

Committee: Council **Date:**
Title: Household Support Funding **Tuesday, 19 July**
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Summary

1. The cost of living crisis is impacting on all residents across our district and the Government have put in a number of schemes to support people with these large increases, particularly the cost of energy.
2. Essex County Council (ECC) have received funding from the Department of Works and Pensions (DWP) to support Households in most need. ECC have distributed some of this funding to lower tier authorities to provide additional support of £80 to pensioner households.
3. At the Council meeting on 25 February 2022 an amendment to the budget was approved to increase support by providing a council tax rebate of £100 to working age residents on low incomes in receipt of Local Council Tax Support (LCTS).
4. The current additional support schemes highlight the fact that the vulnerable, disabled and their carers on low incomes are not receiving any additional support at all. It is proposed that the above amendment to the budget is extended and that the vulnerable, disabled and their carers receive a council tax rebate of up to £80.
5. The original motion approved stated the eligible date as the 31 January 2022, it is further proposed that the eligible date is extended to include claimants receiving LCTS at the 1 April.

Recommendations

6. The Council is requested to approve extending the discretionary Council Tax Rebate Scheme,
 - a. to include a council tax rebate of £80 to the vulnerable, disabled and their carers on low incomes and in receipt of LCTS
 - b. to extend the eligible date to the 1 April 2022

Financial Implications

7. The cost of the support is calculated using the Local Council Tax Support Scheme data. The total cost of the support including the proposed amendments is £181,320, an analysis of how this is calculated between the groups has been set out in the table below.

	Working Age	Vulnerable, disabled and carer's
31 January 2022	949	967
1 April 2022	73	22
Eligible Number*	1,022	989
Support Payment	£100	£80
Cost	£102,200	£79,120

* The numbers shown here are taken at a fixed point in time and are subject to variation should there be a change of circumstance.

Background Papers

8. None

Impact

- 9.

Communication/Consultation	Members of the Cabinet
Community Safety	N/A
Equalities	EQHIA attached
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Situation

10. The sudden and unprecedeted increase in the cost of energy and the general cost of living increases has put huge financial pressures on all households. These additional financial pressures will have a higher impact on lower income households. This report sets out the current grants and support schemes in place and the proposed extension to the current discretionary council tax rebate scheme approved by the Council at their meeting on the 25 February 2022.

Government Energy Rebate Scheme

11. The government has announced a package of support known as the Energy Bills Rebate to help households with the rising energy costs.
12. Uttlesford (UDC) will receive a payment of £3,120,450 for the main scheme providing £150 direct payments to households in Council Tax bands A-D. In addition, a further £177,000 has been provided for the Council to set a Discretionary scheme for properties that do not qualify under the main scheme but are suffering financial hardship.

13. The Discretionary Scheme is available to support households who do not qualify for the main energy bills rebate scheme subject to meeting the criteria set out by the Government.
14. The Council has an element of discretion when setting the scheme and to support those most in need the following criteria has been built into our scheme.
 - a. All residents in bands E-H who are in receipt of LCTS will receive a payment of £175
 - b. All residents in bands A-D who are in receipt of LCTS will receive a top up payment of £25 (bringing total payment to £175)

Essex County Council Household Support for Pensioners

15. To help support those most in need with significantly rising living costs, the DWP, under section 31 of the Local Government Act 2003, is providing funding of £421 million to County Councils and Unitary Authorities in England.
16. ECC have received £9.4 million in funding. They intend to use £3.2 million to finance district authorities, on their behalf, making a one-off payment of £80 to pensioner households in receipt of LCTS and/or Housing Benefit as of 1st April 2022.
17. UDC will be administering the payment on behalf of Essex County Council and has provisionally been allocated £124,630 of the funding.
18. For the purpose of this payment, ECC have defined a Pensioner Household as:
'Any household containing any person who has reached state pension age by 30th September 2022 (and where the household does not contain any person who will be under the age of 19 as at 30 September 2022 or a person aged 19 or over in receipt of child benefit)'
19. By 30th September 2022, ECC expects UDC to make a payment of £80 into pensioner household bank accounts, where details are already held by the authority. For persons where the bank details are not known, UDC will be required to provide ECC with a list of these households by 1st August 2022 and ECC will then provide food vouchers instead of a cash payment.

Uttlesford District Council – Supporting the working age on low incomes

20. At the Council meeting on 25 February 2022 an amendment to the budget was approved and an extract of the amendment is copied below.
'All claimants are subjected to means testing to determine the percentage they must pay. However, low-income pensioners and vulnerable people are protected, and receive 100% discount. Working age people, which equated to 948 of the claimants only receive partial support as per the Council's Local Council Tax Support Policy and are required to pay a minimum of 12.5% of the Council Tax bill.
We propose to help these people by providing a one-off cash rebate of £100 per household. The qualifying date to be eligible for the rebate was 31 January 2022. The rebate would be allocated to the household's Council Tax account'
21. LCTS supports low income households by providing a reduced council tax liability of up to 87.5%. The scheme provides protection for pensioners and the vulnerable, disabled and their carers on low incomes.

22. The scheme is a means tested benefit and qualifying claimants can receive discounts of up to 87.5% of their council tax liability, subject to a minimum benefit payable of £2 per week.
23. The working age employed and unemployed are required to pay a minimum of 12.5% irrespective of their income and/or employment status.
24. Pensioners and the vulnerable, disabled and their carers receive up to 100% protection if they are in receipt of qualifying benefits. If they are working or have non dependant people living in the home, or in the case of pensioners may be on higher personal pensions, income is means tested and they may have to pay a contribution to their council tax liability.

Extending the Councils Scheme to support the Vulnerable, Disabled and their Carer's on low incomes

25. The low income households identified using the LCTS groupings, are Working Age unemployed and employed on low incomes, Vulnerable, Disabled and their Carer's on low incomes and Pensioners.
26. The additional financial support already put in place by the Council supports the Working Age group and the ECC scheme supports the pensioners. This means that out of our low income households the Vulnerable, Disabled and their Carer's are receiving no additional support.
27. It is proposed that the Council's Council Tax Rebate scheme is extended to include the Vulnerable, Disabled and their Carer's.
28. It is further proposed that the payment is set at £80 to align with the support provided to Pensioners, as both these are in protected groups, with a number of claimants paying no council tax. Whereas the working age group are all required to pay a minimum 12.5% and the higher rebate of £100 reflects this.

Extending the eligible date

29. The cost of living has continued to rise since the original motion was passed and the new financial year has seen additional LCTS claims for support from residents. It is proposed that the eligible date for both the working age and the vulnerable, disabled and their carer's is extended from the 31 January up to and including 1 April 2022. This will provide support to an additional 95 households.

Exceptional Hardship Fund (EHF)

30. The Council holds a ring-fenced budget specifically to support all residents who are suffering financial hardship due to unforeseen circumstances, and you do not have to be eligible for LCTS to make an EHF claim. The EHF is supported by the major preceptors as part of the Essex Sharing Agreement.
31. The annual budget held for this fund is £17,000 with UDC contributing £10,000 and the major preceptors contributing £7,000. In 2020/21 the Council received £325,304 hardship funding from Government to provide additional support to those on the lowest income during the Covid Pandemic. There was £19,870 of this funding unspent and this is being carried forward to provide extra support for those suffering financial hardship.

32. The EHF is subject to award criteria and supports all residents who find themselves in financial difficulties, you do not have to be in receipt of LCTS to qualify, making this scheme fully inclusive to all residents.

Risk Analysis

33.

Risk	Likelihood	Impact	Mitigating actions
Higher number of eligible households	1 – little risk as data is updated regularly	1 – higher cost of providing funding	The data held in our system is current and monitored regularly

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.