

CABINET

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| DATE | 12 th June 2024 |
| REPORT OF | Councillor Stephen Harness, Portfolio Holder for Finance, Resources and Assets |
| RESPONSIBLE OFFICER | Helen Isaacs, Assistant Chief Executive |
| SUBJECT | Household Support Fund Tranche 5 |
| STATUS | Open |
| FORWARD PLAN REF NO. | CB 06/24/03 |

CONTRIBUTION TO OUR AIMS

The Household Support Fund is aimed at supporting low-income households with the rising cost of living by providing support for the cost of energy, food, essentials linked to energy and water, wider essentials and the provision of supplementary advice services linked to practical support.

EXECUTIVE SUMMARY

In the Chancellor's statement on the 6th March 2024, it was announced that an extension of 6 months would be given to the Household Support Fund. It was due to end on the 31st March 2024 and has been extended to the 30th September 2024. This report outlines how the Council intends to use the grant of £1.56m in line with the eligibility guidance from the Department for Work and Pensions.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the high-level delivery plan set out in Appendix 1 of this report.
2. Delegates authority to the Assistant Chief Executive, in consultation with the Portfolio Holder for Finance, Resources and Assets to govern and administer the fund based on the needs of our community over the period of available funding.

REASONS FOR DECISION

The Household Support Fund is the latest in a line of welfare grants that have been awarded to the Council to support low-income households with the cost-of-living crisis. This fifth tranche of funding to be issued by the Department for Work and Pensions under the Household Support Fund, which began in October 2021, and we have taken the elements that have been most effective from those schemes to propose the approach for use of this continued funding.

1. BACKGROUND AND ISSUES

1.1 The government has awarded all Local Authorities an amount of funding to be used to support low-income households for the first six months of the 2024/25 financial year. The allocation to the Council is £1,559,664.65 which is to be used for food, utilities, essentials linked to energy and water, wider essentials and the provision of supplementary advice services linked to practical support. The Department for Work and Pensions has provided supporting guidance and we have developed a delivery framework based on that guidance taking in to account the needs of our community and lessons learned from previous iterations of the funding. Our proposed approach is to use the fund for the following:

- Vouchers for families in receipt of free school meals to support them with food costs during the 2024 summer school holiday.
- Targeted grants to trusted frontline Voluntary and Community Sector (VCS) organisations to help them support households working with them who are facing financial hardship.
- The continuation of a grant application process, set up in an earlier tranche of HSF allocation, which allows trusted referral agencies and frontline public sector services such as social workers to enable households in need of support to receive a grant.
- Direct grants to specific groups including e.g. people with caring responsibilities, disabilities, care leavers and older people.

2. RISKS AND OPPORTUNITIES

- 2.1 As with previous grant schemes there is risk of fraud, which we will mitigate through the tested referral route administered by trusted partners and front-line service who work with households and know their personal circumstances. Data verified and supplied by the Department for Work and Pensions will also help to mitigate against the risk of fraudulent claims, ensuring targeted support goes to those who are genuinely in need.
- 2.2 Three years of DWP Household Support Funding, totaling £9.6m, has undoubtedly helped support thousands of households across North East Lincolnshire, who have experienced hardship due to cost-of-living pressures. However, a potential “cliff edge “at the end of September and public expectations that support will continue, will prompt resident queries and requests for assistance which the Council does not have the finances or capacity to provide. This may be particularly acute at Christmas when vouchers for free school children will not be provided.

3. OTHER OPTIONS CONSIDERED

- 3.1. We are limited by the DWP guidance criteria, but other options include:
- 3.2. **Allocate all funding to households eligible for free school meals** – this would disadvantage vulnerable residents and households who do not have children.

- 3.3. **Allocate all funding to the VCS** – the VCS have successfully delivered significant proportions of grants on our behalf in recent years, but this method of delivery is not without its challenges. We will liaise with the sector about their capacity to support us and offer a proportion of the grant to cover their administration costs, but it is recognised that the current challenging climate puts pressure on their services to an extent that may limit their involvement. We will, however, continue to engage with them on the distribution of the HSF to ensure their valued insight into the needs of our community are taken in to account and to engage them as delivery partners whenever practicable.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

Previous tranches of the Household Support Fund have been well received by the community and the VCS. We have reports and case studies to show the difference this and similar schemes have made to many households and individuals in North East Lincolnshire. A full evaluation report for HSF 4 is being prepared and will be publicised following our final return to the DWP. This extension comes at a time when the cost of living and high energy costs continue to exert pressure on many households in our community, and not just those who are out of work or have recourse to benefits. Limited funds that must take us through to the end of September, must be carefully managed and targeted to only those most in need. To manage reputational risk a communications plan will be developed to support the project and keep our community and VCS partners informed and engaged.

5. FINANCIAL CONSIDERATIONS

The grant is 100% funded by the DWP and ring fenced to the delivery of the Household Support Fund.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

Proposals for allocation of the grant will strongly support the welfare of children and young people living in households in need of urgent financial support.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Provision of energy efficiency measures in households across the borough will be of some benefit to the environment and contribute to the Council's commitment to reduce carbon emissions.

8. CONSULTATION WITH SCRUTINY

No consultation has been held with Scrutiny for this tranche of HSF to date, but updates on uptake of the scheme will be provided to the Communities Scrutiny Panel.

9. FINANCIAL IMPLICATIONS

As outlined above, the proposed spend is to be 100% funded from external grant and this report outlines how the spend is to be prioritised in order to achieve the best outcomes for the community.

10. LEGAL IMPLICATIONS

- 10.1 Immediate legal implications arising will be around the terms and conditions of external grant funding and the completion of funding agreements and ancillary documentation. Legal Services will support this process, ensuring the interests of the Council are protected.
- 10.2 As individual projects arise throughout the delivery phase Legal Services will continue to support colleagues.
- 10.3 The delegations sought are appropriate to an exercise of this nature.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications.

12. WARD IMPLICATIONS

Application to the fund is open to households in all wards.

13. BACKGROUND PAPERS

DWP guidance on this iteration of the fund is published on gov.uk:
[Household Support Fund: guidance for local councils - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/household-support-fund-guidance-for-local-councils)

14. CONTACT OFFICER(S)

Helen Isaacs, Assistant Chief Executive

Councillor Stephen Harness.

Portfolio Holder for Finance, Resources and Assets

DATE 12th June 2024

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RESPONSIBLE OFFICER Helen Isaacs, Assistant Chief Executive

SUBJECT Household Support Fund Tranche 5

Appendix 1

| Area of funding | Planned activities | Indicative spend |
|--|---|------------------|
| Administration costs (inc. staffing) | <ul style="list-style-type: none"> • Project Co-ordination (NELC) • 1 Debt Advisors (VCS) • Marketing and VCS administration costs • Allpay | £120,000 |
| Children’s FSM vouchers for summer | We will provide £15 per week per child eligible for Free School Meals for the six-week summer school holiday period. | £700,000 |
| Direct payments Children/older people/ people with disabilities/carers | Wider support for essentials for children and young people and foster carers. | £310,000 |
| Application by referral | We will continue with our current referral process so that front line service delivery organisations in the public and voluntary sector can refer households in need for support with utility bills and, in exceptional circumstances, for housing costs. To include provision for emergency white goods. | £150,000 |
| Specific grants to VCS organisations | To include energy support and wider essentials. | £200,000 |
| Community cooking programme | Building on the success of earlier activity, community organisations will be supported to provide courses to promote cooking skills and healthy affordable food. | £30,000 |
| Foodbank support | We will support local food providers to continue to provide emergency food and wider household essentials for those in need | £50,000 |
| TOTAL: | | £1.56m |