



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 1 MARCH 2021
Report Number	AGENDA ITEM 13
Subject	COVID-19 HARDSHIP FUND 2020/2021
Wards affected	ALL
Accountable member	Cllr Mike Every – Deputy Leader and Cabinet Member for Finance Email: mike.every@cotswold.gov.uk
Accountable officer	Jon Dearing - Group Manager for Resident Services Tel: 01993 861221 Email: jon.dearing@publicagroup.uk
Author	Mandy Fathers - Business Manager for Operational Support and Enabling Tel: 01285 623571 Email: mandy.fathers@pubicagroup.uk
Summary/Purpose	To seek approval to utilise surplus Covid-19 Hardship Funds to support those residents in financial need in partnership with Stroud and Cotswold Citizen Advice Bureau
Annexes	None
Recommendation/s	That the Council considers and approves: <i>a) Recommendations detailed within paragraph 2.7 a) and b) of this report</i>
Corporate priorities	Delivering our services to the highest standards. Helping residents and communities access the support they need for good health and wellbeing.
Key Decision	NO
Exempt	NO
Consultees/ Consultation	The Leader of the Council, The Deputy Leader and Cabinet Member for Finance, Chief Executive, Deputy Chief Executives and Chief Financial Officer, Monitoring Officer

I. BACKGROUND

- 1.1. In the Budget on 11 March 2020, the Government announced a national £500 million Hardship Fund. The Government's expectation was that all working-age Council Tax Support claimants in 2020-2021 receive a further discount of up to £150.
- 1.2. To achieve this Government has provided a fund of £389,458 to Cotswold District Council.
- 1.3. The Government had indicated that this fund should be allocated principally to 'working age households' who receive Council Tax Support (CTS) both existing recipients and those claiming and receiving CTS through 2020/2021.
- 1.4. Based on Government guidance, the council has awarded up to £150 to all those eligible accounts and will continue to award to the end of 2020/2021 as new CTS claims are received and assessed.

2. MAIN POINTS

- 2.1. Having allocated funding to reduce the Council Tax liabilities of working age CTS recipients, the Ministry of Housing, Communities and Local Government (MHCLG) is keen for local authorities to establish their own approach to using any remaining grant to assist those in need, ensuring expenditure for 2020/2021 remains within the councils allocation
- 2.2. In a Cabinet report dated 7 September 2020 Cabinet approved:
 - a) To 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 forecasted a surplus; award an additional amount to all working age CTS recipients who have an excess liability of £150.
- 2.3. There has been a small but steady increase in continuing Hardship fund payments to new CTS accounts. Since the beginning of December to 14 February 2021 there has been a 1.38% increase. This equates to an additional 70 CTS new claims (one on average per day). Although this will continue to increase as new claims are submitted, there will still be a healthy surplus of funding remaining, which needs to be allocated within this financial year.
- 2.4. There is currently approximately 56 Council Tax accounts where the customer is in receipt of CTS but has a balance in excess of £150, and a further 45 Council Tax accounts where the customer is in receipt of CTS but has a balance below £150. If the council were to award further funds to these accounts, it would reduce the surplus by approximately £11,229.
- 2.5. The Council has been approached by the Stroud and Cotswold Citizens Advice (CAB) who have recently carried out national research in respect of the financial impact the Covid-19 pandemic has had on different cohorts. The research has shown that:
 - 1 in 3 private renters have lost income because of the pandemic: Private renters have been hit hard by the pandemic. The CAB advises that these are disproportionately likely to have fallen into financial difficulty and have fewer savings to use as a safety net and as a result, many are struggling to pay their rent.
 - Half a million are behind on their rent because of the pandemic: 58% of people who are currently behind on rent were not in arrears before the pandemic began. According to the CAB, the average value of a person's rent arrears is £730.

- 2.6. On a more local setting the CAB have confirmed that during the first three quarters of 2020/2021, 21 clients were experiencing mortgage arrears; nationally this is up by 30% since the same time during 2019/2020. They have also experienced an increase in clients who are in energy poverty, and are expecting this issue to increase as winter bills come in; reflecting the cost of heating a house when people are working from home and schools are closed. In January the biggest debt issue presented to the CAB was clients with fuel debt.
- 2.7. In order to maximise the funding allocation and give additional financial support to those residents most in need, the following recommendations are being put forward for the Cabinet to consider:-
- a) Award an additional allocation of up to £150 to those CTS accounts with a balance outstanding as detailed within paragraph 2.4 above. This would cost approximately £11,229. To ensure sufficient funds are available for any new CTS claims that may require a top-up it is recommended to increase this amount by £6,750; giving a total allocation for this purpose of £17,979. This would be a straightforward piece of administration with no impact on current resource levels.
 - b) Ring-fence a proportion of the surplus fund to support residents identified by the CAB as suffering financial hardship due to the Covid-19 pandemic.
- 2.8. Recommendation b) would be administered in partnership with the CAB. The Council will still maintain and manage the funding but CAB would refer their clients to the Council for additional financial support. The CAB as an already well established and trustworthy organisation would; through their own internal due diligence processes, assess the needs of their client and forward a decision notice to the Council detailing the financial support needed.
- 2.9. The CAB has confirmed that their current resource levels are sufficient to administer this piece of work as well as taking additional referrals for financial support from the Council. There is also a Client Support Officer based within the Council that will also be able to support this process, if approved.

3. FINANCIAL IMPLICATIONS

- 3.1. Cotswold District Council has been allocated £389,458 of Covid-19 Hardship fund. As of 14 February it has spent £153,443 (39.39%) of this funding leaving a surplus of £236,015.
- 3.2. Although the Council can expect further CTS claims for the remainder of this financial year and will apply up to £150 for each claim awarded CTS to the council tax account, forecasts show this will equate to approximately £6,750 additional funding. This will reduce the surplus to £229,265.
- 3.3. If recommendation 2.7 (a) was approved this would reduce the surplus to £211,286; allowing members the option to consider 2.7 (b) and the amount that could be ring-fenced.

4. LEGAL IMPLICATIONS

- 4.1. The Local Authority has a responsibility to ensure the appropriate allocation of funds. Guidance of how to do this was given by the MHCLG on the distribution of its fund to Local Authorities.

5. RISK ASSESSMENT

- 5.1. There is a reputational risk if the Council does not properly and completely utilise the full funding given.
- 5.2. If the Council does not ring-fence the £211,286 to support residents identified as suffering financial hardship, the surplus funds may have to be returned to Government at the end of the financial year.

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 financially during 2020/21 and it is anticipated that there will be beneficiaries from all groups.

(END)