



Ministry of Housing,
Communities &
Local Government

Chris Megainey

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**Ministry of Housing, Communities & Local
Government**

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Date: **14 May 2021**

Dear Chief Finance Director,

On 11 May, the Department made payments to authorities in relation to two grants to contribute to (a) the funding and (b) the administrative costs of Local Council Tax Support (LCTS). The annexes to this letter detail the breakdown between the two grants for your authority.

Local Council Tax Support Schemes grant for 2021-22

Annexe A to this letter is the Grant Determination (No 31/5550) that sets out allocations for the £670 million Local Council Tax Support Schemes grant. These allocations are as per the [published final allocations](#).

This is a new grant for 2021-22, as originally announced at the [Spending Review](#) on the 25 November (chapter 6, paragraph 65). It is being provided to authorities in recognition of the anticipated additional cost of providing LCTS in 2021-22, at a time when more households are likely to be facing financial difficulties as a result of the pandemic. The grant is for local authorities to keep, and the funding is unringfenced.

Further details on the grant and allocation methodology are available at paragraphs 24-31 of the Department's [consultative policy paper on Covid-19 funding](#), and paragraphs 10-19 of the Department's [guidance on Covid-19 funding](#). As explained at paragraph 18 of the guidance, the Department expects billing authorities to discuss the distribution of this funding with their local precepting authorities.

Local Council Tax Support Administration Subsidy grant for 2021-22

Annexe B is the Grant Determination (No 31/5549) setting out the allocations for the £71 million Local Council Tax Support Administration Subsidy grant.

The Department wrote to you with [provisional allocations](#) on 9 March. Those provisional allocations used the most recently available LCTS caseload data, and so there have been no changes to the allocations.

If you require any further information regarding the contents of this letter, please contact: council.tax@communities.gov.uk.

Yours sincerely,

Chris Megainey
Local Taxation Division