b>	Crosscutting			
<b>This is a decision relating to:</b>	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
<b>It is a:</b>	<b>New approach:</b>	<input type="checkbox"/>	<b>Revision of an existing approach:</b>	<input checked="" type="checkbox"/>
<b>It is driven by:</b>	<b>Legislation:</b>	<input checked="" type="checkbox"/>	<b>Local or corporate requirements:</b>	<input checked="" type="checkbox"/>
<b>Description:</b>	<p><b>Key aims, objectives and activities</b> To assess the impact of proceeding with a Council Tax Support Fund (Discretionary Scheme) 2023/24</p> <p><b>Statutory drivers</b> Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, gives the council additional discretionary powers to reduce the amount of Council Tax payable in exceptional circumstances.</p> <p><b>Differences from any previous approach</b> The single member decision will be outside of any policy, but confirming the basis on which available grant funds will be used to reduce liabilities under the sub-section (c) provision as a one-off arrangement. The new policy to be developed separately will reset the ability to make reductions under sub-section (c) according to whatever criteria are determined..</p> <p><b>Key stakeholders and intended beneficiaries (internal and external as appropriate)</b> Key stakeholders: the Council; Council tax payers</p> <p><b>Intended outcomes.</b> To seek the approval to utilise the remaining funding</p>			
<b>Live date:</b>	31.3.24			
<b>Lifespan:</b>	2023/2024			
<b>Date of next review:</b>	2024/2025			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<b>Human Rights</b> Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	☒	☐	☐	No evidence to suggest that the policy will have an adverse impact on individuals in terms of human rights.
<b>Equality</b> Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*	☒	☐	☐	No evidence to suggest that the policy will have an adverse impact on individuals in terms of equality.
<b>Community cohesion</b> Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	☒	☐	☐	No evidence to suggest that the policy will have an adverse impact on relationships between different groups, communities of interest or neighbourhoods within the town.
<b>Next steps:</b> ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

<b>Assessment completed by:</b>	Debbie Ingoldsby	<b>Head of Service:</b>	Janette Savage
<b>Date:</b>	28.2.24	<b>Date:</b>	28.2.24

\* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.