

REPORT TO EXECUTIVE

Date of Meeting: 27th June 2023

REPORT TO COUNCIL

Date of Meeting: 18th July 2023

Report of: David Hodgson, Director Finance

Title: Economic Vulnerability Fund

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report seeks members' agreement on the scheme for disbursing funding from the Economic Vulnerability Fund.

2. Recommendations:

That Executive agrees and RECOMMENDS to Council that the proposed Economic Vulnerability Fund scheme is adopted. The proposed scheme provides crisis support to low income residents through to the end of March 2024.

3. Reasons for the recommendation:

3.1 During the funding period Exeter City Council will be offering support with the cost of living through Household Support Fund scheme 4. HSF4 is designed to provide support to a large number of households in need. However there will be customers who are missed by the scheme and others who need more help than the scheme provides.

3.2 The Economic Vulnerability Fund will operate in support of Household Support Fund to provide additional support to low income households where additional unmet needs are identified.

4. What are the resource implications including non financial resources

Funding is received from Devon County Council to cover customer grants up to the agreed amount of £68,918. There is no administrative costs element within this funding so staffing and other costs are met from the existing Benefits and Welfare and Customer Support team resources.

5. Section 151 Officer comments:

5.1 There are no significant financial implications for the Council. The scheme will complement HSF4 and enable further support those most financially vulnerable.

6. What are the legal aspects?

Devon County Council have agreed to redistribute unspent and retained contingency funding originally received as part of the Covid-19 Wellbeing fund. Distribution to Exeter City Council is through a Grant Funding agreement between Devon County Council and Exeter City Council which outlines the scheme principles. The funding is limited to £68,918 and is to be utilised by 31 March 2024 and is to provide “immediate financial relief to ... local people who have become financially vulnerable as a result of the Cost of Living Crisis”.

The funding is intended to be applied to households most in need of support and in particular to those households where shortfalls in support are identified in priority groups, including those identified in the report ‘Food and Fuel Insecurity in Devon, January 2023’ undertaken by Transform Research on behalf of Devon County Council Food and Fuel insecurity. A link to the report is set out at the end of this report.

The funds are not to be used for any economic undertaking. Accordingly the allocation of the grant funds falls outside the scope of the Subsidy Control Act 2022.

7. Monitoring Officer’s comments:

This report raises no issues of concern to the Monitoring officer.

8. Report details:

8.1 Exeter City Council routinely works to support our lowest income residents experiencing financial crisis. This work, loosely referred to as Local Welfare Support, has been ongoing since 2013. We provide no cost and low cost help with essentials such as food and fuel to customers who have run out of options elsewhere.

8.2 This work is not directly funded so the help available is largely limited to advice, signposting to other services and referral to third party organisations such as Exeter Foodbank.

8.3 Utilising the Economic Vulnerability Fund to continue this work will allow more financial support to be given to customers in crisis. A small intervention for customers who are most in need can have a large impact on their situation.

8.4 London Councils recently commissioned research into the effectiveness of Local Welfare schemes. Their findings in January 2023 prompted the response from Peter Gadson, a Director at Brent Council: “What is most apparent is how relatively small sums of money can play a critical role in preventing financially catastrophic impacts for households facing crisis.”

8.5 There has been significant national investment in financial support responding to crises in recent years including through the pandemic and now the increased cost of living. These schemes provide standardised support to large numbers of people at a scale close to the main welfare support system. For Exeter City Council that currently includes running the local Household Support Fund schemes which have been in place since October 2021.

8.6 Research for Devon County Council shows a significant increase in food insecurity in the 18 months to October 2022, despite these national interventions. The *Food and Fuel Insecurity in Devon* report highlights groups that are particularly likely to be food and or fuel insecure locally. It is perhaps unsurprising that there is a strong link between food and fuel insecurity and household income. The group with the highest proportion facing food insecurity were households including at least one child with household income below £20,000. The rate of food insecurity for this group is more than double the survey average.

8.7 Other groups highlighted within this report have been included for direct support or prioritised for application based support in the Household Support Fund scheme. The Economic Vulnerability Fund will also give special consideration for the needs of customers in these groups including:

- Customers in receipt of passported benefits
- Other low income households
- Renting accommodation in private or social sector
- Long term sick, disabled or unemployed
- Households containing 5 or more members / 3 or more children
- Households containing a child under 5

8.8 The fourth Household Support Fund scheme runs to end March 2024 and will again aim to provide direct support to large numbers of low income residents. This scheme recognises that some households will find it harder to cope with increased costs than others. This support will undoubtedly be welcome to all of those who receive it. However included in that group will be households in particularly severe need for who the payment will not lift them out of crisis.

8.9 While the Household Support Fund is quite flexible, to allow for effective administration, eligibility criteria have to be defined. That will inevitably mean that there are some people needing help that will miss out on a direct payment. They may be experiencing particular problems despite not being in a priority group for support.

8.10 The Economic Vulnerability Fund can help to fill any gaps left by the other support schemes available. By applying the principle of understanding the individual needs of a household, unmet needs can be identified and appropriate support given for their circumstances.

8.11 The Economic Vulnerability Fund will be operated by the Benefits & Welfare team with support from Customer Support team. It will be overseen by the Senior Benefits and Welfare Officers with most experience of providing Local Welfare Support.

8.12 Decision making will be in line with the principles of the Grant Agreement and complementary to the Household Support Fund scheme. The focus will be on meeting needs that are greater than support already provided. Priority will be given to those applicants with characteristics identified as indicating particular need of support including those in paragraph 8.7.

8.13 Support amounts and method will be flexible to the needs of the customer and available resources.

9. How does the decision contribute to the Council's Corporate Plan?

The Economic Vulnerability Fund will support Exeter's communities and neighbourhoods by helping low income residents manage unexpected and crisis expenditure.

10. What risks are there and how can they be reduced?

Underspend of the EVF will mean less support being provided to Exeter's low income households. Overspend will be a direct and unbudgeted cost to Exeter City Council. Expenditure and demand will therefore be closely monitored throughout the year to ensure the available funding is maximised without incurring extra costs.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 The scheme allows for support to be delivered by a range of different means. Largely this will be determined by the individual needs and circumstances of the customer. Part of this decision involves a consideration of how the customer will access the support. This will include whether the customer can access their support locally without having to travel.

12.2 Online vouchers allow the customer to choose a retailer most convenient for them and minimise travel distances.

13. Are there any other options?

There are very few restrictions placed on the use of this funding other than ensuring it is used to support residents facing hardship. The Household Support Fund – scheme 4

aims to help with the financial situation being faced by many residents. The flexibility of the Economic Vulnerability Fund allows for customers with a need for help over and above Household Support Fund to be supported.

Director Finance, David Hodgson

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

[Evaluation-of-Local-Welfare-Assistance-Policy-in-Practice-January-2023-2.pdf \(policyinpractice.co.uk\)](#)

[Food and Fuel Insecurity in Devon, 2023 - Devon Health and Wellbeing](#)

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