

FINANCE, INVESTMENT & CORPORATE SERVICES PORTFOLIO HOLDER DECISION – 8 DECEMBER 2020

FUNDING CITIZENS ADVICE NEW FOREST FOR A DEBT ADVISOR

1. INTRODUCTION

- 1.1 In response to the Coronavirus, COVID-19, the government allocated a COVID-19 Hardship fund of £886,486 to provide additional support to council taxpayers of working age in receipt of Council Tax Support. Government guidance also states that the funding can be used to deliver increased financial assistance through local support mechanisms. This funding is to be distributed in 2020/21 only.

2. BACKGROUND

- 2.1 Government guidance stated that an award of up to £150 should be allocated to all claimants in receipt of Council Tax Support on 1 April 2020, and for all new claimants throughout 2020/21. After consultation with the Portfolio Holder for Finance, Investment and Corporate Services, we awarded up to £200 to all those eligible. These awards are made automatically, with no application required.
- 2.2 To date, we have allocated £560,864 of the total funding. We were expecting an increase in new claims for Council Tax Support in October and November when the furlough scheme was due to end. As this has been extended, we have not received the new claims as predicted.
- 2.3 We are currently reviewing the residual funding to make further hardship awards to those who are eligible and in need of further financial support.
- 2.4 Council Tax collection has been impacted by COVID-19, with no formal recovery undertaken in 2020/21. We are expecting increased arrears and a greater amount of debt to be carried over into 2021/22. Along with the uncertain economic climate, this will make collecting council tax in 2021/22 even more challenging.
- 2.5 Where a taxpayer is in arrears, we often signpost to Citizens Advice New Forest (CANF). CANF are reporting increased enquiries due to debt, with often council tax being a significant factor, and this is only expected to increase. Often there are multiple issues and CANF look holistically to provide additional advice, support an information. We are launching a Food Larder project in locations across the district and it is expected CANF will attend these to engage with clients.
- 2.6 The Council has the opportunity to utilise a small proportion of the residual funding to further support residents who are struggling with arrears and debts. Often, the impact of debt can manifest into other issues, including mental health and homelessness. The funding of £25,000 will enable CANF to recruit a trained Debt Advisor for one year.
- 2.7 CANF will provide regular monitoring information, including the number of clients assisted, the number of council tax queries dealt with, the number of outreach sessions attended, and the number of benefit claims made.

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications to the Council awarding this grant payment as it is fully funded by Central Government.

4. ENVIRONMENTAL, CRIME & DISORDER IMPLICATIONS

4.1 There are no environmental, crime or disorder implications.

5. EQUALITY & DIVERSITY IMPLICATIONS

5.1 There are no equality and diversity implications.

6. RECOMMENDATION

6.1 That this grant payment be approved.

7. PORTFOLIO HOLDER ENDORSEMENT

7.1 I have agreed to the recommendation of this report.

Sign: CLLR JEREMY HERON

Date: 8 December 2020

For Further Information Please Contact:

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Background Papers

S13A Policy

Date on which notice given of this Decision – 8 December 2020

Last date for call in – 15 December 2020