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The Baroness Verma  
House of Lords

1<sup>st</sup> July 2020

Dear Baroness Verma,

Following Baroness Lister of Burtersett's Oral Question in the House of Lords on 15 June 2020, I promised that I would write to you to clarify the question that you raised on supporting families with their council tax bills during these challenging times.

I understand the difficulties that families in Leicester may be facing, especially in the light of the local rise in coronavirus cases. Council tax plays a vital role in funding the delivery of essential frontline services during the COVID-19 pandemic. However, every council has its own Local Council Tax Support (LCTS) scheme to provide reductions in council tax for low-income residents.

The Government has also delivered a £500 million hardship fund in response to the pandemic, to enable councils across England to provide additional council tax reductions during 2020-21. In particular, it expects that all working-age people who are eligible for LCTS will receive a further £150 reduction in their council tax bill. £3.7 million of the fund was allocated to Leicester, which I'm sure will make a significant difference to local families.

I note your concern about the increased council tax bills in Leicester this year. Local councils are responsible for council tax in their area, including the level set. The Government sets referendum principles each year, marking levels of council tax increase above which councils must hold a referendum to allow local residents to approve or veto the increase. These strike a balance between allowing councils to meet immediate service pressures and protecting residents from excessive bill increases. Referendum principles for 2021-22 will be determined in the usual way as

part of the Local Government Finance Settlement, following a period of consultation.

I hope that this information is helpful. The Government is committed to supporting hard working families across the country and will continue to work collaboratively with local government to protect vulnerable people during these unprecedented times.

A copy of this letter will be placed in the House Library.

Yours sincerely,

A handwritten signature in black ink that reads "Debbie Stedman Scott". The signature is written in a cursive, flowing style.

**BARONESS STEDMAN-SCOTT  
MINISTER FOR WORK AND PENSIONS (LORDS)**