

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 3 November 2020	<b>Meeting Name:</b> Cabinet Member for Finance and Resources
<b>Report title:</b>		Test and Trace Support Payment Scheme	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Exchequer	

## **RECOMMENDATION**

1. That Southwark's Test and Trace Support Payment Scheme policy at Appendix 1 be agreed by the Cabinet Member for Finance and Resources.
2. Provides the Strategic Director for Finance and Governance with the delegated responsibility to make future decisions on amendments to the discretionary scheme following further review and consultation.

## **BACKGROUND INFORMATION**

3. This report outlines Southwark's implementation of the Government's Test and Trace Support Payment schemes, including how discretionary payments will be made.
4. On 20 September 2020 the Government announced that from 28 September 2020 individuals would be entitled to a £500 Test and Trace Support Payment. These payments are to support people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace and will lose income as a result.
5. It is the responsibility of local authorities to administer payments through two schemes:
  - Test and Trace Support Payment Scheme (main scheme); and
  - Test and Trace Support Discretionary Payment Scheme.
6. Local authorities were mandated to have these schemes in place from 12 October 2020 and schemes will run until 31 January 2021.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

7. 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.
8. Eligible residents will be able to claim retrospectively, as long as their period of self-isolation began on or after the 28 September 2020. An application can be considered if it is made up to fourteen days after the period of self-isolation ends. For example, if someone was told to self-isolate until 15 October, they would have until 29 October to make a claim. This could be up to twenty-eight days after the date from which the applicant was required to self-isolate
9. People in the same household can each make an individual application to receive a payment if they each meet the eligibility criteria.
10. Individuals can claim more than once (if they are told to self-isolate multiple times) as long as they meet the eligibility criteria for each claim and the periods of self-isolation do not overlap.
11. Eligible individuals can make backdated claims but this must be no longer than up to 14 days after their period of self-isolation ends.
12. Individuals are not eligible if they:
  - are self-isolating after travelling abroad (unless they test positive during the 14 day quarantine period and have received a self-isolation notification from NHS Test and Trace);
  - continue to get full wages while they self-isolate;
  - received notification to self-isolate before 28 September 2020; and
  - have not been told to self-isolate by NHS Test and Trace.

#### *Application process*

13. The Council will contact all Southwark residents notified by Public Health England or the Council's Public Health team that they are required to self-isolate, informing them that they may check their eligibility for a payment and make an application. Applications can be made online via the council's website, or those digitally excluded can make applications by telephone.
14. Applicants must provide:

- account ID from NHS Test and Trace;
  - copy of their latest bank statement;
  - most recent wage slip with employer's contact details if employed;
  - a recent business bank statement, set of accounts or self-assessment form if self-employed; and
  - their National Insurance number.
15. Third party applications can be made but payment will only be made into the bank account of the person for whom the application is being made.

#### *Pre payment checks*

16. When an application is received three pre payments checks will be carried out to verify:
- NHS Test and Trace self-isolation ID and start date of self-isolation period through the NHS Test and Trace database;
  - that the applicant is employed or self-employed; and
  - that the applicant is in receipt of a qualifying benefit.

#### *Payments*

17. Payments will be made directly into eligible person's bank accounts within 3 working days of an application being verified.
18. If an application is successful a letter of confirmation is sent including details of additional support that is available for people who are self-isolating.
19. Payments made under Test and Trace Support Payment scheme and additional discretionary payments will be disregarded when calculating eligibility for other benefits. However, they will be subject to income tax, but not National Insurance Contributions.
20. If a customer is overdrawn we will advise them to exercise their first right of appropriation to ensure their payment is not used to pay their overdraft. This will be done by signposting them to the National Debt Helpline where further guidance and a first right of appropriation template is available.

#### *Discretionary scheme*

21. Funding has been provided to local authorities to make discretionary payments outside the main scheme for applicants who can demonstrate financial hardship as a result of self-isolation but who are not in receipt of one of the qualifying benefits for any reason.
22. Discretionary payments will be assessed on a case by case basis. If an applicant meets the qualifying criteria as part of the main scheme, except for being in receipt of a qualifying benefit, then a payment may be

considered.

23. Circumstances that will be considered are when an applicant:
- has applied for a qualifying benefit and is waiting for a decision;
  - has been refused entitlement to a qualifying benefit but are appealing the decision;
  - has no recourse to public funds (NRPF);
  - is not entitled to a qualifying benefit as they are in receipt of State Pension; and
  - is on a low income (based on London Living Wage) and can demonstrate clear mitigating circumstances where significant financial hardship may be experienced as a consequence of self-isolating. Such circumstances could for example include responsibility for dependent children where there is no second earner in the household.
24. Payments under the discretionary scheme mirror the Test and Trace Support Payment scheme at £500.
25. The funding for awards under this scheme is capped and Government have confirmed that additional funding will not be provided. As a result awards under this scheme will be regularly monitored. The broad guidelines set out above as to those applicants that may qualify will be reviewed to ensure funding is available until the end of the scheme on the 31 January 2021.

### **Financial implications**

26. The cost of schemes for local authorities is being met by a Government grant and is therefore cost neutral to the council.
27. Grant payments are distributed according to the MHCLG's COVID-19 Relative Need Formula. Southwark's share is £347,000 and is broken down as follows:

Programme costs (main scheme)	£188,000
Administration costs	£47,000
Discretionary payments	£112,000

28. The funding allows for 376 payments to be made under the main scheme and 224 under the discretionary scheme.
29. Programme costs will be reconciled meaning that where the grant is over-spent or under-spent it will be topped up or repaid. As a result, if transmission rates in Southwark rise above Government modelling then the council will be reimbursed for payments made in excess of the main scheme budget.
30. Administration and discretionary costs are up front payments and not subject to reconciliation. Therefore once the discretionary budget is spent, that scheme must come to an end.

## **Resource implications**

31. It is anticipated that the administration of scheme will be absorbed within the existing Exchequer Services provision. The situation will be closely monitored and regularly reviewed to allow the policy to be flexible and adaptable to changes in demand.

## **Community impact statement**

32. There is no direct community impact as a consequence of this policy.
33. The council does not hold data in relation to groups of residents who share one of the protected characteristics as defined by the Equality Act 2010, but there is no reason to believe that any particular group will be any more affected than any other in accessing the scheme.

## **Consultation**

34. There is no legal requirement for public consultation on the establishment of the council's Test and Trace Payment Support scheme. However, the Council is regularly reviewing the ongoing application of support and works closely with representatives from the third sector to ensure support is being targeted effectively and efficiently.

## **SUPPLEMENTARY COMMENTARY AND ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

35. These arrangements are being made as a result of statutory changes that the Government have recently introduced to provide support to individuals needing to self-isolate. The council is being required to administer this scheme on the Government's behalf, and in accordance with the statutory eligibility criteria as set out in this report.
36. Under section 149 of the Equality Act 2010, in making this decision, the Cabinet must comply with its public sector equality duty which requires it to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
37. The community impact statement in the report indicates that it is the eligibility criteria that will determine whether someone is entitled to a payment, and any protected characteristic an individual may have will not affect this in any way. Officers will need to ensure that individuals with a disability in particular are able to access the application process itself.

**Strategic Director of Finance and Governance (F&G 20/016)**

- 38. The Strategic Director for Finance and Governance notes the proposed Test and Trace Support Payment Scheme policy (mandatory and discretionary) is in accordance with the Government requirements. The full cost of the test and trace support payments will be funded by Government grant.
  
- 39. It is noted that the grant includes funding for administrative costs. It is anticipated that the administration of the scheme will be contained within available resources.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>
None

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Southwark Council's Test and Trace Support Payment Policy

**AUDIT TRAIL**

<b>Lead Officer</b>	Dominic Cain, Director of Exchequer, Finance & Governance	
<b>Report Author</b>	Eugene Nixon, Strategy and Compliance Manager, Exchequer, Finance & Governance	
<b>Version</b>	Final	
<b>Dated</b>	30 October 2020	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>		30 October 2020