

URGENT REPORT TO THE LEADER AND CHIEF EXECUTIVE USING URGENCY POWERS

9 OCTOBER 2020

TEST & TRACE ISOLATION PAYMENTS SCHEMES

Portfolio Holder: Councillor Alan Jarrett, Leader
Councillor Rupert Turpin, Portfolio Holder for Business
Management

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Summary

This report sets out the latest government schemes to support residents impacted by Covid-19 through the Test & Trace Isolation Payments Schemes. The schemes are fully funded by the government and include both mandatory and discretionary elements, along with a small administration grant.

1. Budget and policy framework
 - 1.1. The Leader has urgency powers to make decisions which would ordinarily be made by the Cabinet. These provisions are set out in the Constitution (paragraph 3.2 of Part 3 (Responsibility for Cabinet functions) of Chapter 3 (Responsibility for Functions) of the Constitution.
 - 1.2. The Chairman of the Business Support Overview and Scrutiny Committee has agreed that the taking of these decisions are urgent and cannot be reasonably deferred until the next Cabinet meeting on 20 October 2020, in accordance with Section 11 (Cases of special urgency) of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 and Rule 17 (Special Urgency) of the Access to Information Rules (Part 2 of Chapter 4 in the Constitution). This is because it is imperative that the Council takes urgent action to support individuals in line with the Government's announcement to implement the schemes by 12 October 2020 in response to the COVID-19 pandemic.
 - 1.3. Additionally, and in line with rule 15.11 of Chapter 4, Part 5 of the Constitution, call-in can be waived where any delay likely to be caused by the call-in process would seriously prejudice the Council's or the Public's interests. The

Chairman of the Business Support Overview and Scrutiny Committee has agreed that the decisions proposed are reasonable in all the circumstances and to them being treated as a matter of urgency and to waive call-in.

- 1.4. Furthermore, it is proposed that the Chief Executive uses the urgency provisions as set out in paragraph 4.1 of the Employee Delegation Scheme (including consultation with the Leader of the Council and the Leader of the Labour Group) to add the schemes to the Council's Revenue Budget. The use of these urgency provisions will be reported to Full Council on 21 January 2021 for information.

2. Background

- 2.1. On 20 September Matt Hancock, the Secretary of State for Health and Social Care wrote to local authorities outlining the new Test and Trace Support Payment schemes for people on low incomes who are unable to work while they are self-isolating because they cannot work from home.
- 2.2. These schemes have both mandatory and discretionary elements and are supported by funding for local authorities towards the cost of administration.

3. Test and Trace Support Payment Schemes

- 3.1. Local authorities are required to implement the new schemes by 12 October at the latest, with eligible individuals who are notified on or after 28 September that they have to self-isolate able to make backdated claims where necessary.

Mandatory Test and Trace Support Payments

- 3.2. Eligibility for a £500 Test and Trace Support Payment is restricted to people who:
 - have been told to stay at 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;
 - are unable to work from home and will lose income as a result; and
 - are currently receiving Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit.
- 3.3. Local authorities can make a £500 discretionary payment to individuals who:
 - have been told to stay at 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 are not currently receiving Universal Credit, Working Tax Credit, income-based 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.

3.4. The mandatory scheme will operate with a funding reconciliation in place, so if the authority issues more payments than the initial allocation funds, the grant will be topped up. If the authority issues less payment than the initial allocation, the balance will have to be repaid to the Government. The discretionary scheme will be funded in advance with no reconciliation in place and local authorities will not receive additional funding for any payments they make in excess of this allocation.

Discretionary Payments

3.5. Local authorities can introduce additional criteria to determine eligibility for discretionary payments in their area, as long as these operate in addition to, rather than instead of, the criteria set out above. For both the Test and Trace Support Payment and discretionary payments, eligible individuals will receive their £500 payment on top of any benefits and Statutory Sick Pay (SSP) that they currently receive.

3.6. The proposed discretionary scheme for Medway Council is attached at Appendix 2 to the report. It is proposed that we consider two options for additional criteria for the discretionary scheme.

3.7. Option one

3.7.1. The scheme is developed with additional firm criteria setting out eligibility. An applicant would be eligible if they met the criteria for discretionary payments as stated in paragraphs 3.3 and 3.4 alongside these additional criteria:

- Capital limit of £3,000;
- Maximum gross earnings of £257.69 +10% (£283.39) for single people and £384.62 + 10% (£423.08) for couples, single parents and families
- Minimum earnings £80per week;
- A person with no recourse to public funds can claim if they fit the criteria above; and
- The scheme is operating on a first come, first served basis and once the Government funding of £76,333.33 is spent, no further awards will be made.

3.7.2. The advantages of this approach would be

- We have fixed criteria which assists those on low incomes;
- Administration is simpler;
- Appeals against awards are straight forward to manage against fixed criteria;

- The scheme is transparent; and
- The income cap amounts account for applicant's needs.

3.7.3. The disadvantages of this approach would be

- Fixed income amounts could exclude some people who fall just outside of that figure; and
- We could target incomes that are too low or too high.

3.8. Option two

3.8.1. The scheme is developed with some fixed criteria with income assessed on a case by case basis

- Capital limit of £3,000;
- For each case we individually assess income and expenditure and the customer can demonstrate hardship;
- A person with no recourse to public funds can claim if they fit the criteria above; and
- The scheme is operating on a first come, first served basis and once the Government funding of £76,333.33 is spent, no further awards will be made.

3.8.2. The advantages of this approach would be:

- It would enable us to be reactive to applicant's individual circumstances; and
- It is open to a wider cohort of applicants.

3.8.3. The disadvantages of this approach would be

- The income assessment would need to be consistent;
- It leaves the scheme open to those with higher income to apply; and
- The scheme would be open to challenge.

Recommended solution

3.9. Option one would offer Medway residents clarity of entitlement whilst providing a swift administrative process. This will enable quick decision making and transparency. It is also recommended that we write into the scheme that we can make minor amendments to the scheme so that the scheme is adaptable to changes within the economic environment.

3.10. Colleagues across Kent have indicated they would be looking at a £3,000 capital limit. An income figure is harder to establish however, the figures quoted above are the limits for the Government's benefit cap. By adding 10%, we can, in theory reach those who fall just outside of welfare benefit support as well as those who have made benefit claims and are waiting for decisions. This would prevent lengthy income and expenditure assessment and speed up payment times.

4. Schemes Delivery and Administration

- 4.1. The Digital team have created a web-based form which will feed into a back office customer management system using Jadu.
- 4.2. The CABS Team will be offering a non-digital telephone service so that we can ensure the service is fully accessible to all Medway Residents.
- 4.3. The applications will be assessed within MRBS under the supervision of the Benefits Manager using the customer management system that the Digital team have created.
- 4.4. The Head of Revenue and Benefits along with the Benefits Manager will ensure the correct data is recorded and shared where necessary.
- 4.5. We are able to access the NHS Test and Trace system under our existing data sharing agreement with Public Health England.
- 4.6. We have been told that benefit data is verified by using Searchlight which is a system already used within the Council. We are waiting for confirmation from the Department for Work and Pensions that we have the correct data sharing permissions to use it for this task.
- 4.7. Medway Council are responsible for post payment checks to prevent fraud. It is a requirement of the mandatory scheme that a monthly spot check is carried out on ten percent of the payments made. This is to identify if the recipient continued to receive an income from their employer. The DWP are working on a solution to allow system access for this purpose.

5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Fraudulent claims	We could receive claims from people attempting to fraudulently claim payments	Ensuring that all eligibility checks are completed pre payment and that systems are checked to verify information. Refer any suspicious claims to the Fraud and Audit Team.	Medium
Payments made to incorrect bank accounts	We could transpose digits meaning we pay incorrectly	The Digital Team and ICT have developed a solution with prevents rekeying of data.	Low

Risk	Description	Action to avoid or mitigate risk	Risk rating
Discretionary scheme is incorrectly set	The scheme could be too generous or not generous enough to allow eligibility.	An appropriate delegation is proposed to enable the scheme to adapt to changes within the economic environment.	Low

6. Financial implications

- 6.1 The schemes are fully funded by the government, with Medway's allocations confirmed as £127,500 for the mandatory payments scheme, £38,972 towards the cost of administering the schemes, and £76,733 for the discretionary payments scheme.

7. Legal implications

- 7.1 The Health Protection (Coronavirus, Restrictions) (Self-Isolation) (England) Regulations 2020 impose self-isolation requirements in relation to persons who have tested positive for coronavirus. The Regulations introduce a legal obligation on the worker to tell their employer that they are self-isolating. An individual who breaches self-isolation will, normally, commit a criminal offence. With effect from Monday 28 September 2020 it is an offence for an employer to allow a worker (including an agency worker) to attend any place (except the place where they are required to self-isolate) for any purpose connected to the worker's employment. The requirement to self-isolate extends to those that live with someone who has tested positive.

8. Recommendations

- 8.1 The Leader is asked, using urgency powers, to agree the mandatory and discretionary (option 1) proposals in respect of the Test and Trace Isolation Payments Schemes as set out in section 3 and Appendices 1 and 2 of the report and to agree to delegate authority to the Chief Finance Officer to consider and determine applications made under these schemes.
- 8.2 The Leader is asked, using urgency powers, to agree to delegate authority to the Chief Finance Officer, in consultation with the Leader and the Portfolio for Business Management, to make minor amendments to the schemes to enable it to adapt to the economic environment.
- 8.3 The Leader is asked, using urgency powers, to agree to delegate authority to the Chief Finance Officer, in consultation with the Leader and the Portfolio Holder for Business Management, to finalise and implement these proposals where further Government advice is awaited.

- 8.4 The Leader is asked to agree that recommendations 8.1, 8.2 and 8.3 are considered urgent and therefore should not be subject to call in.
- 8.5 The Chief Executive is asked to agree, using urgency powers, to add the funding to the Council's Revenue Budget as set in paragraph 6.1 of the report.
- 9. Suggested reasons for decisions
 - 9.1 Given the severity of the COVID-19 pandemic and the lack of cost to the local taxpayer it is appropriate for the Council to introduce these measures.

Lead officer contact

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Appendices

Appendix 1: Test and Trace Support Payment Scheme – Proposed Standard Scheme guidelines

Appendix 2: Test and Trace Support Payment Scheme – Proposed Discretionary Scheme

Background papers

Test and Trace Support Payment Schemes guidance:
<https://www.gov.uk/government/publications/local-authority-test-and-trace-service-support-grant>

.....(signed)(date)

Councillor Alan Jarrett, Leader of the Council

.....(signed).....(date)

Neil Davies, Chief Executive