

## Council Tax relief for vulnerable households 2020-21 during the Covid 19 pandemic

Information and guidance on the [COVID-19 Hardship Fund](#) was published on 24 March. Bristol has been allocated £5,005,923. The Government published [further detail](#) on the scheme on 16 April 2020, following consultations with the software companies on how it will be implemented.

The key intention is to support working age households in receipt of Council Tax Reduction (CTR) with additional council tax relief. Under s13 (a) (1) (c) of the Local Government Finance Act, councils have the power to reduce the amount of council tax a person has to pay. This includes the power to reduce an amount to nil.

Bristol continues to operate a 'fully funded' means-tested CTR scheme, where recipients can receive up to 100% CTR based on their circumstances, which is credited directly to their council tax account. Changes in their circumstances as they occur throughout the year will result in an adjustment to the level of CTR, and the amount they have to pay.

In line with the government guidance, we propose to use this fund to support working age households in receipt of CTR. There are approximately 23,000 working age households comprising at least one adult under state pension age in receipt of CTR. Some households will receive 'maximum' CTR, i.e. 100% of their liability, where their income is at or below the applicable threshold, leaving them with no council tax to pay. For those whose income is above the threshold, their weekly entitlement is reduced on a sliding scale (by 20p for every additional £1 of income). The minimum award of CTR is 1p per week. The household and financial circumstances are assumed to remain the same for the whole financial year, and the council tax account is credited with the assumed value of the CTR for that year. The amount of council tax due after CTR is applied, is profiled across the year for monthly payment.

This policy would grant additional relief, by way of s13(a), of up to **£150**, to working age households receiving partial CTR at any time during the 20-21 financial year. Households who have less than £150 to pay will receive relief that reduces their liability to nil.. Instalments for households who have a residual liability after CTR and the s13(a) award have been credited will be re-profiled across the remainder of the year.

There are approximately 5,267 households that currently meet these criteria who would receive s13(a) relief between 52p and £150.00. Depending on their circumstances, this would mean some households would have nothing to pay for 2020-21. We can expect an increase in the CTR caseload eligible for this award during the 20-21 year, and an increase in the CTR entitlement of some of these households whose earnings have reduced, increasing the overall cost of the CTR scheme. The s13(a) relief will be applied automatically, and will be adjusted as appropriate in response to changes in CTR, discounts and exemptions.

Households with partial CTR award	Average additional support per household (£ per annum)	Maximum additional support for all households (£ per annum)
5,267	144.08	£759,000