



**MEETING: COUNCIL**

**MEETING DATE: 27 FEBRUARY 2023**

**AGENDA ITEM: 10**

### **Amendment to Council on 27th February 2023 from Councillor N Begy**

Given the concern expressed by many residents about the impact of the financial squeeze caused by the inflation in food and utility costs in the last and the real increase in income tax scheduled for April 2023, it is proposed that the Council varies its approach to support those in need but who are not necessarily claiming LCTS benefits.

There are two funding sources for support, the government's Household Support Fund (HSF) and the Council's Hardship Fund. The former includes some provisions to support those not on LCTS, but the amount is small, and the Hardship Fund is exclusively targeted at those eligible for Local Council Tax Support (LCTS).

#### **Household Support Fund**

On 30 September 2021, the government announced that vulnerable households across the country could access a new [£500 million support fund](#) to help them with essentials over the winter. This funding covered the period 6 October 2021 to 31 March 2022 inclusive. The fund was extended until the end of March 2023, and the government have announced it will continue again until the end of March 2024. Rutland's allocation has been in the region of £130k - £150k for 6 months.

The latest Rutland was prepared and approved in October 2022 in accordance with government guidance to ensure money was distributed to those in need as quickly as possible, principally residents already receiving LCTS, which falls into two categories, those claiming benefit and those on the state pension. There was the opportunity for those not receiving LCTS also to make an application, but the initial sum allocated was small at just £2000, just 1% of the total pot. This sum was increased to £5000 and has still not been fully spent.

The government has announced that they will continue with the HSF during 2023/24, and the current expectation is that Rutland will receive a similar sum for the year totalling £300k for 2023/24.

Given that the current policy expires on 31<sup>st</sup> March 2023, it is therefore proposed that an updated policy be developed for the distribution of the HSF is broadened in line with the government advice, which is:-

*The expectation is that The Fund should be used to support households in the most need; particularly those who may not be eligible for the other support government has recently made available but who are nevertheless in need.*

Those on LCTS receive up to a 75% discount on their Council Tax compared to those who are not eligible, and they also receive an HSF payment. When the Council updates its policy in line with the guidance (which is awaited), it is therefore proposed that the allocation for those not on LCTS is increased to c£15k to the extent that the guidance may allow.

### **Hardship Fund**

Currently, the RCC Hardship Fund of £20k is only available to those already on LCTS. There is no fund available for council tax help for those not on LCTS.

Therefore, it is proposed that a further £20k be allocated to extend the Hardship Fund in the budget specifically for those not on LCTS. This money would be allocated from the £244,900 Demand Led Contingency already allocated in the budget for 2023/24. If the Hardship Fund was at risk of being overspent, the Director for Resources may ask for additional funds to support those in hardship in line with the recommendation, which is already part of Cabinet's proposals.

### **Amendment to Council**

Therefore I will propose the following amendment at the Council Budget meeting on 27<sup>th</sup> February:-

Council approves the allocation of an increased amount of funding from the Household Support Fund to support those not on LCTS and asks the Director of Resources to amend the Household Support Fund Policy accordingly in conjunction with the Portfolio Holder for Finance. The Policy will be reviewed prior to any allocation of funds in the second half of the HSF programme, probably September 2023, to ensure that it is meeting the objective of supporting those in need and not on LCTS.

Council approves an additional £20,000 to be allocated to the RCC Hardship Fund to be ring-fenced for those households in significant need and who are not eligible for Local Council Tax Support, to be managed by the Section 151 Officer under delegated authority (on the recommendation of the Revenues and Benefits Manager) who are struggling to meet Council Tax payments. The maximum support will be capped at £100 per household.

If the Hardship Fund was at risk of being overspent, the Director for Resources may ask for additional funds to support those in hardship in line with the recommendation, which is already part of Cabinet's Budget proposals.

Council asks that those residents who are the most in need be made aware of the above programmes through the local press, social media, voluntary groups, foodbanks, etc.