



## **DELEGATED DECISION**

**Corporate Management Team**

**11 May 2022**

**Household Support Fund 2022/23**

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**Report of Paul Darby, Corporate Director of Resources**

**Councillor Alan Shield, Cabinet Portfolio Holder for Equality and Inclusion**

### **Electoral division(s) affected:**

Countywide

### **Purpose of the Report**

1. To provide an update on the administration of the Household Support Fund, up to 31 March 2022.
2. To seek approval for a new scheme which will support administration of the Government's latest allocation of the Household Support Fund (HSF) announced in the Spring Budget, which runs from 1 April 2022 to 30 September 2022.

### **Executive summary**

3. Durham County Council has been allocated £4,676,099.65 from the Government's HSF. This funding, overseen by the Department for Work and Pensions (DWP), is to be used to provide support to vulnerable households in terms of essential household items enabling residents to stay warm and pay for utilities and food for the period 1 April 2022 to 30 September 2022.
4. Previous allocations of this funding to support vulnerable households were aimed at addressing some of the challenges low-income households were facing as a result of the impact of the restrictions implemented to control the virus and directly affecting household income. The Council has fully defrayed the previous allocations through the delivery of a number of strands of support, administered through both Council services and by partner organisations. The schemes have

also been supplemented with funding from the Council's Welfare Assistance Reserve to ensure that as much support as possible was provided.

5. The announcement in the Government's Spring Budget focussed on the current pressures households are facing due to the increasing cost of living. the HSF is a new fund with new grant conditions and the previous Household Support Fund has now closed. The new Grant allocation is of the same value as that previously awarded to Durham, covering the period October 2021 to March 2022.
6. The DWP have stated that 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 struggled with energy bills, food and water bills. Energy bills may be of particular concern to low income households during the period of the scheme and Local Authorities (LAs) should especially consider how they can support households with the cost of energy. It can also be used to support households with essential costs related to those items and with wider essential costs. The Government guidance in relation to use of the funding has changed with this latest iteration of the HSF. Previous guidance in relation to the first rounds of funding identified that at least 80% of the funding should be used to support vulnerable families with children. The previous round of HSF identified at least 50% of the funding was to be spent on vulnerable families with children.
7. The grant conditions for this round state that at least one third of the total funding will be ring-fenced to support households with children, at least one third of the total funding will be ring fenced to support pensioners and the remaining third of the total funding to be used to support "other" households genuinely in need of support. This may include households not currently in receipt of DWP welfare benefits.
8. In order to ensure that the support is appropriately targeted at vulnerable households, it is proposed that the Council builds on previous schemes developed and delivered using this funding and a range of support mechanisms are put into place, with delivery through both key Council services and partner organisations.
9. This scheme will run alongside the Council's Fun and Food initiative (<http://www.durham.gov.uk/funandfood>) provided through Children and Young People's Services (CYPS) during the main school holidays, utilising both Holiday Activities with Food (HAF) and Welfare Assistance reserve funding.
10. It is important that we have a robust communications plan in place enabling effective rollout of this support and referral pathways to ensure access for those households needing it and the report outlines the approach to be taken in this regard.

## **Recommendation(s)**

11. It is recommended that:

- i) Corporate Management Team note the final spend in relation to the commitments previously agreed for the HSF for the period October 2021 to March 2022;
- ii) the Corporate Director of Resources, utilising the delegated powers afforded to him under Table 1 Paragraph 4 subsection D and Paragraph 22, Table 7 of the Councils Constitution and in consultation with the relevant portfolio holder approves the use of the Household Support Fund; ensuring that all of the funding is utilised to provide support around food, rising energy bills and water bills and essential household bills for the period 1 April 2022 to 30 September 2022;

## Background

12. The council received DWP grant funding totalling £4,676,099.65 to administer the HSF between 6 October 2021 and 31 March 2022 to support those most in need during the winter period.
13. In the Spring Budget, the Government announced a further allocation of HSF; with Durham's allocation being £4,676,099.65. This was followed by DWP subsequently issuing initial draft guidance on 4 April 2022 to support administration of the new funding, to be administered between 1 April and 30 September 2022. The conditions within this draft guidance vary from the previous grant allocations. The focus for the new period is households of pensionable age; households with children and other vulnerable households most in need due to the cost-of-living crisis.

## Household Support Fund Oct 21 – March 22

14. The council has previously used the Government allocations in relation to the HSF to administer a range of support mechanisms to vulnerable households both with and without children. The Councils policy and approach has been in line with the Government guidance, which stipulated that at least 50% was to be spent on vulnerable households with children.
15. Table 1 provides a summary of how each of the various funding streams have been expended in relation to final claimed amounts:

**Table 1**

Period	Scheme details	Expenditure
Oct 21- March 22	Overview of total spend per household	
	<ul style="list-style-type: none"> <li>• Households with Children (64,537 vouchers issued)</li> <li>• Households without children (5,710 vouchers issued)</li> </ul>	<p><b>£4,179,062.48</b></p> <p><b>£505,508.39</b></p>
	<b><u>Total spend</u></b>	<b><u>£4,684,570.87</u></b>
Oct 21 – March 22	Spend per category and household supported	
	<ul style="list-style-type: none"> <li>• Food - 32,873 household</li> <li>• Energy and Water - 3,421 households</li> <li>• Wider Essentials – 7,209 household</li> <li>• Housing – 275 households</li> </ul>	<p><b>£3,921,615</b></p> <p><b>£205,743</b></p> <p><b>£523,701.87</b></p> <p><b>£3,351</b></p>

16. LAs had discretion on how this funding would be utilised within the scope set out in the draft guidance. The expectation being that it should primarily be used to support vulnerable households in most need with their food, energy and water bills. It could also be used to support households with essential costs related to those items and with wider essential costs.
17. Councils were given the discretion to deliver the scheme through whichever payment method they deemed appropriate – cash, vouchers or grants for example – it could also be used to provide funding to partner organisations – with the proviso that specified management information was collected and reported.
18. The Poverty Action Steering Group funded the transactional costs of £126,000 from the Welfare Assistance Reserve.

## **Household Support Fund 2022**

19. On 4 April 2022, the DWP published indicative funding allocations and issued draft guidance for the additional HSF. The new grant covers expenditure incurred from 1 April 2022 to 30 September 2022 and the council's allocation is £4,676,099.65. This is a new scheme and local authorities are not permitted to carry forward any underspends from previous DWP grants.
20. LAs have discretion on how this funding is utilised within the scope set out in the draft guidance. The expectation is to provide support to vulnerable households in most need of support to help with significantly rising living costs and that it should primarily be used to support this group with their 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.
21. Unlike the previous grants where 50% of the funding had to help families with children, the current HSF states at least one third of the total funding will be ring-fenced to support households with children, at least one third of the total funding will be ring fenced to support pensioners with up to one third of the total funding to other households genuinely in need of support.
22. LAs are encouraged to use the wide range of data and information at their disposal to identify and provide support to a broad cross section of vulnerable households in their area e.g. the DWP's Searchlight portal, which provides information on individual citizens' entitlement to (and confirms receipt of) DWP welfare benefits, information relating to Universal Credit claims with limited capability for work or, earnings below the free school meals and free prescription thresholds etc.

However, support is not restricted to vulnerable households in receipt of benefits. Therefore, authorities should also use other sources of information to identify vulnerable households, including advice from professionals who come into contact with vulnerable households such as social workers and Supporting Families advisors etc.

23. As with previous grants, LAs have the ability to deliver the scheme through a variety of routes including providing vouchers to households, making direct provision of food, or issuing grants to third parties (with the exception of debt advice provision).
24. LAs should aim to have arrangements in place as quickly as possible to support vulnerable households throughout the grant period and in addition, authorities were asked to provide DWP with a summary of how they are planning to spend the HSF by 29 April 2022.

### **Eligibility Framework**

25. The Council has flexibility within the scheme to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility within the conditions set within the grant.
26. Awards must be based on the following framework:
  - a minimum of one third must be ring-fenced for households of pensionable age, a minimum of one third ring fenced for households with children and up to one third of the total funding to other households genuinely in need of support. This may include households not currently in receipt of DWP welfare benefits.
  - eligible spend includes:
    - Energy and water;
    - Food;
    - Essentials linked to energy and water. The Fund can be used to provide support with essentials linked to energy and water (including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc.), in recognition that a range of costs may arise which directly affect a household's ability to afford or access energy, food and water;
    - Wider essentials. The Fund can be used to support with wider essential needs not linked to energy and water should LAs consider this appropriate in their area;

- housing costs. In exceptional cases of genuine emergency where existing housing support schemes do not meet this exceptional need, the HSF can be used to support housing costs;
- reasonable costs incurred administering the scheme can include: staff costs; advertising and publicity; and small IT changes, for example, to facilitate MI production.
- The HSF can exceptionally and in genuine emergency be used to provide support for historic rent arrears built up prior to an existing benefit claim for households already in receipt of Universal Credit and Housing Benefit. This is because these arrears are excluded from the criteria for Discretionary Housing Payments.
- The HSF cannot be used to fund advice services such as debt advice or provide mortgage support, though homeowners could still qualify for the other elements of the HSF (such as food, energy, water, essentials linked to energy and water and wider essentials).

## **Proposed scheme**

27. It is proposed to replicate some of the targeted support initiatives which the council delivered as part of the previous HSF and introduce some new initiatives which will widen our eligibility criteria. By working with more of the Council's partners we can target more vulnerable households and 'hard to reach' households e.g. those households who may not engage with council services or who may not be receiving a council administered benefit etc.
28. Recent discussions with other LAs across the region have highlighted a consistent approach in using local knowledge and intelligence from our key partners to target support. All LAs are opting to deliver multiple initiatives to target households with adults of pensionable age including direct contact with either a voucher or pre-paid card for individuals to use or contact details for individuals to self-refer. Delivery methods are again varied including operating application processes for some schemes, and directly targeted support for others.
29. LAs should consider household circumstances when making a decision to spend this grant. Households may be receiving other forms of support, and this should be taken into account to avoid duplicating provision where possible. However, families receiving other forms of assistance are not excluded from receiving support through this grant.
30. Previous initiatives which we propose to replicate include:
  - food vouchers to households with free school meal eligible children (aged 0-19); this will be a one off award of £75 in June given the change in terms of the ring fencing criteria

- CYPS administered grant scheme to target support at vulnerable households with children via professional referrals for help to purchase essential household items;
- AWH administered grant scheme to target support for vulnerable households without children via professional referrals for help to purchase essential household items;
- a one-off distribution of food vouchers to care leavers, worth £60 each;
- a grant scheme administered through the councils Warm Homes Team to target support for vulnerable households via GP referrals for patients experiencing fuel poverty by providing food/fuel vouchers, boiler servicing and repairs etc.
- bulk food/fuel voucher allocations to key partners to target support at vulnerable households without children;
- a discretionary grant scheme administered by the council's Welfare Assistance Scheme team to provide food/fuel vouchers for claimants who do not meet the schemes eligibility criteria but demonstrate a need for support;
- a discretionary food voucher scheme administered by the council's Housing Solutions team to provide food vouchers to vulnerable households (including temporary accommodation and gypsy, roma traveller households) to help with food costs or to offset their fuel costs;
- a discretionary grant scheme administered by schools, who will be asked to apply for funding, to provide clothing/shoes/uniforms etc. for children identified by school staff as those most in need; and
- grant allocations to local partners to administer and target support through already established schemes for households experiencing fuel poverty (including County Durham Foodbank and East Durham Trust).

31. New initiatives which will be delivered to help widen our support will include:

- Distribution of £75 per identified household with adults of pensionable age for support with increased living costs.

### **Voucher Distribution: Schools**

32. It is important to highlight that both the DWP and a large number of LA's are keen to move away from the linkage between the school holidays



and the offer of the equivalent payment for FSM's via this support mechanism; with FSM eligibility being used to identify the cohort for support whilst detaching it from the logistics of FSM administration.

33. To this end a further discussion with schools to consider a single payment prior to the commencement of the summer break.
  - One payment would give time to ensure all comms to schools / colleges / families is consistent
34. Further discussion will also be held with other regional LAs to determine their proposals for FSM recipients to ensure a level of consistency. Nationally there is not a consistent approach in how this grant will be allocated although there was some consistency in the approach to a single payment for the summer break.
35. For households with residents of pensionable age, LAs have taken different approaches to how this should be delivered and range from a voucher/pre-paid card being sent to each identified household to using Paypoint for identified households. Feedback on general sending of vouchers/pre-paid cards was that redemption of these was low at around 50% therefore other options are being considered.
36. The option of making an award to Council Tax Reduction (CTR) households of pensionable age is being proposed; with the favoured method of delivery being worked through to ensure all registered households are reached. A national query has been raised with DWP to ascertain if the CTRS data could be used to pay individuals directly where applicable.

## **Financial Implications**

37. In addition to the costs associated with direct delivery of the support to vulnerable households, there are additional costs for administering food and fuel vouchers. These costs relate to the transaction charge added by the providers – for food vouchers, these are the through the Family Fund – and for fuel vouchers these are through Charis. These transaction costs will be approximately £54,000 for the proposed scheme.
38. CYPS have also advised that in order to administer the professionals' application process and also the scheme for schools to access funding to support vulnerable households with clothing and essential equipment, they will require additional resource estimated at two grade 4 Administration Assistants at a cost of £26,000.
39. Taking account of the delivery, transaction and additional resourcing costs and based on previous take-up of similar initiatives, the overall

expenditure is set out in table 2 below. It is further proposed that any additional expenditure associated with this scheme, for example, through an increase in demand, is met through the Welfare Assistance Reserve.

**Table 2**

Proposed Scheme details	Proposed Expenditure
Overview of allocation <ul style="list-style-type: none"> <li>• Households with Children</li> <li>• Households without children</li> <li>• Households with adults of pensionable age</li> </ul> <p><b><u>Total spend</u></b></p>	<p><b>£2,600,750</b></p> <p><b>£470,000</b></p> <p><b>£1,605,900</b></p> <p><b><u>£4,676,650</u></b></p>

40. Following approval, the team will work with partners and council services to design and implement clear and simple processes, individual eligibility criteria for each initiative based on the DWP criteria, and performance and monitoring requirements which meet both the councils and the DWP requirements.
41. The team will reconcile the ongoing financial position to ensure that all of the funding has been allocated in line with the grant requirements. This may mean that some of the Welfare Assistance Reserve is used to finance any further costs associated with the administration of the scheme.

### **Poverty Action Plan**

42. As with the previous HSF, it is important that full consideration is given to this support in line with the other support mechanisms that the Council and partners have in place for vulnerable households.
43. Measures in the Poverty Action Plan have included support for those on low incomes and include but are not exclusive to: access to holistic advice and guidance; enhancements to the Council's Welfare Assistance Scheme; additional investment to help address food poverty; investments made into the AAP's for a range of initiatives to support local communities; additional support to deliver financial awareness training and guidance across the county; enhanced Council tax Hardship payments; grants for return to school costs; and additional investment for the School Benevolent Fund.

44. Work will continue through the Poverty Action Steering Group and the Advice in County Durham Partnership to understand the impact of the additional provision which has been put into place – and to use emerging intelligence from within the Council and through external partners, to review the Poverty Action Plan and put in place actions for continuing to support vulnerable households as the full impact of the economic situation unwinds.
45. Work will also continue with colleagues across the region's LAs to understand the impact of the funding on vulnerable households.
46. The outcomes from the scheme will be reported into the Poverty Action Steering Group alongside the other support mechanisms in place in line with the Poverty Action Plan.

## **Conclusion**

47. In line with the approach being adopted across the region, in using local knowledge and intelligence from our key partners and our front-line teams, and lessons learned from previous grant schemes, it is proposed that the DWP HSF is used to support vulnerable households across the county using a varied range of targeted support to ensure maximum reach, delivered by both the council and partners.

## **Background papers**

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## **Appendix 1: Implications**

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### **Legal**

Section 1 of the Localism Act 2011 provides Local Authorities with the powers to make payments to vulnerable households

The Council will be responsible for delivering the grant funding to eligible households utilising government grant provided to it under section 31 of the Local Government Act 2003.

### **Finance**

The Council previously received the Household Support Grant of £4,676,099.65 for the period 6 October 2021 to 31 March 2022 and the same value has now been awarded for the period April to September 2022.

As there may be increased demand and costs associated with administration of the scheme, there may be a requirement to utilise the Welfare Assistance Reserve to offset any overspend of the funding due to the support provided through the schemes.

### **Consultation**

The Portfolio Holders for Finance, Equality and Inclusion and Children and Young People's Services were consulted on the contents of this report. The proposals are consistent with the approach agreed across the LA7 group of North East Councils – covering the Combined Authority areas of NECA and NTCA.

### **Equality and Diversity / Public Sector Equality Duty**

The Equality Act 2010 aims to advance equality of opportunity and provide protection from discrimination for people based on their 'protected characteristics'. We are legally required under the public sector equality duty (PSED) to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between those who share a relevant protected characteristic and those who do not.

The schemes for use of the Covid Winter Funding/Covid Local Support Grant and the previous years Household Support Fund were predominately targeted towards children and young people under the age of 19. This is positive in

terms of age (younger) and for people with young families (working age ranges) where women are most likely to be disproportionately impacted by the effects of poverty. The impact will be monitored going forward with emerging evidence used to review the Poverty Action Plan to allow for continuing targeted support for vulnerable households as the full impact of the economic situation unwinds.

The Household Support Fund advocates at least one third of the funding being spent on vulnerable households with children; one third to be used to support adults of pensionable age and up to one third other vulnerable households.

### **Human Rights**

None

### **Climate Change**

None

### **Crime and Disorder**

None

### **Staffing**

### **Accommodation**

None

### **Risk**

In developing the Councils local policy, the focus has been on following the Government guidance.

The amount of support provided will be carefully monitored to ensure that this funding is utilised.

### **Procurement**

None