



Ministry of Housing,  
Communities &  
Local Government

**Chris Megainey**  
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31 July 2019

Dear Chief Finance Director

**Disregard of payments made under the Windrush Compensation Scheme when determining eligibility for Local Council Tax Support schemes.**

On 3 April 2019, the Home Office launched the Windrush Compensation Scheme to compensate individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom. The Home Office has now begun making payments to successful claimants. Prior to the official scheme becoming operational, the Home Office also provided 'urgent and exceptional' payments under a policy for claimants in immediate and urgent need.

I am writing to you to provide an update on the treatment of such payments in the means assessment for Local Council Tax Support ('LCTS') eligibility. As part of the annual amendments to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2021 (SI 2012/2885) ahead of the financial year 2020-21, the Government intends to require authorities to disregard both 'urgent and exceptional' payments and those made under the formal Windrush Compensation Scheme when determining eligibility for pension-age LCTS. This is consistent with, for example, the approach the Government has taken for payments from the 'We Love Manchester Emergency Fund' and 'London Emergency Trust' following the incidents in 2017. It is also consistent with the treatment of these payments across the wider benefits system. We would encourage you, when reviewing your LCTS schemes for 2020-21 and future years, to consider including similar disregard provisions in your schemes for working-age residents.

For treatment of such payments during the remainder of this financial year (i.e. ahead of planned changes to the prescribed requirement regulations), we would encourage you to consider using the local discretionary powers that authorities have under section 13A(1)(c) of the Local Government Finance Act 1992 to grant residents council tax reductions (including a reduction of the amount payable to nil), on an individual basis or for a class of council taxpayers. These could be used to grant affected residents reductions equivalent to the level of reduction they would have received had their assessment for LCTS disregarded payments from the Windrush Compensation Scheme.

The Department for Work and Pensions are disregarding 'urgent and exceptional' payments and Windrush Compensation Scheme payments when determining eligibility for income-

related benefits. This is currently on an extra-statutory basis with the agreement of HM Treasury, with the intention to amend legislation to regularise the disregard in future.

Further information regarding the Windrush Compensation Scheme is available at:

<https://www.gov.uk/guidance/windrush-compensation-scheme>

The policy statement governing 'urgent and exceptional' payments is available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/765092/Windrush\\_Scheme\\_-\\_Support\\_in\\_Urgent\\_and\\_Exceptional\\_Circumstances.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/765092/Windrush_Scheme_-_Support_in_Urgent_and_Exceptional_Circumstances.pdf)

If you require any further information regarding the contents of this letter, please contact the Local Taxation Division at [council.tax@communities.gov.uk](mailto:council.tax@communities.gov.uk).

A handwritten signature in black ink, appearing to read 'Chris Megainey'. The signature is fluid and cursive, with a large loop at the end.

**CHRIS MEGAINEY**

Deputy Director, Local Taxation Division