



<u>Committee and Date</u>
Cabinet
20 July 2020

<u>Item</u>
<u>Public</u>

## **COVID 19 – Council Tax Hardship Fund**

**Responsible Officer** James Walton

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### **1. Summary**

- 1.1 As part of its response to COVID-19, the Government announced in the budget on 11 March 2020 that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their area. Shropshire Council was awarded £1.54m of this grant. This report sets out the basic parameters for expenditure of the fund as set out by the Government and seeks approval for expenditure of the balance of the grant during 2020-21.

### **2. Recommendations**

- 2.1 Members are asked to approve the proposals for expenditure of uncommitted grant by paying an extra £50.00 to working age council tax support claimants (maximising the award for these claimants to £200) and confirm a delegation to the Director of Finance, Governance and Assurance in consultation with the Portfolio Holder - Finance and Corporate Support, to finalise arrangements for expenditure of the grant.

## **REPORT**

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1. The level of grant funding allocated to each local authority was estimated by government to enable delivery of their policy objectives, in this case to provide reductions in eligible Council Tax bills of up to £150.

- 3.2. There is a risk that any unspent grant within Shropshire would be clawed back by government, and this report seeks to mitigate this risk by allocating the bulk of uncommitted grant via the proposals set out below. In addition, proposals to utilise any remaining grant before year end are also set out.
- 3.3. There is a risk that levels of claimants have been underestimated within modelling and this could lead to spend commitments over and above the level of grant available. This risk has been mitigated by ensuring prudent estimates are made within the modelling and a contingency is held against the grant commitment for review before the end of the year.
- 3.4. By reducing Council tax liability and removing some claimants from having to pay any Council Tax in 2020/21 there is a reduced risk of Council Tax arrears arising in the current financial year but a risk that future Council Tax collection levels will be impacted negatively in future years.

#### **4. Background**

- 4.1 The authority has a statutory duty to make a council tax reduction scheme.
- 4.2 The Government has made available £1.54m to Shropshire Council in grant funding to support economically vulnerable people. The Government expectation is that the majority of the hardship fund will be used to provide council tax relief alongside existing local council tax support schemes.
- 4.3 The Government's expectation is that billing authorities will primarily use their grant allocation to reduce council tax liabilities of individuals in their area, using discretionary powers under Section 13A(1)(c) of the Local Government Act 1992.
- 4.4 The Government's expectation is that billing authorities will provide all recipients of working age local council tax support during 2020-21 a further reduction in their annual council tax bill of £150 (or reduce their liability to nil, whichever is the smaller amount).
- 4.5 The Benefits team have made the initial maximum £150 award to working age claimants that have a liability for 2020-21 of up to and including £150. This has resulted in expenditure as at 7 July 2020 of £0.691m to 4,714 working age council tax support claimants. The average award per claimant was £146.58. 169 claimants have seen their liability reduced to zero with the initial award. Around 3,000 claimants are classed as being in vulnerable groups in our working age scheme and so are protected from the minimum 20% council tax payment (but may still have a council tax liability depending on income levels). 346 of these 3,000 vulnerable claimants have some council tax liability and have received some support within the 4,714 claimants in the initial award.
- 4.6 The Government has said that billing authorities should establish their own local approach to using any remaining grant to assist those in need.

- 4.7 The Government have recognised that Councils should revisit their approach at intervals during the financial year to ensure expenditure of the grant remains within the allocation.
- 4.8 All working age claimants that are entitled to council tax support throughout the whole 2020-21 financial year will be eligible to receive the maximum £150 hardship payment. It is necessary, therefore to profile caseloads to allow for new claims for council tax support to ensure sufficient grant is available to cover the cost of the £150 (plus any additional support agreed as part of this report) for all claimants during the financial year.
- 4.9 In the period 1 April 2019 to 31 March 2020, 3,622 new working age claims were assessed. It is difficult to predict how many new claims will be received in the period 1 April 2020 to 31 March 2021 due to the volatile economic climate. There has been a large increase in Universal Credit applications from January 2020 to April 2020 which has impacted on council tax support caseload and it is likely that this will increase in October 2020 if the employers furlough scheme for workers is not extended. It is for this reason that the discretionary element of the hardship fund needs to be kept under review.
- 4.10 As an estimate, if the Council have an equivalent number of new working age claims from now until 31 March 2021, and assuming a greater proportion (modelled at 80%) fall outside the vulnerable category it is estimated that around 3,000 additional working age claimants may become eligible for the maximum £150 payment for the period 1 April 2020 until 31 March 2021. For the remaining three quarters of the year from July 2020 to March 2021 this would equate to 2,250, but as there may be an increase in October, if the furlough scheme ends, the model assumes an additional 2,500 new claims.
- 4.11 Based on 2,500 new claims, maximum additional expenditure of £0.366m would be incurred in awarding the maximum £150 payment (at an average of £146.58) bringing total expenditure to £1.057m from the £1.54m grant. It is estimated, therefore, that approximately £0.483m could remain unspent at year end and this report proposes this is used for additional discretionary support; increasing the maximum payment from £150 per claimant to £200.

## **5. Financial Implications**

- 5.1 The Government have suggested using the remaining grant allocation as part of wider support mechanisms, which could include, but are not restricted to:
- i. Council Tax Relief using existing discretionary discount/hardship policies (adapted where necessary). Authorisation for our existing discretionary discount is delegated to the Councils Section 151 Officer
  - ii. Additional support outside of the council tax system through local welfare or similar schemes

- iii. A higher level of council tax reduction for those working age claimants whose annual liability exceeds £150

- 5.2 Options i. and ii. would be labour intensive and require an application and verification process. It would also be necessary to agree a policy to guide the award criteria and assessment process which would take time to design and agree, leading to delays in the money reaching residents that require the support immediately.
- 5.3 Option iii. is recommended as the simplest, most efficient and fairest option to ensure money quickly reaches those in most need and enable easier monitoring of the grant expenditure to ensure the grant is spent in its entirety during the year.
- 5.4 Based on the assessment of potential new claims above it is estimated that £0.483m of grant could remain unspent. Estimates based on an additional award of £15, £25 and £50 have been calculated and the balance of potential unspent grant (contingency) under these options is set out in the table below.

Award option	£000
Remainder based on no extra	482,699
Remainder based on extra £15.00	374,489
Remainder based on extra £25.00	302,349
Remainder based on extra £50.00	121,999

- 5.5 Based on the above it is recommended that an award of an additional £50 to current and predicted working age claimants is made. This option would remove the council tax liability in its entirety for a further 913 claimants. This option would leave an estimated £0.122m as a contingency, should modelling have underestimated the potential cost. Alternatively, any funding remaining, following implementation and review at regular points throughout the remainder of the year, could be utilised to make a further direct payment to working age claimants or used to assist working age claimants that have council tax arrears. This will mitigate the risk that any grant funding will remain unspent at year end.
- 5.6 It is therefore recommended that Members approve option iii. above, and a further direct award of up to £50 is made to working age claimants and that arrangements for review and further expenditure is delegated to the Director of Finance, Governance and Assurance in consultation with the Portfolio Holder - Finance and Corporate Support.

## 6. Climate Change Appraisal

- 6.1 A direct award of the grant as a reduction to the council tax bill of those working age residents that in receipt of, or who become in receipt of, council tax support will negate any requirement for a costly paper driven application process and paper verification process. Approving the approach set out within this report would utilise existing information held on these residents as part of

their assessment for council tax support and would require no additional processes to be implemented.

## **7. Additional Information**

- 7.1 An Equality and Social Inclusion Impact Assessment has been completed and the result is that this proposal is not likely to have an adverse impact on any particular group. The ESIIA is at Appendix A

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
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MHCLG Council Tax – Covid-19 Hardship Fund 2020-21 Local Authority Guidance
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<b>Cabinet Member (Portfolio Holder)</b>
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David Minnery
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<b>Local Member</b>
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N/A
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<b>Appendices</b>
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Appendix A – Completed ESIIA
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## **Shropshire Council Equality and Social Inclusion Impact Assessment (ESIIA)**

### **Part One Screening Record 2020**

#### **A. Summary Sheet on Accountability and Actions**

##### **Name of proposed service change**

**COVID 19 – Council Tax Hardship Fund expenditure**

##### **Name of lead officer carrying out the screening**

Phil Weir

##### **Decision, review and monitoring**

<b>Decision</b>	<b>Yes</b>	<b>No</b>
Part One ESIIA Only?	Yes	
Proceed to Part Two Full Report?		

*If completion of a Part One assessment is an appropriate and proportionate action at this stage, please use the boxes below and sign off as indicated. If a Part Two report is required, please move on to full report stage.*

##### **Actions to mitigate negative impact or enhance positive impact of the service change in terms of equality and social inclusion considerations**

The Government has made available £1.54 mil to Shropshire Council in grant funding to support economically vulnerable people. The Government expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes.

The Government's expectation is that billing authorities will provide all recipients of working age local council tax support during 2020-21 a further reduction in their annual council tax bill of £150 (or reduce their liability to nil, whichever is the smaller amount).

This proposal is to utilise the excess grant available and increase the standard award by a further £50 direct payment to working age claimants that have a council tax liability, and that arrangements for review and further expenditure is delegated to the Director of Finance, Governance and Assurance. This will ensure that the grant payments get to those most in need as quickly and easily as possible.

##### **Actions to review and monitor the impact of the service change in terms of equality and social inclusion considerations**

The Government has made the grant available to support economically vulnerable people has identified working age council tax support claimants in order to achieve this.

#### **Associated ESIIAs**

N/A.

#### **Actions to mitigate negative impact, enhance positive impact, and review and monitor overall impacts in terms of any other considerations. This includes climate change and health and well-being considerations**

A direct award of the grant as a reduction to the council tax bill of those working age residents that we know are in receipt of, or who become in receipt of, council tax support will negate the requirement for a costly paper driven application process and paper verification process.

#### **Scrutiny at Part One screening stage**

<b>People involved</b>	<b>Signatures</b>	<b>Date</b>
<i>Lead officer carrying out the screening</i>	Phil Weir	7 July 2020
<i>Any internal support*</i>		
<i>Any external support**</i>		

*\*This refers to other officers within the service area*

*\*\*This refers either to support external to the service but within the Council, e.g. from the Rurality and Equalities Specialist, or support external to the Council, e.g. from a peer authority*

#### **Sign off at Part One screening stage**

<b>Name</b>	<b>Signatures</b>	<b>Date</b>
<i>Lead officer's name</i>	Phil Weir	7 July 2020
<i>Accountable officer's name</i>	James Walton	7 July 2020

*\*This may either be the Head of Service or the lead officer*

#### **B. Detailed Screening Assessment**

##### **Aims of the service change and description**

*Please use this box to describe the aims and purpose of the service change. This ESIIA may well be the only document associated with a service change that the*

*service user or advocates may read, rather than any committee reports or other associated documents. Please therefore regard it as a stand-alone document. It is a good plan to put more into it rather than less, even if it may feel like duplication to you. Use content from your committee report to help you in this regard.*

*Include any background that you think is helpful for someone reading this ESIIA, e.g. if there is a new policy, why is it being introduced? If there is a change to an existing service, what are the reasons for this? For example, a redesign and rationalisation of Customer Service Points may seek to concentrate provision strategically on areas where there is a mix of population density and customer need.*

*Further details giving context would also always be helpful here and might include tables and charts. For example, a planned reduction of opening hours for a library or a leisure centre might be helpfully viewed alongside comparative analysis of usage across a number of libraries, leisure centres, etc, including any known and anonymised data about numbers of service users and potential service users likely to be affected, and whether or not people are in Protected Characteristic groupings.*

*This will also help to demonstrate objectivity of the approach and show that, even where difficult decisions might be being planned or made, they are being made in the light of careful consideration of the negative or positive consequences for all groupings. It is not about changing the decision, it is about showing the thought given to the anticipated impact, and also showing that data will continue to be collected about service usage and actual impact to help develop and deliver any mitigating actions.*

### **Intended audiences and target groups for the service change**

*This box relates to the people or groupings of people concerned, organisations involved, any other interested parties, etc. For example, if the change will affect people receiving adult social care services and their families and carers, please say so here. If the change will affect the whole population, please say so here. If the change could affect cross-border strategic partnership working, for example by the Marches Local Enterprise Partnership (LEP), please mention such partnerships as well. It is a good idea to include local elected councillors due to their community leadership roles*

### **Evidence used for screening of the service change**

*This box relates to use made of evidence in developing the change to the service. This could be Census 2011 analyses, community demographic profiles, results of surveys, or previously collected evidence material. The contextual comparator data tables you may have featured above could equally be inserted here, or referred to here, to show use made of such evidence*



*If the evidence is on the Council website, hyperlinks could usefully be inserted here. Please comment on the use of evidence in enabling the service area to identify its proposed policy or service change.*

*If this ESIIA is a screening one carried out at the end of a period of consultation, use this box to outline the feedback and whether as a consequence there are any adjustments now envisaged to what was originally proposed.*

### **Specific consultation and engagement with intended audiences and target groups for the service change**

*This box relates to any specific consultation with the audiences for the service. This could be online surveys, use of social media, one off focus groups, events, drop in sessions, meetings with stakeholder groups, etc.*

*Please also use this box to say if you have not carried out consultation but are planning to do so. For example, this might be an ESIIA at the beginning of a proposed consultation period. You could therefore give timelines and intended methods of communication and engagement.*

### **Initial assessment for each group**

***Please rate the impact that you perceive the service change is likely to have on a group, through inserting a tick in the relevant column. Please add any extra notes that you think might be helpful for readers.***

<b>Protected Characteristic groups and other groups in Shropshire</b>	<b>High negative impact Part Two ESIIA required</b>	<b>High positive impact Part One ESIIA required</b>	<b>Medium positive or negative impact Part One ESIIA required</b>	<b>Low positive or negative impact Part One ESIIA required</b>
<b>Age</b> (please include children, young people, people of working age, older people. Some people may belong to more than one group e.g. child for whom there are safeguarding concerns e.g. older person with disability)				
<b>Disability</b> (please include: mental health conditions and syndromes including autism; physical disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; HIV)				
<b>Gender re-assignment</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
<b>Marriage and Civil Partnership</b> (please include associated aspects: caring				

responsibility, potential for bullying and harassment)				
<b>Pregnancy &amp; Maternity</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
<b>Race</b> (please include: ethnicity, nationality, culture, language, gypsy, traveller)				
<b>Religion and belief</b> (please include: Buddhism, Christianity, Hinduism, Islam, Judaism, Non-conformists; Rastafarianism; Sikhism, Shinto, Taoism, Zoroastrianism, and any others)				
<b>Sex</b> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				
<b>Sexual Orientation</b> (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				
<b>Other: Social Inclusion</b> (please include families and friends with caring responsibilities; people with health inequalities; households in poverty; refugees and asylum seekers; rural communities; people for whom there are safeguarding concerns; people you consider to be vulnerable)				

### Identification of likely impact of the service change in terms of other considerations including climate change and health and well being

*This is the section in which to please outline any other considerations, which may be in terms of economic impact, environmental and climate change assessments, health and well-being, or any wider societal considerations. We are not looking for financial or legal impacts, which will be picked up in committee reports. This section is more a record of other likely impacts that may adversely or positively affect those who live in, work in and visit Shropshire.*

*Please use this section to insert background to any Climate Change Appraisal completed for the committee report associated with this ESIIA, or internal record of appraisal if this is a working document.*

*Cabinet gave recent approval to the use of health impact assessments. This proposal provides an early opportunity for utilising the guidance that has been developed by Public Health colleagues with regard to impact upon health and well-being, in order to more fully capture health and well-being benefits.*

*You could also usefully indicate at this point*

- *if there are any potential Human Rights implications. For example, is there a potential breach of one or more of the human rights of an individual or group?*
- *If the service changes as proposed may have a positive or negative impact on fostering good relations and/or on promoting social inclusion.*

## **Guidance Notes**

### **1. Corporate and Service Area Policy and Practice on Equality and Social inclusion**

This involves taking an equality and social inclusion approach in planning changes to services, policies or procedures, including those that may be required by Government.

The decisions that you make when you are planning a service change need to be recorded, to demonstrate that you have thought about the possible equality impacts on communities and to show openness and transparency in your decision-making processes.

This is where Equality and Social Inclusion Impact Assessments (ESIAs) come in. Where you carry out an ESIA in your service area, this provides an opportunity to show:

- What evidence you have drawn upon to help you to recommend a strategy or policy or a course of action to Cabinet;
- What target groups and audiences you have worked with to date;
- What actions you will take in order to mitigate any likely negative impact upon a group or groupings, and enhance any positive effects for a group or groupings; and
- What actions you are planning to review the impact of your planned service change.

The formal template is there not only to help the service area but also to act as a stand-alone for a member of the public to read.

The approach helps to identify whether or not any new or significant changes to services, including policies, procedures, functions or projects, may have an adverse impact on a particular group of people, and whether the human rights of individuals may be affected.

This assessment encompasses consideration of social inclusion. This is so that we are thinking as carefully and completely as possible about all Shropshire groups and communities, including people in rural areas and people we may describe as

vulnerable, for example due to low income or to safeguarding concerns, as well as people in what are described as the nine 'protected characteristics' of groups of people in our population, e.g. Age. We demonstrate equal treatment to people who are in these groups and to people who are not, through having what is termed 'due regard' to their needs and views when developing and implementing policy and strategy and when commissioning, procuring, arranging or delivering services.

When you are not carrying out an ESIIA, you still need to demonstrate that you have considered equality in your decision-making processes. It is up to you what format you choose. You could use a checklist, an explanatory note, or a document setting out our expectations of standards of behaviour, for contractors to read and sign. It may well not be something that is in the public domain like an ESIIA, but you should still be ready for it to be made available.

**Both the approaches sit with a manager, and the manager has to make the call, and record the decision made on behalf of the Council. Help and guidance is also available via the Commissioning Support Team, either for data, or for policy advice from the Rurality and Equalities Specialist. Here are some examples to get you thinking.**

*Carry out an ESIIA:*

- If you are building or reconfiguring a building;
- If you are planning to reduce or remove a service;
- If you are consulting on a policy or a strategy;
- If you are bringing in a change to a process or procedure that involves other stakeholders and the wider community as well as particular groupings

For example, there may be a planned change to a leisure facility. This gives you the chance to look at things like flexible changing room provision, which will maximise positive impacts for everyone. A specific grouping that would benefit would be people undergoing gender reassignment

*Carry out an equality and social inclusion approach:*

- If you are setting out how you expect a contractor to behave with regard to equality, where you are commissioning a service or product from them;
- If you are setting out the standards of behaviour we expect from people who work with vulnerable groupings, such as taxi drivers that we license;
- If you are planning consultation and engagement activity, where we need to collect equality data in ways that will be proportionate and non-intrusive as well as meaningful for the purposes of the consultation itself;
- If you are looking at services provided by others that help the community, where we need to demonstrate a community leadership approach

For example, you may be involved in commissioning a production to tour schools or appear at a local venue, whether a community hall or somewhere like Theatre Severn. The production company should be made aware of our equality policies and our expectation that they will seek to avoid promotion of potentially negative stereotypes. Specific groupings that could be affected include: Disability, Race,

Religion and Belief, and Sexual Orientation. There is positive impact to be gained from positive portrayals and use of appropriate and respectful language in regard to these groupings in particular.

## **2. Legal Context**

It is a legal requirement for local authorities to assess the equality and human rights impact of changes proposed or made to services. It is up to us as an authority to decide what form our equality impact assessment may take. Carrying out ESIIAs helps us as a public authority to ensure that, as far as possible, we are taking actions to meet the general equality duty placed on us by the Equality Act 2010, and to thus demonstrate that the three equality aims are integral to our decision making processes. These are: eliminating discrimination, harassment and victimisation; advancing equality of opportunity; and fostering good relations.

Service areas would ordinarily carry out a screening assessment, or Part One equality impact assessment. This enables energies to be focussed on review and monitoring and ongoing evidence collection about the positive or negative impacts of a service change upon groupings in the community, and for any adjustments to be considered and made accordingly.

If the screening indicates that there are likely to be significant negative impacts for groupings within the community, the service area would need to carry out a full report, or Part Two assessment. This will enable more evidence to be collected that will help the service area to reach an informed opinion. Please contact the equality policy lead within the Council for more advice and guidance in this regard, as per details below.

***For further information on the use of ESIIAs: please contact your head of service or contact Mrs Lois Dale, Rurality and Equalities Specialist and Council policy support on equality, via telephone 01743 258528, or email [lois.dale@shropshire.gov.uk](mailto:lois.dale@shropshire.gov.uk).***