

Cheltenham Borough Council

Council Tax Section 13A Hardship Policy

Appendix A

Council Tax COVID-19 Hardship Fund 2020/21

1 Introduction

- 1.1 As part of the measures of assistance in relation to COVID-19, on the 11th March 2020 the Government announced it would provide local authorities in England with a Council Tax Hardship Fund grant to support economically vulnerable people and households in their local area. Cheltenham has received a grant of £851,709. The expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes for working age people. The Government expects the Council to provide the support using its discretionary powers under s13A (1)(c) of the Local Government Finance Act 1992
- 1.2 This appendix supplements The Council Tax Section 13A Policy for the financial year 2020/21 only in respect of the COVID-19 support measures detailed within the appendix.
- 1.3 Council tax support recipients with a balance to pay after the measures in this appendix have been applied and council tax payers not in receipt of council tax support can apply for a hardship reduction due to the impact of COVID-19. Those applications will be considered in accordance with section 3 of the policy.
- 1.4 Any reductions made under section 13A (1)(c) of the Local Government Finance Act 1992 must be funded in full by the billing authority, not shared with precepting authorities. The hardship fund grant will therefore be used to cover the full cost of any reductions awarded.

2 Council Tax Hardship Fund Reduction of up to £150

- 2.1 The Government's strong expectation is that the Council will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction in their annual council tax bill of up to £150. This reduction will reduce the council tax liability outside of the formal LCTS scheme
- 2.2 Where the outstanding council tax liability for 2020-21, following the application of council tax support, is £150 or less, a discretionary hardship fund reduction will be awarded to reduce the balance to zero.
- 2.3 Where a taxpayer's liability for 2020-21 is nil, following the application of council tax support, no hardship fund reduction will be available.

- 2.4 The reduction is in respect of the council tax liability not the individual. In cases where joint and several liability applies there will only be one reduction applied to the joint council tax liability
- 2.5 The Government has provided the attached guidance and “frequently asked questions” which will be used to administer this scheme.
- 2.6 The amount awarded will be subject to amendment where the recipient’s council tax support and/or council tax balance changes

3. Working Tax Credit £20 Council Tax Support Loss Award

- 3.1 As part of its COVID-19 support measures the Government announced on 20 March 2020 that Working Tax Credit would increase by up to £20 per week for 2020/21.
- 3.2 This additional income will, when applied to the calculation of council tax support entitlement reduce the amount of support awarded. This is not the Government’s intention. As the council tax support scheme for 2020/21 cannot now be amended the Council Tax Hardship Fund grant will need to be used to offset the loss in council tax support. .
- 3.3 Where the amount of council tax support being awarded reduces as a direct result of the COVID-19 additional £20 per week Working Tax Credit a hardship scheme award will be applied to offset this. The result being that the amount of council tax support plus the hardship award is equal to the amount of council tax support prior to the additional income being applied.
- 3.4 The Working Tax Credit council tax support loss award will end where the claimant ceases to receive working tax credit or ceases to be entitled to council tax support.

4. Universal Credit £20 Council Tax Support Loss Award

- 4.1 As part of its COVID-19 support measures the Government announced on 20 March 2020 that Universal Credit would increase by up to £20 per week for 2020/21.
- 4.2 This additional income will, when applied to the calculation of council tax support entitlement reduce the amount of support awarded. This is not the Government’s intention. As the council tax support scheme for 2020/21 cannot now be amended the Council Tax Hardship Fund grant will need to be used to offset the loss in council tax support.
- 4.3 Where the amount of council tax support being awarded reduces as a direct result of the COVID-19 additional £20 per week Universal Credit a hardship scheme award will be applied to offset this. The result being that the amount of council tax support plus the hardship award is equal to the amount of council tax support prior to the additional income being applied.
- 4.5 The Universal Credit council tax support loss award will end where the claimant ceases to receive Universal Credit or ceases to be entitled to council tax support.

5. Administration

- 5.1 There is no application process for awards made as detailed in this appendix. The reduction will be applied automatically to reduce the council tax liability of eligible working age council tax support recipients.