

Government confirms £500 million hardship fund will provide council tax relief for vulnerable households

- Local Government Secretary confirms £500 million Hardship Fund will provide support, including council tax relief, in 2020 to 2021 to those who need it most
- Guidance released today (24 March 2020) provides clarity for councils on how to allocate the funding following its announcement at Budget
- The funding will enable further reductions in council tax for working age people in receipt of Local Council Tax Support

Local Government Secretary Rt Hon Robert Jenrick MP has confirmed the government's £500 million Hardship Fund will provide council tax relief to vulnerable people and households to help those affected most by coronavirus.

The government has set out that the Hardship Fund, which was announced by the Chancellor at Budget, will go to local authorities in England to enable them to reduce the 2020 to 2021 council tax bills of working age people receiving Local Council Tax Support.

Councils will also be able to use the funding to provide further discretionary support to vulnerable people through other support arrangements such as Local Welfare Schemes.

Local Government Secretary Rt Hon Robert Jenrick MP said:

Providing the necessary financial support to people and families is critical at this difficult time when many people will be concerned about changes to their income.

That's why we're giving local councils an additional £500 million, to ensure help is available for the most vulnerable people in our society who are struggling to pay their council tax bills.

The government is on your side and will do whatever takes to help.

The Hardship Fund will support those in receipt of Local Council Tax Support schemes by reducing their council tax liability for 2020 to 2021.

People in receipt of Local Council Tax Support schemes are recognised as the most vulnerable to changes in income and the government is committed to ensuring they have the support they need.

The guidance published today provides clarity to councils on how they can quickly provide support to those households which require support.

The announcement comes after the government confirmed councils will receive an additional £1.6 billion in funding to enable them to respond to other COVID-19 pressures across all the services they deliver, including stepping up support for the adult social care workforce and for services helping the most vulnerable, including homeless people.

All councils have their own schemes providing support to working age council tax payers. The level of support is decided by the council, taking account of local circumstances, but will provide a reduction on council tax bills to lower income households, taking account of income and savings.

Billing authorities will also want to establish their own local approach to using any remaining grant to assist those in need, as part of wider local support mechanisms. These may include, but are not restricted to:

- council tax relief using existing discretionary discount/hardship policies
- provision of support outside of the council tax system through Local Welfare or similar schemes
- offering a higher level of council tax reduction for working-age Local Council Tax Support recipients whose annual liability exceeds £150