

Cabinet Meeting on Wednesday 18 May 2022

Household Support Fund (HSF)



Cllr Mark Sutton, Cabinet Member for Children and Young People said,

This summer we will be distributing £5.5m to help families with young children, and older people, with the cost of living.

Having successfully distributed millions of pounds worth of support in the last two years, we know from the stories people tell us that this support helps makes a real difference to their lives.

Thousands of people will benefit in the next few months from help with their food, fuel or water bills, including the families of 27,000 children as part of the Holiday Activity and Food programme.

Report Summary:

The Department for Work and Pensions (DWP) has announced an extension to the Household Support Fund (HSF) Grant which will be made available to County Councils and Unitary Authorities in England to support those most in need this Summer. At least one third of the total funding must be spent on families with children and at least one third must be spent on pensioners. Whilst the County Council is able to determine eligibility and the delivery of the HSF, it should primarily be used to support households in the most need with food, energy, and water bills.

The Report outlines the proposed expenditure and delivery arrangements for the HSF in Staffordshire which is required to be fully spent by 30th September 2022.

Recommendation(s)

I recommend that Cabinet:

- a. Acknowledges the anticipated receipt of £5,506,547.99 from the Department for Work and Pensions (DWP), in relation to the HSF.
- b. Approves the high-level proposals for the usage of the HSF in Staffordshire.
- c. Delegates authority to the Cabinet Member for Children and Young People, in consultation with the Deputy Chief Executive and Director for Families and Communities, to decide the delivery and eligibility criteria for distribution of the HSF in Staffordshire, and to take all other subsequent decisions to ensure that this support gets to those who need it as quickly as possible. This includes any decisions in respect of extensions to the Scheme or additional funding, ensuring Cabinet are fully briefed on any such extensions or spending.
- d. Acknowledges that the delegation to the Cabinet Member for Children and Young People includes authorising the County Council to enter required contractual arrangements with Partners and Providers where required to deliver the HSF in Staffordshire.
- e. Approves the extension of current commissioning arrangements with Beat the Cold and Community Foundation of Staffordshire for a further 6 months on existing terms and conditions to administer the Warmth Project.

Local Members Interest
ALL

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Report of the Deputy Chief Executive and Director for Families and Communities

Reasons for Recommendations:

Background:

1. On Thursday 23rd March 2022, the DWP announced an extension to the HSF Grant which will be made available to County Councils and Unitary Authorities in England to support those most in need. The extension to the HSF will run from the 1st April to 30th September 2022 and totals £500m nationally.
2. The County Council has the discretion on exactly how this funding is used, targeting support within the scope of the conditions set out by the DWP. At least one third of the total funding must be spent on families with children and at least one third must be spent on pensioners. In terms of type of support, the expectation is that the HSF 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.
3. The new HSF will be distributed by County Councils and Unitary Authorities in England. Shire Councils are encouraged to work closely with District & Borough Councils and other local partners to identify a broad range of vulnerable households across their local area. Support is available from the 1st April and Local Authorities should aim to have arrangements in place as quickly as possible to support vulnerable households throughout the Grant period.
4. The County Council has received detailed guidance which has been reviewed, and the outline provided within this report meets the terms of the Grant. The Grant Determination Letter is provided in Appendix A and the Grant Guidance is provided in Appendix B.
5. Staffordshire is anticipated to receive £5,506,547.99 through the HSF.

6. The County Council is proposing a number of schemes to deliver the HSF as detailed within this report.

Education Support Fund (ESF):

7. It is proposed to continue to provide families of children who are in receipt of benefits-related Free School Meals (FSM) a £15.00 eVoucher per child for the May Half-Term Holiday. It is also proposed to provide a £30 eVoucher for two weeks of the Summer Holidays when there is no provision facilitated under the Holiday Activities and Food (HAF) Programme. Children currently receiving universal free school meals, who would be entitled to benefits-related FSM and Early Years Children who receive funding for Think 2 and Early Years Pupil Premium (EYPP) will be included in the proposed ESF.
8. It is proposed to provide the above to Staffordshire Children (Residents) and Non-Staffordshire Children (Non-Residents) who attend a Staffordshire Education Setting. Including Non-Staffordshire Children in the Fund ensures fairness and equality across pupils attending a setting within the Local Authority boundary whilst supporting settings to support, safeguard and care for families in the settings community. Removing Non-Staffordshire Children (Non-Residents) from the ESF provides complexities in administrating the scheme and may lead to negative public perception. The County Council, subject to Cabinet approval, is seeking to secure a similar arrangement with Stoke-on-Trent City Council, Cheshire East, Derbyshire County Council, Shropshire Council and Telford and Wrekin Council.
9. It is proposed to continue to procure a voucher digital service to facilitate the HSF directly with Staffordshire Education Settings. This is an established process following the previous COVID Winter and Locality Grants. The vouchers will be available for a variety of supermarkets, Aldi, ASDA, Morrisons, Tesco, Sainsburys, Marks & Spencer's and Waitrose.
10. The anticipated volume and expenditure on eVoucher are outlined below:

Holiday:	Anticipated Volume:	Anticipated Expenditure:
May 2022	26,900 Children	£403,500
Summer 2022	26,900 Children	£807,000
	Total:	£1,210,500

Proposed Care Leavers Fund:

11. It is proposed to issue all care leavers with one £50 eVoucher.

12. Care Leavers will receive a collection link via their Personal Advisor. On receipt of the collection links, Care Leavers can directly select a supermarket of their choice. The available supermarkets are Aldi, ASDA, Morrisons, Tesco, Sainsburys, Marks & Spencer's and Waitrose.
13. The anticipated volume and expenditure on vouchers are outlined below:

Anticipated Volume:	Anticipated Expenditure:
650	£32,500
Total:	£32,500

Proposed Financial Assistance Grant Scheme:

14. The County Council is seeking to facilitate conversations with District & Borough Councils and other Partners to explore the delivery model for a Financial Assistance Grant Scheme. This Scheme will seek to ensure that support gets to those who need it as quickly as possible and will include families with and without children. This Scheme will directly target those most in need.
15. The Scheme will ensure at least one third of the Grant benefits pensioners as per the Guidance, through a targeted approach to delivery.
16. It is proposed that the Fund will be used by families to be used on food, essential supplies, and fuel. The anticipated expenditure is outlined below:

Borough / District Council	Population	Population %	Base Funding	Deprivation %	Deprivation Allocation	Total Allocation
Cannock Chase	98,490	12%	£147,683.48	17%	£214,976.58	£362,660
East Staffs	115,284	13%	£172,865.69	28%	£361,330.45	£534,197
Lichfield	102,004	12%	£152,952.64	5%	£64,110.25	£217,060
Newcastle	126,863	15%	£190,228.14	17%	£224,887.26	£415,115
South Staffs	108,423	13%	£162,577.78	0%	£0.00	£162,580
Stafford	131,253	15%	£196,810.84	9%	£115,685.91	£312,495
Staffs Moorlands	97,928	11%	£146,840.77	4%	£52,143.89	£198,985
Tamworth	77,108	9%	£115,621.66	20%	£252,446.65	£368,070
Total	857,353	100%	£1,285,581.00	100%	£1,285,580.99	£2,571,162

Proposed Warmth Project:

17. Building upon the 2021/22 Winter Warmth Project, the County Council is engaging with Beat the Cold and the Staffordshire Community Foundation to develop a Warmth Project for 2022.

18. Residents of Staffordshire who are struggling financially to either pay their bills or are dealing with a breakdown of their heating system will be eligible for the Warmth Project.
19. Through the Warmth Project, eligible Staffordshire residents will be provided with financial support for energy. This will be provided via either a top up card credit for those on pre-payment meters or credit paid directly to the energy supplier for those on metered accounts. The payments will be made via the Staffordshire Community Foundation and their "Surviving Winter" Campaign Team. In addition, eligible residents will have access to an exceptional circumstance "top up" grant to contribute to new boiler systems.
20. Eligibility will be based upon the existing eligibility criteria for the subsidised heating installations which is the Business-as-Usual activity of the Staffordshire Warmer Homes Partnership. The County Council will use the DWP Searchlight software to verify applicants' eligibility criteria around benefit entitlement.
21. In addition, conversations have commenced with the Staffordshire Fire and Rescue Service to scope out the potential for providing direct assistance to eligible residents in replacing inefficient light fittings with new LCD bulbs which will complement the financial support, reduce future energy bills and create a positive carbon reduction in Staffordshire. The final format is still subject to negotiation and is likely to require DWP approval to ensure SCC is not exposed to the risk of non-reimbursement.
22. The anticipated volume and expenditure is outlined below:

	Anticipated Volume:	Anticipated Expenditure:
Financial Support	2,857	1,000,000
Energy efficient products	1,000	£350,000
ECO "20% Top Up" Fund	100	£50,000
	Total:	£1,400,000

Legal Implications:

23. As with any welfare payment to vulnerable recipients there is a risk of fraud, as recipients might appear to be eligible when they are not. One of the biggest risks for this scheme is impersonation fraud, where fraudsters work through a residential area and falsely claim under the names of eligible recipients.

24. The County Council is encouraged to mitigate this risk, by ensuring checks are in place to verify the applicant's identity. The County Council and its Partners have access to a range of data sources and checks which can be carried out against this data to verify the identity of the recipient.
25. It is for the County Council to decide how payments are made to recipients. However, when making this decision the County Council is encouraged to consider the risks involved. Although vouchers still carry fraud risks, the DWP is suggesting vouchers should be used instead of cash where possible as this helps to mitigate the risk of the money being spent by the recipient on things outside the policy intent, therefore undermining the purpose of the scheme.
26. Officers are engaging with Legal Services and Commercial Services to explore how best to implement the proposals in this report. The County Council will enter into contracts with providers and also agreements with District and Borough Councils as detailed above. Although the value of the HSF is significant, the value of the services to be provided by the providers in administering the schemes or providing relevant systems will be relatively low value.
27. There is a risk that if the HSF conditions are not met then the County Council may need to repay some or all of the grant back to the DWP. The County Council will need to consider this when entering into arrangements with providers and the District and Borough councils.

Resource and Value for Money Implications:

28. A summary of anticipated expenditure is as follows:

Fund/Scheme:	Anticipated Expenditure
Education Support Fund	£1,210,500
Care Leavers Support Fund	£32,500
Financial Assistant Grant Scheme	£2,571,161.99
Warmth Project	£1,400,000
Administration Fees	£292,386
Total	£5,506,547.99

29. The HSF is ring-fenced to be spent as detailed in the guidance and the accompanying grant determination as follows:
- a. at least 33.33% of the grant is allocated to support households that include:

- i. a person who will be under the age of 19 as of 30th September 2022, or a person aged 19 or over in respect of whom a child-related benefit is paid or free school meals are provided during the Grant Period.
 - ii. at least 33.33% of the grant is allocated to support households that include a person who has reached state pension age by 30th September 2022.
 - iii. up to 33.33% of the grant is used to assist other households.
30. To ensure that the objectives of the HSF are being met during the grant and reduce administration costs for all concerned, including the need for DWP to recover underspend, Grant payments will be made in arrears upon DWP being satisfied with the Management Information (MI) returns. This will enable DWP to adjust the amount of the payment based on the MI returns.
31. Payment of the grant from DWP to Authorities will be made in arrears after the interim MI return in July 2022 and the final MI return at the end of grant period in October 2022 after DWP have verified the MI.
32. MI returns must be endorsed by the Section 151 officer in accordance with their statutory assurance responsibility in order for the Grant payment to be made.
33. The timetable for provision of funding and MI returns is as follows:

Payment	Amount (%)	Date	Notes
Interim	Actual grant spend up to 100% of grant allocation*	August/September 2022	Payment made in arrears
Final	Actual grant spend up to 100% of grant allocation*	December 2022/January 2023	Payment made in arrears

34. The HSF allocation includes reasonable administration costs to enable Authorities to deliver the scheme. Authorities should deduct their administration costs from the total allocation to determine the amount remaining.

35. In all cases, Authorities should keep administrative costs to a reasonable level. Administration costs for each Authority will be published on www.gov.uk alongside detail of all spend related to this scheme. The County Council's Administrative Costs will include the payments to the relevant providers.

Climate Change Implications:

36. There are no climate change implications arising as a result of this report. The Cabinet Member for Children and Young People, in consultation with the Deputy Chief Executive and Director for Families and Communities, will continue to review and reflect upon the Climate Change implications as the HSF develops in Staffordshire.

List of Background Documents/Appendices:

Appendix A: DWP Household Support Fund Determination Letter

Appendix B: DWP Household Support Fund Grant Guidance

Contact Details

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