

## Delegated Cabinet Member Decision Report

<b>Decision Maker and Portfolio area:</b>	<b>CLlr Arooj Shah, Deputy Leader and Cabinet Member for COVID 19 response</b>
<b>Date of Decision:</b>	<b>9 October 2020</b>
<b>Subject:</b>	<b>Test and Trace Support Payments</b>
<b>Report Author:</b>	<b>Caroline Lee, Head of Revenues, Benefits and Business Support</b>
<b>Ward(s) Affected:</b>	All

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**Reason for the decision:** The purpose of the report is to inform Members about the Government's Test and Trace Support Payment Scheme which is effective from 28 September and to seek approval for the proposed policy for the Discretionary Test and Trace Support Payment scheme which must be in place by 12 October 2020.

**Summary:** Following the introduction of a new legal obligation to self-isolate if someone tests positive for COVID-19 or is identified as a contact by NHS Test and Trace, the Government has also introduced a new Test and Trace Support lump sum payment of £500 to support those on low incomes if they cannot work during their self-isolation period and will suffer a loss of income as a result. This payment is being administered by Local Authorities.

The Government is also providing Local Authorities with a discretionary fund to support those who also require financial support because they must self-isolate but do not meet the full criteria for the main Test and Trace Support payment.

The purpose of the report is to inform Members about the Government's Test and Trace Support Payment Scheme which is effective from 28 September and to seek approval for the proposed policy for the Discretionary Test and Trace Support Payment scheme which must be in place by 12 October 2020. The policy replicates an agreed approach across Greater Manchester Local Authorities to ensure consistency for residents across the region.

The Government has provided the Council with funding to deliver the Test and Trace Support Payment scheme of £129,000 and funding of £77,403 to deliver discretionary support to those who are ineligible for the main scheme. The scheme supports those on low incomes to ensure they self-isolate when they test positive or are identified as a contact, and to encourage more people to get tested.

This report sets out the proposal for how the council should award the Discretionary grants of £500 to help to reduce the transmission of COVID-19, reduce hardship and avoid further societal and economic restrictions, including local lockdowns.

***What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):***

Option 1 That the proposed Discretionary Test and Trace Support Payment Policy is approved as set out in the main body of this report at paragraphs 1.15 -1.19. This will support people on a low income who are not eligible for the Test and Trace Support Payment scheme and will target the limited support available to help those in most need to self- isolate. It also complies with the mandatory criteria set by the Government for the discretionary scheme. This approach also ensures that the policy is consistent with the approach taken by Local Authorities across Greater Manchester.

Option 2 That the Discretionary Test and Trace Support Payment Policy is not approved. Not having clear criteria for the scheme will leave the Council open to challenge and the operation of any discretionary scheme would be inconsistent with the approach taken by the other GM Local Authorities

**Recommendation(s):**

That Option 1 – The Discretionary Test and Trace Support Payment Scheme is approved as presented at 1.15 to 1.19 which ensures that the policy and approach is consistent with that taken by Local Authorities across Greater Manchester.

**Implications:**

*What are the **financial** implications?*

The Government has provided funding of £245,598 for the Council to implement the Test and Trace Support Payment scheme. The funding covers 4 months up to 31 January 2021. The breakdown is as follows:

- £129,000 payments to applicants (programme costs)
- £77,403 discretionary payments
- £39,195 administration costs

Conditions:

The programme costs will be subject to a reconciliation which means authorities may need to return funds if payments made are less than the allocation.

The discretionary payment is a fixed four-month envelope which not be topped up or subject to a reconciliation.

Administration costs are not subject to a reconciliation.

The grant will be monitored in line with conditions outlined above. (Nicola Harrop – Finance Manager)

*What are the **procurement** implications?*

None

*What are the **legal** implications?*

Option 1 is supported. Failure to provide the support payment would not be in line with GM and would likely have a detrimental effect upon the those who would be missing out on such a payment. The impact of this is compounded by the fact that the individuals affected would be those financially vulnerable within the borough.

A failure to provide this payment contrary to the rest of GM would likely leave the Council not only open to reputational damage but also to a potential Judicial Review of the Council's decision making. – Alex Bougatef – Group Lawyer Litigation

What are the **Human Resources** implications?

None

What are the **Children and Young People** Implications?

None

**Equality and Diversity Impact Assessment** attached or not required because (please give reason)

Not applicable. The approach is to support those individuals that are impacted by COVID-19 and to ensure that anyone who applies for the discretionary payment and meets the criteria is considered on a fair and equitable basis both within Oldham and across Greater Manchester.

What are the **property** implications?

None

**Risks:**

Failure to operate the payment programme promptly and effectively would present a reputational challenge for the Council. However, it is important that operational arrangements put in place are effective and have regard Government guidance and the levels of funding available.

The development of suitable controls and clear payment criteria (as described in this report) will minimise the risk of loss to the Council from fraud and error. Anne Ryans

**Co-operative agenda**

The approval of a Test and Trace Discretionary Policy including the collaboration with Great Manchester Local Authorities to ensure consistency of approach across the region fits with the co-operative ethos of the Council

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Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?

Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

No

**List of Background Papers under Section 100D of the Local Government Act 1972:**

<b>Title</b>	<b>Available from</b>
Test and Trace Support Payments: Implementation Guide for Local Authorities (the final version of the guidance will be published on the Gov.uk website)	<a href="http://www.gov.uk/government/organisations/department-of-health-and-social-care">www.gov.uk/government/organisations/department-of-health-and-social-care</a>

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<b>Report Author Sign-off:</b>	
Caroline Lee	Head of Revenues, Benefits and Business Support
<b>Date:</b>	8.10.2020

## 1.0 Background

1.1 Oldham Council along with Blackburn with Darwen and Pendle Council were chosen to pilot the Self- Isolation Payments scheme (the precursor to Test and Trace Support payments scheme) from 1 September 2020. This offered payments of between £130 and £182 for those who test positive for COVID-19 and household and non- household contacts told to self- isolation by the NHS and who are recorded on the national Contact Tracing and Advice Service (CTAS) system. Payments were available to those employed or self- employed earners also in receipt of specified benefits such as Housing Benefit and Universal Credit. The scheme was only available to those who would lose earned income as a result of self- isolating e.g. where statutory sick pay could not be claimed etc.

1.2 The Government decided to roll out the scheme nationally from 28 September 2020 and increase the payments to £500.

To be eligible for the £500 Test and Trace Support Payment, an individual must:

- Have received an NHS Test and Trace notification to self-isolate between 28 September 2020 and 31 January 2021 either because they've tested positive for coronavirus or have recently been in close contact with someone who has tested positive; The self-isolation start date must be on or after 28 September 2020.
- be employed or self-employed;
- be unable to work from home and will lose income as a result; and
- be currently receiving Universal Credit, Working Tax Credit, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit.

1.3 During the application process, applicants will be asked to provide:

- a notification from NHS Test and Trace asking them to self-isolate (this will include a Unique ID number);
- a bank statement;
- proof of employment, or, if they are self-employed, evidence of self-assessment returns, trading income and proof that their business delivers services which cannot be undertaken without social contact; and
- Proof of their income benefits

1.4 Oldham's allocation for the scheme, which will run for four months until 31 January 2021 is £129,000 for the main scheme, £77,403.19 for the Discretionary Scheme. The Council will also be funded for the administrative costs of operating the scheme payable by way of a down payment to authorities followed by monthly payments thereafter if required.

- 1.5 Local authorities are required to administer this scheme and provide residents with an application process and to make payments.
- 1.6 The Council's online application form is live, and applicants can be supported over the telephone if they need help in submitting an application. It is anticipated that as most of these applicants are in employment, they will be able to make the application online. A similar system is being used to capture and administer applications to the one used for the Cash Grant scheme for businesses as this proved to be a very secure, smart, efficient and effective system for capturing information, processing it, passing it through for final approval and getting the payments out quickly.
- 1.7 Applications will be processed by The Benefits Service as they have access to Department for Work and Pensions (DWP) systems to check means tested benefit entitlements. They will also be given the data from the CTAS system to verify that the unique ID number provided on an application matches the ID for the applicant. Valid applications will be processed and paid within 3 days of receipt of a completed application which has been supported by the relevant documents to show the eligibility criteria has been met and applicants will be notified if their application has been successful. Payments will be made by faster payments which will ensure the payment clears into the applicant's bank account immediately rather than taking 3 working days to pass through the banking system if payment is made by BACS. The aim is to make the payments swiftly to encourage affected residents to stay at home, self-isolate and stop the spread of the virus. The approach will be reviewed during the lifespan of the scheme and may change if this is necessary; for example, on the advice of the bank or to prevent fraud and error.
- 1.8 Applicants will be required to provide evidence that they meet the criteria and checks will be made against the NHS Test and Trace data, DWP income benefit records and with employers to verify that the applicant cannot work from home and will suffer a loss of income as a direct result of the requirement to self-isolate. Post-payment sample checks will also be carried out to check that income did reduce during the period of self- isolation.
- 1.9 Individuals can claim more than once if they meet the eligibility criteria for each separate occasion and there is no overlap with a previous self-isolation period. More than one person per household can claim providing they individually meet the eligibility criteria. Eligible individuals can make a claim up to 14 days after their period of self-isolation ends and backdated applications cannot be considered after that period has elapsed.
- 1.10 The Government has indicated that they anticipate that around 800 people per day nationwide (4 per local authority) may be eligible for the payment based on current testing rates but this is only an indication and is likely to increase with increased testing.
- 1.11 Local authorities will not be liable for the costs of any fraudulent claims and will be entitled to recoup the money and use it to put towards the ongoing costs of running the scheme.
- 1.12 The Government is aware that currently those told to self-isolate by hospitals, care homes and prisons do not receive a notification from the NHS Test and Trace system but instead receive it from the establishment themselves. They are working with these establishments to ensure that they are fed through the NHS Test and Trace system

so that people get the correct unique ID to be able to make a claim for a Test and Trace Support payment.

1.13 Test and Trace Support payments will be taxable but exempt from National Insurance contributions. The Council will be required to notify the Government of all payments so they can apply relevant tax to future earnings. The Council will not be required to calculate and deduct tax from the payment.

1.14 The Council will also be asked to provide data to the Government about the number of applicants who complete a claim that are eligible, ineligible and who apply but are prevented from completing the application because the information they enter immediately identifies that they are ineligible.

#### 1.15 **The Discretionary Test and Trace Grant Scheme.**

Local Authorities have discretion to apply their own criteria to create a local policy for the discretionary payment scheme providing that the applicant meets the mandatory criteria for the Discretionary Scheme which has been set by the Government.

The Greater Manchester Revenues and Benefits Managers Forum has discussed a proposed set of principles for targeting support to those who would be eligible to apply for the discretionary payment to ensure a consistent approach across Greater Manchester.

Under this proposed collaborative agreement, the Council will consider making a £500 discretionary payment to individuals who:

- have been told to stay home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive
- are employed or self-employed; and
- are unable to work from home and will lose income as a result.

In addition, the discretionary payment is for people:

- who have property related costs, e.g. rent/mortgage and are liable for Council Tax (occupied properties only). The Council may consider applications from those who are not liable for Council Tax where a formal tenancy agreement is in place: and
- who are not currently receiving Universal Credit, Working Tax Credit, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit; and
- who are on low incomes and will face financial hardship as a result of not being able to work while they are self-isolating.
- Who have no recourse to public funds if they meet criteria set out above.

1.16 The GM approach broadly supports residents who have property related costs to ensure that support is pre-dominantly aimed at those who are required to keep up with core household bills while they are unable to work and self-isolating. A common approach has also been developed to determine low income. This will be defined in relation to the limits set for determining the Benefit Cap. These limits are £20,000 per



annum (£384.62 per week) for a couple or single parent applicant where the children live with the applicant and £13,400 per annum (£257.62 per week) for a single claimant. The income of the applicant and partner will be taken into account when determining the scheme.

- 1.17 The discretionary scheme will not normally apply for students (although some students may qualify for the main Test and Support Payment scheme if they satisfy the eligibility criteria). The Government has given £256m of hardship funding <sup>1</sup>to Universities to support students affected by COVID 19 in this academic year so the Council will signpost ineligible students to this support where applicable.
- 1.18 The Council may also consider applications outside of these criteria (as long as the mandatory criteria for the scheme set by the Government are met) in exceptional circumstances, for example where a household's income is marginally above the benefit cap levels and the applicant would be facing severe financial hardship without the award of £500.
- 1.19 The Council will refer applicants to other available avenues of support such as the Local Welfare Provision (LWP) Scheme/ Community Hubs/ Welfare Rights Service, Debt Advice Agencies and other help as appropriate.
- 1.20 Applications for both the Test and Trace Discretionary Payment and the Discretionary Scheme will be submitted via one webform application route; the Benefit team will determine the outcome of the respective application(s) by considering the information provided by the applicant on the webform.

## **2.0 Proposals**

- 2.1 Option 1 That the proposed Discretionary Test and Trace Support Payment Policy is approved as set out in paragraphs 1.15 -1.19. This will support people on a low income who are not eligible for the Test and Trace Support Payment scheme and will target the limited support available to help those in most need to self- isolate. It also complies with the mandatory criteria set by the Government for the scheme This approach also ensures that the policy and approach is consistent with the approach taken by Local Authorities across Greater Manchester.
- 2.2 Option 2 - That the Discretionary Test and Trace Support Payment Policy is not approved. Not having clear criteria for the scheme will leave the Council open to challenge and the operation of any discretionary scheme would be inconsistent with the approach taken by the other GM Local Authorities.

## **3.0 Conclusions**

- 3.1 That Option 1 – The Discretionary Test and Trace Support Payment Scheme as set out at 1.15 to 1.19 is approved. This will support those persons on a low income that are not eligible for the Test and Trace Support Payment scheme and will target the limited support available to help those in most need to self- isolate. This approach

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<sup>1</sup> <https://www.gov.uk/government/speeches/return-of-students-to-universities-statement>

also ensures that the policy and approach is consistent with that taken by Local Authorities across Greater Manchester

In consultation with

Cllr Arooj Shah Deputy Leader and Cabinet Member for COVID 19 Response



9 October 2020

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Date: \_\_\_\_\_

Anne Ryans Director of Finance



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Date: \_\_ 11 October 2020 \_\_

Paul Entwistle Director of Legal Service



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Date: \_\_ 12 October 2020 \_\_