



## **Coronavirus - Council Tax Discretionary 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 £500m of 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. This funding is distinct from the £5bn COVID-19 response fund to support public services

Hillingdon's allocation of the £500m is £2,124,412. Guidance from the Ministry of Housing, Communities and Local Government (MHCLG) sets out that this funding is to be used to reduce council tax liability in 2020/21 by £150 for all working age claimants in receipt of council tax reduction. Therefore to those in receipt of council tax reduction Hillingdon Council will award a one off payment of up to £150 which will be made to reduce council tax liability, due to people experiencing financial hardship as a result of coronavirus.

Any remaining balance after these payments have been awarded, will be allocated to the coronavirus discretionary hardship fund as set out within this policy.

Awards are strictly cash limited and will only be made so long as funds are available and not exhausted in full. If demand for one element of the allocation is greater than the funds allow and there are funds still available in another element of the allocation, then the Council reserves the right to adjust the funding allocation as it sees fit.

### **Existing Council Tax Reduction Claims**

All active working age council tax reduction claims as at 1<sup>st</sup> April 2020 will be awarded an additional reduction of up to £150 to their council tax liability for the year 2020/21. This is irrespective of the rate of council tax support they are in receipt of at that time. The award will be a one off payment that will remain on the council tax account even if the claimant subsequently comes off council tax support or moves to a new address.

This award is made using the council's discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

An active working age claim is as defined by the council's Council Tax Reduction policy which is available on the council's website. Claimants do not have to apply for this one off award, it will be

credited to the council tax account as close to 1<sup>st</sup> April 2020 as is reasonably practical and a revised council tax bill issued to the liable parties.

In implementing this policy the Council will take the following government guidance into account:

- Any assistance provided from the Council Tax discretionary hardship fund will not affect the eligibility of recipients for other benefits;
- The council will 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;
- The council will expedite provision of support to individuals in their area only, using existing policies and schemes to deliver assistance where practical;
- The council tax reductions will be applied as soon as possible from the beginning of the 2020-21 financial year and the council will rebill council taxpayers as quickly as practical;
- Where a taxpayer's liability for 2020-21 is less than £150, then their liability would be reduced to nil; and
- When assessing eligibility for this reduction the council will not take into account whether or not a taxpayer has been directly or indirectly affected by COVID-19.

### **New claims for Council Tax Reduction**

It is anticipated that some residents will find it difficult to continue to pay their council tax if their income is reduced as a result of the coronavirus situation e.g. if they become unemployed. These households may be able to qualify for Council Tax Reduction and entitlement will be assessed if they claim via Universal Credit or directly claim Council Tax Reduction.

Any new working age claims received on or after the 1 April 2020 until 31 March 2021, where there is an entitlement for council tax reduction, will also automatically be awarded an additional reduction of up to £150 to their council tax liability for the year 2020/21.

### **Claim for Coronavirus Discretionary Hardship Fund**

There will be some households that may not qualify for council tax reduction but still are experiencing exceptional hardship as a result of the coronavirus, they can apply for a discretionary hardship payment for their council tax under s13A(1)(c) of the Local Government Finance Act 1992.

The maximum award will be a reduction of up to £150 of the liability, each case will be considered on its merits. Principles of reasonableness will apply in all cases.

Awards will only be made while funds remain.

### **Who can request assistance**

- People who are experiencing exceptional financial hardship as a result of the coronavirus;

- People living in a household in Hillingdon and who are liable for council tax or are the partner of the liable person;
- Only one application per household; and
- Assistance for rent or mortgage payments will not be available from the scheme.

### **The qualifying criteria**

- Income directly or indirectly substantially reduced as a result of COVID19.
- Have claimed all benefits and government support available to them

### **The application process**

- In line with social distancing guidance the application process will only permit face to face contact in very exceptional circumstances
- Application to be made electronically using our online form
- Residency checks will be carried out against Housing Benefit/Council Tax records where viable
- Evidence of capital such as electronic bank statements
- Where evidence is not available the decision maker will use discretion to disregard this requirement.
- Evidence to be provided electronically using evidence upload form at point of applying or scan and attach to email.
- Evidence of hardship to be provided e.g. letter from employer advising to take unpaid leave, bank statements to demonstrate salary stopped.

### **Payment**

Any award will be granted as a reduction in the liability of the Council Tax payer thereby reducing the Council Tax payable. If you need your Council Tax payment plan reviewed, please email [counciltax@hillingdon.gov.uk](mailto:counciltax@hillingdon.gov.uk).

### **Notification of awards**

Once a decision has been made a letter will be sent to the applicant informing them of the decision and how any award will be made to them.

Further Information will be collated on the Hillingdon website to support residents. A directory of support is also available for residents on Hillingdon's website to know what assistance is available to them across the borough.