

## 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>16 March 2021</b>
<b>Subject:</b>	<b>Test and Trace Support Payments Discretionary Scheme</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:** .

**Summary:** Test and Trace Support Payments are lump sum payments of £500 which are available to support those on low incomes if they cannot work during their self-isolation period and will suffer a loss of earned income as a result. The national scheme has been in place since 28 September 2020 and has now been extended to the end of June 2021.

The main scheme covers those who have been told to self-isolate by NHS Test and Trace or the NHS COVID-19 app and who have engaged with NHS Test and Trace and have a Test and Trace account ID. Applicants can be either employed or self-employed and must be in receipt of one of the following benefits:

- Universal Credit
- Working Tax Credit
- Income-related Employment and Support Allowance
- Income-based Jobseeker's Allowance
- Income Support
- Housing Benefit

- Pension Credit

The Government has also allocated discretionary funding to support those who meet all the main scheme criteria set out above but who are not in receipt of one of the qualifying benefits. Recipients must be on low incomes and will suffer financial hardship as a result of self-isolating and payment can be made to those with no recourse to public funds.

At the outset of the scheme, common discretionary scheme eligibility criteria were agreed across Greater Manchester so that the limited cash funding, which the Government advised at the time would not be topped up, was distributed to those in most need. The decision to adopt the GM discretionary scheme was made by delegated decision on 13 October 2020.

However, this has resulted in low numbers of residents becoming eligible for the scheme. The Government has also topped up the discretionary fund twice and intends to allocate £20 million of funding nationally from March until the end of June.

The purpose of this report is to present options for an amendment to the Council's discretionary Test and Trace Support Payment Scheme criteria to increase the reach of the fund and support more residents to self-isolate when financial concerns act as a barrier to do so.

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

Option 1 That the revised criteria for the Discretionary Test and Trace Support Scheme is agreed, effective from 1 February 2021.

This option will entail revisiting approximately 96 recent cases turned down under current criteria from 1 February 2021 with a view to making payments retrospectively. This will increase spend, alleviate existing financial hardship and support more residents before the end of the 2020/2021 financial year.

Option 2: That the revised Discretionary Test and Trace Support Payment Policy is not agreed and the existing policy remains in place. This

option will not increase the number of Oldham residents supported by the discretionary scheme

**Recommendation(s):**

That Option 1 is approved and the revised criteria for the Discretionary Test and Trace Support Scheme is agreed, effective from 1 February 2021.

This option will entail revisiting approximately 96 recent cases turned down under current criteria from 1 February 2021 with a view to making payments retrospectively. This will increase spend, alleviate existing financial hardship and support more residents before the end of the 2020/2021 financial year.

**Implications:**

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

The Test and Trace Support payment scheme commenced in September 2020 and was originally in place until the end of January 2021, however it has been extended to June 2021.

The grant is split into 3 components:

- Main scheme – is subject to a reconciliation and any overspends will be topped up and any underspends will be recouped at the end of the scheme.
- Discretionary scheme – is a fixed amount and not subject to a reconciliation, which means any overspends will not be covered and underspends cannot be recouped.
- Administration – not subject to a reconciliation.

The grant has been topped up twice since the original allocation was awarded in September 2020. As outlined in table 1 of the report the current position is as follows:

	Grant awarded	Payments at 27th Feb	Balance
Main scheme	£ 549,500	£ 455,500	£ 94,000
Discretionary	£ 224,000	£ 15,500	£ 208,500
Administration	£ 92,601	£ 92,601	£ -
	£ 866,101	£ 563,601	£ 302,500

Further top of funding for the main scheme and administration costs will be provided to local authorities in March 2021.

The discretionary scheme payments have been low due to the current eligibility criteria, and the recommended option is to revise the criteria and revisit approximately 96 cases that have been previously turned down. If these cases were successful, the charge against the discretionary scheme would be £48,000.

The grant determination 31/5385 dated 17<sup>th</sup> February 2021 has indicated that any underspends on the third grant allocation can be carried into the next financial year.

(Nicola Harrop – Finance Manager)

What are the **procurement** implications?

None

What are the **legal** implications?

Option 1 is supported, revisiting applications from the date of the 1st February 2021 when further funds were provided to the Council to operate the scheme. This would be a fair and transparent decision that offers greater support to the qualifying residents of Oldham. 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 across Oldham.

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. (Mark Stenson – Head of Corporate Governance)

### Co-operative agenda

The approval of a Test and Trace Discretionary Policy to support residents to self-isolate is consistent with the co-operative ethos and values 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:

Title	Available from
Test and Trace Support Payments delegated decision 09.10.2020	<a href="http://www.oldham.gov.uk">www.oldham.gov.uk</a>

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<b>Report Author Sign-off:</b>	
Caroline Lee	Head of Revenues, Benefits and Business Support
<b>Date:</b>	16.3.2021

### 1.0 Background

- 1.1 The National Test and Trace Support payments scheme launched on 28 September 2020 and was originally scheduled to operate until 31 January 2021, it has now been extended twice, most recently to the end of June 2021. In addition to the national scheme, Local Authorities (LAs) also determined the parameters for their discretionary scheme which has been operating in conjunction with the national scheme.
- 1.2 The Test and Trace Support Payment scheme offers a one off payment of £500 for those told to self-isolate by NHS Test and Trace because they have tested positive for coronavirus or have been in contact with someone who has tested positive and are recorded on the national Contact Tracing and Advice System (CTAS). Payments are available to those employed or self-employed earners also in receipt of benefits such as Housing Benefit, Universal Credit and other means tested benefits, who will lose earned income as a result of self-isolating e.g. where statutory sick pay cannot be claimed or where the individual cannot work from home.
- 1.3 Eligibility criteria is quite strict, so high numbers of applications are not successful. Reasons for the high numbers of unsuccessful applications can be because:
- Residents are unclear that the scheme is designed to support people in work who lose earned income as a result of self – isolating. If wages are covered in full by an employer or the applicant can work from home while self- isolating – the applicant does not qualify. The Government is working on improving national communications to ensure residents are not signposted to the scheme incorrectly.
  - Residents must have been told to self- isolate by NHS Test and Trace (or via the NHS COVID 19 app). They also must engage with NHS Test and Trace including registering their contacts to help fight the spread of the virus and respond to calls and texts from the team
  - For the main scheme, residents also need to be in receipt of one of the following benefits because the scheme is designed to support those who are working but on low incomes overall (given their entitlement to benefit)
    - Universal Credit
    - Working Tax Credit
    - Income-based Employment and Support Allowance
    - Income-based Jobseeker’s Allowance
    - Income Support
    - Housing Benefit
    - Pension Credit
- 1.4 The guidance also allows for LAs to award discretionary payments of £500 to individuals who satisfy most of the eligibility criteria for the main scheme but are not in receipt of the qualifying benefits. LAs can add additional criteria to their schemes so long as the mandatory criteria are also satisfied.
- 1.5 At the point the Test and Trace Support Payment scheme was introduced, Greater Manchester LAs were facing an escalating position of cases with an unknown future level of demand for the Discretionary Scheme (as well as a cash limited pot from the Government to deliver the scheme). In order to get some consistency across the region and to prioritise support where it was most needed, GM agreed discretionary criteria collectively. The criteria for the discretionary scheme agreed across is set out at Appendix 1 and prioritised support for those with property related costs and used Benefit Cap levels to determine low income.

## 2.0 Current Position

- 2.1 Expenditure on the discretionary scheme has been low and across GM, it was agreed to revisit eligibility criteria so that more residents could be supported across the region. The appetite to agree a revised GM scheme was not great but all GM authorities agreed (via the GM emergency committee on 3 February 2021) to look at their schemes individually with a view to maximising eligibility for their schemes. The eligibility criteria were amended with Cabinet Member approval on 10 February 2021 as set out in Appendix 2 effectively increasing the income thresholds and removing the property related qualifying criteria. However, although discretionary payments have increased, they are still very low and a further amendment to the scheme would be appropriate.
- 2.2 Table 1 sets out Main Scheme and Discretionary Scheme Allocations as at 26 February 2021 across GM.

Table 1	Test & Trace Support Payment Scheme - Main/Standard Scheme						
	Initial Allocation	Additional Allocation	Total Allocation	Vol of Successful applicants	Vol of Unsuccessful applicants	% Successful applicants	Value of successful applicants
<b>Bolton</b>	£151,500	£245,000	£396,500	760	1953	28%	£380,000
<b>Bury</b>	£86,500	£96,500	£183,000	390	392	50%	£195,000
<b>Manchester</b>	£378,000	£323,000	£701,000	1464	1609	47%	£732,000
<b>Oldham</b>	£129,000	£420,500	£549,500	911	803	53%	£455,500
<b>Rochdale</b>	£127,000	£464,000	£591,000	1061	1868	36%	£530,500
<b>Salford</b>	£152,000	£38,000	£190,000	359	1136	24%	179,500
<b>Stockport</b>	£122,000	£101,500	£223,500	390	338	54%	£195,000
<b>Tameside</b>	£121,500	£211,500	£333,000	591	176	77%	£295,500
<b>Trafford</b>	£89,000	£114,500	£203,500	423	219	66	£211,500
<b>Wigan</b>	£156,000	£163,500	£319,500	591	1590	27%	£295,500
<b>GM Total</b>	<b>£1,512,500</b>	<b>£2,178,000</b>	<b>£3,690,500</b>	<b>6940</b>	<b>10084</b>	<b>41%</b>	<b>£3,470,000</b>
Table 1	Test & Trace Support Payment Scheme - Discretionary Scheme						
	Initial Allocation	Additional Allocation	Total Allocation	Vol of Successful applicants	Vol of Unsuccessful applicants	% Successful applicants	Value of successful applicants
<b>Bolton</b>	£91,035	£36,464	£127,499	32	867	4%	£16,000
<b>Bury</b>	£51,982	£21,518	£77,500	34	351	9%	£17,000
<b>Manchester</b>	£226,671	£168,829	£395,500	421	2221	16%	£210,500
<b>Oldham</b>	£77,403	£146,597	£224,000	31	715	4%	£15,500
<b>Rochdale</b>	£73,315	£52,000	£125,315	138	* As above		£69,000
<b>Salford</b>	£91,459	£39,541	£131,000	62	980	6%	31,000
<b>Stockport</b>	£73,465	£71,535	£145,000	54	861	6%	£27,000
<b>Tameside</b>	£73,134	£76,366	£149,500	113	669	14%	£56,500
<b>Trafford</b>	£53,535	£35,464	£88,999	115	226	34%	57,500
<b>Wigan</b>	£93,613	£33,887	£127,500	216	1374	14%	£108,000
<b>GM Total</b>	<b>£905,612</b>	<b>£682,201</b>	<b>£1,591,813</b>	<b>1216</b>	<b>8264</b>	<b>13%</b>	<b>£608,000</b>

2.3 Funding allocations for Oldham Council to deliver the scheme from September 2020 to 31 March 2021 are set out below

- Main Scheme £549,500
- Discretionary Scheme £224,000
- Administration £92,601

The Government will cover the costs of awards made via the main scheme so this funding is sufficient regardless of demand.

The discretionary scheme is a cash limited pot (although our initial allocation of £77,403 has very recently been increased twice by £36,597 and most recently by a further £110,000) The grant determination letter for the last £110,000 addition to the discretionary pot states that any underspend can be carried forward into the next financial year.

2.4 **Changes to the Discretionary Scheme**

The discretionary scheme has now been subject to more extensive review. This has entailed a qualitative evaluation of residents' experience of the hardship they are experiencing and the key financial barriers to self – isolation in more depth. Some comments about the financial hardship experienced by residents when applying for support are set out below.

*'I have worked as an essential worker Throughout the pandemic. I will not get paid for my inbuilt overtime which amounts to at least £130 per week for example the Saturday collections and additional shifts that are part of the contracted duty but unpaid if I am not in. I rely upon this income to cover the cost of my mortgage and I will feel hardship at the loss and have to choose between payment for bills or food for my children who are also home self- isolating '.*

*'I have a mortgage to pay for, child maintenance to pay, council tax, a loan payment, along with the rest of the bills. I cannot get by when I've been told I have to self-isolate with ssp it does not cover it in the slightest. People on benefits are covered than people who actually pay into the system, It's not right I would rather be at work!'*

*'I live alone and pay full rent, council tax, electric, water rates etc. I have vehicle expenses i.e. tax/insurance etc. I am unable to work from home and will have no wage for 2 weeks!'*

*'Can't work from home, staying inside every day with a low income due to pub closing for 2 weeks or longer depending on situation with staff health.'*

*'I am on a zero hour contract so do not have any stability. I usually earn around £800 per month on this contract. However, when I am self- isolating I only receive around £400 a month in SSP. I have a house that costs £525 per month and I am not even receiving the money to cover my rent, let alone other things such as food. This is also my third time self- isolating.'*

*'Having to take 2 weeks from self employment will lose me £700. I've got rent, car and other financial commitments that this will severely interrupted. Not only this but letting my customers down who have to work for 2 weeks. I might lose customers.'*

2.5 The following eligibility criteria for the scheme is proposed. The aim is to widen the approach to determining financial hardship while maintaining compliance with the nationally set parameters for the scheme. It is proposed that the amendment to the scheme takes effect from 1 February 2021. The policy change would then align with the Government's decision to extend the scheme beyond 31 January 2021 and its decision to increase funding available for the discretionary scheme. These changes enable the Council to widen the parameters of the operation of the discretionary scheme from this date including revisiting applications currently rejected from this date. In turn, this will maximise support for



and alleviate financial hardship experienced by residents and increase spend of the discretionary pot to the end of March 2021.

## 2.6 Oldham Council Test and Trace Support Payment Discretionary Scheme

The Council will consider making a £500 discretionary payment to individuals who:

- Have been told to self-isolate by the NHS COVID app or NHS Test and Trace 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
- Are unable to work from home and will lose income as a result

In addition, the discretionary payment is for people

- Who are not currently receiving Universal Credit, Working Tax Credit, income related Employment and Support Allowance, income based Jobseekers Allowance, Income Support, Housing Benefit and 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; or
- Have no recourse to public funds

Low income for the purpose of the discretionary scheme is defined as

	Earned income per week (gross)	Earned income per annum (gross)
Single Adult	£326.92	£17,000
Couple	£500.00	£26,000
Earnings Disregard per child <sup>1</sup>	£68.60	£3,567.20

Other factors that will also be considered in determining financial hardship and awarding a payment under the scheme are set out below (One or more factors can be taken into account and this list is not exhaustive)

Costs	The applicant's property related costs, e.g. rent/mortgage/liability for Council Tax (occupied properties only).
	The applicant's outgoings and how failure to meet these commitments would result in financial hardship for dependents e.g. loss of maintenance payments or additional costs for the applicant e.g. failure to pay loans

<sup>1</sup> • The definition of a child is any person:

- o who will be under the age of 19 as at 31 March 2021; or
- o a person aged 19 or over in respect of whom a child-related benefit (for example, Child Benefit) is paid or free school meals are provided. NB the earnings disregard applicable for a child may also cover young people aged 19 to 25 with special educational needs and disability (SEND) and/or care leavers

Earned Income Impacts	The applicant is self-employed and business since March 2019 has been impacted significantly by COVID in key sectors such as retail, leisure and hospitality
	The applicant is self-employed and self-isolation could result in future hardship e.g. loss of customers over medium term who chose to use different suppliers as a result of closure of business/failure to meet customer expectations
	The number of times the applicant has had to self – isolate (cumulative impact of financial hardship)
	The extent to which loss of commission /overtime is impacting on financial hardship
Welfare of the family including children	The immediate financial needs of the adults and children in the family for basic support to sustain them adequately over the self-isolation period such as food and fuel are at risk of not being covered.

### 3.0 Proposals

- 3.1 Option 1 is that the proposed revised criteria for the Discretionary Test and Trace Support Payment Scheme as set out in paragraph 2.3. is agreed and that the revised criteria is effective from 1 February 2021. This would entail revisiting approximately 97 recent cases turned down under current criteria with a view to assessing eligibility for payments retrospectively. This will increase spend, alleviate existing financial hardship and support more residents before the end of the 2020/2021 financial year.
- 3.2 Option 2 is that the revised Discretionary Test and Trace Support Payment Policy is not agreed and the existing policy remains in place. This option will not increase the number of Oldham residents supported by the discretionary scheme

#### 4.0 Conclusions

- 4.1 That Option 1 is approved and the proposed revised criteria for the Discretionary Test and Trace Support Payment Scheme as set out in paragraph 2.3. is agreed and that the revised criteria is effective from 1 February 2021. This would entail revisiting approximately 97 recent cases turned down under current criteria with a view to assessing eligibility for payments retrospectively. This will increase spend, alleviate existing financial hardship and support more residents before the end of the 2020/2021 financial year.

In consultation with

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



Date: 17/03/2021

Anne Ryans Director of Finance



Date: 24/03/2021

Paul Entwistle Director of Legal Service



Date: 24/03/2021

## **Appendix 1 GM Discretionary Scheme from 28 September 2020**

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; or
- have no recourse to public funds if they meet the above criteria.

Low income is defined as £384.63 per week (£20,000 a year) if you are in a couple or are a single parent and your children live with you; or £257.69 per week (£13,400 a year) if you are a single adult.

## **Appendix 2 Oldham Council Discretionary Scheme amended criteria from 10 February 2021**

The discretionary scheme is for those

The Council will consider making a £500 discretionary payment to individuals who:

- have been told to stay home and self-isolate by the NHS COVID app or 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 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; or
- have no recourse to public funds if they meet the above criteria.

Low income is defined as £500 per week (£26,000 a year) if you are in a couple or are a single parent and your children live with you; or £326.92 per week (£17,000 a year) if you are a single adult.