

## **Appendix 1: Hardship Fund distribution**

### **Introduction**

1. This document sets out Haringey Council's approach and schedule for distributing its remaining Hardship Fund allocation for financial year 2020/21.

### **Background to Hardship Fund**

2. 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.
3. A Leader's Urgent Decision on 4<sup>th</sup> April, 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.
4. The Government's guidance on use of any outstanding Hardship Fund money is clear, but also permissive:

*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. Billing authorities will want to revisit their broader approach at intervals during the financial year, in order to ensure expenditure for 2020-21 remains within their allocation. 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);*

*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.*

### **Objectives for allocation and distribution of the remaining Hardship Fund**

5. In defining the distribution of the remaining £1.66m from the Hardship Fund, the Council has taken into account and balanced several factors:
  - The need to target funds to address hardship
  - Making the administrative process as simple as possible, so as not to unnecessarily prevent people in need from benefiting – e.g. using direct payment mechanisms where feasible and appropriate in order to avoid the deterrent of complicated application and decision mechanisms

- Supporting specific groups of people where it is reasonable to assume Covid-19 has had a disproportionate impact
  - Ensuring any payment made is sufficient to make a difference to the recipient/s – i.e. distributing the ring-fenced fund across a large number of households without diluting individual sums to such a degree that impact in each case is minimal
6. Specifically, therefore, the main areas of focus for the distribution of the remaining funds are:
- Vulnerable families with children
  - Families where domestic abuse has been identified
  - Vulnerable adults
  - Street homelessness
  - Avoiding eviction
  - Children’s access to learning
  - Addressing exclusion from digital access to hardship support
  - Support to mitigate debt
  - Access to food
  - Access to emergency support

#### **Previous distribution of remaining Hardship Fund**

7. In December 2020, some of the remaining Hardship Fund was made available to vulnerable households over the Christmas period via the implementation of an Emergency Local Welfare Assistance Scheme (ELWAS). The ELWAS was put in place in recognition of the financial impacts of the COVID-19 crisis and the reduced capacity of key support services during the holiday period, just as London entered Tier 3 restrictions. This scheme had seven elements.
- **A financial hardship fund of last resort** enabling social workers to get essential items for living to vulnerable families over the Christmas period
  - £150 support payment to **care leavers** in recognition that care leavers did not benefit from the £150 CTRS-based initiative.
  - £150 support payment to **families where domestic abuse has been identified**
  - **A support payment to women and children in commissioned refuge spaces and emergency temporary accommodation**
  - **Support for vulnerable adults** through Homes for Haringey and Adult Social Care teams administering a discretionary financial hardship fund of last resort
  - A £50 one-off **Hardship Payment to each person in emergency and interim accommodation** during Christmas.
  - A fund to **support people accessing Mulberry Junction service to alleviate some of the financial burdens** that make the Christmas period especially challenging for vulnerable people.
8. The total sum allocated through these mechanisms was £205,000.
9. In January 2021, a further £200,000 of the remaining Hardship Fund was committed to support the purchase of 800-1000 devices plus connectivity **to help Haringey’s disadvantaged children access learning online.**

## **Allocation of remaining Hardship Fund**

10. The maximum spend available from the Hardship Fund, allowing for expenditure in paragraph 7 above, is £1,661,000. Outlined below is the allocation for each element of this remaining sum. Allocations allow for the Director for Customers, Transformation and Resources, in consultation with the Leader of the Council to re-distribute funding between the headings below according to emerging need.

### **Support for families with children in hardship**

Temporary hardship fund to be administered via schools

### **Other forms of relief support**

Total of £80,000

#### **Direct support to NRPF families - £9,200**

A direct payment of £100 per child to each of the 92 NRPF families known to the Council

#### **Enhanced digital inclusion Fund - £100,000**

Enhancement of the £200,000 expenditure on supporting children's digital learning in recognition of the potential for further need in this area as well as support for adults at risk of exclusion from support due to lack of digital access.

#### **Support for emergency need via Haringey's District Charities - £100,000**

Tottenham District Charity, Hornsey Parochial Charities, and Wood Green District Charity distribute emergency support to residents on application. This fund will be distributed to the three charities to enable them to increase the numbers of people supported.

#### **Access to food - £105,000**

To be distributed direct to Haringey's foodbanks to sustain supply and to support food availability to people who are street homeless.

#### **Pilot Local Welfare Assistance Scheme - £187,000**

In February, Cabinet approved the establishment of a Haringey Local Welfare Assistance Scheme, from 1<sup>st</sup> April 2021. This fund will enable the early formation of that scheme, providing for emergency need administered by the Council.

#### **Advocacy support for people in debt - £50,000**

In February, Cabinet approved a new Debt Strategy for Haringey. This fund is an immediate response, providing for advocacy support for people in debt in the borough, in order to prevent eviction and further deterioration in household finances for families in hardship once current Covid restrictions are relaxed.

#### **Discretionary Housing Payments (DHPs) - £300,000**

On current trajectory, with the increased demand as a result of Covid-19, the Council expects this fund to be exhausted by early March. The £300,000 will enable residents to continue to access this fund until the end of March, when the Council should be in receipt of its 2021/22 allocation.

## Appendix 2: Hardship Fund distribution schedule

<b>Govt allocation</b>	<b>£3,663,000</b>
<b>Expenditure to date</b>	
CTRS	£1,597,000
Christmas Emergency Welfare Assistance Scheme	£205,000
Children's digital learning	£200,000
	<b>£2,002,000</b>
<b>Remaining monies</b>	<b>£1,661,000</b>
<b>Proposed expenditure</b>	
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
	<b>£1,661,000</b>