

CABINET

21 March 2023

Title: Welfare Support Funding 2023/24	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: Stephen McGinnes, Director of Support and Collections	
Accountable Strategic Leadership Director: Fiona Taylor, Acting Chief Executive	
Summary: <p>The Council will be allocated Government funding for the financial year 2023/24 to support residents with the cost of living. This financial support will be provided through the Energy Bills Support Scheme (Alternative Funding) and the 4th iteration of the Household Support Fund.</p> <p>This funding is in addition to that which the Council has allocated directly for the administration of its Hardship Policy and Council Tax Discretionary Relief Policy.</p> <p>This report sets out the Government Scheme's, minimum criteria and the Council's proposed approach to the allocation of Hardship Funds.</p> <p>To simplify the resident's journey and align the policies and processes, the Discretionary Housing Payment, Household Support and IAP Local Hardship Scheme and Discretionary Council Tax Hardship Scheme have been merged into one application process and one policy, set out at Appendix 1.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Note that the Council shall be responsible for verifying applications and making payments under the Government's Energy Bills Support Scheme Alternative Funding (EBSS AF);(ii) Approve the Council's updated Discretionary Housing Payment, Household Support and IAP Local Hardship Scheme and Discretionary Council Tax Hardship Scheme 2023/24, as set out at Appendix 1 to the report; and(iii) Delegate authority to the Director of Support and Collections, in consultation with the Cabinet Member for Finance, Growth and Core Services and the Strategic	

Director, Finance and Investment, to vary the allocation of funding and scheme criteria where appropriate to reflect future demand.

Reason(s)

To assist the Council in achieving its priorities of 'Prevention, Independence and Resilience' and 'Well Run Organisation'.

1. Introduction and Background

- 1.1 Increasing inflation and further pressures on the cost of living are disproportionately affecting low-income residents in the borough.
- 1.2 Base interest rates have increased to 4% as of January 2023, 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 stands at 8.8% and the Bank of England expects the inflation rate to peak at 11% and remain over 10% for the coming months.
- 1.3 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.
- 1.4 During 2022/23, the Government announced a number of measures to provide help with global inflationary challenges and the rising cost of living. These measures include the extension of the Household Support Fund and the introduction of the Energy Bills Support Scheme. To support this the Council has continued its own Hardship Policy to capture residents who required an additional level of financial support or are excluded from the other schemes including the Cost-of-living Payments.

2. Proposals and Issues

2.1 Energy Bill Support Scheme Alternative Funding

- 2.1.1 The Energy Prices Bill was introduced to Parliament in October 2022 and enabled the delivery of the Energy Price Guarantee and the Energy Bill relief scheme. This scheme saw households on mains utilities benefit from a £400 reduction in their energy bills spread over the six months, October 2022 to March 2023. This Bill also supported consumers who were not captured by the scheme, including those who used alternative fuels such as heating oil, lived in caravans, houseboats, care homes or were on heat networks.
- 2.1.2 The Energy Bills Support Scheme Alternative Funding (EBSS AF) is aimed at those who were not eligible for the initial energy support payments as they had either no direct contractual relationship with, or that their supplier was not an authorised administrator for the scheme payment.

- 2.1.3 A one-off £400 payment will be made directly to all successful applicants. Residents will claim this support via Gov.uk, with applications passed to the Council to continue administration. The Council will be responsible for validating residency, bank accounts, proof of service charges and undertaking the payments.
- 2.1.4 The criteria means that we would expect most members of the following groups to be eligible:
- Care home residents (provided they in some way pay towards their care);
 - Park home residents;
 - Households in caravans and houseboats on fixed/registered sites;
 - Social and private tenants who get their energy through a commercial supplier (e.g. a landlord);
 - Heat network customers not already covered by main EBSS (private wire/CHP);
 - Farmers in domestic farmhouses, as well as others in domestic residences with a commercial supply;
 - Homes off the grid.
- 2.1.5 The Energy Bills Support Scheme is a prescribed scheme with no discretionary element. It must be administered as prescribed by the guidance. Extensive audit and assurance process have been mandated to support the financial allocations and re-imburement to the Council.

2.2 Household Support Fund

- 2.2.1 The Autumn statement announced that the Household Support Fund (HSF) would have a further investment of £1 billion and is to deliver support to residents to help with the cost of essentials. It is anticipated that LBBB will be allocated £4,324,102 over 2023/24, allocated in two waves of £2,162,051 (LBBB was previously allocated £2,162,051 for the period 1 October 2022 to 31 March 2023).
- 2.2.2 By Minute 49 (15 November 2022), Cabinet approved a policy for the allocation of the HSF grant. Government guidance dictates how the scheme should be administered and it is proposed, therefore, that the arrangements agreed in November 2022 continue to be applied.
- 2.2.3 The HSF extension will 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. It will 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.
- 2.2.4 It should be noted that from the Household Support Fund, vouchers are provided over holiday periods to families whose children are in receipt of Free School Meals. A £15 voucher will be issued for one week term breaks and £25 for a two-week term break, with the exception of Christmas and Summer breaks where a £50 voucher is awarded.

- 2.2.5 Approximately 12,000 children are expected to benefit from the awards at a cost of £2 million.
- 2.2.6 Monetary and/or Voucher allocations are provided to voluntary organisations in order to enable immediate support to be available at the point of contact. This equates to circa £250k. Examples of such organisations include:
- Food Banks and Community Food Hubs for food provision
 - The Source, DABD & Independent Living Agency for Energy Support
 - Homes & Money Hub for Energy Vouchers to support pre-paid meters
- 2.2.7 An open application process for grants for residents of the borough is available which will be considered on a 'case by case' basis.
- 2.2.8 A targeted approach to promotion and priority will be 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.
- 2.2.9 Applications are open to all including any who have received the FSM Voucher award.
- 2.2.10 Exclusions to the Household Support Grant are that 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.

2.3 IAP Hardship and Discretionary Council Tax Hardship Schemes

- 2.3.1 The Council is committed to supporting its residents through the cost-of-living crisis and as part of that commitment have provided Welfare funding through the Individual Assistance Payment (IAP) Hardship Scheme and the Discretionary Council Tax Hardship Scheme.
- 2.3.2 Both are intended to alleviate hardship and allow customers who face a variety of challenges the time to find alternative solutions for shortfalls in income and help with:
- Food & General Living Costs
 - Utility & Energy Costs
 - Council Tax
 - Essential White Goods
 - Other household items in an emergency need such as beds and other furniture.
- 2.3.3 The Council's updated IAP Hardship and Discretionary Council Tax Hardship policies have been tailored with local residents in mind to help support them through what is expected to be a very challenging year and will sit alongside the Government's EBSS AF and HSF schemes.

- 2.4 To simplify the resident's journey and align the policies and processes, the Discretionary Housing Payment, Household Support and IAP Local Hardship Scheme and Discretionary Council Tax Hardship Scheme have been merged into one application process and one policy, set out at Appendix 1.

3. Options Considered

3.1 Option 1 – Do nothing (Rejected)

- 3.1.1 By not administering these schemes, residents of LBBD will be financially disadvantaged, voluntary organisations will struggle to support families through the unprecedented demand they are experiencing, the grant funds would expire and the opportunity to make a difference in the community would be lost.

3.2 Option 2 – Agree the Funding - Recommended

- 3.2.1 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. The administration of these scheme is essentially to support residents.

4. Equalities and other Customer Impact/GDPR

- 4.1 While a full Equality Impact Assessment is not required in this instance, the Equality Impact Assessment Screening Tool is attached at **Appendix 2**.

5. Consultation

- 5.1 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.
- 5.2 Internal consultation includes Adult Social Care, Childrens Care & Support, Public Health, Commissioning for Care & Support, Childrens, Adults and Disabilities, Finance, Legal & Portfolio Holders.

6. Financial Implications

Implications completed by: Nurul Alom, Finance Manager

- 6.1 The report sets out the government and Council funding for financial year 2023/24 to support residents with the cost of living.
- 6.2 Energy Bill Support Scheme – The Council has been allocated £603k to support those residents who were not eligible for the initial energy support payments as they have either no direct contractual relationship with, or that their supplier isn't an authorized administrator of the original scheme. This is a fully funded scheme and the Council will act as an intermediary to deliver the payments to residents.
- 6.3 Household Support Fund (HSF) – The Council has been awarded £4.3m for 2023/24. The scheme will be administered in accordance with Government

guidance, supporting low-income households with their cost of living with a particular focus and priority on energy, food, utility and water bills.

- 6.4 Hardship Policy & Council Tax Discretionary Relief Policy - Both schemes are intended to alleviate hardship and allow customers who face a variety of challenges, time to find alternative solutions for shortfalls in income. The Hardship Fund will be c£300k and will be fully funded from the Cost-of-Living Reserve. The Council Tax Discretionary Relief will be c£500k and will be fully funded from the Welfare Reserve.

7. Legal Implications

Implications completed by Dr Paul Feild Principal Governance & Standards Solicitor

- 7.1 The various schemes set out in this report have different considerations and to assist the Council in its administration of assistance, the Secretary of State has provided guidance which the Council should have due regard.
- 7.2 The Council, in providing relief and assistance, must act fairly on the basis of policies which enable appropriate consideration of the eligibility and circumstances of the beneficiaries. It is important in the setting up of the schemes to provide for a review mechanism to ensure that processes are applied fairly and injustice is not caused by incorrect application of the policies.

Public Background Papers Used in the Preparation of the Report:

- HSF Guidance to Local Authorities 2023/24
<https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/1-april-2023-to-31-march-2024-household-support-fund-guidance-for-county-councils-and-unitary-authorities-in-england>
- LBBD Household Support Fund Policy (Cabinet 15 November 2022, Minute 49)
<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=180&MId=12608&Ver=4>

List of Appendices:

Appendix 1: Discretionary Housing Payment, Household Support, and IAP Local Hardship Scheme & Discretionary Council Tax Hardship Scheme 2023/24

Appendix 2: Equality Impact Assessment Screening Tool