

Report for: Urgent Decision – Cabinet Member Signing (Leader)

Title: Hardship Fund allocation

Report

authorised by : Richard Grice, Director of Customers, Transformation and Resources

Lead Officer: Jean Taylor, Head of Strategy and Policy

Ward(s) affected: All

Report for Key/

Non Key Decision: Key

1. Describe the issue under consideration

- 1.1 The Government announced in the Budget on 11 March 2020 that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area. Haringey's allocation of this Hardship Fund was £3,663,000.
- 1.2 In line with government guidance, the Council used this fund to implement a reduction of £150 on the annual tax bill to all who were at the time within Haringey's Council Tax Reduction Scheme (CTRS). Where a taxpayer's liability for 2020-21, following the application of council tax support, was less than £150 then their liability was reduced to nil. The same reductions have been applied to anyone moving into the CTRS during 2020/21. Any subsequent changes to a taxpayer's individual circumstances, which means they no longer qualify for the CTRS, have had this additional reduction adjusted pro-rata to the number of days they were eligible for CTRS.
- 1.3 Government guidance is that, having allocated grant to reduce the council tax bill of working age CTRS recipients by £150, councils should establish their own local approach to using any remaining grant to assist those in need. This paper and the appended report set out the allocation of that remaining grant.

2. Recommendations

- 2.1 It is recommended that the Leader:
 - i. Approves the funding allocation as set out in paragraph 5.4 and Appendix 1;
 - ii. Delegates authority to the Director for Customers, Transformation and Resources, in consultation with the Leader of the Council to re-distribute funding between the headings set out in appendix 1 and the schedule in Appendix 2 according to emerging need; and
 - iii. Agrees that this policy is subject to the availability of government funding and will terminate on 31st March 2021 unless terminated earlier or extended beyond this date by Cabinet / Cabinet Member decision.

3. Reasons for decision

- 3.1 The Government has provided a Hardship Fund to local authorities and produced guidance that enables councils to use any surplus from the required £150 CTRS payments to provide additional support outside the council tax system through Local Welfare or similar schemes.
- 3.2 The sum still to be allocated is £1.66m and so allocation requires Cabinet approval.
- 3.3 The Hardship Fund is available until 31st March 2021. Therefore, there is a need for an urgent decision to be taken on the recommendation in order to ensure that payments are made to support vulnerable people in the period to then.

4. Alternative options considered

- 4.1 The alternative option considered was not to develop an approach to distributing the remaining Hardship Fund, which would result in c.£1.66m of hardship grant not being made available to Haringey residents in need of support.

5. Background

- 5.1 The Government announced in the Budget on 11 March 2020 that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area. Haringey's allocation of this Hardship Fund was £3,663,000.
- 5.2 A Leader's Urgent Decision on 6th April 2021, set out the Council's approach to distributing the fund through the Council Tax Reduction Scheme (CTRS) mechanism, in line with government guidance. This approach was to implement a reduction of £150 on the annual tax bill to all who were at the time within Haringey's CTRS. Where a taxpayer's liability for 2020-21, following the application of council tax support, was less than £150 then their liability was reduced to nil. The same reductions have been applied to anyone moving into the CTRS during 2020/21. Any subsequent changes to a taxpayer's individual circumstances, which means they no longer qualify for the CTRS, have had this additional reduction adjusted pro-rata to the number of days they were eligible for CTRS.
- 5.3 Government guidance states that surplus grant following distribution as per paragraph 5.2 can be used to provide support outside the Council Tax system. £405,000 of the remaining fund was distributed through a Christmas Emergency Welfare Assistance Scheme and to support disadvantaged Haringey children's access to online learning as set out in the appended report. This report asks for a decision to approve distribution of the remaining £1.66m as set out in the schedule below. In making this decision, the Council has taken into account the need to:
 - target funds to address hardship
 - make the administrative process as simple as possible, so as not to unnecessarily prevent people in need from benefiting

- support specific groups of people where it is reasonable to assume Covid-19 has had a disproportionate impact
- ensure any payment made is sufficient to make a difference to the recipient/s

5.4 Details of the proposed allocation of the remaining fund in line with these objectives area set out in the appended paper. The proposed allocation is set out in the table below.

Govt allocation	£3,663,000
Expenditure to date	
CTRS	£1,597,000
Christmas Emergency Welfare Assistance Scheme	£205,000
Children's digital learning	£200,000
	£2,002,000
Remaining monies	£1,661,000
Proposed expenditure	
Direct support to families with children in hardship	£729,000
NRPF families	£9,000
Other relief support	£81,000
Digital inclusion fund	£100,000
3 District charities	£100,000
Food network	£105,000
Pilot Local Welfare Assistance Scheme	£187,000
Support for people in debt	£50,000
Discretionary Housing Payments - to support current demand to end of March 2021	£300,000
	£1,661,000

6. Statutory Officer Comments

6.1 Finance

6.1.1 The approach proposed within this report is consistent with the government's guidance to local authorities on the use of this grant, and the proposed spend on initiatives will remain within Haringey's grant allocation of £3.663m.

6.2 Legal

6.2.1 The Head of Legal & Governance (interim) has been consulted in the preparation of this report, and makes the following comments.

6.2.2 The Council is able to rely on a number of powers as the bases for taking the proposed decisions. These include, in particular, the 'general power of competence' conferred by Section 1 of the Localism Act 2011. This is a very broad based power which allows local authorities to do anything that an individual generally may do. The power is subject to exceptions and limitations, but officers do not consider that they impact on what is proposed.

6.2.3 In March 2020, the Ministry of Housing, Communities and Local Government issued a document entitled Council Tax: COVID-19 hardship fund 2020-21 – Local Authority Guidance.

6.2.4 Whilst primarily aimed at using the grant funding announced to provide council tax relief, alongside existing local council tax support schemes, the guidance went on to make clear that *“Having allocated grant to reduce the council tax bill of working age LCTS recipients by a further £150, billing authorities should establish their own local approach to using any remaining grant to assist those in need”*.

6.2.5 The guidance also went on to state that *“In determining any broader approach to delivering support, authorities are best placed to reflect on the financial needs of their most vulnerable residents. In doing so, they may wish to consider using their remaining grant allocation as part of wider local support mechanisms. These may include, but are not restricted to:*

- *Council tax relief using existing discretionary discount/hardship policies (adapted where necessary in order to capture those most likely to be affected by COVID-19); and*
- *Additional support outside the council tax system through Local Welfare or similar schemes;*
- *A higher level of council tax reduction for those working age LCTS recipients whose annual liability exceeds £150”*.

6.2.6 It is understood that the options listed in the table at paragraph 5.3 above all fall within option (b): additional support outside the council tax scheme, but if that is not the case, then as stated the options are merely indicative not prescriptive in terms of how any remaining funding is to be distributed.

6.2.7 It is further understood that the agreement of the Chair of Overview and Scrutiny Committee to this being a decision which is urgent and cannot reasonably be deferred has been obtained pursuant to Part Four, Section D, Rule 17.1 of the Council’s Constitution. Further, there is an intention to publish and make available to the public a notice pursuant to Rule 17.3.

6.2.8 Accordingly, there is no legal reason why the Cabinet Member cannot adopt the Recommendations contained in this report.

6.4 Procurement

6.4.1 There are no procurement implications arising from this report. Awards to the District Charities will be made on a grant funding basis and therefore sit outside of procurement regulations.

6.5 Equalities

6.5.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act

- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

6.5.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. The first part of the duty applies to marriage and civil partnership status only.

6.5.3 The objective of the proposed decision is to provide additional assistance to residents who are facing temporary financial crisis and hardship as a result of Covid-19. The decision on which resident groups to target with support has been informed by data and intelligence about the impact of the pandemic, including the Council's Community Impact Assessment (CIA), including an assessment of how best to reach and support these residents. This decision is therefore anticipated to have a positive equalities impact and will help to address the disproportionate economic impact of Covid-19 on groups with protected characteristics.

7. Use of appendices

Appendix 1: Hardship Fund Distribution

Appendix 2: Hardship Fund Distribution Schedule

8. Local Government (Access to Information) Act 1985

None