

## **Appendix A2**

### **Council Tax Reduction additional support scheme 2023/24**

#### **1. Background**

- 1.1. On 23 December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) announced additional funding of [£100 million to local authorities](#) to support the most vulnerable households in England. This funding allows councils to deliver additional support to the 3.8 million households already receiving Council Tax Reduction.
- 1.2. Bristol has been awarded £885,177 to assist c13,500 households that are, or who be, in receipt of partial CTR or potentially full CTR throughout the financial year 2023/24. The grant is in recognition of the impact of rising bills and to support economically vulnerable households in their area with council tax payments. The scheme will apply to working and pension age households.
- 1.3. The government expects councils to deliver this using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992 with any scheme being in place by 11 March 2023.
- 1.4. Funding has been allocated to councils based on their share of local CTR claimants according to latest data, with the expectation that local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households, but assistance must be used to assist with increased council tax liabilities.
- 1.5. Most local authorities in England will only be able to use the £25 per household, to assist those in receipt of partial CTR, due to them having less generous schemes than Bristol and where all/most CTR recipients already have to minimum contribution to their Council Tax bill. This means for many there is no need to consider any an additional discretionary assistance.

#### **2. Costings**

- 2.1. The estimated breakdown of the grant award and possible scheme costs are below.

Scheme	Grant amount	Households assisted	Amount per household
Mandatory £25 award	£337,500	13,500	£25
Discretionary award*	£547,677	13,000	£75
Total	£885,177	c.13,000	c.£68

\*This estimate is based on the remaining £548k being used to further assist all those households on partial CTR by an award of up to £75, i.e. £50 in addition to the mandatory £25 scheme.

- 2.2. Note that the number of additional awards is smaller and does not add to exactly £75 per household, as not all of these will have an exact £75 remaining liability, but instead a sliding scale of between £25 - £75. Based on previous assistance schemes the actual average award will be around £68 per household.

#### **3. Alternative options**

- 3.1 The remaining £548k could be used for used via alternative assistance methods, as it is a discretionary scheme, but noting it must be used to assist those with the Council Tax liability. It cannot be used to assist those without one.
- 3.2 As such the alternative options are as follows;
  - 3.2.1. Assist those on full/partial CTR via an alternative payment mechanism, e.g. food, gas/electricity, utility vouchers or BACS payments to provide direct assistance, and/or
  - 3.2.2. Assist those on full CTR also with a further credit on their account.

#### **4. Recommendation**

- 4.1. The recommendation is to use the whole fund, including the estimated £548k discretionary element to assist c.13,000 low income CTR households with assistance of up to £75 per household. This would be the most efficient and effective way of assisting this cohort and would also assist the council in being able to help people with one of their largest bills from the beginning of 2023/24, and free up some resilience to assist those with other cost of living pressures.**
- 4.2. The alternative would be assisting the same cohort, via either a more complex and administrative cumbersome process and/or assisting those where there are no outstanding Council Tax liabilities.