

**Committee:** Council

**Date:**

**Title:** Hardship Grant Fund 2020/21

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## Summary

1. In response to the Public Health Emergency, Covid-19, the Government has provided £500 million to Local Authorities for additional support to council tax payers.
2. Government requests that these funds are administered using Local Authorities discretionary powers, under Section 13a (1) (c) of the Local Government Finance Act 1992.
3. The council has received £325,304; the allocation is based on the council's share of the national caseload of working age Local Council Tax Support recipients.
4. The criteria set out for this support by Government states that all working age recipients of Local Council Tax Support (LCTS) during the financial year 2020/21 receive an award of up to £150 to reduce their council tax liability and that the council determines a local approach for awarding any remaining funds.

## Recommendations

5. The Council is requested to approve the Exceptional Hardship Fund Policy (Appendix 1) using their discretionary powers under Section 13a (1) (c) of the Local Government Finance Act 1992:
  - To provide working age Local Council Tax Support recipients with an award of £150 or the total of their Council Tax liability whichever is lower
  - To provide council tax relief via the Exceptional Hardship Fund to residents suffering extreme hardship

## Financial Implications

6. Funds have been allocated to fully reimburse the council using a grant under s31 of the Local Government Finance Act 2003. In addition there will be new burdens funding provided to support the additional administration

**Background Papers**

7. The full guidance set out by central government and used to inform this report can be found at the following link:

[Covid-19 Hardship Fund Guidance Gov.uk](https://www.gov.uk/guidance/covid-19-hardship-fund-guidance)

**Impact**

8.

Communication/Consultation	N/A
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

**Covid-19 Hardship Fund**

9. The council has received £325,304 of government funding and this has been calculated using the council’s share of the national caseload of working age claimants in receipt of LCTS using the latest published data (2019/20, quarter 3).

10. Pensioners have been excluded as they are fully protected under the current LCTS scheme.

11. The government guidance sets out the following criteria for the distribution of these funds, a link to the guidance is provided in paragraph 6 (background papers):

- All Working age LCTS claimants will qualify automatically for an award of £150 or the total of their Council Tax liability whichever is lower. There is no requirement under this section of the policy for the applicant or their family to have suffered either directly or indirectly from the COVID19 virus
- For the remaining funds it is recognised that local authorities are best placed to determine a broader approach to supporting their most vulnerable residents. Government suggests consideration of, but not limited to the following:

- Council tax relief using the current discretionary exceptional hardship funds, for those most affected by the impacts of Covid-19
- Additional support for Local Welfare schemes outside the council tax system
- Higher levels of support where the liability for LCTS recipients exceeds £150

## Exceptional Hardship Fund

12. The Exceptional Hardship Fund provides working age claimants of LCTS additional council tax support where they are suffering periods of extreme hardship; this fund was introduced alongside the LCTS scheme in 2013. There is also provision in the policy to provide this support to non LCTS claimants suffering extreme hardship, but this is by exception only. Full details of the policy are set out in Appendix 1 and Annex A.
13. The Council has an annual hardship fund budget of £15,000 of which Essex County Council contribute £5,000 to this.
14. The total funds available in the Exceptional Hardship Fund for 2020/21 are £340,304 which includes the Covid-19 Hardship Fund and the council's current budget.
15. The council caseload of working age LCTS claimants is showing a higher than normal increase, it is expected claims will continue to rise as the crisis continues and more people are affected.
16. Following the initial awards being distributed it is recommended that the remaining funds are administered via the Exceptional Hardship Fund Policy to provide council tax support for the increasing LCTS caseload and for vulnerable residents and households impacted by the Covid-19 emergency.

## Claimants

17. The following table provides details of the current caseload and the amount of the fund we would expect to pay out. This is based on the level of council tax liability outstanding with a maximum award of £150.

	Number of claims @ 31 March 2020	Estimated amount payable
Working Age - Vulnerable	593	£80,496
Working Age - Employed/Other	836	£125,261
<b>Total</b>	<b>1,429</b>	<b>£205,758</b>

18. This leaves a balance of £119,546 and this could support a further 797 claimants if they were all eligible for the full award of £150, but it is likely that this number would be higher as many new claims will only require a % of this award to reduce their liabilities to zero.
19. The increase in claims LCTS support between the 1 April and 14 April is 154 and it is expected this will increase to 300 by the end of April. The average number of claims received in a month for 2019/20 was 98.
20. It should also be noted that a high level of claims for LCTS where the property is in a higher council tax band will still have a balance to pay even with the full award applied.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Requests for support exceeds the level of funding available	2 – it is currently unknown how long the current lockdown measures will be in place	3 – loss of council tax income and possible requirement to ‘top up’ the Exceptional Hardship Fund may be required	The levels of financial support will be closely monitored and should the current lockdown measures continue passed the initial 3 month period there may be a need to make representations to Government for further support

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.