

## **CABINET**

### **1 JULY 2022**

## **HOUSEHOLD SUPPORT FUND**

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### **Relevant Cabinet Member**

Councillor Marcus Hart

### **Relevant Chief Officer**

Strategic Director of People

### **Recommendation**

**1. The Cabinet Member with Responsibility for Communities recommends that Cabinet:**

- a) Endorses the approach to the use of the Household Support Fund in 2022/23 as outlined in paragraph 18 of the report; and**
- b) Delegates the implementation of the delivery of the Household Support Fund, including the allocation of any extension to the grant within the terms applicable to it, to the Strategic Director of People in consultation with the Cabinet Member with Responsibility for Communities and in liaison with the Chief Finance Officer.**

### **Background**

2. Government have released funding to support residents in Worcestershire since 2020, initially through the Winter Grant and Local Support Grant, and subsequently through the Household Support Fund.

3. For the period November 2021 to March 2022, Worcestershire was awarded £3.95million of funding from the Household Support Fund to provide support for residents in need of help with food, fuel and other essential household costs.

4. In the Spring Statement 2022, the Chancellor confirmed that the Household Support Fund would be extended, and this equates to a further £3.95 million for Worcestershire to use to support residents between 1 April and 30 September 2022.

5. On 26 May 2022, the Chancellor announced that the Household Support Fund would be extended again for a further six months. The details of this extension have not been confirmed to date.

6. This paper summarises how the previous funding allocations were used and sets out a proposed use of the additional funds between now and the end of September that will

ensure this is targeted to residents in need of support and in line with the Government guidance.

## **Previous funding allocations**

### **December 2020 – September 2021**

7. Funding received during this period totalled £4.056 million via the Winter Grant and Local Support Grant. These grants could be utilised from 1st December onwards, in line with the Government directive to ensure children and families get extra support during the winter period and ensuring vulnerable households do not go hungry or without essential items.

8. Government specified parameters for use of these funds:

- 80% of the fund was for families with children, the remaining 20% could be provided for residents experiencing, or at risk of, poverty.
- 80% was for use on food, energy and/or water bill.
- 20% could be used on other essential expenditure for households, for example on essential toiletries, boiler repair costs, purchase or maintenance of fridges/freezers, etc.
- The fund could not be used to cover rent or housing costs and could also not be used for the provision of debt or financial advice.

9. The Winter Grant and Local Support fund provided over 76,000 interventions of support to residents across the county. This included around £3.5m spent directly on households with children. The support included; holiday food vouchers issued through schools, white goods, boiler repairs, clothes, toiletries, foodbank support and other household essentials. Multiple interventions were available for households to access.

### **October 2021 to March 2022**

10. A further £3.95m of government funding was allocated via the Household Support Fund to Worcestershire for the period 1 October 2021 to 31 March 2022. This fund was provided to support households in the most need with energy costs, food and water bills, as well as covering other essential household costs and housing costs in exceptional circumstances.

11. Government guidance regarding use of this fund was similar to that for the Winter Grant and Local Support Grant, with a few key differences:

- a) A minimum of 50% of the fund was for families with children, 50% was for residents experiencing, or at risk of, poverty.
- b) The Household Support Fund could be used to cover a broader range of household essentials, including phone bills, transport related costs and broadband charges.
- c) In exceptional circumstances this fund could be used to pay for housing costs, for example to cover rent payments, where existing housing support schemes do not meet this need.

12. Throughout this period, the funding provided over 82,000 interventions to households, with over £2.7m spent directly on households with children. This support included an extension of the food vouchers for school holidays and a countywide

scheme through Act on Energy to support people with fuel vouchers and top up payments, debt, heating repairs and replacements. In addition, funding was allocated to district councils to provide local support routes via a range of direct support including council welfare assistance schemes or with local voluntary sector partners to deliver schemes including Citizens Advice, and local foodbanks for example. All those organisations in receipt of household support fund, including District councils, have to spend resource in line with the grant conditions and contribute towards the expected monitoring. Multiple interventions were available per household and funding was allocated against the grant criteria and the percentage of direct spend is outlined below:

- Food - 39%
- Energy and Water - 37%
- Essentials linked to energy and water - 4%
- Wider essentials – 16%
- Non- statutory housing costs – 4%

### **Household Support Fund April – September 2022**

13. In the Spring Statement 2022, the Chancellor confirmed that the Household Support Fund would be extended, and this equates to a further £3.95m for Worcestershire to use to support residents between 1 April and 30 September 2022. An announcement to further extend the scheme was made on 26 May by the Chancellor, no details of this are available to date.

14. The new fund from April 2022 is intended to provide support to vulnerable households in most need of support to help with significantly rising living costs. Whilst the general purpose of the fund is the same as that provided previously, there are changes to the ring-fenced requirements on how this is allocated within each Local Authority area.

15. For the new fund, at least one-third will be allocated to support families with children under 19, at least one-third will be allocated to pensioners (those aged 66 or above by the 30 September) and up to one-third will be allocated to other vulnerable households in need of support. In practice this means there is a reduction in funding available to focus entirely on families with children.

16. Within the parameters set out in 15, the Household Support Fund can be used to cover:

- a) Energy bills relating to heating, cooking or lighting; and water bills.
- b) Support with food costs either through vouchers or cash.
- c) Other household essentials – this may include those linked to energy and water, for example sanitary products, boiler repair or servicing, warm clothing, purchase of fridge/freezers; or for wider essentials, for example broadband costs, phone costs, clothing, transport-related costs such as car repairs.
- d) Housing costs can be covered in exceptional circumstances and where existing housing schemes do not meet this exceptional need. For example, the fund cannot be used to provide mortgage support but can be used to cover historic rent arrears that have been built up prior to receipt of other benefits.
- e) The fund can also be used to cover reasonable administration costs (10% maximum allocation), including staff costs, web page design, IT system costs and promotional activity and content to raise the profile of the scheme.

- f) The fund cannot be used to cover mortgage costs and cannot be used to provide debt and financial advice services.

### Proposed allocation of the Household Support Fund April to September 2022

17. The table below sets out the proposed allocation of the £3.95m that Worcestershire will receive from the new Household Support Fund.

18. These proposals are in line with government guidance and are modelled around local understanding of need across different categories, informed by local intelligence and previous delivery of the funds detailed in paragraphs 10 – 12 of this report. Funding will only be used for schemes that are free to residents.

Table 1: Proposed Allocation of Household Support Fund April – September 2022

<b>Total Grant</b>	<b>£3,949,139</b>		To be delivered by 30 September 2022
<b>Target Group</b>	<b>Allocation</b>	<b>% of fund</b>	<b>Delivery Mechanism</b>
Children and Young people receiving Free School Meals in holidays - 15,000 recipients	£1,000,000	25%	Digital food voucher for 5 weeks of school holidays during the programme period issued by schools to eligible families. (Easter x 2 weeks, summer half term, plus first two weeks of summer holidays)
Pensioners	£1,050,000	27%	Pension Credit recipients issued cashable vouchers distributed via Post Office and a parallel scheme for other pensioners on low incomes via Worcestershire Advice Network – delivered by Age UK Worcester and Malvern
Act on Energy	£1,000,000	25%	Act on Energy countywide scheme continuation – support split between three focus areas outlined in paragraph 12
District allocation	£899,139	23%	District councils to distribute in line with guidance. In house and voluntary sector delivery partners
<b>Total Commitment</b>	<b>£3,949,139</b>		

<b>District Council Allocation (using a council tax hardship formula)</b>	<b>Amount</b>
Bromsgrove	£100,344
Malvern Hills	£89,105
Redditch	£146,200
Worcester	£189,089
Wychavon	£167,060
Wyre Forest	£207,342
<b>Total</b>	<b>£899,139</b>

19. District councils will be delivering local support through either direct in-house schemes or through various voluntary and community sector organisations in order to reach residents in need.

20. Residents may be eligible for support across multiple categories listed in the table above. Residents may also be eligible to receive support on multiple occasions during the period.

21. The government has recently announced additional measures also to support the increased costs of living. This includes; Energy Bills Support Scheme increase, one off payment for those on means tested benefit, one off pensioner cost of living payment, disability cost of living payment. There is also the previously published Holiday Activities and Food (HAF) programme locally delivered as 'Ready Steady Worcestershire' supporting eligible families and the Council Tax rebate scheme.

22. The Here2Help team in the council has and will continue to work with the Household Support Fund delivery partners to signpost people to the right support at the right time, keeping up to date with the local and the countywide schemes.

23. There are very close operational links with Worcestershire Children First to ensure the up to date information is available those that are working with children and their families and the key partner organisations.

## **Summary**

24. Worcestershire County Council is committed to ensuring that vulnerable residents who are most in need receive support through a balanced programme of activity.

25. The proposals detailed in this report aim to ensure that the new allocation of the Household Support Fund is utilised in a targeted and effective manner between now and the end of September initially, to reduce the impact of the increased cost of living crisis, poverty and financial hardship for Worcestershire residents.

## **Legal, Financial and HR Implications**

26. The Secretary of State determines the authorities to which grant is to be paid and the amount of grant to be paid.

27. The Household Support Fund Grant indicative funding allocation for Worcestershire County Council for the period 1 April to 30 September 2022 is £3,949,139.19. Pursuant

to section 31(3) and 31(4) of the Local Government Act 2003, the Secretary of State determines that the grant will be paid in respect of this period.

28. The grant is paid to the Authority to support eligible expenditure only, in line with guidance from the Department for Work and Pensions; and on the basis overall that the provision of grant funding remains subject to the Secretary of State's ongoing satisfaction that all grant usage by the Authority complies fully with the relevant conditions.

29. Funding is paid in arrears and following completion of a data return to the Department for Work and Pensions. The amount of grant funding Worcestershire receives from the allocation listed in 17 will be in line with the evidence provided in the data return. This approach is in line with previous grants and Here2Help, Business Intelligence and Finance teams will work together to complete the required returns.

30. County Councils and Unitary Authorities have a statutory duty regarding children and are generally responsible for Local Welfare Assistance. The Department for Work and Pensions is providing funding to County Councils and Unitary Authorities (including Metropolitan Councils and London Boroughs), under section 31 of the Local Government Act 2003, to administer the scheme and provide assistance to households most in need.

31. Local Authorities have discretion on exactly how this funding is used within the scope set out in guidance documentation provided by the Department for Work and Pensions. The expectation is that it should primarily be used to support households in the most need particularly those including children and pensioners who would otherwise struggle with energy bills, food, water bills, other essential household costs and housing costs in exceptional circumstances.

## **Risk Implications**

32. All previous schemes have been delivered successfully and within the timeframe therefore there is a low level of risk.

33. There is a risk in relation to a change in criteria to include a ringfenced pensioner allocation as this may be challenging to deliver based on experience to date of engaging with those residents. The approach outlined in table 1 above is expected to have a high rate of success in reaching the target audience and mitigate that risk.

34. Activity data for the countywide schemes will be monitored monthly to ensure early identification of trends and mitigation measures to address any issues in relation to delivery.

35. There is a reputational risk to the council if the scheme fails to deliver against the national criteria and the full funding allocation is unable to be claimed back from government. The mixed approach highlighted in table 1 ensures that there will be a wide reach to the scheme, engaging multiple partners to enable those in need to access support and the scheme can be successfully delivered.

## **Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments**

36. Full Equality and Public Health, Data Protection and Sustainability Impact Assessments have been carried out in respect of the recommendations. This did not identify any potential negative impact for any of the Protected Groups. The potential negative impact relates to a potential increase in Greenhouse Gas emissions as a result of the financial support given to eligible residents to contribute towards heating their home. Notwithstanding the potential negative impact, the recommended course of action can be justified because this is a scheme to help vulnerable families in fuel poverty who are not able to heat their homes to a minimum standard for health and wellbeing.

37. The following mitigating action has been identified:

- Where possible, residents receiving support or third-party organisations providing white goods will be encouraged to purchase the most energy efficient models.
- Act on Energy will signpost residents receiving support through the Household Support Fund or those not eligible to Household Support Fund to other suitable energy efficiency schemes
- Physical intervention support through Act on Energy for new heating systems will consider the most energy efficient solution for the property.

38. Relevant findings will contribute to future planning for any extensions to the Household Support Fund.

### **Supporting Information** (Available electronically)

Appendix 1 – Joint Impact Assessment

Appendix 2 – Data Protection Impact Assessment (Pensioner Support)

Appendix 3 – Environmental Sustainability Impact Assessment (Pensioner Support)

Appendix 4 – Equality and Public Health Impact Assessment (Pensioner Support)

### **Contact Points**

#### Specific Contact Points for this report

Hannah Perrott, Assistant Director Communities

Tel: 01905843658

Email: [HPerrott@worcestershire.gov.uk](mailto:HPerrott@worcestershire.gov.uk)

### **Background Papers**

None