

London Borough of Barnet Council Tax Support Fund 2023/24

February 2023

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1. Introduction

- 1.1. On 23 December 2022 Government published [guidance](#) on a new Council Tax Support Fund (CTSFS) to be administered by local authorities.
- 1.2. Barnet have been allocated £748,633 funding to support vulnerable residents with their Council Tax liabilities for 2023/24. This funding must be used to reduce the amount of Council Tax payable by eligible residents. It is not available to be provided as direct cash awards.
- 1.3. The scheme is made up of two elements, a mandatory scheme and a discretionary scheme for any remaining funding. The eligibility criteria is set out in section 3 of this policy.
- 1.4. It is expected that wherever possible awards should be applied to the annual council tax bills issued in March 23.

2. Funding

- 2.1. The Council Tax Support Fund Scheme is to be designed by individual local authorities in accordance with government guidance. In recognition of the impact of rising bills, Government have provided Barnet with provisional funding of £748,633 from the £100 million national funding. The final allocation will be confirmed at the final local government settlement.
- 2.2. The funding is for the 2023-24 financial year.
- 2.3. This funding has been allocated to local authorities based on their share of LCTS recipients. Government expects local authorities to use most of their funding allocation to reduce bills for current working age and pension age LCTS recipients by up to £25.
- 2.4. Local authorities can use their remaining allocation as they see fit to support vulnerable households with council tax bills.

3. Eligibility

Mandatory Scheme

- 3.1. In accordance with government guidance Barnet will award a £25 Council Tax Support Fund payment to all LCTS recipients on 1 April 2023 who have a remaining Council Tax liability of £25 or more.

- 3.2. LCTS recipients who have a remaining Council Tax liability less than £25 will receive a Council Tax Support Fund payment for the outstanding balance up to the £25 limit. The Council Tax Support Fund cannot result in a Council Tax account being in credit.
- 3.3. Where a taxpayer's Council Tax liability for 2023-24 is nil, no reduction to the Council Tax bill can be made and therefore are not eligible for a Council Tax Support Fund payment.
- 3.4. Council Tax Support Fund payments must be automatically applied to the Council Tax account of the LCTS recipient.
- 3.5. No application is required, and awards automatically applied.
- 3.6. Council Tax Support Fund payments will be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts will be reflected in Council Tax bills issued in March.

Discretionary Scheme

- 3.7. Households awarded LCTS between 2 April 2023 and 31 December 2023 who haven't already received a CTFS award will automatically receive a Council Tax Support Fund award, paid onto their Council Tax account following the award of LCTS, subject to the account having a remaining balance as outlined in the mandatory section.
- 3.8. Should any of Barnet's £748,633 funding allocation remain on 1 January 2024, this will be added to Barnet's existing Discretionary Relief pot to support residents facing hardship and applying through Barnet's Council Tax Hardship Relief scheme.
- 3.9. In accordance with government guidance Council Tax Support Fund payments will be made using discretionary powers under [s13A\(1\)\(c\) of the Local Government Finance Act 1992](#).

4. Recalculation or withdrawal of Council Tax Support Funding

- 4.1. If LCTS entitlement is withdrawn during the year but there is still an LCTS award for any period during 2023/24 the Council Tax Support Fund will not be revoked if the remaining liability is more than £25.

- 4.2. If following changes to Council Tax liability the outstanding balance reduces below £25 the Council Tax Support Fund payment will be reduced to the remaining balance.
- 4.3. Should a change to the Council Tax account result in there no longer being a Council Tax liability the Council Tax Support Fund will be removed.

5. Duration of Award

- 5.1. Council Tax Support Fund awards are to be made in respect of the 2023/24 financial year only.

6. Indicative Cost of Scheme

- 6.1. Whilst the CTSF is funded by government, the following table outlines potential costs of the scheme based on 31 January 2023 data:

Government Funding £748,633	
LCTS Caseload on 31 January 2023: 28,327	
<i>Of which:</i>	
Breakdown	Cost of CTFS
5,911 receive 100% LCTS and therefore will not receive CTSF	£0.00
22,357 have a liability after LCTS of £25 or more meaning they will receive the full £25 CTSF award	£558,925
59 have a liability after LCTS of less than £25 and their CTSF award will clear the remaining balance	£649
Total Cost of Mandatory Scheme	£559,574
Potential remaining funding before considering awards between 2 April 2023 and 31 December 2023	£189,059

- 6.2. Awards will also be made to anyone awarded LCTS between 2 April 2023 and 31 December 2023 where they have not already received a CTSF award. Once the funding allocation has been reached no further CTSF payments can be made.
- 6.3. If any funding remains on 1 January 2023, this will be added to Barnet's Hardship Fund to support Council Tax Hardship Relief applications.

7. Appendix A - Examples

Working Age Local Council Tax Support (LCTS) Scheme

All households in receipt of working age Local Council Tax Support will receive the full £25 due to the maximum LCTS award resulting in more than £25 outstanding Council Tax liability.

Pension Age Local Council Tax Support (LCTS) Scheme

Whilst the examples below apply to the current 2022/23 Council Tax liability charge, the principle and percentage calculations also apply from 1 April 2023.

Any pension age scheme LCTS households receiving less than 98.57% of their Council Tax paid by LCTS will receive the full £25.00

Example 1: Band D property with no single person discount or exemption and in receipt of 98% LCTS (pension age):

- Council Tax Liability (before any LCTS) = £1,746.00
- Discounts or exemptions = £0.00
- LCTS = £1,711.08
- Remaining Council Tax Liability = £34.92
- Council Tax Support Fund Award = £25.00

Example 2: Band D property with no single person discount or exemption and in receipt of 99% LCTS (pension age):

- Council Tax Liability (before any LCTS) = £1,746.00
- Discounts or exemptions = £0.00
- LCTS = £1,728.54
- Remaining Council Tax Liability = £17.46
- Council Tax Support Fund Award = £17.46

Example 3: Band D property with no single person discount or exemption and in receipt of 100% LCTS (pension age):

- Council Tax Liability (before any LCTS) = £1,746.00
- Discounts or exemptions = £0.00
- LCTS = £1,746
- Remaining Council Tax Liability = £0.00
- Council Tax Support Fund Award = £0.00 as no liability