



Tuesday, 3 December 2024

Councillor Ashley Baxter,  
Leader of the Council, Cabinet Member  
for Finance, HR and Economic  
Development

## **Discretionary Council Tax Payment Policy 2025/26**

### **Report Author**

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### **Purpose of Report**

This report provides an update on Discretionary Council Tax Payment (DCTP) expenditure and requests Cabinet approves the policy for 2025/26.

### **Recommendations**

**That Cabinet approves the policy for the administration of Discretionary Council Tax Payments for 2025/26.**

### **Decision Information**

Is this a Key Decision?	No
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Enabling economic opportunities Effective council
Which wards are impacted?	(All Wards);

## 1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

- 1.1 Funding for Discretionary Council Tax Payment is determined as part of the Localised Council Tax Support Scheme decision making process. Each year, as part of the budget proposals Council has agreed to provide £30,000 funding for this scheme.
- 1.2 Continuation of the Discretionary Council Tax Payment fund of £30,000 will be a direct cost to the General Fund and a decision to be taken by Council as part of the Local Council Tax Support 2025/26 report.

*Completed by: Paul Sutton Interim Head of Finance (Deputy 151)*

### ***Legal and Governance***

- 1.3 The Council's practices, in relation to the allocation of Discretionary Council Tax Payments, are in line with its legal duty as part of the Localised Council Tax Support Scheme which is currently going through the relevant decision making process.
- 1.4 As the proposed policy for 2025/26 does not contain any material amendments, there are no legal implications. However, the Council is adhering to best practice by reviewing the policy and keeping it up-to-date.

*Completed by: Graham Watts, Monitoring Officer*

## 2. Background to the Report

- 2.1 The Council has a clear commitment in its Corporate Plan 2024-2027 to enabling economic opportunity and being an effective council. This report, and the support provided through the Council's Discretionary Council Tax Payment Scheme, delivers these priorities.
- 2.2 Each year, as part of the Council Tax Support Scheme consultation, the Council has agreed to provide £30,000 funding for this scheme. This will be a direct cost to the General Fund.
- 2.3 The continuation of this funding is currently being considered as part of the Localised Council Tax Support Scheme decision process, with approval of a final scheme to be in place by January 2025.

- 2.4. If funding is approved, the Discretionary Council Tax Payment (DCTP) policy for 2025/26 will be put in place to ensure effective financial support is provided to eligible recipients.
- 2.5. A DCTP is available to anyone in receipt of Council Tax Support who has a shortfall between the weekly amount awarded and their Council Tax liability.
- 2.6. The DCTP scheme provides additional funding to help those with a council tax liability who are experiencing exceptional hardship in situations where Council Tax Support does not cover all of their council tax liability. To qualify for consideration for assistance under this scheme the customer must already be in receipt of some Council Tax Support.
- 2.7. Awards of DCTP may be made where a tax payer has a short term financial difficulty that means they are unable to pay their Council Tax. Awards will normally be for a defined period and have the effect of reducing the monthly contribution a tax payer has to make towards their bill.
- 2.8. Consideration will be given as to whether all other discounts and sources of help have been exhausted. Where appropriate, decisions will be deferred until other avenues have been explored.

### **Expenditure**

- 2.9. The total amount of funding allocated for each year is £30,000. For 2024/25, the decision was taken to move any unspent funding from 2023/24 into the new year. As a result, in 2024/25 there was a total of £38,568 funding available.
- 2.10. The table below shows the amount of funding agreed in recent years, and the total expenditure. The remaining amount for 2024/25 is as up to 21 October 2024.

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>SKDC Contribution</b>	£30,000	£30,000	£30,000	£30,000	£30,000
<b>Rolled over from previous years</b>	£0.00	£11,915	£8,815	£17,610	£8,568
<b>Total funding</b>	£30,000	£41,915	£38,815	£47,610	£38,568
<b>Expenditure</b>	£18,085	£33,100	£21,205	£39,042	£18,332
<b>Remaining</b>	£11,915	£8,815	£17,610	£8,568	£20,236

- 2.11. Since Covid up to 31 March 2024, Government has provided a number of additional top-ups of support for those in receipt of Council Tax (beyond Council Tax Support). As a result, this has had an impact on the amount of funding remaining, which has been rolled over into the forthcoming financial years.
- 2.12. During 2024/25, there has been no top-up support in place and it is unlikely there will be any additional support from 1 April 2025 onwards. It is therefore important

the Council continues to approve the roll-over of the underspend as this will provide additional budget in a year in which other government top-up would not be available.

- 2.13. Discretionary Payments can be applied for independently but are often considered as part of the application process for Discretionary Housing Payments (support for shortfall between Housing Benefit / Universal Credit award and eligible rent). Officers are aware of the DCTP and actively encourage customers to apply where eligibility criteria is met.
- 2.14. South Kesteven's Cost of Living Team and Council Tax Teams are aware of the fund and ensure they consider this as part of the financial needs and support assessment which is undertaken when supporting any resident.

### **Discretionary Council Tax Payment Policy**

- 2.15. The administration and payment of DCTP is at the discretion of each local authority. South Kesteven District Council has a DCT Policy which sets out eligibility for the scheme and the application process. The proposed policy for 2025/26 is included within Appendix 1 to this report.
- 2.16. The aim of the policy is to enable our most vulnerable residents, who cannot access any other income, to sustain their home and health.
- 2.17. There is a need for proactive work and support due to the ongoing impacts of cost of living on residents. However, it is important DCTP is recognised as support for those in short-term crisis. Where longer term support is identified – such as income top-ups, referrals are made to the Council's Cost of Living Team, external support agencies such as Citizens Advice and Money and Pensions Service. For all residents with a Council Tax liability, our Revenues Enforcement Team is able to provide a holistic approach to advice and support.

## **3. Key Considerations**

- 3.1. The Council's current policy has been in place for some time and has been updated annually in line with delegated powers. It is appreciated this is an important policy, which provides detail of additional financial support available to our residents. Therefore, it is important this policy is reviewed on an annual basis, not only to ensure the policy is fit for purpose, but to be reactive to any issues our residents are facing.

## **4. Other Options Considered**

- 4.1 To not approve the Policy or continue the Discretionary Funding.

## **5. Reasons for the Recommendations**

5.1 It is important this policy is reviewed on an annual basis, not only to ensure the policy is fit for purpose, but to be reactive to any issues our residents are facing.

## **6. Consultation**

6.1. The Discretionary Council tax Payment policy was included within the Localised Council Tax Support Scheme 2025/26 public consultation which was undertaken from 1 October 2024 to 31 October 2024.

6.2. The consultation outline the policy stating "This scheme has been designed to offer additional support to those struggling to pay their Council Tax and offers limited short-term assistance to those in receipt of Council Tax Support who need further help".

6.3. The consultation proposed that this scheme should continue to operate. There was positive support for this initiative, with over 90% of those responding to the survey stating that they thin the DCTP should continue to operate. The level of support is illustrated below:

	<b>Number</b>	<b>%</b>
Yes, I think the Discretionary Payment Scheme should continue	314	93.5
No, I don't think the Discretionary Payment Scheme should continue	7	2.1
I don't know if this scheme should continue or not	15	4.5
	336	100.0

## **7. Appendices**

7.1. Appendix 1: Discretionary Council Tax Payment Policy – 2025/26