

Question from Cllr M Campbell-Savours to Cllr C Sharpe

Noting from a summary draft outturn report provided to the Executive in April, for the cost centre 'Council Tax Hardship Fund', it appears there is an approved budget of £246K of which the gross outturn at 31 March only appears to have been £10K, have we failed to distribute that money? Is the online form planned for introduction in September to apply for discounts and exemptions in respect of Council tax related to this? And if we have only spent £10K can someone tell me where is that budget now?

Response

Discretionary Hardship Fund

The government initially awarded a hardship fund of £910k to Allerdale Borough Council on 3 April 2020 as a response to the impact of Covid19. The government strongly advised councils that this should be used to pay up to £150 to council tax reduction recipients.

Allerdale (along with the other 5 Cumbrian district councils) decided to award a higher level of assistance up to £300 per CTR recipient. This was primarily due to the fact that Cumbrian authorities continue to apply a fully funded scheme which covers up to 100% of council tax liability. Allerdale Borough Council delivered £646k in discretionary council tax reduction to support local households.

In addition, £27k assistance was provided to local welfare organisations including Citizens Advice, North Lakes Foodbank and Gypsy and Traveller welfare facilities.

The council currently holds £237k in earmarked reserves.

Discretionary Housing Payments

In July 2001, the government introduced the Discretionary Financial Assistance Regulations. These regulations permitted local authorities to award additional amounts to housing benefit claimants who required further financial assistance to meet their housing costs. The government recognises that local authorities are best placed to deliver discretionary help to their residents.

Between 2013 and 2020, the level of government allocation was increased to minimise some of the effects of the Welfare Reform Act upon the most vulnerable households, such as: -

- the benefit cap
- size restriction social rent
- reform of local housing allowance

Over the last two years, the level of government contribution has seen reductions.

Financial year	Government allocation	Level of funding delivered to vulnerable households
2019-2020	£228,217	£219,485
2020-2021	£251,264	£234,657
2021-2022	£198,193	£196,682
2022-2023	£140,471	Committed £109,668 (up to 07/09/22)

Response to Question at Council meeting 21 September 2022

Allerdale Borough Council has allocated £109668 over approximately the first 5 months of the year, if this continues over the remainder of the financial year, this would result in expenditure in the region of £260k for the full year.

The council has started to see additional demand for discretionary housing payments. This is primarily due to the cost of living increase which is causing low income households difficulty in paying their rent. This is estimated to be in the region of a 10% increase in demand. The annual expected expenditure is forecast to be £286k in 2022/23.

We will reallocate £146k from the hardship fund to supplement the Discretionary Housing Payments allocation. This will allow the Council to continue providing targeted support to the most vulnerable in the community.

Remaining funding

This will leave a remaining balance of £90k. Officers are currently looking at options for how this money can best be spent to continue to support Allerdale residents experiencing hardship over the winter months.

Cllr C Sharpe

Executive Member Finance and Legal