

Report for: Cabinet

Date of Meeting:	16 th March 2023
Subject:	Authority to Implement and administer Extra Support Schemes for Residents in 2023/24
Key Decision:	Yes
Responsible Officer:	Dawn Calvert - Director of Finance & Assurance
Portfolio Holder:	Councillor David Ashton – Portfolio Holder for Finance & Human Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

The Government announced £100 million of additional funding for local authorities to support the most vulnerable households in England. Harrow's allocation of this funding will allow it to deliver additional support to the 13,000 households who are already in receipt of council tax support, including both working age and pensioner claimants of the support. The funding is for the 2023-24 financial year only. This report proposes a rebate scheme for pensioners for the financial year 2023/24 only.

Additionally, this report informs of the need for the local authority to administer the winter support payment for eligible households that use alternative fuels like heating oil.

Recommendations:

Cabinet is requested to consider the information given in this report and agree:

- 1) to introduce a new one-off Council Tax Reduction for Pensioners and Working Age claimants in receipt of local council tax support (LCTS) as at 1/4/2023. Pensioner & working age LCTS recipients will be eligible for a one-off grant as per Tables 1 & 2 in this report.
- 2) to authorise the Director of Finance and Assurance to administer awards under the provisions of Section 13A(1)(c) of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), in respect of the Council Tax reduction for Pensioners & Working Age claimants
- 3) to note the need to award the Alternative Fuel Support Payments to all qualifying households and to authorise the administration of the scheme on behalf of Government.

Reason: (For recommendations)

To fulfil the Council's obligations under the relevant guidance's issued.

Section 2 – Report

Introductory paragraph

Council Tax Support Fund for 2023/24

- 2.1 The Government announced £100 million of additional funding for local authorities to support the most vulnerable households in England. This is to recognise the impact of rising bills. Out of the £100m, Harrow was allocated £346k.
- 2.2 This new grant funding will need to be used in 2023-24 for Harrow to support economically vulnerable households in their area with council tax payments.

- 2.3 Local authorities are required to have in place LCTS schemes to offer council tax reductions to those facing financial hardship and will be preparing their schemes for 2023-24 by the statutory deadline of 11 March 2023. To supplement this local support, in the Government's Council Tax Support Fund Guidance for 2023/24 dated the 23 December 2022 (**the Guidance**), the Government expects Harrow will use their grant allocation to fund further reductions in the council tax liability of individuals receiving LCTS with an outstanding council tax liability.
- 2.4 Harrow will also have the flexibility to determine the local approaches to support vulnerable households in its area in accordance with the Guidance.

Support Scheme for Working Age Recipients of LCTS

- 2.5 The Scheme being introduced today will apply (a) to Working Age recipients of LCTS, by ensuring they receive the core £25 as set out in the national guidance, plus a further discretionary amount of up to £29 to reflect the amounts that will actually be awarded as per the table 2 below, (as agreed by Cabinet on the 8/12/2022).

Table 1 - For Financial Year 2023/24 – Working Age Rebates to be awarded

CTS Entitlement as a % of Council Tax liability	Numbers of claimant households	Discretionary award to be granted per qualifying household for year 2023/24
70%	2702	£36.00
60-69%	471	£45.00
<60%	1675	£54.00
86% (vulnerable)	3373	£30.00
		£310,107 Total Cost

The Scheme Harrow adopted for working age recipients of LCTS will therefore see working age households obtaining one off rebates between £30 and £54. This is actually more generous than the national guidance suggests.

Support Scheme for Pensioners

- 2.6 The second Scheme being introduced will apply to (b) Pensioner recipients of LCTS only. It is proposed Pensioners in receipt of local council tax Support will also be eligible (as per the guidance issued). Any pensioner Household whose liability is £0 council tax as at 1/4/2023 (for the 2023/24 financial year) will be awarded no rebate, those whose liability is £1 to £24 will be awarded an amount equal to the sub £25 liability, and those whose liability is £25 or more will be awarded £25. This is in accordance with the amounts set out in the national Guidance and shown in table 2 below.

Table 2 - For Financial Year 2023/24 – Pensioner Rebates to be awarded

Amount of 2023/24 Council Tax owed by the Pensioner Household on 1/4/2023	Anticipated Numbers of claimant households	Discretionary award to be granted per qualifying household for year 2023/24
£0 Owed **	3,442	£0.00
£1 - £24	96	£1- £24
<£25	1,138	£25.00
		£29,602
		Anticipated Total Cost

**This cohort of pensioners (which includes pension guarantee credit) generally receive 100% Council Tax Support already so are not expected to pay any council tax in 2023/24. As such, as they will not owe any amount, they will receive £0 support under this scheme.

- 2.7 It is anticipated that the Pensioner and Working Age schemes, plus the discretionary top up amount for working age recipients, will cost approximately £340k. As the local authority is able to use a proportion of its allocations to determine its own local approach to supporting economically vulnerable households with council tax bills, Harrow is therefore proposing to allocate any unspent grant monies to our Council Tax Hardship Fund which will support one off applications for relief from residents who may not be able to pay their council tax due to the steep rise in the cost of living. This will ensure all funds received from are allocated to local households rather than Harrow having to refund any unspent grant back to Government.
- 2.8 Eligibility criteria to be met are that recipients will need to be a Harrow council taxpayer as at 01/04/23 and be in receipt of LCTS on that date.
- 2.9 The award will be granted automatically, and no application process is required. Any Pensioner or Working Age claimant ceasing to receive LCTS after the award date or moving away from Harrow will have their allocation adjusted accordingly.

Administration of Alternative Fuel Winter Allowance.

- 2.10 The government has announced details for how people in England, Scotland and Wales without a direct relationship to a domestic energy supplier, will receive a £400 discount on their fuel bills through the Energy Bills Support Scheme Alternative Funding (EBSS Alternative Funding).
- 2.11 Households in Harrow that use alternative fuels like heating oil will receive a £200 payment this winter. Additionally, households without a direct relationship to an energy supplier – such as care home or park home residents – will be able to apply online for £400 of non-repayable help with their fuel bills.
- 2.12 These schemes augment the cost-of-living package of assistance the government has in place to help reduce energy bills for households across the United Kingdom.

- 2.13 An online application scheme, operated by Government, will open in January for households in England. Payments to households that meet the eligibility criteria will be made by local authorities in Great Britain. This is likely to include:
- care home residents
 - residents of park homes
 - tenants in certain private and social rented homes
 - homes supplied via private wires
 - residents of caravans and houseboats on registered sites
 - farmers living in domestic farmhouses
 - off-grid households
- 2.14 Applicants will only be able to submit information through GOV.UK and cannot contact their local authority. Once customers have applied to receive support and their applications have been processed and verified by GOV.UK, eligible customers' details will be shared with Harrow, who will make a payment for the one-off, non-repayable support this winter.
- 2.15 New burdens funding will be given to LA's to compensate them for the administrative burden of running the scheme and making the payments. This will be on top of any programme funding to be paid to recipients which will also be funded by Government.

Legal Implications

The Guidance and press statements in December 2022 set out the Governments intentions and what was expected of local authorities in respect of administering the schemes set out in this report. Harrow will need to implement and administer the schemes for the coming year and ensure payments are made in a timely fashion.

Paragraph 11 of the Guidance states that, "the government expects that billing authorities will use their grant allocation to fund further reductions in the council tax liability of individuals receiving LCTS with an outstanding council tax liability, by up to £25. Local authorities are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills."

Section 13A (1) (c) of the Local Government Finance Act 1992 (as amended), provides the Council with the power to reduce the amount of Council Tax due 'as it sees fit.' Section 13A(2)(c) also allows a local authority to create a 'scheme' to reduce the Council Tax for persons or a class of persons that it considers being in financial need. The Cost of any reduction awarded under Section 13A(1)(c) must be met in full by Harrow Council. Section 13A(6) states that the power under Section 13A(1)(c) includes a power to reduce an amount to nil.

Financial Implications

The council tax support fund rebate for pensioner households is a call on the general fund. However, the settlement included an amount of £346k for this purpose and as such that grant income will be ringfenced to fund the schemes mentioned.

The alternative fuels support is a Government initiative. As long as the Council complies with the conditions set out in the various letters and guidance issued there are no financial implications. The schemes are fully funded and should not impact on Harrow's finances.

There is however a risk that the new burdens amounts promised may not be sufficient to meet the actual costs of administering the schemes, considering the amount of staff resource that may be needed to carry out awards / make payments. If that is the case this will impact Revenue budgets.

Ward Councillor Comments

No comments received

Environmental Implications

There are no direct environmental impacts anticipated from the recommendations contained within this report.

Data Protection Implications

There are no direct data protection impacts anticipated from the recommendations contained within this report.

Procurement Implications

There are no procurement impacts anticipated from the recommendations contained within this report.

Risk Management Implications

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No** but part of overall budget risks

The following key risks should be taken onto account when agreeing the recommendations in this report:

Risk Identified	Mitigations	RAG Status
Timescales may not meet Government expectations	<ul style="list-style-type: none"> ▪ Government expects awards / payments to be made as early as possible and / or in a timely fashion. Programmed resources will ensure rebate awards will be fully completed by 30th of June and fuel payments within 30 days of the data being received from GOV.UK 	Green
If the recommendations are not accepted the Council will fail to uphold its obligations to allocate additional central government funding received and vulnerable residents and/or residents facing financial hardship will not be helped or supported during the current cost of living crisis	<ul style="list-style-type: none"> ▪ Acceptance of the recommendations in the report will fully mitigate this risk 	Green

Payments made too quickly due to pressure to get monies out asap leading to payments being made erroneously or to wrong person and decreased checks leading to increased fraud.	<ul style="list-style-type: none"> Mitigated by adhering to an agreed process which may well take longer to ensure all payments are made correctly. 	Green
Not complying with suggested Government process risks programme funding being delayed or not paid	<ul style="list-style-type: none"> The recommendations in this report comply with suggested processes and if adhered to will minimize risk to funding not being paid 	Green
Process open to abuse and fraud local, approaches in Harrow do not accurately identify or target those households who are eligible leading to rebate payments being made to inappropriate individuals or to those not intended to be helped by the rebate	<ul style="list-style-type: none"> Council tax rebate will rely on Harrow's own data showing who is a pensioner as at a particular point in time and the fact that they are receiving LCTS. As such there is no application process. Re alternative fuels, eligible applicants are already vetted by GOV.UK so all the authority is doing is validating bank accounts in order to pay. Payment runs will have due regard to risks identified in relation to compliance with any likelihood for non-compliance being subject to reasonable steps being undertaken to mitigate that risk. 	Green
The estimate of scheme cost at £340K is not accurate/is too optimistic leading to additional costs and budget overspends being incurred in this area	<ul style="list-style-type: none"> Cost of scheme is funded by central government. If estimates are wrong Harrow will be compensated for extra cost or will have to refund underspends. 	Green
New Burdens funding may be insufficient to meet full administration costs	<ul style="list-style-type: none"> Funding not yet announced. However, if the new burdens amounts are low, the revenue budget would need to cover any additional funding gap. 	Green

Equalities implications / Public Sector Equality Duty

There are no Equalities implications arising from the recommendations within this report; the local authority is simply acting as an agent in delivering prescribed schemes for Government.

Council Priorities

Agreeing the rebate scheme will support our most financially vulnerable council taxpayers by reducing council tax inflation for the year 2023/24.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed off by the Chief Financial Officer

Date: 10 February 2023

Statutory Officer: Baljeet Virdee
Signed on behalf of the Monitoring Officer
Date: 02 March 2023

Chief Officer: Dawn Calvert
Signed off by the Corporate Director
Date: 10 February 2023

Head of Procurement: Nimesh Mehta
Signed off by the Head of Procurement
Date: 10 February 2023

Head of Internal Audit: Neale Burns
Signed on behalf of the Head of Internal Audit
Date: 02 March 2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqlA carried out: NO

This is a technical financial report which does not require an EqlA.

EqlA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact: Fern Silverio (Head of Service – Collections & Housing Benefits), Tel: 020-8736-6818 / email: fern.silverio@harrow.gov.uk

Background Papers:

- [Council Tax Support Fund guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/council-tax-support-fund)
- <https://www.gov.uk/government/news/vital-help-with-energy-bills-on-the-way-for-millions-more-homes-across-great-britain-and-northern-ireland>
- <https://www.gov.uk/search/all?keywords=ebss+alternative+funding&order=relevance>

Call-in waived by the Chair of Overview and Scrutiny Committee - NO