

CABINET

15 November 2022

Title: Household Support Fund (October 2022 – March 2023)	
Report of the Cabinet Member for Community Leadership and Engagement	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: Stephen McGinnes, Director of Support & Collections	
Accountable Strategic Leadership Director: Fiona Taylor, Acting Chief Executive	
Summary <p>On 26 May 2022, the Chancellor announced as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, that the Household Support Fund (HSF) would be extended from 1 October 2022 to 31 March 2023 to support those most in need.</p> <p>LBBD's allocation for the Household Support Grant is £2,162,051.52.</p> <p>This report sets out the Government Scheme's minimum criteria and LBBD's proposed approach to their allocation.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Agree the principles of the Household Support Grant.(ii) Note LBBD's Policy and intended allocation of the Grant.(iii) Delegate authority to the Director of Support and Collections, in consultation with the Cabinet Member for Community Leadership and Engagement, to vary the allocation of funding and scheme criteria, where required to reflect future demand on the scheme.	
Reason(s) <p>The Households Support Fund scheme was extended by Government to meet the rising cost of energy prices and inflation.</p> <p>Increasing inflation and further pressures on the cost of living are disproportionately affecting low-income residents in the borough.</p>	

Base interest rates have increased from 0.50% in February 2022 to 2.25% in September 2022 impacting mortgages and borrowing and are expected to further rise in the coming months. Energy prices have continued to rise, and the energy price cap has now been set at £2,500 per unit costing, with some households with higher usage requirements facing bills in excess of the price cap. The inflation rate rose to 9.8% in August 2022 and the Bank of England expects the inflation rate to peak at 11% and remain over 10% for the coming months.

With many households already on low incomes, reliance on welfare assistance will increase, becoming an important lifeline to meet basic living costs. All the financial changes and increases this year in the cost of living will heavily impact our borough and its residents.

These schemes have been tailored with our residents in mind to help support them through what is expected to be a very challenging year.

1. Introduction and Background

- 1.1 On 26 May 2022 the Government announced as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living that the Household Support Fund (HSF) would be extended from 1 October 2022 to 31 March 2023.
- 1.2 Policy stipulations from the extension of the scheme April-September 2022 that at least one third of the total funding must be spent on families with children and at least one third spent on pensioners, with the remaining one third allocated to 'other' have now been removed. The extended funding for the scheme can be used at the Council's discretion subject to the following requirements:
- 1.3 Authorities must now operate an application-based service for support to ensure those in need have a route to emergency support. The Council has operated an application-based service since the commencement of the Household Support fund and already meets this requirement.
- 1.4 In terms of type of support, the expectation is that the HSF extension should be used to support households in the most need, with some focus on those households who have not been eligible for other government support recently made available, including the Cost-of-Living Payments set out on 26 May 2022 and the energy support set out on 3 February, enhanced on 26 May 2022.
- 1.5 These schemes set out cost of living support payments for those on qualifying low-income Benefits such as Universal Credit, with two lump sum payments of £324 and £326 paid in July and November. The Energy Bills Support Scheme provides an automatic non-refundable discount to eligible households of £400 to help with their energy bills over winter 2022/23. The energy bills rebate scheme provided a £150 Council Tax rebate for Council Tax bands A-D alongside a discretionary funding scheme.
- 1.6 It is important to stress that the Fund is however intended to cover a wide range of low-income households in need including families with children of all ages,

pensioners, unpaid carers, care leavers, people with disabilities and will continue to operate in a similar way to the original HSF scheme, with a greater emphasis on supporting households with their cost of living with a particular focus and priority on energy, food, utility and water bills.

- 1.7 Energy bills are of particular concern. Support which can make a quick but sustainable impact on energy costs is encouraged – for example, insulation of hot water tanks, fitting draft excluders to a door, or replacing inefficient lightbulbs or white goods.
- 1.8 Essentials linked to food energy & water are also included. This may include cooking, lighting, sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers and ovens.
- 1.9 Wider essentials, including, but are not limited to, support with other bills including broadband or phone bills, clothing, and essential transport-related costs such as repairing a car, buying a bicycle or paying for fuel can be considered.
- 1.10 It can be used on housing costs but only if:
 - Housing Benefit (HB) or Universal Credit Housing Element (UCHE) is in payment
 - Discretionary Housing Payment (DHP) has been applied for & considered
 - If a statutory risk/duty for homelessness is present, then the Homeless Prevention Fund must be used
 - There is an exceptional genuine emergency
 - It cannot be used for an ongoing basis
 - It cannot be used to support unsustainable tenancies
- 1.11 It can be used for Rent arrears but only if:
 - The arrears were accrued for a period prior to HB or UCHE
 - Arrears built with HB or UCHE cannot be considered
 - There is an exceptional genuine emergency
 - It is not the primary intent of the fund
- 1.12 Reasonable administrative cost can be included – These may include staff costs, advertising, web page design, printing application forms, IT Change associated to the scheme
- 1.13 It can be paid via vouchers, food, BACS, cash & cheques & third parties can be used such as:
 - Registered charities and voluntary organizations
 - Schools
 - Food banks
 - General Practitioners
 - Care organizations

1.14 Management information is a mandatory requirement and the Local Authority is reimbursed based on the management information returns due for submission by January and October 2023 respectively.

2. Proposal and Issues

2.1 From the Household Support Grant vouchers will be provided over the October, Christmas and February holiday periods to families whose children are in receipt of Free School Meals. It is proposed that a £15 voucher is issued in October, £50 voucher over Christmas and a £15 voucher over February school holiday periods. This will be aligned to the former awards made using the Household Support Grant in 2021/22 and will continue to support households with children.

2.2 Approximately 12,000 children are expected to benefit from the awards at a cost of £960,000.

2.3 Monetary and/or Voucher allocations are proposed to front organisations in order to enable immediate support to be available at the point of contact. Examples of such organisations include:

- Food Banks and Community Food Hubs for food provision
- The Source, DABD & Independent Living Agency for Energy Support

2.4 An open application process for grants for residents of the borough is available on a 'case by case' basis.

2.5 A Targeted approach to promotion and priority given to:

- Households with Carer Responsibilities and Disabled Occupants
- Sheltered/Supported Accommodation
- Care Leavers & those supported by Adult Social Care
- Families identified to have low financial resilience
- Residents identified as not being eligible for the cost of living payments as set out on 26 May 2022

2.6 General Applications are open to all including any who have received the FSM Voucher award.

2.7 Exclusions to the Household Support Grant are it cannot be issued for advice, such as debt advice or mortgage costs and those with no recourse to Public Funds are excluded unless there is a genuine care need that does not arise solely from destitution.

2.8 Proposed/Estimate Allocation

Work Stream	Household Support Grant
Free School Meals	£960,000
Food Banks & Community Food Hubs	£150,000

The Source/DABD/ILA & Homes & Money Hub	£30,000 The Source – Emergency pay as you go energy voucher support & Specialist hygiene products (disability/health) £30,000 HAM HUB – emergency food and utility vouchers – vulnerable walk in residents DABD - projects paid for from previous funding running to 31.03.2023 (Pension Credit take-up, Ben Cap affected families and Energy Saving advice and support including supply of light bulbs, draught excluders etc
Targeted Work	Rent, CTX identified arrears households – in-conjunction with Tenancy Sustainment and CTX revenues team financial hardship support (COL & Energy Price increase mitigations). £145,000.00
General Applications	£630,000.00
10% admin & control cost	£216,204.52
Total allocation	£2,162,151.52

3. Options Appraisal

- 3.1 The conditions and policy attached to the Household Support Fund detail how the grant can be utilised and what constitutes eligible spend. The options available are as follows:
- 3.2 Maintain the current recommended model of voucher allocation for Free School Meal eligible households, community and voluntary organisation funding, targeted work and a general application process. This model is recommended and held to provide wide support for a variety of residents and key partner organisations. This approach balances the need to make support available quickly to households identified as in financial hardship, while retaining flexibility to address individual needs as presented over the coming months.
- 3.3 The suggested mix of direct awards to low-income families with children and an open process for other residents is believed to provide that balance.
- 3.4 Not accept the grant and advise the DWP that we do not want to run the scheme on their behalf. This would require the returning of the funding. This would fail to protect vulnerable households in the borough.
- 3.5 Allocate all of the available funding into an open application process for residents to apply for financial support. This would require substantial additional resources for administration and would fail to support key voluntary and partner organisations, alongside targeted work.
- 3.6 Allocate all of the available funding to Free School Meal eligible households with a discretionary fund of £125,000 for exceptions and open applications. This would disadvantage other vulnerable households who do not have children such as single or elderly residents, would require substantial additional resources for administration and fail to support key voluntary and partner organisations, alongside targeted work.

- 3.7 Allocate all of the available funding to residents in receipt of Council Tax Support with a flat rate payment of £125 issued to all with a discretionary fund of £125,000 for exceptions and open applications. This would require substantial additional resources for administration and would fail to support key voluntary and partner organisations, alongside targeted work.
- 3.8 These alternative approaches are not recommended for the reasons set out above.

4. Consultation

- 4.1 External consultation has not been undertaken as proposals are based on government requirements and for the purpose the funding was intended to be distributed against.
- 4.2 The proposals in this report were considered and endorsed by the Corporate Strategy Group at its meeting on 20 October 2022.

5. Financial Implications

Implications completed by: Nurul Alom, Finance Manager

- 5.1 The Secretary of State determines the amount of grant to be paid. The Household Support Funding allocation for the period 01 October 2022 to 31 March 2023 is £2,162,051.52.
- 5.2 The Authority is required to develop a local eligibility framework and approach that meets this guidance and policy.
- 5.3 The costs of the scheme are to be fully met from the DWP grant and reasonable administrative expenses are an allowable deduction from the grant.
- 5.4 The grant is paid to the Authority to support eligible expenditure only, in line with Household Support Fund guidance and policy. The Authority has discretion on how this funding is used within the scope of this guidance set out. This confirms funding should be used primarily to support vulnerable households in need, with cost of living associated with energy bills, food, water and other essential household costs.
- 5.5 Funding is paid in arrears following completion of two management information returns to the DWP outlining the grant spends and volume of awards. The amount of funding received will be in line with the evidence provided in this data return.
- 5.6 Management information detailing how funding has been distributed, approved by the Chief Finance Officer is a mandatory requirement & the Local Authority is reimbursed based on the management information returns due for submission by January and October 2023 respectively
- 5.7 Any failure to comply with the specified reporting criteria could lead to delayed payments or refusal of payments and loss of funding.

6. Legal Implications

Implications completed by: Dr Paul Feild Principal Solicitor for Standards & Governance

- 6.1 The Government is providing the funding under section 31 of Local Government Act 2003. There is a discretion on exactly how this funding is used within the scope set out in the Household Support Guidance and the accompanying Grant Determination. This means that the Council should have a policy as proposed in the body of this report.
- 6.2 The expectation is that it should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.
- 6.3 The policy should be subject to an equalities impact assessment to ensure the Councils equalities duties under the Equality Act 2010. Under the Equality Act 2010, all public authorities must comply with the Public Sector Equality Duty. For the purposes of the fund, consideration should be carried out how any support that helps people facing severe financial hardship impacts those with characteristics protected under the Equality Act.
- 6.4 Furthermore, the application of the policy should be subject to a review to ensure that an individual or family is not subject to injustice.

7. Other Implications

- 7.1 **Risk Management** – The service considers the primary risks to be:
 - 7.1.1 Managing the risk of fraud. The Authority will carry out due diligence checks on information required for the general application process and any allocation of funding.
 - 7.1.2 Over/Underspend of the Household Support Fund. The Authority will closely monitor the expenditure of the scheme throughout.
 - 7.1.3 Not reaching vulnerable households in need. The Authority is committed to a variety of approaches in the provision of the scheme, inclusive of targeted work to reach hard to reach households.
- 7.2 **Contractual Issues** - The services of a third-party company are being procured for the operation of an automated payment method.
- 7.3 **Staffing Issues** - Through running a general application process the Authority will incur significant resourcing implications at service level. The schemes will be managed within existing staffing structures. This may have an implication for ongoing resourcing of the service.

7.4 Corporate Policy and Equality Impact

- 7.4.1 The Authority has discretion on how the Household Support Fund is allocated within the guidance issued by the DWP. By prioritising low-income households there is likely to be a positive impact for residents with protected characteristics e.g age who are financially disadvantaged.
- 7.4.2 The scheme specifically targets families with children on a low income that are eligible for Free School Meals.
- 7.4.3 By utilising the scheme with targeted work against cohorts with protected characteristics the Authority will meet its equality duty.
- 7.4.4 An equality impact assessment has been completed and is provided as Appendix 2.
- 7.5 **Health Issues** - By providing financial support to the most financially disadvantaged households in the borough the scheme will seek to support residents with basic health by providing financial support for both energy and basic food requirements, supporting and promoting the health of residents.

Public Background Papers Used in the Preparation of the Report:

- <https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/household-support-fund-final-guidance-for-county-councils-and-unitary-authorities-in-england>
- <https://www.gov.uk/guidance/cost-of-living-payment>
- <https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billing-authority-guidance/support-for-energy-bills-the-council-tax-rebate-2022-23-billing-authority-guidance>

List of appendices:

Appendix 1 – Equality Impact Assessment