

1. About this guidance

1. This guidance is intended to support local authorities in using their allocation from the £100 million Council Tax Support Fund, announced alongside the 2023-24 provisional local government finance settlement:

We are also today announcing £100 million of additional funding for local authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving council tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area

2. The funding is for the 2023-24 financial year. Provisional allocations for each local authority are set out at [Annex A](#), with final allocations to be confirmed at the final local government finance settlement.

3. This guidance applies to England only. It outlines the underpinning principles for use of the fund and expected eligibility criteria for delivery of the support package.

4. Any enquiries on this document or use of the fund should be addressed to: council.tax@levellingup.gov.uk.

2. Introduction

5. Council tax levels are a matter for local authorities to decide although the government sets referendum principles so that residents can have the final say over excessive increases. At Autumn Statement 2022 the government announced its intention to increase referendum principles to 3% for core council tax and up to 2% for the Adult Social Care precept, with additional flexibilities for some other authority types for both 2023-24 and 2024-25.

6. Recognising the impact of rising bills, the government will be distributing £100 million of new grant funding in 2023-24 for local authorities to support economically vulnerable households in their area with council tax payments.

7. Funding will be allocated to councils based on their share of local council tax support claimants according to the latest data. The government expects 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 with council tax bills.

8. This document provides guidance to authorities about the operation and delivery of the relief.

3. Minimum reduction in council tax liability for local council tax support claimants

9. The government recognises that council tax increases set by local authorities may mean some individuals may struggle to meet council tax payments.

10. Local authorities are required to put in place LCTS schemes to offer council tax reductions to those facing financial hardship and will be preparing their schemes for 2023-24 by the statutory deadline of 11 March.

11. To supplement this local support, the government expects that billing authorities will use their grant allocation to fund further reductions in the council tax liability of individuals receiving LCTS with an outstanding council tax liability, by up to £25. Local authorities are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills.

12. The discount should apply to current LCTS claimants that have an outstanding council tax liability for the 2023-24 financial year.

Government expects councils to deliver this using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

13. Funding will be allocated to local authorities on the basis of their share of the LCTS claimants, based on Q2 data from 2022-23. The money will be paid out as soon as possible to local authorities through a grant under section 31 of the Local Government Act 2003.

14. Where a taxpayer's liability for 2023-24 is, following the application of council tax support, less than £25, then their liability would be reduced to nil. Where a taxpayer's liability for 2023-24 is nil, no reduction to the council tax bill will be available and those bills should not be credited.

15. There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support and automatically apply the discount.

16. Council tax reductions should be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.

17. Authorities will want to make their local populations aware of how the grant support package will be delivered e.g. through providing information on their websites.

18. It is the government's intention that any assistance provided from the Council Tax Support Fund will not affect the eligibility of recipients for other benefits.

4. Discretionary support

19. The government recognises that existing support mechanisms vary locally, including LCTS schemes, discretionary council tax

discount/hardship schemes and local welfare schemes. Councils will want to consider using a proportion of their allocation to establish their own local approach to helping economically vulnerable households with council tax bills.

20. Local authorities should revisit their discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023-24 remains within their allocation.

5. Funding allocations

21. The funding is for the 2023-24 financial year. Allocations are set out in [Annex A](#) and should be used within the 2023-24 financial year.

6. Monitoring and reporting requirements

22. Local authorities should maintain a record of support provided. In particular, councils should ensure that they are able to monitor and report on the level of expenditure provided to LCTS claimants through the provision of additional discounts. Local authorities should also maintain records of the mechanisms and levels of support provided through discretionary schemes.

23. The Department for Levelling Up, Housing and Communities will undertake a quarterly DELTA collection exercise to monitor implementation progress. Councils should therefore ensure they put in place arrangements to support this data collection process.