



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	22 JUNE 2020	5
COVID 19 COUNCIL TAX HARDSHIP FUND			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

One of the support measures from central government for residents as a result of the COVID 19 pandemic was the Council Tax COVID-19 hardship fund 2020 to 2021. The government announced in the Budget on 11 March that it would provide local authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area.

A delegated decision was made in respect to this fund on April 30th, 2020, this report provides an update on the discretionary award of £150 for any residents on the Council Tax Reduction Scheme and the additional discretionary scheme financed from the fund to support the newly self-employed.

RECOMMENDATIONS

1. That members recognise the important role of the discretionary Self-Employed Hardship Fund (to which applications were closed on 5th June 2020) and determine whether to re-open the scheme for further applications or to formally close the scheme.
2. That any residual funds from the Council Tax COVID-19 hardship fund 2020 to 2021 is retained in order to make the £150 award to any eligible new accounts during the COVID 19 measures.

SUMMARY OF PREVIOUS DECISIONS

[Delegated Decision – April 30th](#)

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

1. The Council Tax COVID-19 hardship fund 2020 to 2021 was announced in the Budget on 11 March to provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area. The expectation was that most of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes. This funding is distinct from the £5bn COVID-19 response fund to support public services. Councils had already established local council tax support schemes for 2020-21 and the government expected billing authorities to primarily use the grant allocation to reduce the council tax liability of individuals in the area, using discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.
2. Fylde received a grant allocation of £586,022 from the £500m scheme. An extract from the detailed guidance is shown below, explaining how the award should initially be used to support Council Taxpayers.

The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using their discretionary powers to reduce the liability of council tax payers outside of their formal LCTS scheme design.

Where a taxpayer's liability for 2020-21 is, following the application of council tax support, less than £150, then their liability would be reduced to nil. Where a taxpayer's liability for 2020-21 is nil, no reduction to the council tax bill will be available.

There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support from the hardship fund and automatically rebill those council taxpayers.

Whether or not a taxpayer has been affected by COVID-19, directly or indirectly, should not be taken into account in assessing eligibility for this reduction.

The Government is keen to ensure that support is provided as quickly as possible to individuals who are eligible. It therefore considers that there is a strong case for councils to provide the support up front to enable the maximum benefit to be delivered promptly. However, the Government recognises that in some cases, authorities may consider that the most effective assistance could be profiled across the year.

3. Anyone eligible for the £150 mandatory relief was notified that the award would be made and automatically credited to their account. If the balance on the account was less than £150 then the account would be adjusted to zero.
4. There is also the expectation that this grant is awarded to any new Working Age claims during 2020-21. The allocation of funding was based on CTR caseload as at Q3 2019/20, when 2,713 claimants were in receipt of Council Tax Reduction. As at 1st June 2020 there were 3,226 Working Age Council Tax Reduction claimants in Fylde therefore allocation of up to £150 grant for all claimants would cost £483,900. It is expected that the increase in claimants will continue as the full impact of the pandemic is felt throughout the economy, and the full cost of the £150 award is likely to be in excess of £500,000 in Fylde during 20-21.
5. Software to be able to award the grant automatically is expected to be released at the end of June 2020 therefore the awards will be applied to the Council Tax accounts in July. Normally software changes of this nature have a six-month lead in time to develop, test and ensure the software does not impact any other areas of the database. New adjustment notices with revised instalments will be issued to all customers once the grant has been applied.
6. The estimated residual from the fund on April 30th, 2020 was £23,000 and a Delegated Decision was made through this committee to establish a local discretionary scheme to provide the opportunity for anyone who is newly self-employed (from April 5th, 2019 onwards), and who is not in receipt of any other COVID 19 support, to make an application for council tax reduction. This had been identified as a group of people in the

community who will not be eligible for any of the support measures made available as a result of COVID 19 i.e. business support grants or the COVID 19 Self-employment Income Support Scheme. The Newly Self-Employed Hardship Fund was approved, and applications were open until Friday June 5th, 2020.

7. A total of 17 applications were received, most in the first week or so, and after eligibility checks 14 were awarded the maximum discretionary payment of £325 totalling £4,550. During the application period an announcement was made by central government to establish a Discretionary Business Support Grant to accommodate the businesses that did not qualify for the Small Business Rate Relief & Retail, Hospitality, Leisure Relief scheme. Newly self-employed companies could make an application to the local discretionary scheme and if they meet the criteria could access this grant. Several newly self-employed companies will have applied to the discretionary business grant support scheme and is likely the reason for the applications to the Newly Self-Employed Hardship Fund falling away.
8. The Newly Self-Employed Hardship Fund provided an opportunity for the newly self-employed at a time when there was limited support available elsewhere. The initial take up of the scheme and the introduction of the discretionary business support grant are evidence that fund served a valuable purpose when there was a gap in provision. Members are asked to recognise the roll of the Self-Employed Hardship Fund and consider either re-opening or closing the scheme.

IMPLICATIONS	
Finance	Fylde Council has been allocated £586k additional funding for Council Tax Hardship support from the national £500m Covid19 Hardship fund, as detailed in the report. Based upon the current number of Council Tax Support Cases at Fylde, up to almost £484k would be required to fund the mandatory £150 relief to residents who qualify for the existing scheme, although this is expected to rise as the full impact of the pandemic is felt on the economy. The cost of the discretionary hardship fund awards is currently £4.5k as set out in the report.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Council Tax COVID-19 hardship fund 2020 to 2021	March 2020	https://www.gov.uk/government/publications/council-tax-covid-19-hardship-fund-2020-to-2021-guidance