

Report for: Cllr Chandwani, Cabinet Member for Resident Services & Tackling Inequality

Item number: To be added by the Committee Section

Title: Council Tax Hardship Policy

Report authorised by : Kari Manovitch, Delivery Director for Tackling Inequality

Lead Officer: Greg Osborne, Head of Revenues, Benefits & Tackling Inequality, greg.osborne@haringey.gov.uk Ext 3543

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

1. This report recommends approval of a new Council tax Hardship Fund Policy to deliver assistance for Council Tax payers experiencing financial hardship.
 - 1.1. The cost of living crisis that has impacted the country and Haringey has put many householders under financial strain, and impacted Council Tax collection. This new policy establishes the criteria and mechanism for distributing allocated funds to council tax payers in arrears and in financial hardship, to relieve the burden on them.
 - 1.2. Funding of £66,000 for this Fund was agreed by the Cabinet Member for Resident Services and Tackling Inequality on 8 October 2025 “subject to a policy and application process”. This report seeks approval of that policy.

2. Recommendations

That the Cabinet Member for Resident Services & Tackling Inequality:

- 2.1 Approve the Council Tax Hardship Fund Policy set out in Appendix 1.
- 2.2 Delegate authority to the Corporate Director for Environment and Resident Experience, in consultation with the Cabinet Member for Resident Services and Tackling Inequality, to make amendments to this policy following annual review or changes in legislation.

3. Reasons for decision

Funding for a Council Tax Hardship Fund for 2025-26 was agreed in October 2025, and the fund cannot be administered without a policy.

4. Alternative options considered

The alternative option is to do nothing. The funding would not be spent on this purpose and a new decision would be required to reallocate the funding set aside in 2025-26. Financially vulnerable residents in council tax arrears would not receive proactive support to pay their bill.

5. Background information

6.1 Year 1 funding for the new Council Tax Hardship Fund was agreed via the allocation decision for the Household Support Fund, which has a lifespan until the end of 2025/26 financial year. Subsequent fund allocations may come through the Government's new Crisis and Resilience Fund, for which the final published award value and criteria are awaited.

6.2 The funding means we can make decisions to reduce Council Tax and leave that money held against the account, potentially affecting future years liabilities, should a change in circumstance occur that put the account back in credit.

6.3 We can use the data available to the Welfare team to make targeted awards, in conjunction with Haringey Support Fund and Discretionary Housing Payments applications and data supplied through Low-Income Family Tracker (LIFT). This enables considerations to be made without new applications, targeting the most financially vulnerable.

6.4 Post awards the recipient will have their council tax account funded. If their circumstances change and this results in an improved financial position (either income or via an award of Council Tax Support) putting the council tax account into credit, we will not be withdrawing the award. It will not be refunded but can be rolled over to the following year to recycle the benefits of the award. This also reduces the administration burden of monitoring these accounts.

6.5 This policy is separate from the Section 13A Council Tax Reduction scheme.

6. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

The Corporate Delivery Plan states that tackling inequalities is a central objective for everything we do; this is about recognising economic inequality and the need for us to use the levers available to us to reduce poverty in the borough and mitigate its worst impacts.

7. Carbon and Climate Change

N/A

8. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

The report seeks Cabinet member approval to introduce a Council Tax Hardship Policy and to delegate operational responsibility to the Welfare team, to administer Council Tax Hardship Fund using data gathered on customers regarding their financial situation and welfare benefit reliance.

The awards to residents will be based on the evidence based on their circumstances and will be financed from the external income received from the Household Support fund managed by the Benefits service.

There are no risks envisaged to the Council on establishing the policy and administering the Council Tax Hardship Fund.

Procurement

Strategic Procurement was consulted on the preparation of this report and notes the contents hereof. There are no procurement ramifications which impact on the recommendations at 3 above.

Head of Legal & Governance [Name and title of Officer completing these comments]

The Director of Legal & Governance has been consulted in the drafting of this report and comments as follows.

The grant funding to local authorities part of which will be paid pursuant to the policy the subject of this report was made pursuant to s31 Local Government Act 2003 which permits the Government to pay grants to local authorities towards expenditure incurred or to be incurred by it. The Household Support Fund Grant Determination 2025 No31/7670 and the 1 April 2025 to 31 March 2026, Household Support Fund Guidance for County Councils and unitary authorities in England, sets out the conditions for the grant funding.

In determining the arrangements for the scheme, the authority must ensure that the grant funding conditions are met. Non-compliance could lead to a duty to repay the grant. Local Authorities are required to use The Fund to offer essential crisis support according to local need.

The Policy approved on 8 October 2025 incorrectly referred to the Council Tax Hardship Policy Fund being set up under statutory authority derived from s13A of the Local Government Finance Act 1993. This is incorrect; the Council's authority derives from the DWP use of s31 of the Local Government Act 2003 to make the grant and the guidance published with it.

There is no legal reason why the Cabinet Member for Resident Services & Tackling Inequality should not adopt the recommendation made in this report.

Equality

The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation.

Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic

The decision is to provide a mechanism for the delivery of the Council Tax Hardship fund, with the intention to reduce the council tax liability for low-income households, either via application or through targeted criteria. The awards are limited to the value of the funding available.

No protected groups are negatively impacted by this policy change. Those with a low socioeconomic status are positively impacted.

9. Use of Appendices

Appendix 1 - Haringey Council Tax Hardship Fund

10. Background papers

Household Support Fund: 01 April 2025 to 31 March 2026: [Agenda Document for Cabinet Member Signing, 08/10/2025 11:30](#)

APPENDIX 1 – Haringey Council Tax Hardship Fund Policy

Background

This policy outlines the discretionary support available to residents experiencing exceptional financial hardship in meeting their Council Tax liability. It complements the statutory Council Tax Reduction Scheme (CTRS – [Link to scheme](#)) and the authority may choose to fund and through which funding source it sees fit each year.

This policy sits alongside the Council's statutory requirement to provide a Council Tax Section 13A hardship provision (S13A Policy – [Link to scheme](#)).

Eligibility Criteria

The fund will provide short-term financial assistance to residents who:

- Are in receipt of one or more of the following Benefits:
 - Universal Credit
 - Housing Benefit
 - Council Tax Support
 - Pension Credit
 - Severe Disablement Allowance
 - Contribution-based Jobseekers Allowance or Employment and Support Allowance

and/or;

- Have a weekly income of less than £500 for a family, or £350 for an individual

and/or;

- Have suffered a life crisis which have impacted their ability to pay their Council Tax liability
- Face difficulty paying their remaining Council Tax liability
- Are experiencing exceptional hardship

Application process

Awards will be considered through the following four routes:

- A shared application form (joint form with Haringey Support fund and Discretionary Housing Payment – a single application will be considered for all)
- The Council may use data insights to make proactive awards to residents identified as meeting the entitlement conditions.

- Trusted third parties may also be trained to decide applications for their Service Users

Assessment criteria

The Council will consider:

- The shortfall between Council Tax liability and any support received
- Personal and household circumstances (e.g. age, disability, dependents, vulnerability)
- Whether the household could access any statutory support to maximise their income
- Income and expenditure analysis
- Engagement with welfare advice services to maximise their income
- Duration and severity of hardship

Award details

- Awards will be credited directly to the Council Tax account without exception
- The amount awarded may not cover the full shortfall. In these circumstances, residents will receive a revised Council Tax bill
- Awards are time-limited and typically apply to all, or part of, the balance for the financial year in which they are granted
- There is no guarantee of repeat awards in future years
- Awards are subject to funding

Change of circumstances

The Council understands that awards made under this scheme support some of the most vulnerable households in the borough. Therefore, in most cases households will not need to repay the award if their income increases. However, awards may be reviewed if:

- There has been a misrepresentation of the facts
- Where an application is made fraudulently

In these circumstances the award will be removed from the Council Tax account, and the household will receive a revised Council Tax bill.

Reviews

There is no statutory right of appeal for this fund.

Residents can request a reconsideration of the decision, within one month of the date of the decision, by e-mailing incomemaximisation@haringey.gov.uk. The e-mail needs to include the following information:

- The date of the decision which they would

- like to be reviewed
- The reasons why they disagree with the original decision

The request will be reviewed by a senior officer who was not involved in the original decision.

Monitoring and review

The policy will be reviewed annually or sooner if legislation changes. Any changes to the policy will be made by the Corporate Director for Environment and Resident Experience, in consultation with the Cabinet Member for Resident Services and Tackling Inequality.