

Report to:	EXECUTIVE CABINET
Date:	28 April 2021
Executive Member:	Councillor Oliver Ryan – Executive Member for Finance and Economic Growth
Reporting Officer:	Ilys Cookson – Assistant Director Exchequer Services
Subject:	SELF ISOLATION PAYMENTS - DISCRETIONARY POLICY AMENDMENT AND RESTART GRANTS
Report Summary:	This report details the additional funding made available from central government in respect of discretionary self-isolation payments, the expansion of the discretionary policy and the inclusion of parents or guardians of children who have to self-isolate with effect from 08 March 2021. It also details the latest mandatory grants payable to businesses to support them in re-opening safely.
Recommendations:	That Executive Cabinet be recommended to agree: <ul style="list-style-type: none"> (i) The amendment to the discretionary self-isolation eligibility criteria as detailed in Section 2.9 is approved. (ii) The inclusion in the scheme of parents or guardians of children who have to self-isolate is noted. (iii) Note the payment of Restart Grants to eligible businesses in accordance with government guidance.
Corporate Plan:	This supports the economy by ensuring that those on low income and forced to self-isolate receive a one-off payment of £500 for the self-isolation period and support businesses to re-open safely in accordance with the easing of COVID restrictions.
Policy Implications:	The additional funding and extension of the self-isolation discretionary scheme, including the extension to the scope of the overall scheme by the inclusion of parents or guardians of children who have to self-isolate, will benefit more residents of the borough, and encourage those that need to self-isolate to do so without the concern of loss of income subject to eligibility criteria being met. The payment of Restart Grants financially assists eligible businesses to address costs associated with safe opening.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The mandatory scheme for self-isolation payments is fully funded by Government. Any changes to the scheme criteria should not have any direct financial impact on the Council as all payments are funded by Government Grant. As at 31 March 2021 a total of 676 payments to the value of £338,000 have been made under the statutory scheme.</p> <p>Funding for the discretionary scheme is limited, with £413,500 of grant having been allocated since the commencement of the scheme for the period to the end of April 2021. As at 31 March 2021 a total of 177 payments to the value of £88,500 have been made under the discretionary scheme. Expansion of the discretionary scheme increases the risk that payments awarded exceed the grant allocated, however utilisation of the grant to date is well below the total funding available and will continue to be monitored.</p>

The Restart Grant scheme is a mandatory scheme which must be operated on behalf of Government. The grants are fully funded by Government and should not result in any direct costs for the Council. A cash advance of £10.308m has been received and the grant scheme will be subject to a full reconciliation and payment/repayment of cash once all grants have been paid.

With previous grants operated in this way, Government have paid an administration grant to cover the cost of processing and payment of grants. Further administration funding is expected but it is not clear whether this will fully cover the administrative costs involved in the processing of the various grant streams.

**Legal Implications:
(Authorised by the Borough
Solicitor)**

This report sets out the rationale and process for the discretionary scheme and is on line with central government guidance and criteria in relation to delivery.

As with all schemes there needs to be a robust process in place to ensure that the funds are allocated correctly and also that there is a process in place to recover any grant paid either in error or as a result of fraud. The steps to mitigate this are set out in the main body of the report.

Close monitoring of the overall funding will also be required to ensure that the payments do not exceed current budget.

Risk Management:

The risks are outlined in Section 7 of the report.

Background Information:

The background papers relating to this report can be inspected by contacting Ilys Cookson



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1. INTRODUCTION

- 1.1 Self-isolation payments were announced by government in a press release in August 2020 confirming that people on low incomes who need to self-isolate, and are unable to work from home in areas with high incidence of COVID-19, would benefit from a new payment scheme starting on Tuesday 1 September 2020 and which was due to end at 31 March 2021. The government have since extended the self-isolation payment scheme until the end of June 2021.
- 1.2 Local authorities administer the £500 one off lump sum payment in respect of self-isolation subject to eligibility criteria being met. The scheme has both a mandatory and discretionary element, with the same discretionary policy being adopted across Greater Manchester and approved at Executive Cabinet on 02 November 2020.
- 1.3 The mandatory scheme criteria essentially relates to individuals who have been asked to self-isolate by NHS test and trace because they have tested positive and/or been in close contact with someone who has tested positive and be in receipt of specific Department of Work and Pensions (DWP) benefits, such as Universal Credit or Employment Support Allowance. The full mandatory criteria is detailed at Appendix One.
- 1.4 The administration of the self-isolation payments is particularly resource intensive and involves contact with the Department of Health and Social Care (DHSC) track and trace systems as well as employers. As at 31 March 2021, 676 people have been paid under the mandatory scheme totalling £338k, and 177 in the discretionary scheme totalling £88.5k. The mandatory scheme is fully funded by central government, whereas the discretionary scheme is subject to local policy being developed within the funding provided by government.
- 1.5 In Part A of this report two changes are highlighted, the first being an amendment to the discretionary self-isolation policy in place following receipt of further funding from central government, and the second being the expansion to the scheme in that parents or guardians of children who have to self-isolate are now also eligible to claim a payment.
- 1.6 Part B details the latest one-off lump sum mandatory grants payable to eligible businesses to assist them in opening safely in accordance with government guidance released on 25 March 2021.

2. PART A: SELF ISOLATION DISCRETIONARY SCHEME

- 2.1 The discretionary element of the scheme is intended for individuals who do not meet the eligibility criteria for the mandatory scheme, as they are not in receipt of specified benefits and have been instructed to self-isolate by the NHS.
- 2.2 Guidance is clear that such applicants must apply for a discretionary payment where
- *Individuals 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.*

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.

2.3 The same discretionary policy was adopted in each local authority in Greater Manchester at a time of rising COVID cases and a small amount of funding for discretionary self-isolation payments, which in Tameside at that time was £73,134.13 and would have benefitted 146 people. The discretionary policy set in place was as follows:

In addition all of the above, the discretionary payment is for people:

- *who have property related costs, e.g. rent/mortgage and are liable for Council Tax (occupied properties only) we may consider applications from those who are not liable for Council Tax where a formal tenancy agreement is in place*
- *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.*
- *who may have no recourse to public funds if they meet criteria above*

2.4 In late January 2021 central government released further monies for both the statutory and discretionary scheme with further monies being available each month since then as follows:

Discretionary Scheme Funding	£
Oct 20	73,134.13
Jan – Feb 21	36,365.87
Mar-Apr 21	304,000.00

2.5 It is clear that with additional monies the existing discretionary policy may be amended to ensure that more individuals who are having to self-isolate can receive the payment amount of £500 subject to eligibility criteria being met, particularly as only 19.91% of all those that apply for a discretionary payment are eligible to receive one. As at 01 April 2021 of the 716 applying for a discretionary payment, 178 were eligible under the existing criteria in Tameside, which places us second in terms of discretionary spend when compared to other Greater Manchester authorities. The high number of applications that are not eligible to receive a payment is due to a number of factors. Some of those factors relate to applicants not having property related costs or liable for Council Tax, not engaging with the track and trace process, not making the claim within the required timescales or having the unique reference number provided to all those who are instructed by the NHS to self-isolate.

2.6 While some of the reasons for ineligibility cannot be changed, the discretionary policy can be amended in response to the additional monies received and to address one of the main issues of refusal against the local policy which is satisfying the specific point regarding property related costs and being liable for Council Tax as follows:

- *who have property related costs, e.g. rent/mortgage and are liable for Council Tax (occupied properties only) we may consider applications from those who are not liable for Council Tax where a formal tenancy agreement is in place*

2.7 The removal of this specific point from the policy would widen the scope to include those who have to self-isolate and satisfy all other criteria. For example, adult children living with parents, many of whom can evidence they pay board and bills but do not have a formal

tenancy agreement or are liable to pay Council Tax. The remaining local discretionary policy would remain in place as this adheres to the government's intention that no one on a low income should be worse off by self-isolating. Other local authorities in Greater Manchester have also amended their discretionary schemes in accordance with the above proposal.

2.8 Low income in respect of the discretionary policy is defined as follows:

	Including property costs	Excluding property costs
Couple or single parent living with a child	£500.00 pw	£384.62 pw
Single person	£362.92 pw	£257.62 pw
*Note: based on thresholds for the benefit cap		

2.9 It is therefore proposed that the discretionary policy is as follows:

- *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.*
- *who may have no recourse to public funds if they meet criteria above*

2.10 It is also expected that as the government have extended the self-isolation scheme to now include parents or guardians of a child who has been told to self-isolate that the above policy better meets the needs of anyone having to self-isolate who is on a low income and not meeting the statutory criteria.

3. SCHEME EXPANSION

3.1 From 08 March 2021 the government expanded the criteria for eligibility to include parents and guardians who are on a low income and who are not legally required to self-isolate, but who need to take time off work to look after a child or young person who is self-isolating and whose earnings are affected.

3.2 Parents or guardians may now be eligible if the following apply:

- Are a parent or guardian of a child or young person in the same household and need to take time off work to care for them while they self-isolate
- The child or young person has been told to self-isolate on or after 8 March 2021
- Are employed or self-employed but cannot work from home while undertaking caring responsibilities and will lose income as a result
- Meet all the other means-tested eligibility criteria for a Test and Trace Support Payment or discretionary payment
- The child or young person is aged 15 or under or 25 or under with an Education, Health and Care Plan (ECH) and normally attends an education or childcare setting, and has been told to self-isolate by NHS Test and Trace or by their education or care setting
- One application per household may be made for each child or young-person's self-isolation period

3.3 Any parent or guardian not receiving one of the eligible benefits in the statutory self-isolation scheme as detailed in Appendix 1, but are on a low income and self-isolating will cause financial hardship, then government guidance confirms that a discretionary award should be considered. Proof will be required regarding the child who must self-isolate and this

information will be verified with the child or young person's education or care setting. More than one claim may be made as long as the self-isolation periods do not overlap.

- 3.4 All payments under the Test and Trace Support Payment scheme continue to be subject to income tax, but they are not subject to National Insurance contributions. Self-employed recipients will need to report the payment on their 2020 to 2021 Self-Assessment tax return.

4 PART B: RESTART GRANTS

- 4.1 On 3 March 2021 central government announced a new package of grants to support businesses in the non-essential retail, hospitality, leisure, personal care and gym businesses and confirmed that further guidance would be available. Guidance was released on 25 March 2021 regarding Restart Grants.

- 4.2 The Restart Grants were to commence on 01 April 2021 and be paid as a one-off lump sum, the aim of which is to assist businesses to open up again safely. The grant is applicable to businesses appearing in the Ratings List only and there are two strands to the grants as follows:

Strand One: Non-essential retail premises as at 01 April 2021

Rateable Value	Amount of Grant
£15k and under	£2,667
Over £15k and less than £51k	£4,000
£51k and over	£6,000

Strand Two: Hospitality, accommodation, leisure, personal care and gym businesses

Rateable Value	Amount of Grant
£15k and under	£8,000
Over £15k and less than £51k	£12,000
£51k and over	£18,000

- 4.3 Guidance makes clear the definition of businesses, which are eligible according to business sector and trading indicators. A significant amount of information has to be collected in regard to the application process to satisfy the eligibility criteria and to guard against fraudulent applications being made. The full guidance may be viewed here:

[Restart Grant: guidance for local authorities \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- 4.4 Changes to the Rating List after 01 April 2021 are to be ignored for the purpose of eligibility in accordance with the guidance. Businesses may be entitled to receive more than one grant where they trade from more than one premise, as the primary principle of the Restart Grant scheme is to support businesses that offer in-person services, where the main service and activity takes place in a fixed rate-paying premise, in the relevant sectors.
- 4.5 As with all previous business grants payable, weekly reports on spend must be submitted to the Department of Business, Energy and Industrial Strategy (BEIS) and post payment audit plans must be developed in accordance with internal audit to ensure payments made are compliant with the guidance, and which are measured and monitored by BEIS.
- 4.6 As EU rules on State Aid no longer apply to subsidies granted in the UK after 31 December 2020, a new set of rules called Subsidy Allowance now apply. Each business applying for a grant must now declare if they have received previous government funding in accordance with the new Subsidy Allowance rules.

5 FUNDING

- 5.1 The cost of the Restart Grants will be met in full by government by way of a Section 31 grant. New burdens funding will be made available at some point. Local Authorities are expected to provide local businesses with grant funding as soon as possible from 1 April 2021. The application closure date for this scheme is 30 June 2021 and final payments must be made by 31 July 2021.

6 PROGRESS TO DATE:

- 6.1 Approximately 1,184 businesses in Tameside have been identified as potentially eligible to receive a Restart Grant, across all relevant sectors. An on-line application form has been developed which meets with government guidance and data collection requirements. A robust process has been developed to assess the applications received in terms of eligibility and guard against fraudulent applications. The on-line form went live on the Council's website on 01 April 2021. Information on the grants is available on the website and have also been covered in social media to ensure that those that are eligible do apply. This will be monitored and a take-up exercise may be required if take-up numbers of those believed to be eligible are low, however that is not expected to be the case.
- 6.2 As at 12 April 2021 payments have started to be made where all eligibility and security criteria are met and 73 payments totalling £494k have been made, and 699 applications have been received.

7 RISKS

- 7.1 **Self-Isolation Payments:** There is a risk in terms of timely assessments of applications received to ensure those that are eligible are paid the £500 lump sum payment to guard against the effects of financial hardship for the period of self-isolation. Resources have been moved to administer self-isolation payments to date, however resource needs to be closely monitored if the number of application begins to rise, as additional staff may be required.
- 7.2 There is a risk that the scheme is not widely promoted, however Exchequer have worked with colleagues from across the Council and in particular Audit and Policy and Communications, to ensure that social media informs residents of the self-isolation payments and information and the application form is kept up to date on the Councils website.
- 7.3 Demand for a discretionary payment could exceed funding, however as the rate of positive COVID cases are slowing and vaccine roll out is accelerating, this seems unlikely in the timeframe from now until the end of June when the scheme is due to end. Nevertheless daily monitoring of spend will continue for the duration of the scheme to assist with financial reporting both internally for reconciliation purposes and externally to GMCA and DHSC.
- 7.4 **Restart Grants:** There is a risk that payment of the grants will not be made in a timely manner to support businesses with the cost of re-opening, however payments have already started to be made where eligibility criteria is satisfied.
- 7.5 As with all other mandatory grant payments, a robust process must be in place to guard against the risk of fraudulent applications being made. The process has been developed in accordance with government's guidelines and with approval of internal audit. Post audit assurance work is also planned which is reported to BEIS.

8 CONCLUSION

- 8.1 **Self-Isolation Payments:** Self-isolation payments commenced in September 2020 for people on low incomes who need to self-isolate, and are unable to work from home. The scheme was due to end at 31 March 2021 and the government have since extended the self-isolation payment scheme until the end of June 2021.
- 8.2 As at 31 March 2021, 684 people have been paid under the mandatory scheme totalling £342k, and 178 in the discretionary scheme totalling £89k. The mandatory scheme is fully funded by central government, whereas the discretionary scheme is subject to local policy being developed within the funding provided by government. Additional monies have been granted by the government in respect of the discretionary scheme totalling £340,365.87.
- 8.3 The scope of the discretionary scheme may now be extended, subject to approval, in line with other Greater Manchester discretionary policies, to remove the eligibility criteria regarding having property costs and a Council Tax liability and to include parents or guardians of children having to self-isolate from 08 March 2021, subject to eligibility criteria being met.
- 8.4 **Restart Grants:** Further monies are available from central government via Restart Grants aimed at supporting businesses in relevant business sectors of non-essential retail, hospitality, leisure, personal care and gym businesses to open safely amid the easing of COVID restrictions.
- 8.5 Payment of a one-off lump sum is dependent on rateable value and business sector. The cost of the Restart Grants will be met in full by government by way of a Section 31 grant and new burdens funding will be available. The scheme is to operate from 1 April 2021 and application closure date is 30 June 2021 with final payments having to be made by 31 July 2021.
- 8.6 Government guidance is prescriptive on the information required from businesses to satisfy eligibility checks, and weekly payments recording and post payment assurance is reported to BEIS. A robust process is in place, which is compliant with government guidance and approved by internal audit.

9 RECOMMENDATIONS

- 9.1 As set out at the front of the report.

APPENDIX 1

Mandatory Self-Isolation Payment Eligibility

To be eligible for the mandatory Test and Trace Support Payment, an individual must meet all the following criteria:

- you've been told to stay at home and self-isolate by NHS Test and Trace or the NHS COVID-19 app, either because you've tested positive for COVID-19 or have recently been in close contact with someone who has tested positive
- you've responded to messages from NHS Test and Trace and have provided any legally required information
- you're employed or self-employed
- you're unable to work from home and will lose income as a result of self-isolating
- you're currently receiving or are the partner of someone in the same household who is receiving, at least one of the following benefits:
 - Universal Credit
 - Working Tax Credit
 - income-based Employment and Support Allowance
 - income-based Jobseeker's Allowance
 - Income Support
 - Housing Benefit
 - Pension Credit