

Council Tax COVID-19 Hardship Fund Policy

Introduction

As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with new grant funding to support economically vulnerable people and households in their local area.

The expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local Council Tax Reduction (CTR) schemes.

COVID-19 is likely to cause fluctuations in household incomes and that, as a result, some individuals may struggle to meet council tax payments. Councils have already established their CTR schemes for 2020-21 so cannot amend them for this year to take account of these changes. It's expected that billing authorities will primarily use their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

Councils are also able to use some funding to deliver increased financial assistance through other local support mechanisms, having considered local circumstances.

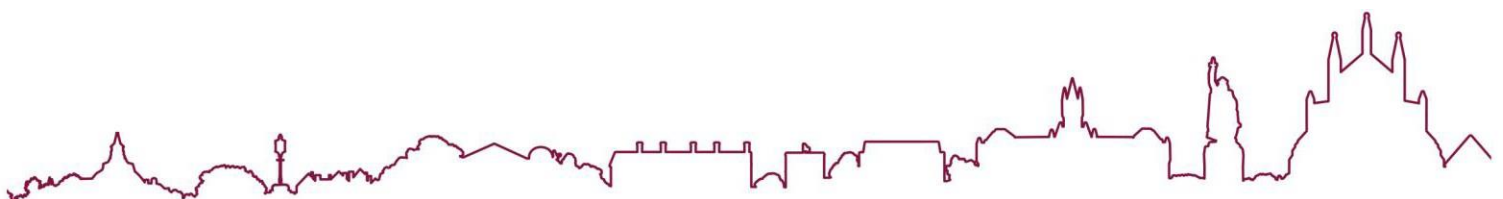
Winchester's allocation of the funding is **£659,680**.

Summary of Scheme

The scheme will be split in to three parts for the purpose of administration and will be delivered in accordance with the Government's guidance note [Council Tax: COVID-19 hardship fund 2020-2021 – Local Authority Guidance](#), which was published by the Ministry of Housing, Communities and Local Government on 24 March 2020.

Part 1 will provide up to a £300 discount on Council Tax for the 2020/21 financial year. This will apply to all Council Tax payers with domestic residences that existed in the Council Tax valuation list on 1 April 2020, and who were in receipt of working age Council Tax Reduction between 1 April 2020 and 28 February 2021.

Part 2 will be an allocation of the fund set aside for Council Tax hardship on a case-by-case basis. This is for households which are either not eligible for CTR or, receiving CTR, plus the top-up described in Part 1 of the policy, but still have Council Tax to pay. In both scenarios the Council Tax payer must be financially struggling to pay their Council Tax. Circumstances created by the COVID-19 pandemic are such that, for some people, income levels have been much reduced but essential household or personal outgoings have not. This fund will enable more targeted relief



to those most financially challenged as a result of the current climate and should be used in conjunction with WACTR (detailed below).

The scheme will also provide a Local Welfare fund to be administered through the Local Response Centre (LRC) with guidance from the Housing team.

In the event that the Government commits to further funding to the Council in respect of this scheme, or that an amount of initial funding remains unspent, then this scheme will be extended under the Council's discretion for an amount up to or equivalent to 100% of outstanding Council Tax for the Council Tax payers described above and in accordance with the eligibility criteria listed below.

Part 1: Eligibility for Working Age CTR Claimants (WACTR)

- Any application must be made by the person responsible for paying Council Tax at the property.
- The property address must be within the Winchester District.
- The property must be occupied.
- The Council Tax payer must be, or have been, in receipt of Working Age CTR for at least one week between 1 April 2020 and 28 February 2021
- The discount will apply regardless of whether the Council Tax payer has been impacted by COVID-19, or not.

Where eligible, a discount will be applied to the relevant Council Tax account for up to £300. Where a taxpayer's liability for the year is less than £300 after the application of CTR and any other discounts, then their liability would be reduced to nil. Where a taxpayer's liability is already nil, no reduction to the Council Tax bill will be available. To clarify, in no circumstances will a cash credit of 'excess' discount be awarded.

The discount for all current CTR claimants will be awarded automatically by the Revenues team to the relevant Council Tax accounts. Any new claims received after this will be awarded by the Benefits & Welfare team who are responsible for the administration of the CTR scheme.

Part 2: Eligibility for Council Tax Hardship Fund (CTHF)

- The application must be made by the person responsible for paying Council Tax at the property.
- The property address must be within the Winchester District.
- The property may be occupied or unoccupied, furnished or unfurnished.
- The Council Tax payer must have been considered for CTR since 1 April 2020, or be in receipt of CTR, before being considered for CTHF. A discount may be awarded to a Council Tax payer who is not eligible for CTR.
- This discount will only apply to Council Tax payers who have been impacted by COVID-19.
- To qualify for this discount clear evidence of financial hardship must be provided. Wage slips, bank statements and any other relevant documentation must be produced as requested and the appropriate application form and financial statement completed. It is at the discretion of the Council to require the provision of any other information necessary to consider a discount under this scheme.
- This discount will be awarded to Council Tax payers after all other discounts, exemptions or CTR have been applied.
- The discount may be awarded to Council Tax payers who are in receipt of Benefits which are administered by the Council, the DWP in respect of Universal Credit or other DWP benefits, or HMRC in respect of Tax Credits.
- A discount may be awarded for an amount that would be equivalent to CTR in the case where CTR is unable to be backdated during the 2020/21 financial year.

Where eligible, a discount will be applied to the relevant Council Tax account for up to £300 (in addition to any amount for the WACTR discount) or, in exceptional circumstances, up to 100% of the outstanding Council Tax for 2020/21. Where a taxpayer's liability for the year is less than £300 after the application of CTR, any other discounts and exemptions, or payments, then their liability will be reduced to nil. Where a taxpayer's liability is already nil, an application for this discount is not relevant. To clarify, in no circumstances will a cash credit of 'excess' discount be awarded to the Council Tax payer

The Service Lead for Revenues and Benefits will be responsible for overseeing the award of these discounts to Council Tax under WACTR and CTHF.

Part 3: Eligibility for Local Welfare fund

- The property address of the claimant of this payment must be within the Winchester District.
- Any payments from this fund will be through the LRC as authorised by the Service Lead for Communities and Wellbeing. This may include further funding for food and hot meals and emergency support outside of housing costs, including:
 - a) Adding credit to a mobile telephone where the applicant has no credit and no means to top up themselves.
 - b) Repaying emergency credit on a pre-payment fuel meter in order to start or re-start the supply
 - c) Purchasing or providing a piece of equipment to replace vital domestic facilities such as cooking or washing facilities, items essential to sanitation, to the value of the very basic model or service of the item
 - d) Any other exceptional circumstance deemed eligible

Application process

- The scheme will be administered through Winchester City Council.
- An online application form will be available for Council Tax payers to use
- An application must be made as soon as reasonably practicable. Any delay in applying may affect the decision to award a discount.
- The Council reserves the right to verify the evidence via any reasonable means.
- The discount will be awarded after all other discounts have been applied.

Review and use of contingency

A review will be undertaken at mid-year to consider any changes in the above criteria. At this point the amount reserved as a contingency against any increased demand beyond that included in the calculations above, will be released. The final allocation will be proportionate to the spend already made on the three funds detailed above, taking in to account any recent patterns in spend and information relating to possible future demand to 31 March 2021.