



COTSWOLD DISTRICT COUNCIL

| | |
|----------------------------|---|
| Council | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | CABINET - 7 SEPTEMBER 2020 |
| Report Number | AGENDA ITEM 14 |
| Subject | COUNCIL TAX SUPPORT - COVID-19 HARDSHIP FUND 2020/2021 |
| Wards affected | ALL |
| Accountable member | Councillor Mike Every – Deputy Leader and Cabinet Member for Finance Tel: 01285 623000 Email: mike.every@cotswold.gov.uk |
| Accountable officer | Mandy Fathers – Business Manager for Operational Support and Enabling Tel: 01993 861232; Email: mandy.fathers@pubicagroup.uk |
| Summary/Purpose | To seek approval for the use of any surplus within the Council Tax Covid-19 Hardship fund 2020/21. |
| Annexes | None |
| Recommendations | a) That the options set out in paragraph 7.1 (a), (b) and (c) be approved; and b) That the Group Manager for Resident Services be authorised to consider and determine individual grant awards as detailed in paragraph 7.1 (b) and (c). |
| Corporate priorities | Ensure that all services delivered by the Council are delivered to the highest standard. Help residents, businesses and communities access the support they need to achieve their ambitions. |
| Key Decision | No |
| Exempt | No |
| Consultees/ Consultation | Overview and Scrutiny Committee, Council Leader, Portfolio Holder, S151 Office, Head of Paid Service, Monitoring Officer, Group Manager, Senior Management Team |

1. BACKGROUND

- 1.1. In the Budget on 11 March 2020, the Government announced a national £500 million Hardship Fund. The Government's expectation is that all working-age Council Tax Support claimants in 2020-2021 can receive a further discount of up to £150.00.
- 1.2. To achieve this Government has provided a Fund of £389,458 for the Council.

2. MAIN POINTS

- 2.1. The Government has indicated that this Fund should be allocated principally to "working age households" who receive Council Tax Support (CTS) both existing recipients and those receiving CTS through 2020/2021. This is because most CTS policies require working age households to pay a certain percentage of their Council Tax.
- 2.2. Based on Government guidance, the Council has awarded up to £150 to all those eligible accounts and will continue to award through 2020/2021 as new CTS claims are received and assessed during 2020/21.
- 2.3. There is an expected, but uncertain level of demand for CTS amongst many residents who may not have claimed before due to the current economic situation but as furlough comes to an end the demand could increase significantly. Estimates have been made on the likely increase in CTS claimants and the table below shows the increase, which is so far low. However, these numbers could significantly increase as more residents claim Universal Credit.

| | March 2020 | April 2020 | May 2020 | June 2020 | July 2020 | % increase since March |
|-------------|------------|------------|----------|-----------|-----------|------------------------|
| Working Age | 1843 | 1896 | 1975 | 1981 | 2023 | 9.76% |

- 2.4. Having allocated funding to reduce the Council Tax liabilities of work age CTS recipients, the Ministry of Housing, Communities and Local Government (MHCLG) is keen for local authorities to establish their own local approach to using any remaining grant to assist those in need, ensuring expenditure for 2020/2021 remains within their allocation.
- 2.5. In determining any broader approach to delivering support the Council may wish to use any remaining grant funding as part of the wider local support mechanisms. These may include, but are not restrict to:
 - a) Council Tax relief using existing discretionary powers,
 - b) A higher level of Council Tax reduction for those working age CTS recipients who's annual liability exceeds £150,
 - c) Additional support outside the Council Tax system through Local Welfare or similar schemes. (this would warrant an additional Policy)

3. FINANCIAL IMPLICATIONS

- 3.1. The total Fund allocated to the Council is £389,458. Expenditure forecast are as follows:

| Funding Allocation £ | QTR 1 expenditure £ | % Expenditure against allocation QTR 1 | Surplus £ | Estimated annual increase on expenditure based on QTR1 £ | Potential Estimate increase (worst case scenario) £ |
|-------------------------|---------------------------|--|--------------|--|--|
| 389,458 | 107,373 | 27.57% | 282,084 | 38,245 | 297,150 |

- 3.2. Forecasts show that if the CTS working age caseload, where they have a liability to pay following any award of CTS, were to increase by 100% there would be an overspend in excess of £15,653.

4. LEGAL IMPLICATIONS

- 4.1. The Local Authority has a responsibility to ensure the appropriate allocation of funds. The Government document entitled Covid-19 Hardship Fund 2020/21 Local Authority Guidance – provides guidance to authorities about the operation and delivery of this additional relief. The expectation is that the hardship fund should be used to provide council tax relief, alongside existing local council tax support schemes.
- 4.2. The Government expects that billing authorities will primarily use their grant allocation to reduce council tax liability using their discretionary powers under section 13A (1)(c) Local Government Act 1992.

5. RISK ASSESSMENT

- 5.1. There is a risk of overspend if the funding is not properly monitored. To mitigate this risk, weekly reports are already completed to review expenditure against grant funding allocation. Equally, there is a reputational risk if the Council does not properly and completely utilise the full funding available.

6. EQUALITIES IMPACT

- 6.1. Whilst not specifically aimed at those with a protected characteristic, this report and its contents is intended to support people in financial need and it is anticipated that there will be beneficiaries from all groups.

7. OPTIONS

- 7.1. Recent statistics from Jobcentre Plus show that there has been an increase of 140.8% in Universal Credit claims for Cotswold District Council between March to the end of June 2020. There is a growing concern that once furlough ends in October 2020 there will be a further surge of unemployment. This would lead to an 'unknown' increase in CTS caseload; therefore the options available to the Council are:
- (a) Continue to award up to £150 to every new CTS claimant where there is excess Council Tax to pay throughout this financial year (this is the intended principle of Government providing the funding).

- (b) In December 2020 review expenditure and, if there is forecast to be a surplus, award an additional amount to all working age CTS recipients who have an excess liability of £150.
- (c) Ring-fence a proportion of the grant funding to create a 'Council Tax Hardship Fund' to address those residents who are suffering severe hardship, whether they are in receipt of CTS or not. This would be an application process with evidence supplied to support the claim and will require a new Policy.
- (d) Ring-fence a proportion of the grant funding to create a 'Local Welfare' support fund.

7.2. Options (a), (b) and (c) would be straightforward to administer as awards would continue to be allocated through the Revenues Northgate software; however, option (d) would require a new process and Policy for the administration and payment of any award to be created.

8. BACKGROUND PAPERS

8.1. None.

(END)