

Delegated Decision

Notice – Finance and Democracy Committee

In making this decision, the lead officer has taken all reasonable steps to ensure that they are in possession of relevant facts, have considered alternative options, and made every practical effort to discuss the matter under consideration with the members of the committee who would have normally made this decision, the group leaders and the Mayor.

Decision Date:	30 th April 2020
Lead Officer:	Allan Oldfield, Chief Executive
Matter under consideration:	Discretionary Council Tax Relief from the COVID 19 Hardship Fund
Responsible Committee:	Finance and Democracy Committee
DECISION:	That the council uses the remaining funds from the COVID 19 Council Tax Relief Hardship Fund to support residents who are newly self-employed and are not in receipt of any other COVID 19 support.

One of the support measures from central government for residents as a result of the COVID 19 pandemic is 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.

The expectation is 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 therefore the government expects that billing authorities will 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. The full guidance and all supporting evidence can be accessed using the link below:

<https://www.gov.uk/government/news/government-confirms-500-million-hardship-fund-will-provide-council-tax-relief-for-vulnerable-households>

The Government's expectation was that billing authorities provide all recipients of working age in the Council Tax Reduction Scheme (CTRS) during the financial year 2020-21 with a further reduction in the annual council tax bill of up to £150 (if they are liable for less than £150 the balance will be cleared). There was no need for customers in the CTRS to make a separate claim for a reduction under this scheme they have been automatically rebilled.

Having allocated the grant to everyone on the CTRS, the council can establish a local approach to use any remaining grant to assist those in need. This report outlines proposals to use the remainder of the grant allocated to Fylde for a discretionary scheme to support those most likely to be affected by COVID-19.

Fylde received a grant of £586,000 of which £563,000 was allocated to provide the additional £150 CTAX relief for all residents in the CTRS, leaving an estimated remaining fund of £23,000 for a local discretionary scheme.

The proposal is 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 is potentially a group of people in the community some of 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.

An online application form would need to be completed to determine eligibility and need, evidence will be required from the applicant that they have become self-employed in the last 12 months (i.e. start-up costs, bank statements, insurance, marketing etc) with checks to ensure they are not eligible for support from the other COVID 19 initiatives and if they are to signpost them to the appropriate support. The applicant will be ineligible if they are receiving an income from continuing to work and / or other sources in excess of £2,500 per month (same figure as the furlough and self-employed support schemes).

A discretionary grant equivalent to two-months of the total Council Tax charge, up to a maximum of the Band D figure, will be awarded to anyone eligible under the scheme. The maximum award would be £325 which will be discounted from the applicant's council tax bill. The funds available for scheme are limited, as such it will be open for applications until the available grant has expired or the end of the COVID 19 lockdown measures that prevent employment, whichever is the earlier. It will be made clear that this is limited and that eligible customers should apply as soon as possible once the fund has been exhausted applications can no longer be accepted. This is a discretionary scheme and applications will be declined if satisfactory evidence of new self-employment during 2019/20 or earnings cannot be provided.

An income and expenditure calculation that is currently used to determine income will be emailed to the customer on receipt of the application, as newly self-employed there may be an element of estimates to the figures but reasonableness of costs can be determined dependent on the type of business and if they seem excessive additional evidence would be requested. This can be carried out during the 6-week window for applications.

The application process will be open for an initial 6 week period from May 1st 2020 until June 5th 2020 after which the applicants will be assessed with the fund allocated based on the maximum award or proportionately amongst the eligible applicants if there are insufficient funds to award the maximum entitlement to every eligible applicant. The £23,000 available fund is an estimate based on the number of residents eligible for up to £150 additional council tax relief, the amount may vary dependent on the actual payments made. A revised assessment of the fund will be made at the end of the 6-week application period. The scheme will be monitored on a weekly basis to mitigate the risk of oversubscription and reviewed by the Chief Executive in consultation with the Chairman of Finance & Democracy with the option to cease the scheme.

The existing hardship fund at Fylde is still available and is not affected by this scheme and is being actively promoted during the COVID 19 pandemic lockdown measure

SUMMARY OF PREVIOUS DECISIONS

None – this is a new discretionary temporary scheme to provide support during the COVID 19 pandemic.

IMPLICATIONS	
Finance	The risk of oversubscription and therefore direct cost to the council will be mitigated through regular monitoring and the option to cease the scheme and / or divide the support equally between applicants.
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

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