

Report to: Cabinet



Date of Meeting 8 October 2020

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Test and Trace Support Payment Scheme

Report summary:

Test and Trace Support Payments have been introduced by Central Government to encourage people on low incomes who will be financially impacted to self-isolate when they are required to do so. This in turn will help reduce the transmission of Covid-19 and avoid further social and economic restrictions. The scheme needs to be live by 12 October 2020 at latest to meet the government deadline. The Council needs to have in place a policy on how we will administer the scheme and also approving our approach for dealing with the discretionary payment

Recommendation:

1. To adopt the Test and Trace Support Payments Policies for both the standard (Appendix 2) and discretionary schemes (Appendix 3).
2. To delegate authority to the Council's S151 Officer in consultation with the Leader and Portfolio Holder for Finance to adjust the discretionary policy (Appendix 3) to take account of changes in government guidance or from experiences in administering the scheme that has not yet been identified or that we've been unable to fully consider when developing this policy.

Reason for recommendation:

The Council needs to have in place a policy for implementing the Test and Trace Support Payment Scheme. Due to the limited amount of time we've had in developing these schemes from receiving the guidance we need to be able to make provision to adjust the policy to take account of experiences that we may have not been able to fully consider when developing the policy which includes the level of funding for the discretionary scheme which will be a fixed amount.

Officer: Libby Jarrett, Service Lead, Revenues, Benefits & Customer Services

ljarrett@eastdevon.gov.uk 01395 517450

Portfolio(s) (check which apply):

- Climate Action
- Corporate Services and COVID-19 Response and Recovery
- Democracy and Transparency
- Economy and Assets
- Coast, Country and Environment
- Finance

- Strategic Planning
- Sustainable Homes and Communities

Financial implications:

The financial implications are detailed in the report. There is a risk with the discretionary element of the scheme that demand may be greater than funding allocated to the Council. This will be carefully monitored and the report highlights that further refinement maybe required to the scheme and that this will be brought to the Portfolio for Finance attention.

Legal implications:

The legal position is detailed in the report and no further comment is required.

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information [Department of Health & Social Care Implementation Guide for Local Authorities](#)

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

1.0 Background

- 1.1 From 28 September 2020 it became law in England for those that test positive for Covid-19 or who are identified by NHS Test & Trace as a close contact, to self-isolate.
- 1.2 As part of this new legal requirement the government is providing funding for a new Test & Trace support payment for people on low incomes who are unable to work while they are self-isolating; because they cannot work from home and will lose income as a result.
- 1.3 Outline of scheme:
 - Scheme will be in two parts. Under the standard scheme Central Government will cover the cost of the payments. For the discretionary element it will provide separate funding (upfront for use over the four months of the scheme).
 - Discretionary scheme is meant for a small minority of people who have low incomes but for some reason aren't on one of the qualifying benefits.
 - Schemes **must** be live from 12 October 2020 but payments will be payable from 28 September when it becomes law for people to self-isolate (will need to backdate payments to eligible claimants)
 - Schemes will currently run until 31 January 2021
 - District authorities to administer
 - £500.00 payment for those that are eligible for both the standard and discretionary schemes
 - Payment must be made within 3 working days of an eligible claim being made
 - Multiple claims can be made if someone is required to self-isolate more than once
 - Claims must be made within 14 days after their period of self-isolation ends

- 1.4 The government expects payments to be made within 3 working days of an eligible claim being received. This means that unless authorities implement a manual faster payment process they will need to allow two clear days for the payment to reach their bank account which means claims will need to be assessed and verified the same day. In order to be able to do this the discretionary scheme needs to be relatively simple to administer.
- 1.5 Devon Chief Executives and Leaders were keen for district authorities to explore having a Devon wide approach for awarding the discretionary payments. Details of the approach that is being proposed by the Devon Revenues & Benefits Managers is set out in appendix 1.
- 1.6 The level of government funding for East Devon District Council is as follows:
- Standard(main) scheme £46,500
 - Discretionary scheme £27,948.60
 - Administration funding £26,919.20
- 1.7 As the payment amount is fixed at £500.00 this equates to 93 eligible claims under the standard scheme and 55 under the discretionary scheme. This funding covers the period 30 September 2020 to 31 January 2021 which is how long the scheme is open for. Should numbers exceed this within the main scheme then the government will provide additional funding. However, for the discretionary scheme this is capped.

2.0 Eligibility

2.1 An individual must:

2.1.1 Standard scheme (government funded)

- have been asked to self-isolate by NHS Test and Trace either because they've tested positive for coronavirus or have recently been in close contact with someone who has tested positive;
- be employed or self-employed;
- be unable to work from home and will lose income as a result; and
- be currently receiving one of the following benefits - Universal Credit, Working Tax Credit, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit.

2.1.2 Discretionary Scheme

- Meet the above top 3 conditions as per standard scheme
- Not be in receipt of one of the qualifying benefits but is a low income worker and will suffer financial hardship as a result of not being able to work while they are self-isolating.

2.2 Local authorities can introduce additional criteria to determine eligibility for discretionary payment in their area, as long as these operate in addition to, rather than instead of, the criteria set out above.

3.0 Proposed approach for our schemes

3.1 **Standard Scheme** - The eligibility criteria for this scheme is determined by government. The attached policy sets out our approach for how we will administer these claims.

3.2 **Discretionary Scheme** – In addition to the government eligibility criteria as set out under section 2.1, it is also recommended that we include the conditions that have been proposed by the Devon authorities (See appendix 1 – see section 4.2 and section 5 for the rationale). These conditions have been included in the attached policy which also sets out our approach for administering claims under this part of the scheme.

3.3 The Test and Trace Payment Scheme has had to be put in place under extremely tight timelines as we did not receive the first set of guidance until 27 September 2020 and the funding levels were provided late on Friday 2 October. This means that we may need to

adjust our policies in order to take account of experiences from administering the scheme which we may not have identified or been able to fully consider when developing them. This is why I am recommending that this is delegated to the Councils Section 151 Officer in consultation with the Leader and Portfolio Holder for Finance to be able to adjust our scheme.

4.0 Other considerations

- 4.1 We have already updated our website to promote the Test and Trace Support Payment Scheme which allows individuals to register now if they think they are eligible to claim. <https://eastdevon.gov.uk/coronavirus-covid-19/test-and-trace-support-payment/test-trace-support-payment/>. We will be updating this further once our policies have been approved and the new claims form is live. We are also working with our Communications Team on wider publicity of the scheme.
- 4.2 As we are also administering the Covid Hardship Scheme (DEFRA & County funded schemes) this does mean that we can link up support under this scheme where there is additional financial need or where someone is ineligible under the Test and Trace Payment Scheme.
- 4.3 We will closely monitor spending within the Discretionary scheme and if there is concern that demand is likely to exceed the government funding amount of £27,948.60 then this will be brought to the attention of the Leader and Finance Portfolio Holder in order for them to consider possible action.

Briefing Paper: Test and Trace Support Payment Scheme

1.0 To update Devon Chief Executives and Leaders on the proposed approach for Devon for awarding the discretionary payments under the Test & Trace Support Payment Scheme, as agreed in the meeting of the Devon Revenues & Benefits Managers Group on 1 October 2020.

2.0 Background

- 2.1 Test and Trace Support Payments have been introduced by Central Government to encourage people on low incomes who will be financially impacted to self-isolate when they are required to do so. This in turn will help reduce the transmission of Covid-19 and avoid further social and economic restrictions.
- 2.2 The Test and Trace Payment Scheme needs to be live by 12 October 2020 in order to meet the government deadline. The scheme includes the ability to make discretionary payments to a small minority of applicants who have a low income but for some reason are not in receipt of a qualifying benefit.
- 2.3 Although we have now received further guidance on the Test and Trace Scheme we still don't know what each Authority's funding allocation will be for the discretionary scheme. The national level is £15 million for the discretionary payments. If each authority was to get an equal amount then this would equate to circa £70K however it is very unlikely that this would be the case and Devon authorities may have much less than this average. As the scheme will run until 31 January 2021 this is not a significant sum of money, and based on the average level of funding, this would equate to being able to support 140 discretionary payments over the 4 month period.
- 2.4 The government expects payments to be made within 3 days of an eligible claim being received. This means that unless authorities implement a manual faster payment process they will need to allow two clear days for the payment to reach their bank account which means claims will need to be assessed and verified the same day. In order to be able to do this the discretionary scheme needs to be relatively simple to administer.

3.0 Government guidance on the discretionary scheme

3.1 The following criteria must be met which is the same as the standard scheme:

Local authorities can make a £500 payment to individuals who:

- have been asked to self-isolate by NHS Test and Trace, on or after 28 September but not before that date, because:
 - they have been notified that they have tested positive for Coronavirus, or
 - they have been notified that they have recently been in close contact with someone who has tested positive
- be employed or self-employed
- be unable to work from home and will lose income as a result,

3.2 In addition to the above the discretionary payment is for individuals:

- who **are not** currently receiving Universal Credit, Working Tax Credit, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit 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

3.3 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

4.0 Proposed approach agreed by Devon District authorities:

4.1 All the Devon districts and Torbay Council were represented at the meeting of the Devon Revenues & Benefits Managers group on agreeing the standard approach to the discretionary payments.

4.2 In addition to the government eligibility criteria we are proposing that the following conditions are also included in our discretionary scheme:

- A maximum gross earnings threshold of £372 per week. (This equates to 40 hours x £9.30 Real Living Wage). This means that if someone has earnings above this level then they would not normally be eligible unless there was an exceptional circumstance.
- A minimum number of hours that an individual will need to be working is 16 hours per week. Anyone normally working less than that would not be eligible.
- Maximum capital threshold of £6,000. Anyone with capital above that level would not be eligible.
- University students or those in higher education would normally be excluded from applying
- Individuals who have applied for a qualifying benefit but have not yet received a decision or have appealed against a decision not to award a qualifying benefit and are awaiting the outcome of the appeal will be eligible to claim.
- Individuals who are excluded from qualifying benefits by the “Persons from Abroad” provisions will be eligible to claim
- We will allow multiple claims in line with the government’s standard scheme
- Where more than one individual in a household meets the conditions they will each be eligible to claim.
- An individual will need to demonstrate that they will suffer financial hardship by having to self-isolate.
- Support will be capped to reflect the level of government funding, i.e. funding amount divide by £500 = number of individuals that can claim support.

5.0 Rationale

Criteria	Reason
Earnings threshold	This provides a very simple way to determine quickly that the individual is on low pay in order to avoid having to carry out a full means test assessment.
Number of hours	The standard working week tends to be either 37.5 hours or 40 hours. We have gone for the higher number of hours in order to not exclude anyone working a 40 hour week.
The Real Living Wage (UK living wage)	This is a more generous rate than the national living wage and therefore will enable more people to access support but still meets the scheme aims of supporting those on low pay.
16 hours per week that an individual needs to work.	This is the threshold that applies in Tax Credits and Housing Benefit. This supports those in gainful employment and not aimed at those in casual work.
Capital threshold of £6,000	This scheme is aimed at those who will face financial hardship. Anyone with savings above this threshold would not be considered to be facing financial hardship. This capital threshold is what all Devon authorities

	have within their Council Tax Reduction Schemes. It also mirrors the level that DWP use before applying tariff income.
University students/ those in higher education	The scheme is focussed on low income workers. Students are principally students even where they have some part time work. Vulnerable student groups (with children or disabilities for example) would be eligible for welfare benefits and therefore supported under the main scheme.
Applied for one of the qualifying benefits but not yet had a decision or appealing against a decision.	The government have identified this group in their advice to local authorities as individuals the discretionary fund needs to support.
Persons from abroad provision	The payment is intended to reinforce the public health message to self-isolate where instructed to. Welfare benefits exclude many overseas nationals from entitlement but they would equally need to self-isolate to support the public health strategy.
Multiple claims	Where someone has to self-isolate more than once it's important that we treat individuals in-line with the government scheme and that they are not disadvantaged.

6.0 Other considerations

- 6.1 It is important to recognise that we may need to adjust our Test and Trace Scheme Payment Policy in order to take account of experiences from administering the scheme which we may not have identified or been able to fully consider when developing this policy including the actual level of funding we will have. The Test and Trace Payment Scheme has had to be put in place under extremely tight timelines which has involved a significant amount of work in not only developing policy but also setting up the administration process (online forms, system processes, communications, etc).
- 6.2 As the Devon district authorities are all administering the Covid Hardship Scheme (DEFRA & County funded schemes) this does mean that we can also link up support under this scheme where there is additional financial need or where someone is ineligible under the Test and Trace Payment Scheme.