

£500m Council Tax Hardship Fund for LCTS Claimants

Claimants of Local Council Tax Support (LCTS) in tax year 2020/21 will be able to get an additional £150 deducted from their annual council tax liability as part of the Government's response to Covid-19. Each local authority has discretion on how to administer their scheme but they should have regard to both the Government's guidance and the aims for the fund, which are "to support economically vulnerable people and households through additional council tax relief."

Who Qualifies?

All working-age LCTS claimants in 2020-21 (who are entitled to working-age LCTS in respect of any part of the 2020-21 council tax liability) will receive a further discount of £150. The discount is applied after the usual exemptions, discounts and main LCTS. If their remaining CT liability is less than £150, it will be reduced to nil.

If someone claims LCTS part way through the council tax year, they will receive the full £150 discount from their liability for that year.

If a claimant's LCTS claim ends part way through the council tax year, they will continue to benefit from the full £150 discount.

If a LCTS claimant reaches pension age part way through a CT year, they will continue to have the full £150 discount.

If a claimant's total CT liability changes during the year (for example due to changes to entitlement to exemptions or discounts) councils will be able to adjust the amount of hardship that they have allocated to the LCTS claimant up to the maximum discount (for example if they had previously only received a part amount due to liability previously being below £150)

Where individuals are jointly and severally liable for council tax, and any of the individuals are entitled to LCTS, the government expects the reduction of £150 to be applied to the liability for the whole property (regardless of whether one or all of the liable parties are entitled to LCTS), from the earliest date of LCTS entitlement for any of the liable parties.

If people move home during the Council Tax year, the deduction will be from their liability for their combined properties. If they move between council areas, the local authorities are expected to liaise to ensure the full reduction is awarded.

Council's Discretion

Councils do have the discretion to offer a higher discount but all LCTS claimants during 2020/21 must benefit from the same discount.

If Council's have money left over from their grant, they can choose to use the remainder to fund other support for "economically vulnerable people and households". This could be an existing Discretionary Council Tax Support schemes, for example.

The full guidance can be found here

<https://www.gov.uk/government/publications/council-tax-covid-19-hardship-fund-2020-to-2021-guidance>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879764/32020 - Council Tax information letter - 16 April 2020 .pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879764/32020_-_Council_Tax_information_letter_-_16_April_2020_.pdf)

This information was correct on 30 April 2020.