

### South Lakeland District Council

#### Council tax: COVID-19 hardship fund 2020/21

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.

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South Lakeland District Council has been allocated £487,092.

The Government recognises that COVID-19 is likely to cause fluctuations in household incomes and recognises that, as a result, some individuals may struggle to meet council tax payments. Councils are required to establish their local council tax support schemes for 2020/21 by 15 March 2020. The Government therefore expects 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 may also want to use some of the funding to deliver increased financial assistance through other local support mechanisms, having considered local circumstances.

South Lakeland District Council will maintain a record of grant expenditure under this scheme.

South Lakeland District 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 £300, using our discretionary powers to reduce the liability of council tax payers outside of their formal LCTS scheme design.

Where a taxpayer's liability for 2020/21 is, following the application of council tax support, less than £300, then their liability would be reduced to nil. Where a taxpayer's liability for 2020/21 is nil, no reduction to the council tax bill will be available.

South Lakeland District Council do not require any recipient of LCTS to make a separate claim for a reduction under this scheme. We will identify who is eligible for support from the hardship fund and automatically rebill those council taxpayers.

Having allocated grant to reduce the council tax bill of working age LCTS recipients by a further £300, South Lakeland District Council will establish a local approach to using any remaining grant to assist those in need. These may include:

- A) Council tax relief using existing discretionary discount/hardship policies (adapted where necessary in order to capture those most likely to be affected by COVID-19); and
- B) Additional support outside the council tax system through Local Welfare or similar schemes;
- C) A higher level of council tax reduction for those working age LCTS recipients whose annual liability exceeds £300.

Approved April 2020