



Bristol City Council

Covid 19 Hardship Fund: CTR and Extended Local Support Schemes

1. Background

Following the announcement made at the Spending Review 2020 on 25 November to offer further COVID-19 support for local authorities in 2021/22, government outlined on 17 December 2020 further details on these [commitments](#).

In February 2021 a further [paper](#) provided the government's update on the 2021/22 local government COVID-19 package, having considered all responses to the consultative policy paper.

2. Funding

£670 million of new grant funding will be made available to assist local Council Tax Reduction (CTR) schemes, based on each billing authority's mean average working-age local council tax support caseload across 2020/21 and its average bill per dwelling in 2020/21, compared to England averages.

These will be made available via a section 31 grant with Bristol due to receive £5.8m. The assumption is that £3.3m will be held to support the increase in CTR costs already in the budget (and within CTB1 estimates), with £2.5million held for potential distribution through other local welfare schemes / against further increase in CTR costs beyond those already anticipated.

In addition to this £2.5m there is a further £400k available from the 2020/21 MHCLG Hardship Fund which was held as contingency. This takes the total COVID fund available to £2.9m.

3. Approved/Proposed Spend

Outlined below is the proposal for 21/22 noting final position will be subject to demand in each of these allocation streams. The base budget column (A) is those monies already agreed for 2021/22 with proposed spend (B) being those aligned to this policy.

Fund	Base budget (A)	Proposed spend (B)	Total budget for 2021/22 (A + B)
Discretionary Housing Payment	£1m (estimated)*	£1m	£2m
Local Crisis and Prevention Fund (Emergency Payments)	£500k (£200k+£300k)**	£300k	£800k
Local Crisis and Prevention Fund (Household Goods)	£500k	£400k	£800k
Council Tax Reduction Hardship Payments 2021/22 (£75 per working age household)	£0k	£985k	£985k
Contingency	NA	£215k	£215k
Total	£2m	£2.9m	£4.9m

**To be confirmed by DWP but estimated based on national allocation figures that are already available*

***£300k has already been agreed to be added to the base budget of £200k from 2020/21 MHCLG Hardship Fund = £500k*

4. Rationale for Proposed Spend

The suggested amounts in column B above are based on demand in 2020/21 and likely demand for 2021/22 and broken down as follows:

- £985k for CTR hardship – 20/21 allocation from MHCLG allowed the council to top up working age CTR recipients Council Tax accounts by £150, where there was a residue to pay of this amount (or smaller). This would be scaled back award of £75 per household to reflect the smaller hardship fund available in 2021/22 but will be a stepped reduction allowing time for these households to better budget for this reduction in assistance.
- £1m for DHP – the additional allocation in 2021/22 was £1m fully expended and there is evidence of a similar demand for 2021/22.
- £300k for LCPF Emergency Payments – the total demand for the fund for 2020/21 is estimated to be c. £800k and therefore a top up of £300k to the base will enable a similar level of demand to be serviced plus extend coverage to those with no recourse to public funds.
- £400k for LCPF Households Goods – the fund for 2021/22 was £700k, however with increased demand, this facilitated the purchase of 2 essential household items, as opposed to the usual 3. A small increase taking the overarching 21/22 fund to £900k should facilitate the award of at least 3 essential items for the duration of 2021/22.

It should be noted that there may be some flexibility across funding streams subject to demand and that the fund is cash limited and could be exhausted prior to the end of the 21/22 financial year.