

<b>BRIEFING</b>	<b>TO:</b>	Leader of the Council Chief Executive Councillor Alam
	<b>DATE:</b>	28 May 2020
	<b>LEAD OFFICER:</b>	Graham Saxton Assistant Director – Financial Services Finance & Customer Services
	<b>TITLE:</b>	Review of the application of the Council's Hardship Fund

## 1. Background

- 1.1** The Government announced the £500m Hardship Fund within the Chancellor's Budget on 11<sup>th</sup> March 2020, with guidance and detailed allocations issued later in March. The Council's allocation was confirmed as £2.864m.
- 1.2** The Budget statement was that the funding was being provided to enable councils to support economically vulnerable people and households in their local area. The Guidance set out the Government's expectation that the majority of the Fund would be used to provide council tax relief, alongside existing local council tax support schemes.
- 1.3** The Council's use of the Fund was taken as a delegated officer decision by the Strategic Director – Finance and Customer Services in consultation with the Cabinet Member for Corporate Services and the Leader of the Council. The decision taken on 2<sup>nd</sup> April 2020 was :
1. That the Council Tax Support (Hardship) Grant of £2.864m will be utilised as follows:
    - That an additional award of £200 Council Tax Support will be made to those people of working age who are currently in receipt of Local Council Tax Support
    - That where a claimant has a Council Tax bill of less than £200, their bill will be reduced to zero
    - That the remaining funding will be utilised to fund the cost of new claimants becoming eligible for Local Council Tax Support including the application of the additional £200 support
    - That the above support will apply to all those becoming eligible up to and including 31<sup>st</sup> May 2020
  2. That new bills will be issued to those eligible for this additional support once the necessary system changes have been made.
  3. That the volume of new claimants and associated cost will be reviewed against the level of hardship grant remaining before 31<sup>st</sup> May 2020.

2. Key Issues	
2.1	To date the Fund has been applied to the 14,000 current working age recipients of council tax support using approximately £1.4m of the £2.8m hardship fund.
2.2	On 16 <sup>th</sup> April 2020 the Government issued a Council Tax Information Letter setting out a series of Questions and Answers on the application of the Hardship Fund to address some of the most common topics raised and to assist councils in determining how to administer the Fund locally in line with published guidance.
2.3	<p>This further guidance included additional clarity on a number of points of expectation as to how the hardship fund would be used, which were set out in the guidance as a series of questions and answers :</p> <ul style="list-style-type: none"> <li>• The Government's expectation is that all working-age LCTS claimants in 2020-21 (who are entitled to working-age LCTS in respect of any part of the 2020-21 council tax liability) will receive a further discount of £150*.</li> <li>• Where, at the point a claimant first becomes entitled to working-age LCTS in 2020-21 and their liability for the remainder of the financial year is less than £150*, the discount should be applied to bring the liability down to nil.</li> <li>• The hardship fund discount should be applied at the point a claimant first becomes entitled to working-age LCTS in 2020-21.</li> <li>• It should be applied against the claimant's liability for the remainder of the financial year, after the application of any relevant discounts, exemptions and council tax support. Where the liability for the remainder of the financial year is less than £150*, the discount should be applied to bring the liability down to nil.</li> <li>• A current working-age LCTS claimant whose LCTS eligibility ends part way through the year (or who reaches pension-age and switches to pension-age LCTS), should retain their hardship fund discount unaltered.</li> <li>• A claimant receiving working-age LCTS for the first time from, for example, mid-year, should also be entitled to a full £150* discount against their liability for the remainder of the financial year, after the application of any relevant discounts, exemptions and council tax support. Where the liability for the remainder of the financial year is less than £150*, the discount should be applied to bring the liability down to nil.</li> <li>• If liability increases, and an individual had not previously been entitled to a full hardship fund discount because their former liability was less than £150*, they should receive a further reduction to take their total hardship fund discount to £150*, even if their LCTS eligibility has ended.</li> </ul> <p><i>* The Government quoted a minimum hardship support value of 'up to' £150. However, the Rotherham scheme provides up to £200.</i></p>
2.4	It is clear therefore that the Government expects the Hardship Fund to be applied to any working age claimant of council tax support who may become entitled to that support at any point during 2020/21.

<b>2.5</b>	On that basis and in order to comply with the expanded Government guidance, it is recommended that the Council's Hardship Fund arrangements continue beyond the review date of 31 <sup>st</sup> May and are applied throughout the remainder of 2020/21.
<b>3. Key Actions and Timelines</b>	
<b>3.1</b>	Agreement to continue the arrangements throughout 2020/21 set out in a further delegated decision notice and the Council's website updated, before 31 <sup>st</sup> May.
<b>4. Recommendations</b>	
<b>4.1</b>	That continuation of the application of the Hardship Fund arrangements throughout 2020/21 is agreed.