

Cabinet Meeting on Wednesday 17 May 2023

Household Support Fund



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

“The Household Support Fund helps families to meet with their day-to-day living costs. One of our priorities as a county council is to ensure those most in need in Staffordshire are supported, particularly when there are additional cost of living pressures. We’re pleased to be able to deliver a scheme to our residents which has made a real difference over the last two-and-a-half years.”

Report Summary:

The Government has been delivering Household Support Fund (HSF) Grant through local authorities for the last 2.5 years, during this time Staffordshire has seen £27.5 million made available to Staffordshire residents.

Over this time a focus was on enabling families with children who might need financial assistance, but the fund does extend to other people who may be feeling the impact of increasing costs. The expectation is that the Household Support Fund should primarily be used to support households in the most need with food, energy and water bills.

The Report outlines the impact of the delivery on local residents to date and shares the plan for the financial year 2023/24.

Recommendations

I recommend that Cabinet:

- a. Acknowledges the impact of the Household Support Fund in supporting residents in need of financial assistance.
- b. Acknowledges the anticipated receipt of £11,013,096.00 from the Department for Work and Pensions (DWP), in relation to the HSF.

- c. Endorses the planned proposals for the usage of the HSF in Staffordshire for the financial year 2023/24.
- d. Delegates authority to the Cabinet Member for Children and Young People, in consultation with the 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.
- e. Approves the flexibility to amend the amount of funding proposed for each scheme to ensure we can meet the demand or need due to the spend outlined being anticipated.
- f. Approves the extension of the current arrangements in place with Hemingways digital voucher, Beat the Cold and Community Foundation for Staffordshire for a further 12 months.



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Recommendations of the Cabinet Member for Children and Young People

I recommend that Cabinet:

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- c. Endorses the planned proposals for the usage of the HSF in Staffordshire for the financial year 2023/24.
- d. Delegates authority to the Cabinet Member for Children and Young People, in consultation with the 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.
- e. Approves the flexibility to amend the amount of funding proposed for each scheme to ensure we can meet the demand or need due to the spend outlined being anticipated.
- f. Approves the extension of the current arrangements in place with Hemingways digital voucher, Beat the Cold and Community Foundation for Staffordshire for a further 12 months.

Local Member Interest:

N/A

Report of the Director for Children and Families

Reasons for Recommendations:

Background

1. On Thursday 30th September 2021, the DWP announced a new HSF Grant which will be made available to County Councils and Unitary Authorities in England to support those most in need this Winter.
2. This allocation has continued, and the final grant is available for 2023/24. This report provides a summary of the impact of the fund locally and outlines the plans for the final year.
3. The County Council has the discretion on exactly how this funding is used, providing it adheres to the funding criteria (Appendix A). These conditions have changed each time but there remains a commitment to:
 - a. The majority of funding being targeted at low-income households; however support is not restricted to those households in receipt of benefits.
 - b. Prioritise the support for households in the most need with food, energy, and water bills.
 - c. More recently a referral route must be available to allow for targeted residents to benefit in addition to the identified schemes.
4. This paper outlines the proposed spend for financial year 2023/24 and the impact of the spend for 2022/23.

Proposed Spend for 2023/24

Education Support Fund (ESF):

5. It is proposed to continue to provide families of children in reception to year 11, who are in receipt of benefits-related Free School Meals (FSM) a £20.00 eVoucher per child for Summer half term 2023, Autumn half term 2023 and Spring half term 2024. We will also provide a £20.00 eVoucher for one of the two weeks of the Winter 2023 holidays and Easter 2024 holidays and for two weeks of the six-week Summer 2023 holidays to compliment the provision facilitated under the Holiday Activities and Food (HAF) Programme.
6. Children currently receiving benefits-related FSM or would be eligible for benefit related free school meals, (including children attending alternative and independent provision), and Early Years Children who receive funding for Think 2 Early Years Pupil Premium (EYPP) and our care leavers will be included in the proposed ESF.
7. 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.

8. It is proposed to continue to procure a voucher digital service to facilitate the HSF directly to families in partnership with Staffordshire Education Settings. The method of delivery which we have developed with the voucher company enables us to upload a Voucher Order Submission that is provided to us via the Staffordshire Education Settings into the voucher online system which then sends the voucher direct to the household. It is based around the previous process but more secure to prevent fraudulent claims and enables a robust audit process for us and the education settings. The vouchers will be available for a variety of supermarkets, ALDI, ASDA, Morrisons, Tesco, Sainsburys, Iceland, Marks & Spencer's and Waitrose.

9. The anticipated volume and expenditure on vouchers is outlined below:

Holiday	Anticipated Volume – Approx. Total Children	Cost per voucher	Total number of weeks provided	Anticipated Expenditure
Easter 2023 **See point 7 above	100	£20.00	1 week (#HAF)	£2,000.00
Summer H/T 2023	27,000	£20.00	1 week	£540,000.00
Summer Holidays 2023	27,000	£20.00	2 weeks (#HAF)	£1,080,000.00
Autumn H/T 2023	27,000	£20.00	1 week	£540,000.00
Winter Holiday 2023	27,000	£20.00	1 week (#HAF)	£540,000.00
Spring H/T 2024	27,000	£20.00	1 week	£540,000.00
Easter 2024	27,000	£20.00	1 week	£540,000.00
Total:				£3,782,000.00

Proposed Targeted Support Fund (TSF) – Financial Assistance for Care Leavers:

10. Children Leaving Our Care are more likely to face challenges moving into adulthood and we want to provide them the help and support that they need. This will include access to financial support in the form of a supermarket eVoucher.

11. It is proposed to provide our Care Leavers four £50.00 supermarket eVouchers utilising this funding allocation. These will be administered in August 2023, December 2023, January 2024 and March 2024.
12. It is proposed to continue to procure a voucher digital service to facilitate the TSF directly to the recipients. The method of delivery which we have developed with the voucher company enables us to upload a Voucher Order Submission which then sends the voucher direct to the recipient. It is a secure method to prevent fraudulent claims and enables a robust audit process for us. The vouchers will be available for a variety of supermarkets, ALDI, ASDA, Morrisons, Tesco, Sainsburys, Iceland, Marks & Spencer's and Waitrose.
13. The anticipated volume and expenditure on vouchers is outlined below:

Holiday:	Anticipated Volume:	Anticipated Expenditure:
August 2023	800	£40,000.00
December 2023	800	£40,000.00
January 2024	800	£40,000.00
March 2024	800	£40,000.00
	Total:	£160,000.00

Proposed Professional Referral Scheme - Assistance Grants for Food and Essential Supplies:

14. The Household Support Fund grant conditions specify that the scheme needs to have a referral scheme available from 1st April – 31st March 2024.
15. Therefore, we propose that we have a professional referral route for residents across Staffordshire, so that anyone facing financial hardship can ask for additional help from those that they are working with. This also ensures that the household is accessing professional support around their debt, finances or personal circumstances.
16. Having a professional referral route will ensure that there has been some review of the extent to which someone is facing financial hardship prior to making an application. We want the professional referral route to help us reach those most in need and so it will include a range of organisations: -
- a. Staffordshire County Council
 - b. Registered Social Landlord
 - c. District/Borough Councils
 - d. Health

- e. Citizen’s Advice Bureau
 - f. SCVYS Members
 - g. Support Staffordshire Members
 - h. Job Centre
 - i. SENDIASS – Signposting only
 - j. Staffordshire Education Settings
 - k. Commissioned Staffordshire County Council Providers who work direct with households
17. An approved referrers list will be created; this will ensure that all professionals referring into the scheme have had checks carried out to prevent fraudulent claims. This could be through due diligence checks carried out as part of commissioning arrangements or through the membership of SCVYS or Support Staffordshire, or it could be via approval from one of our key partners who work in partnership with the organisation.
18. This scheme will only be available for people residing in the county area of Staffordshire (excluding Stoke-on-Trent City Council who administer their own scheme.)
19. This scheme will see eligible people benefit from a supermarket eVoucher for £65 per household and £20 per additional dependant e.g. child or a person you care for.
20. The anticipated volume and value are calculated by an average based on current usage of the scheme.
21. This is an open referral route for professional to identify households in most need particularly those who may not be eligible for other government support that has been made available but nevertheless still in need of financial assistance.
22. This may include, but is not limited to, who are entitled to but not claiming qualifying benefits, people who are claiming Housing Benefit (HB) and a range of low-income households in need including children of all ages, pensioners, unpaid carers, care leavers and disabled people.

Scheme	Anticipated Volume	Value	Anticipated Expenditure
Professional Referral Route	10,400	£115.00 (average per household)	£2,400,000.00

Proposed Winter Warmth Project:

23. The Winter Warmth Project has helped residents access assistance with their fuel bills, the County Council is engaging with Beat the Cold and the Staffordshire Community Foundation to develop a Winter Warmth Project for 2023/24.
24. Beat the Cold provide a triage service of incoming demand from the public and via professional referrals. This includes a holistic assessment of household finances, benefit maximisation and eligibility for free or discounted energy efficiency measures via Staffordshire Warmer Homes.
25. The Community Foundation of Staffordshire provides a grant distribution service, which generally entails a payment being made directly to the household's energy supplier. In cases where a household has a pre-pay meter (around 25% of eligible households) alternative voucher arrangements apply. The contract sum agreed with CFS includes the transaction fees associated with the voucher payments. Each winter the previous contracts have been extended following additional Cabinet Member decisions.
26. Through the Winter 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.
27. The requirements of The Community Foundation of Staffordshire are more than double the original contract requirement and will require them to make double the transactions due to the full year extension. In 2023/24 CFS will be asked to distribute a total of £1,710,000 in the form of direct payment to utility companies or via vouchers, benefitting 3,800 households across Staffordshire. The first payment of £300 will be made before the end of September 2023. The second payment of £150 will be made before the end of March 2024.
28. 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. Where payments are to be made using vouchers (pre-pay metered customers) the DWP Searchlight tool will be used to verify the claimant's national insurance number against their name and address to prevent fraudulent use of the vouchers.
29. The anticipated volume and expenditure is outlined below:

	Anticipated Volume:	Anticipated Expenditure:
Winter Warmth Scheme	3,800	£1,710,000.00
	Total:	£1,710,000.00

Financial Assistance Education and Resources

30. We propose that as this is the final year of the grant we invest in resources and a programme of education which can be offered to people requesting support. We want to ensure that there is a plan to ensure that people are able to afford to manage after the grant.

31. We propose that this includes a range of support including:

- a. Education: This will include face to face support to budget, reducing spend and maximizing income.
- b. Resources: This will include tools and resources which can be made available to people after the funding is withdrawn.
- c. Community Resilience: This will include a small grant available to community organisations who can facilitate activities to improve people's financial awareness, ability to budget and think about sustainable and cost saving ways to manage.
- d. Supporting Families Employment Advisor: We propose we fund an additional two advisor to work with us to help people who are accessing the fund on low incomes to support them to develop their career options.
- e. Family Coaches: Within the Family Hubs we have four family coaches. These coaches deliver Adult and Community Learning and we propose we employ an additional two for 12 months to assist us to embed financial planning into a range of training and support and facilitate direct work with families. Training up a cohort of volunteers within the community who could deliver this to local members of the community.

Allocation	Anticipated Expenditure:
Education and supporting the transition for people after the fund has concluded.	£1,859,786.40

Household Support Fund Impact 2022/2023

32. There have been a number of different schemes all of which have been aimed to support local people with increased costs which have impacted on their financial stability. The Household Support Fund (HSF) has been in place since 2021.

33. Through the HSF we have received £16.5 million over the last 1.5 years of which £15.2 million went directly to the residents of Staffordshire to provide financial assistance.

34. The aim was to ensure that those who needed to access this scheme most received this support. As a result, this was targeted at cohorts of people below table demonstrates how this has been split across the different people who have benefitted, for the last 1.5 years.

Round 1 2021 to 2022 – 6 month delivery 31st October 2021 to 31st March 2022		
Targeted Group	Total Number Of Beneficiaries	Total Amount Allocated
Children eligible for Benefit Related Free School Meals	25,965	£2,000,565.00
Care Leavers one off payments	309	£27,970.00
Households claiming means tested benefits	8,533	£4,985,758.78
Totals	34,807	£5,214,293.78

Round 2 2022 to 2023 – 6 month delivery 1st April 2022 to 30th September 2022		
Targeted Group	Total Number Of Beneficiaries	Total Amount Allocated
Children eligible for Benefit Related Free School Meals	27,709	£1,240,560.00
Care Leavers one off payments	437	£32,775.00
Households with children	4,742	£804,609.06
Households with pensioners	21,449	£2,836,600.00
Other households	503	£153,566.75
Totals	54,840	£5,068,110.81

Round 3 2022 to 2023 – 6 month delivery 1st October 2022 to 31st March 2023		
Targeted Group	Total Number Of Beneficiaries	Total Amount Allocated
Children eligible for Benefit Related Free School Meals	27,772	£2,156,660.00

Care Leavers one off payments	781	£70,250.00
Households with children	19,290	£1,577,337.87
Households with pensioners	1,302	£383,200.00
Households with a disabled person	3,126	£552,496.38
Other households	6,140	£249,241.00
Totals	58,411	£4,989,185.25

35. Each allocation of the funding has been for a 6-month period apart from the round 4 23/24 allocation which is now a full financial year.

Allocation	Total amount of budget awarded to beneficiaries	Total number of beneficiaries	Increase or decrease of beneficiaries from previous year
Round 1 – 6 months 31 st October 2021 to 31 st March 2022	£5,214,293.78	34,807	
Round 2 – 6 months 1 st April 2022 to 30 th September 2022	£5,068,110.81	54,840	 20,033
Round 3 – 6 months 1 st October 2022 to 31 st March 2023	£4,989,185.25	58,411	 3,571

36. As a result of these scheme, we have received a range of feedback, however what is clear is that this scheme has helped a range of residents some of whom took the time to tell us about the impact, most of whom commented that this scheme had made a difference to them and their ability to cope with increasing costs and were very grateful to the council for this support.

37. In addition to benefiting from the financial assistance through the HSF, 23 homes have benefited from boiler replacement and a further 115 homes received an installation of measures such as air source heat pumps; solar panels; insulation including under floor, external, cavity and loft through the Staffordshire Warmer Homes Scheme.

Timescale

38. Support is available to spend ahead of 31st March 2024.

Risks Identified

39. There are several risks that have been identified and a full risk assessment continues to be reviewed. The key risks are outlined below:

- a. There is a possibility that some people have become reliant on this fund and may be dependant on this to manage their finances without being in debt or missing out on necessary items. There is a risk that this scheme has created a longer-term dependency which the Local Authority cannot afford to sustain. This is a particular challenge for 23/24 when the fund is due to stop.
- b. There is significant interest in this scheme locally and nationally and there is a risk that this causes reputational damage and an increase in complaints to the County Council. This is particular challenge for those who have received support since the schemes inception who may have come to rely on the funding.
- c. There is a risk of legal challenge where contracts are awarded as a direct award.
- d. There is a risk that some people eligible will not be identified, leaving them in financially challenging circumstances.

Legal Implications

40. 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.

41. The County Council are 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.

42. 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 are 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.

43. Officers are engaging with Legal Services and the Commercial team 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 HDF 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.
44. 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

45. A summary of anticipated expenditure is as follows:

Funding Scheme	Anticipated Expenditure
Education Support Fund	£3,782,000.00
Targeted Care Leavers and UASC Support Fund	£160,000.00
Professionals Referral Scheme	£2,400,000.00
Winter Warmth Project	£1,710,000.00
Financial Education and Support	£1,859,786.40
Administration Fees	£1,101,309.60
Total	£11,013,096.00

46. The HSF is ring-fenced to be spent as detailed in the guidance and the accompanying grant determination. To ensure that the objectives of the HSF are being met during the course of 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.
47. As we have provided a summary of anticipated spend and to ensure value for money, we will require flexibility to amend the amount of funding proposed for each scheme to ensure we can meet the demand or need due to the spend outlined within this report being anticipated.
48. Payment of the Grant from DWP to Authorities will be made in arrears after the interim MI return and the final MI return at the end of Grant period in April 2024 after the DWP have verified the MI. If an Authority feels that the payment arrangements will create significant cash flow problems, they notify DWP with supporting evidence.

49. 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.
50. 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.
51. It is not envisaged that this report will have an impact on climate change or help us to realise these ambitions, however work will be undertaken with the team to understand the contribution or action that could be taken to contribute once fully mobilised.

Conclusion

52. This report provides an overview of the planned delivery for this year's allocation. The schemes identified for this year will see a large number of households receive financial assistance over the next financial year across a range of different schemes. It will ensure that these households benefit from £11,013,096.00 allocated from the Department for Work and Pensions (DWP.)
53. It also reflects on the way in which people have benefitted on 2022/23, seeing over 70,000 people benefitting from assistance. Helping those who have faced challenges over the last year with access to food, fuel and assistance.
54. The report seeks cabinet support to;
 - a. Acknowledges the impact of the Household Support Fund in supporting residents in need of financial assistance.
 - b. Acknowledges the anticipated receipt of £11,013,096.00 from the Department for Work and Pensions (DWP), in relation to the HSF.
 - c. Endorses the planned proposals for the usage of the HSF in Staffordshire for the financial year 2023/24.
 - d. Delegates authority to the Cabinet Member for Children and Young People, in consultation with the 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.

- e. Approves the flexibility to amend the amount of funding proposed for each scheme to ensure we can meet the demand or need due to the spend outlined being anticipated.
- f. Approves the extension of the current arrangements in place with Hemingways digital voucher, Beat the Cold and Community Foundation for Staffordshire for a further 12 months.

List of Background Documents/Appendices:

Appendix 1: DWP Household Support Fund Determination Letter

Appendix 2: DWP Household Support Fund Grant Guidance

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