

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	7
<b>LOCAL COUNCIL TAX SUPPORT 2021/22</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

On the 18<sup>th</sup> December 2020, MCHLG announced additional government funding of 670m for 2021/22 for Local Council Tax Support and it is for Local Authorities to determine how best to utilise these funds during 2021/22. Fylde's allocation is £130,548 and the report sets out a number of options for utilising the funding.

### RECOMMENDATIONS

1. That members determine how they wish to allocate the £130,548 funding based on the options in the main body of the report.

### SUMMARY OF PREVIOUS DECISIONS

None

### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	√
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	
Working with all partners ( <b>Vibrant Economy</b> )	
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	√
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	

### REPORT

1. The Chancellor announced £670m of funding for 2021/22 at the Spending Review 2020 for Local Council Tax Support. From correspondence issued by the Ministry of Housing, Communities and Local Government (MCHLG) following the Spending Review, it was known that:
  - It was an unringfenced grant *“aimed directly at supporting councils to meet the anticipated additional costs of providing Local Council Tax support in 2021-22, resulting from increased unemployment”*.
  - It is not funding to be passported to council tax payers in the same way as the £500m Hardship Fund from 2020/21 when each Working Age household in receipt of Council Tax Reduction received £150 grant from their Council Tax bill.

- MHCLG expect that the funding will benefit economically vulnerable households by enabling councils to continue reducing bills for those least able to pay.
- The Government intends to pay allocations as section 31 grants directly into the general funds of billing and major precepting authorities.

No further information has been provided in terms of how Local Authorities should use the funds so the following options have been developed using current data.

#### Option 1

When the Council Tax Reduction (CTR) scheme was introduced in 2013, a Discretionary Hardship Relief fund of £10,000 was allocated to provide additional assistance to Council Tax Reduction claimants based on their individual circumstances. There is now £4,000 remaining in this fund but it would be useful to “top up” this allocation back to £10,000 to ensure that funding is available in the future so we can provide additional assistance to economically vulnerable households, both working age and pensioners.

If option 1 were accepted, there would be approximately £124,000 remaining to be allocated.

#### Option 2

The table below shows the number of Council Tax Reduction Scheme recipients since March 2020. The number of Working Age claimants has yet to fall back to pre-pandemic levels.

	<b>Working Age</b>	<b>Elderly</b>	<b>Total</b>
Mar 2020	3,096	2,343	<b>5,439</b>
Jun 2020	3,305	2,335	<b>5,640</b>
Sep 2020	3,327	2,313	<b>5,640</b>
Mar 2021	3,522	2,304	<b>5,826</b>
Jun 2021	3,301	2,301	<b>5,602</b>
Sep 2021	3,268	2,289	<b>5,557</b>
Nov 2021	3,189	2,270	<b>5,459</b>

Whilst the new grant is not specifically intended to replicate the COVID-19 hardship fund for 2020/21, it could be used to make a similar award of lower value, providing support to Working Age recipients; this would fit with the Government’s intention of assisting the most economically vulnerable households.

The table below shows the options available but it should be noted that only option A can be applied to accounts automatically, all other options would need manual intervention on each account.

<b>Options:</b>	<b>Number of Working Age CTR claimants</b>	<b>Potential Allocation per Household (based on available funds of approximately £124K)</b>
<b>A) Current CTR position</b>	3,189	£38.88
<b>B) On CTR - over 12 months</b>	2,574	£48.17
<b>C) On CTR - over 24 months</b>	1,789	£69.31
<b>D) On CTR - over 36 months</b>	1,268	£97.79

#### **RECOMMENDATIONS**

- Agree to option 1 to “top up” the Council Tax Reduction Scheme Discretionary Hardship Relief fund to £10,000 to ensure that funding is available to provide additional support for Council Tax Reduction recipients in future years.
- Choose a preferred allocation from Option 2 (A, B, C or D) to assist Working Age Council Tax Reduction recipients with a one-off grant towards their 2021-22 Council Tax.

IMPLICATIONS	
Finance	Fylde Council has been allocated 130K additional funding for Council Tax Hardship support from the national £670m Local Council Tax Support Funding, as detailed in the report.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
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		Name of document	Date	Where available for inspection
Coronavirus (COVID -19): emergency funding for local government in 2020 to 2021 and additional support in 2021 to 2022		-emergency-funding-for-local-government" <a href="https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government">https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government</a>		