

Report to CABINET

Household Support Fund (Round 3)

Portfolio Holder:

Cllr. Abdul Jabbar, MBE, Deputy Leader and Cabinet Member for Finance and Low Carbon

Officer Contact:

Anne Ryans, Director of Finance

Report Author:

Chris Kelsall (Acting Head of Revenues & Benefits)

17 October 2022

Reason for Decision

The purpose of the report is to request approval to allocate the Household Support Fund (HSF) grant from the Department for Work and Pensions (DWP) in the sum of £2,419,369 over the period 01 October 2022 to 31 March 2022. The report sets out options for the allocation of funding across several initiatives including food support for children and young people over the school holiday periods and help with the cost of fuel and essential items for pensioners and vulnerable households. It also presents the preferred option.

Executive Summary

The Department for Work and Pensions (DWP) has allocated a sum of £2,419.369 of funding to the Council to deliver a Household Support Grant scheme covering the period 01 October 2022 to 31 March 2022.

The HSF supports the delivery of food and fuel support and other essential items to vulnerable families with children and other vulnerable individuals. This is the third round of such funding and unlike previous rounds, there are no constraints as to the proportions that must be allocated to specific groups such as pensioners or children. However, a condition of the grant is that at some of the funded must be operated on an application basis – i.e residents should have the opportunity to come forward and ask for support.

Three options have been considered appropriate for presentation, however, there is a wide range of potential options. The report presents options 1-3 and these are set out in Appendices 2-4 and discussed in detail in the body of this paper. All options provide for a food, fuel and essential items offer for families with children and pensioners. All options propose to fully utilise the fund but differ

in terms how much of the fund is used to finance measures outlined in the Council's Response to the Cost of Living Crisis approved by Cabinet on 21st September.

A further option is that the Council could choose not to deliver a package of support to vulnerable residents over the October 2022 to March 2023 period. As the HSF funding is ringfenced, this would mean returning the funding to the Government.

Table 1 sets out the recommended option (Option 1) which utilises the Government grant funding in full. This option provides a food offer amounting to £15 per week for the October, February and Easter holidays and total payment of £20 per week per eligible child over the Christmas holiday. Option 1 also supports the comprehensive offer of support provided under the Council's response to the Cost of Living crisis, providing help with fuel costs together with a package of support from the Voluntary, Community, Faith and Social Enterprise sector.

Table 1: Option 1

Proposed Area of Expenditure	£
Food Support for children and young people at £15 per week for the October, February and Easter holidays and total payment of £20 per week per eligible child over the Christmas holiday	1,950,000
Additional Support for the Local Welfare Provision Scheme	25,000
Allocations to support the Council's response to the Cost of Living Crisis: Support for the Warm Homes Team to provide fuel vouchers for those in emergency need and the provision of a boiler repair/replacement service	100,000
Enlisting support in partnership with funding administered by Action Together, from the Voluntary, Community, Faith and Social Enterprise sector to provide support) in the following areas	220,000
- warm clothing /bedding	
- support for those with no recourse to public funds	
- essential items for the elderly including food	
Provide additional funding for Age UK to support older people with fuel payments.	50,000
Providing additional HUGGG vouchers to complement the Holiday Activity Fund.	15,000
Administration costs	59,369
TOTAL	2,419,369

Recommendations

That Cabinet approves Option 1 (set out above) which utilises the HSF grant funding in full.

1 Background

- 1.1 The Department for Work and Pensions (DWP) has announced a new round of Household Support Fund (HSF) grant funding amounting to £2,419,369 (which is the same as the funding for the last round). It covers the period 1 October 2022 to 31 March 2022. This grant is a successor to the DWP Winter Grant first offered in December 2020, and subsequently the Local COVID Support Grant and earlier iterations of the Household Support grant fund. These grants have been short term regimes set up to support vulnerable residents with a food, fuel and essential items offer.
- 1.2 This is the third round of HSF funding and unlike previous rounds, there are no constraints as to the proportions that must be allocated to specific groups such as pensioners or children. However, a condition of the grant is that at some of the funds must be operated on an application basis – i.e., residents should have the opportunity to come forward and ask for support.
- 1.3 To date, most iterations of this fund have predominantly been used to provide a school holiday food offer in the form of vouchers to support children and young people eligible for means tested Free School Meals, as well as low-income families with pre-school children and care leavers under 25. However, the last HSF round stipulated that one third of the funds should be allocated to pensioners and therefore a significant proportion of the fund supplemented payments from the Council Tax Energy Rebate Scheme. The allocation of HSF Round 2 (1 April 2022 to 30 September 2022) is outlined in Appendix 1.
- 1.4 Allocating resources so that the school holiday food offer is £15 per week (£20 per week at Christmas) would cost an estimated £1.95m (covering the Autumn (2022) and Spring half term weeks (2023), two weeks at Christmas 2022 and 2 weeks at Easter 2023). This would leave some £0.47m remaining to be allocated.
- 1.5 The Government also expects Local Authorities to place a greater emphasis on supporting households that do not have access to other Government support schemes such as the Council Tax Energy Rebate schemes or Winter Fuel payments. In particular, the Government has requested the Council consider prioritising the following residents:
- eligible for but not claiming qualifying benefits;
 - who become eligible for benefits after the relevant qualifying dates;
 - are in receipt of Housing Benefit only;
 - who are ordinarily eligible for benefits but who had a nil award in the qualifying period due to, for example, a fluctuation in income;
 - who have fuel costs but who cannot access the £400 of energy support from the Energy Bill Support Scheme or the equivalent package confirmed on 29 July.

2 Current Position

- 2.1 The Council must determine its delivery plan for the HSF and submit the plan to the Government by 28 October 2022. Three options for the use of the funding are set out in Appendices 2 – 4 and there can of course be a range of combinations that could utilise the fund. However, funds must be defrayed by 31 March 2023 and this places a significant constraint on the number of different grant allocations that either the Council, or its partner organisations, can process in respect of application based claims. The significant areas of support provided by the fund are considered below.

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- 2.2 **Holiday Food Support for Children and Young People.** All options presented in Appendices 2 to 4 of this report propose a weekly eligible food voucher offer for children and young people at £15 per week for the October, February and Easter holidays and total payment of £20 per eligible child over the Christmas holiday. This is estimated to cost £1.95m. As the Easter holidays are in early April 2022, vouchers will be issued before the end of March to ensure grant is defrayed within the qualifying period.
- 2.3 **Fuel Support.** With the allocation of £15 and £20 respectively to food support vouchers means there is limited scope to provide such support in this round. Option 3 does include it, for consideration, the provision of a £25 voucher to all residents in receipt of Council Tax Reduction benefits. However, this would be in addition to support already provided under existing Government initiatives and such support may be better targeted under the Council's Response to the Cost of Living Crisis (see paragraph 2.4 below).
- 2.4 **Council's Response to the Cost of Living Crisis.** Options 1 and 2 support the Response by contributing £385,000 and £310,000 respectively. There are three main advantages to this:
- 1) it ensures the fund will be directed to priorities already identified by the Council
 - 2) it mitigates the level of reserves required to deliver the Response
 - 3) the partners organisations involved will provide opportunities for residents in need of such support to apply, thus meeting one of the Governments' requirements for this round of the HSF grant
- 2.5 The main ways in which the allocation will support the Response are outlined below:
- a) *Action Together.* Enlisting support in partnership with funding administered by Action Together, from the Voluntary, Community, Faith and Social Enterprise sector to provide support in the following areas: warm clothing & bedding, essential items for the elderly and support for those with no recourse to other public funds.
 - b) *Warm Homes.* Additional funding would continue the offer provided in previous rounds of the grant regime to provide credits to pre-payment meters and a boiler replacement/repair service.
 - c) *Age UK.* To support people with fuel payments
 - d) *HUGGG vouchers.* To complement the Holiday Activity Fund offer.
- 2.6 **Other Support.** All options also propose to allocate £25,000 to fund applications directed to and eligible for the Council's Local Welfare Provision scheme
- 2.7 **Administration** – the Council can use the grant to support the cost of administering the grant. This covers the cost of the purchase the vouchers via WONDE, administration costs of partner organisations, such as Action Together and other administrative costs including direct staffing costs, printing and postage (as required). Estimated sums of between £60,000 and £90,000 are presented for this purpose, although the exact administration cost will depend on the option chosen.
- 2.8 **Schemes no longer funded by the HSF.** As stated above, unless Option 3 is chosen funding would no longer be available for payments made in the previous round alongside the Council Tax Energy Rebate Scheme towards fuel costs (£1.13million).
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3 Options / Alternatives

3.1 Four options are presented for consideration with Options 1-3 set out in Appendices 2-4.

- 1) Option 1 - provides £1.95m of school vouchers and contributes £385,000 towards the Council's Response to the Cost of Living Crisis.
- 2) Option 2- is as per Option 1 but with an additional cash payment of £30 to support the purchase of school uniforms for parents with children who qualify for Free School Meals (FSM) at reception and year 7, based on £30 per child. This would cost £75,000 and reduce the contribution to the Response by the same amount.
- 3) Option 3- reduces the school voucher payment over the Christmas holiday to £15 and allocates £500,000 to fund a payment of £22.50 towards fuel costs to all residents currently receiving Council Tax Reduction benefits.
- 4) Option 4 - the Council could choose not to deliver a package of support to vulnerable residents over the April to September 2022 period. As the DWP funding is ringfenced, this would mean returning the funding to the Government. This option can be quickly discounted.

3.3 Option 2 would deliver a proposal initially considered by the Cost of Living Working Group to support the purchase of school uniforms. However, it will add another layer of administration to the provision of vouchers and on balance it is proposed that the grant resources would be best utilised through supporting the package of measures already agreed by Cabinet.

3.4 Option 3 would provide additional funding towards fuel payments but to some extent this will duplicate support already provided by the Government and again it is proposed that resources could be more effective if directed elsewhere. It would also lead to increased administrative costs to issue the associated vouchers via Royal Mail.

4 Preferred Option

4.1 The preferred option is Option 1. During the second half of the financial year 2022/23, this provides a food offer amounting to £15 per week for the October, February and Easter holidays and total payment of £20 per eligible child over the Christmas holiday. It supports the priorities identified in the Council's Response to the Cost of living Crisis.

5 Consultation

5.1 A communications strategy will accompany the support offered to vulnerable families over this period and to ensure the right support is signposted to the right people at the right time. Information about the wider package of financial support available to these groups includes:

- The communication plan developed in conjunction. with the Council's Response to the Cost of Living Crisis.
- www.oldham.gov.uk/wecanhelp which lists the support and benefits available for those struggling for food and provisions. This webpage lists support available from the Warm Homes team, Local Welfare Provision support, Council Tax Reduction and more
- Advice from the Welfare Rights, Get Oldham Working and Helpline teams in maximising income and enlisting the full range of support available to residents
- Financial advice and support available via the Support and Inclusion Team, Citizen's Advice and Step change

5.2 The wider package of support and includes:

- Free childcare places of up to 15 hours a week for pre-school children www.oldham.gov.uk/2yearolds
- Healthy Start vouchers for those who are pregnant or have a child under 4 years old. Eligible residents can get free vouchers every four weeks which are worth £4.25 to spend on cow's milk, fresh, frozen or tinned fruit and vegetables, infant formula milk, fresh dried or tinned pulses. Healthy Start vitamins are also available. Applications can be made online at Healthy Start, visit www.healthystart.nhs.uk or by directly requesting an application form from a health visitor or midwife
- The Holiday Activities and Food Programme
- Council Tax Discount for Care leavers under 25

5.3 Take-up of services and support will be measured to ensure the Council is supporting all those who need it and allow the Council and its partners to change their approaches should experience and insight suggest the need to do things differently.

6 Financial Implications

6.1 On 31 August 2022, the Department for Work and Pensions (DWP) issued guidance for the Household Support Fund Grant (HSF) but there was no indicative funding allocation. Oldham's draft allocation was notified on 22nd September and subsequently confirmed on 30 September at £2,419,369.

6.2 The grant is to fund expenditure outlined in the grant determination from the 1 October 2022 to 31 March 2023 and the initial Delivery plan must be submitted by 28 October 2022. The grant is paid in arrears and Authorities are required to provide 2 statements of grant and management information returns (MI). The interim MI return must be submitted by 25 January 2023 and this will be used to determine an interim grant payment. The final MI return is due on 28 April 2023 and following verification, a final grant payment will be made.

6.3 Option 1 Table 1 outlines the recommended allocation of the grant all of which are in line with the grant conditions. This option covers the spend of the HSF in full, with no requirement to augment the offer with additional resources.
(Nicola Harrop – Finance Manager)

7 Legal Services Comments

7.1 The recommended option is supported. There is funding and the affected individuals would be the most in need within the borough. It is advised that the Revenues & Benefits team familiarise themselves well with any specific grant funding conditions and ensure that such conditions are adhered to carefully. Support and guidance should be sought from the Commercial Legal team on a continued basis through-out the grant period.
(Alex Bougatef – Group Lawyer – Litigation).

8 Co-operative Agenda

8.1 The allocation of this funding is consistent with the Council's co-operative themes of community leadership, partnership working and co-production and ensures that support is available for vulnerable residents.

9 Human Resources Comments

9.1 Not Applicable

10 Risk Assessments

- 10.1 The Council needs to set out its proposals on how to utilise the funding in a tight timescale. This report sets out how it can do this and satisfy the requirements of the DWP. (Mark Stenson, Assistant Director of Corporate Governance and Strategic Financial Management)

11 IT Implications

- 11.1 N/A

12 Property Implications

- 12.1 N/A

13 Procurement Implications

- 13.1 There are no current procurement implications in the allocation of the grant funds however grant agreements will need to be in place where necessary. There are however implications regarding the appointment of WONDE to administer the vouchers. This can be done compliantly by via a direct award from the Crown Commercial Service's framework for Voucher Schemes (RM6255). The Commercial Procurement Unit will support the Revenue & Benefits Service in undertaking the call off procedure. (Emily Molden).

14 Environmental and Health & Safety Implications

- 14.1 N/A

15 Equality, community cohesion and crime implications

- 15.1 The emerging impacts of the Cost of Living crisis has demonstrated increased and continuing demand for crisis support services. As part of Oldham's response, a Stage 1 Equality Impact Assessment has been completed. This funding will impact positively for residents needing additional help and support through the Cost of Living crisis benefiting those residents on fixed or low incomes. There will be little/no negative impacts on residents with protected characteristics. (Jonathan Downs – Corporate Policy Lead)

16 Implications for Children & Young People

- 16.1 Families with children and young people will directly benefit from the recommended allocation of the HSF grant.

17 Equality Impact Assessment Completed?

- 17.1 A Stage 1 EIA has been completed. The proposals are unlikely to have a detrimental impact on any groups with protected characteristics as they actively seek to ensure that all residents can access the help and support they need to avoid crisis through the winter months 2022/3. (Jonathan Downs – Corporate Policy Lead)

18 Key Decision

- 18.1 Yes

19 Key Decision Reference

19.1 A Rule 13 approval has been sought from and agreed by the Chair of Policy Overview and Scrutiny Committee.

20 List of Background Papers under Section 100D of the Local Government Act 1972:

The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers – Household Support Fund – Guidance for Local Councils – link to website
<https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils>

Officer Name: Chris Kelsall
Contact: chris.kelsall@oldham.gov.uk

23 Appendices

Appendix 1: Round 2 Approved Allocation
Appendix 2: Option 1 (Recommended Option)
Appendix 3: Option 2
Appendix 4: Option 3

Use of HSF Round 2: 01April 2022 to 30 September 2022

Approved Area of Expenditure	£
Food Support for children and young people at £15 for the Spring Bank Holiday and total payment of £40 per eligible child over the <u>Summer</u> holidays	1,097,415.00
Payment of £25 to support fuel costs for households of working age but in receipt of Council Tax Reduction	381,050.00
Payment of £110 to support fuel costs for households of pensionable age and in receipt of Council Tax Reduction with £55 payable on approval of the scheme and £55 prior to the additional fuel increase in October 2022	749,430.00
Support for the Warm Homes Team to provide fuel vouchers for those in emergency need and the provision of a boiler repair/replacement service	80,000.00
Enlisting support in partnership with funding administered by Action Together, from the Voluntary, Community, <u>Faith</u> and Social Enterprise section to provide support in the following areas (of which £0.050m must be allocated to pensioners): <ul style="list-style-type: none"> - warm clothing /bedding - support for those with no recourse to public funds - essential items for the elderly including food 	60,000.00
Administration costs	51,474.23
TOTAL	2,419,369.23

Proposed Area of Expenditure	£
Food Support for children and young people at £15 per week for the October, February and Easter holidays and total payment of £20 per week per eligible child over the Christmas holiday	1,950,000
Additional Support for the Local Welfare Provision Scheme	25,000
Allocations to support the Council's response to the Cost of Living Crisis:	
Support for the Warm Homes Team to provide fuel vouchers for those in emergency need and the provision of a boiler repair/replacement service	100,000
Enlisting support in partnership with funding administered by Action Together, from the Voluntary, Community, Faith and Social Enterprise sector to provide support) in the following areas	220,000
- warm clothing /bedding	
- support for those with no recourse to public funds	
- essential items for the elderly including food	
Provide additional funding for Age UK to support older people with fuel payments.	50,000
Providing additional HUGGG vouchers to complement the Holiday Activity Fund.	15,000
Administration costs	59,369
TOTAL	2,419,369

Proposed Area of Expenditure	£
Food Support for children and young people at £15 per week for the October, February and Easter holidays and total payment of £20 per week per eligible child over the Christmas holiday	1,950,000
Providing a cash payment to support the purchase of school uniforms for parents with children who qualify for Free School Meals (FSM) at reception and year 7, based on £30 per child	75,000
Additional Support for the Local Welfare Provision Scheme	25,000
Allocations to support the Council's response to the Cost of Living Crisis	310,000
Administration costs	59,369
TOTAL	2,419,369

Proposed Area of Expenditure	£
Food Support for children and young people at £15 per week for the October, February and Easter and Christmas holidays	1,755,000
Additional Support for the Local Welfare Provision Scheme	25,000
Support for the Warm Homes Team to provide fuel vouchers for those in emergency need and the provision of a boiler repair/replacement service	25,000
Enlisting support in partnership with funding administered by Action Together, from the Voluntary, Community, Faith and Social Enterprise sector to provide support) in the following areas	25,000
Payment of £22.50 to support fuel costs for all households in receipt of Council Tax Reduction	500,000
Administration costs	89,369
TOTAL	2,419,369