

Committee: Council

Date:

Title: Cost of Living Support Fund - Policy 2023/24

Tuesday, 21
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Summary

1. The cost of living crisis is causing hardship to many households with inflation and increased utility prices increasing at much higher rates than income.
2. For the 2023/2024 financial year the Council has set up a Cost of Living Support Fund as a locally defined discount under section 13(1)(C) of the Council Tax regulations to support Uttlesford residents with their Council Tax liability.
3. The Cost of Living Support Fund will provide financial assistance to households in the Uttlesford area, including those who are entitled to Local Council Tax Support where payments of the Local Council Tax scheme are insufficient. The total funding available is £195,036, which is the equivalent value of the Uttlesford element of council tax increase for 2023/24.
4. The Government has also implemented a new Council Tax Support Fund in 2023/24 for all households who are in receipt of Local Council Support. The total funding allocated for Uttlesford is £84,546.
5. The scheme provides each household in receipt of Local Council Tax Support, where they are required to contribute towards their Council Tax with a maximum additional discount of £25. Any remaining funds can be administered at the Council's discretion.
6. It is proposed that the discretionary element of the Government Council Tax Support Scheme Fund provides a top up payment for each household in receipt of Local Council Tax Support of £25, making the total maximum discount for each household £50. The remaining funds would be added to the Exceptional Hardship Fund to provide further assistance on an application basis in line with the current policy.

Recommendations

7. The Council is requested,
 - a. to approve the Uttlesford Cost of Living Support Fund Policy as set out in Appendix A
 - b. to note the Government Council Tax Support Fund as set out in Appendix B
 - c. to approve the Discretionary element of the Government Council Tax Support Fund as set out below and in Appendix B

- i. to provide an additional maximum £25 top up payment for all households in receipt of Local Council Tax Support
- ii. to add the remaining unallocated funds to The Exceptional Hardship Fund

Financial Implications

8. The Cost of Living Support Fund is funded directly by the Council, and this is included in the budget for 2023/24 as set out in the General Fund and Council Tax budget report also in tonight’s agenda.

The Government Council Tax Support Fund is fully funded.

Background Papers

9. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

[Council Tax Support Fund guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/council-tax-support-fund-guidance)

Impact

- 10.

Communication/Consultation	N/A
Community Safety	N/A
Equalities	EqHIA attached as Appendix D
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Cost of Living Support Fund

11. The Council recognises that many of its residents will be facing a difficult year with the ongoing cost of living crisis and in response to this a Cost of Living Support Fund has been set up, to support all residents who are suffering financial hardship.
12. The rising cost of energy is a key factor in the rise in inflation, which stood at 10.5% in December 2022, and is challenging for those on low incomes, when combined with all the other price rises, we will see a material drop in the

standard of living for not just the low-income families but also to those on middle incomes.

13. The Council was looking for ways to minimise the impact of the Council Tax increase and direct support to those who will be impacted the most. The fund is targeted to any resident who is in financial hardship whether in receipt of benefits or just struggling to pay their bills.
14. The Cost of Living Support Fund is funded by the equivalent amount of Council Tax income the Uttlesford precept would raise, this equated to £195,036.
15. The Cost of Living Support Fund Policy is set out in Appendix A, this sets the criteria for households to apply for this support and is open to any household in the district. The household will be required to evidence financial hardship.

Council Tax Support Fund (Government Funded)

16. The government has announced a package of support known as the Council Tax Support Fund to support the most vulnerable Households, with their Council Tax payments.
17. Uttlesford will receive a payment of £84,546 for the scheme providing £25.00 direct payments to households in receipt of Local Council Tax Support for the 2023/2024 financial year. In addition, the Council can use any remaining allocation to support other vulnerable households with their Council Tax bills. The scheme details and criteria are set out in Appendix B.
18. The total cost of applying the £25.00 to all households currently in receipt of Local Council Tax Support is £32,354, leaving a balance of £52,192.
19. It is proposed that the Council approves a further £25.00 discount bringing the maximum top up to £50.00. Where the account has a liability lower than the total top up, the payment made will be equal to reducing the account balance to nil.
20. The balance after applying the additional top up payment would be £19,838, please note that this assumes that the additional top up payment would equal the main scheme cost of £32,354. The remaining funds available may vary depending on the level of outstanding balances on individual accounts.
21. It is proposed that the remaining £19,838 is added to the Exceptional Hardship Fund and allocated in line with the current Policy. This is set out in Appendix C.

Risk Analysis

22.

Risk	Likelihood	Impact	Mitigating actions
Lack of applications and funds not allocated	2 – historically we have struggled to encourage	2 – Funds allocated will not be spent	Advertising of the scheme/s will be included with Council Tax Bills

Funds are insufficient	households to apply for support 1 – As above	2 – To ensure equality and fairness funds may have to be reallocated	It will be promoted on social media and website. All external organisations will be provided with full details, e.g. CAB, Foodbank Ongoing monitoring of the amounts allocated will be carried out on a regular basis to raise awareness as early as possible
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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.