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**Decision Session –Executive Member for  
Finance & Performance in conjunction with  
the Executive Member for Housing & Safer  
Neighbourhoods**

**27 October 2020**

Report of the Assistant Director, Customer & Digital Services

**Extending the Covid-19 Hardship Fund**

**Summary**

1. This paper provides the Executive Member for Finance & Performance and the Executive Member for Housing & Safer Neighbourhoods with the current position of the Government funded Covid-19 Hardship Fund. The paper recommends the continuation of the scheme through council funding and also the existing additional covid-19 welfare schemes to 31<sup>st</sup> March 2021.

**Recommendations**

2. Executive members are asked to:
  - a) Note the financial support provided to residents to date
  - b) Approve extending the hardship scheme with council funding to 31<sup>st</sup> March 2021
  - c) Approve continuing the community based welfare support and discretionary free school meals as set out at Table 1.

Reason: To provide financial support to the councils most financially vulnerable residents during the covid-19 pandemic.

**Background**

3. The Government hardship funding provides each Council Tax Support (CTS) customer with £150 of financial support towards their council tax bill in 2020/21. In providing the hardship funding the Government recognised that Covid-19 was likely to cause fluctuations in household incomes and recognised that, as a result, some individuals may struggle to meet council tax payments. The Government therefore expected that billing authorities would use

their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under s13A (1) (c) of the Local Government Finance Act 1992.

4. The council tax reductions were applied as soon as possible from the beginning of the 2020/21 financial year and customers were rebilled as quickly as practical. There was some delay due to issues in updating the council tax software but no recovery action was in place so residents were not adversely affected. This payment has so far provided support to over 6,100 residents with their 2020/21 council tax bill.
5. The payment from the council tax hardship fund does not affect the eligibility of residents for other welfare benefits.
6. There has been no need for any recipient of CTS to make a separate claim for a reduction under this scheme. The awards are made automatically and this continues with new CTS customers throughout 2020/21 until the fund is exhausted or extended.

### **Current Fund Position**

7. As at the 12<sup>th</sup> October spend against the budget (£956,904) stood at £948,911. This leaves £7,993 or a further 53 payments. The fund is reducing at nearly £5k per week or 33 new claims and is therefore likely to be exhausted by the end of October or even earlier. This corresponds with the ending of the Furlough scheme and credit card/loan/mortgage payment holidays.
8. It is difficult to predict the exact date at which the fund will exhaust as there is no control over claims and as furlough comes to an end the volume claiming could start to rise above the current levels despite the further government support (Job Support Scheme).

### **Recommendations**

9. There is no doubt that the fund will exhaust before financial year end and as a result residents claiming after the fund has run out will be treated differently in terms of support with their council tax liability to those who claimed earlier in the year.
10. It is not financially viable to sustain this level of support in the longer term and whilst Covid-19 and its long term impacts will not come to an end on 31<sup>st</sup> March 2021 the council could consider using an

element of its own additional Covid -19 emergency welfare fund to sustain the payments until the end of the current financial year. This would treat all CTS claimants fairly across the 2020/21 financial year and provide some breathing space before the 2021/22 council tax bills are issued.

11. As Furlough is about to come to an end and be replaced with the Job Support Scheme it is difficult to estimate the value of claims to 31<sup>st</sup> March however at current claim rates the amount required would be approximately £110k but it is possible that this could increase substantially.
12. The position of spend against the 2020/21 welfare support budget as at the 9<sup>th</sup> October 2020 is shown in Table 1 and budget at Table 2 below.

Table 1

Area of Spend	Spend
Community hubs - pre pay cards	£6,788
Community food parcels	£63,111
Mobile phones & internet	£2,740
Discretionary free school meals - Pupils confirmed	£9,030
COVID-19 Hardship Grant for CTS (Outturn)	£956,904
YFAS scheme (Projected outturn)	£270,596
Hub Support	£75,000
<b>Total</b>	<b>£1,384,169</b>

Table 2

Budget	£k
Councils Welfare Provision 20/21	1,200
Government's Hardship Funding	957
<b>Total</b>	<b>2,157</b>
Less projected spend to date	1,384
<b>Total</b>	<b>773</b>

13. The community support provided in the first four lines of Table 1 has been very effective in supporting residents throughout the pandemic. It is recommended that the funding for this in line with the hardship support for council tax is continued to 31<sup>st</sup> March 2021.

## **Consultation**

14. York are not alone in having spent most of the Government grant. A recent email around the Unitary Treasurers Group sets out a similar picture in other local authorities across the country.

## **Summary**

15. The Covid-19 pandemic has had a deep and potentially long lasting effect on society and personal finances. The council has provided direct support where it can through financial aid, practical aid e.g. food, local support hubs and provision of ongoing services. This paper recommends that the council provides clarity to residents around the continued financial support they will receive until 21<sup>st</sup> March 2021.
16. At this time there is sufficient funds in the welfare budget as set out at Table 2. However it is impossible to predict the demands that may arise for this funding throughout the rest of 2020/21 and any further support for residents that may be required through 2021/22.

## **Implications**

### **Financial**

17. The council has set aside £1.2m to provide emergency welfare support to residents during the Covid-19 pandemic. As the pandemic continues to run and the full economic effects on residents has not yet been felt due to Government interventions e.g. Furlough and the Job Support scheme, the full year demand for this funding is not yet known. There is a risk that the fund may still exhaust before 31<sup>st</sup> March.

### **Human Resources (HR)**

There are no HR implications.

### **Equalities**

This report will impact on all communities equally.

### **Legal**

No implications

## Crime and Disorder, Information Technology and Property

No implications

### Risk Management

18. The key risk associated with this paper is that the demand for welfare support may exceed the funding available before 31<sup>st</sup> March 2021. The existing and schemes being introduced by Central Government to protect businesses and employees will help mitigate this risk.

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**Report  
Approved**



**Date  
16/10/20**

**Specialist Implications Officer(s):**

**Wards Affected:**

**All**



**For further information please contact the author of the report**

**Background Papers: None**