

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: The Household Support Fund – Scheme 4

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 fourth Household Support Fund.

2. Recommendations:

That Executive agrees and RECOMMENDS to Council that the proposed Household Support Fund – scheme 4 (HSF4) is adopted. The proposed scheme consists of three projects:

- 1) One-off support targeted at households identified through Council Tax Support records. Awards to be paid by cash voucher posted to customers by the end of September 2023. Details in paragraph 8.7.
- 2) An application based scheme for people with characteristics identified as having a priority need where households cannot be individually identified from existing records. Applications to open from October 2023. Details in paragraph 8.12.
- 3) A flexible scheme allowing unspent funding to be allocated to individuals or groups needing extra support between January and March 2024.

3. Reasons for the recommendation:

3.1 The fourth Household Support Fund covers 12 months unlike the previous three schemes which were each for a 6 month period. The longer timeframe allows for a more comprehensive scheme with help provided to more households in need.

3.2 The proposed scheme learns from the success of previous schemes, in particular HSF3 and fills gaps that existed in earlier schemes.

3.3 Using Council Tax Support data to identify low income households with particular needs allowed us to distribute nearly £700,000 of support during 2022/23. There is good reason to expect that the groups identified for this direct support in HSF3 still represent those most in need of help during HSF4.

3.4 Adding an application based element to the scheme allows us to support other households who we are not already aware of through our Council Tax Support records. Identifying the characteristics that will be supported through the scheme will help to keep the administration of the application scheme manageable and mean the limited support can be focussed on priority groups.

3.5 Expenditure on the application scheme can be capped at a maximum amount. If eligible applications are lower than predicted it may leave funds unspent. Being able to flexibly reallocate any underspend will ensure the most support possible can be provided to low income residents.

3.6 The Funding Agreement with Devon County Council includes a requirement to use 45% of the allocated amount before the end of September 2023 with the remainder to be spent in the second half of the year. Allocating direct support during the summer and running an application scheme through the autumn will allow us to meet those conditions.

4. What are the resource implications including non financial resources

The Household Support Fund is funded by a Central Government grant from Department for Work and Pensions. Payment of customer grants under this scheme will be funded up to the agreed value. The grant agreement with Devon County Council includes administration funding at 15% of the value of awards made. Some of this administration funding is planned to bring in additional staff on a temporary basis to support the scheme. Otherwise the scheme will be administered using existing staff resources within Benefits & Welfare and Customer Support. Beyond officer time there is therefore no cost to Exeter City Council.

5. Section 151 Officer comments:

Given that the funding from Devon County Council covers administrative costs, there are no financial implications for the General Fund arising out of the scheme.

6. What are the legal aspects?

Section 31 of the Local government Act 2003 provides a power for Ministers of State to pay grants to local authorities for expenditure incurred or to be incurred by authorities. In accordance with section 31 of the Act, Devon County Council has received funding from the Department for Work and Pensions (DWP) for the provision of grants in the form of the Household Support Fund. Devon districts, including Exeter City Council, are allocated funding by Devon County Council to deliver local support schemes in accordance with the Household Support Fund 4 Grant Agreement. The conditions on the allocation of the grant funds is set out in the agreement between Devon County Council and Exeter City Council. Guidance is provided by the DWP as set out in the link at the end of this report.

The funding is intended to be provided to households most in need of support with, for example, energy bills, food and other essentials in order to address the significant increases in the cost of living. 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:

The Monitoring Officer has no issues to raise relating to the content of this report

8. Report details:

8.1 Exeter City Council has been allocated £675,706 by Devon County Council to deliver support to low income residents struggling with the cost of living up to the end of March 2024. The Central Government funding is to be spent in line with the Department for Work and Pensions (DWP) guidance and the framework agreed with Devon County Council.

8.2 The fourth Household Support Fund runs for 12 months unlike all previous schemes which were for 6 months only. The funding amount for 12 months is roughly double the earlier 6 month allocations.

8.3 The DWP requires that support is available to residents throughout the funding period. Exeter City Council's scheme is only one of many strands that are being funded through Devon County Council's overall Household Support Fund.

8.4 The framework agreement with Devon County Council anticipates districts using their data to target support at local priority groups. The DWP guidance highlights several groups that should be considered when considering scheme design. There are no requirements to provide support to any particular group – the decision on scheme design is down to local circumstances.

8.5 DWP guidance says the Fund is intended "to support households in the most need; particularly those who may not be eligible for the other support government has recently made available but who are nevertheless in need." It goes on to say "There may be groups who are vulnerable to rising prices even though they are supported through these schemes... It is important to stress that The Fund is intended to cover a wide range of low income households in need..."

8.6 The most complete data for low income households in Exeter comes from the means tested Council Tax Support database. In preparing for the HSF 3 scheme this was combined with data on Council Tax arrears in order to give a better picture of the type of households which may be finding it most difficult to manage rising bills.

8.7 That picture showed a strong overlap with the groups highlighted in the DWP guidance as needing support from HSF 3 with two notable exceptions, these being pension age households and households including a disability premium within their calculated Council Tax Support. These groups actually show less arrears than other groups.

8.8 Overall, arrears proportions are higher in all working age claims which is likely to be due to the maximum council tax support award available limited to 80%. The highest proportion of cases in arrears were seen in groups:

- Large families (3 or more children);
- Large properties (bands E,F & G);
- Deduction for adult family member;

- Disabled child in household;
- Carer in household;
- In receipt of Universal Credit; and
- In employment

8.9 Maintaining the support model adopted for HSF3 will provide consistency for those households helped previously and keep the scheme relatively easy to understand and explain to customers. That model would see direct support awards as below paid by the end of September 2023. It additionally meets the spending requirement in the Funding Agreement with Devon County Council.

Priority characteristic		Component value	Number of customers
Disabled child		£100	415
Carer		£100	925
Non dependant deduction		£150	213
In work		£150	715
Large family	3 or more children	£100 OR	249
	4 or more children	£150	125

Award breakdown		
HSF pyt	Households	Cost
£100	588	£58,800
£150	600	£90,000
£200	172	£34,400
£250	159	£39,750
£300	107	£32,100
£350	97	£33,950
£400	10	£4,000
£450	25	£11,250
£500	24	£12,000
£600	1	£600
Total	1783	£316,850

8.10 Eligibility for the payment will be based on the household circumstances as recorded on their Council Tax Support award on the Eligibility Date of 19 July 2023. Based on caseload data at 10 May 2023, the estimated breakdown of awards and total cost are shown above.

8.11 The remaining funding would then be available for an application based scheme to run from October 2023. This scheme will allow us to provide support to customers that we are unaware of through our Council Tax Support records but are nonetheless in need of extra help.

8.12 An application that is open to everyone was tried as part of the original HSF scheme in December 2021. That resulted in higher numbers of applications than could be reasonably managed. It was also mostly accessed by customers that had already received support. It was not successful in reaching other customers in need that were not already being helped.

8.13 By opening applications to specific groups of customers, support can be targeted at those households who have missed out on other help but are identified as being in need. It should also help to limit overall application numbers to a manageable level.

8.14 The DWP guidance identifies several groups as being priority for support from the Household Support Fund. Additionally, relevant research into Local Welfare Assistance and the local picture for food and fuel insecurity have been taken into account. Some of the groups mentioned are already picked up through our targeting support project described above. Others by their nature cannot be identified from our data, so lend themselves to an application scheme. The reports and guidance are included for reference.

8.15 Throughout 2023 further help will be provided by Department for Work and Pensions to people in receipt of certain benefits. These Cost of Living Payments will be paid automatically to anyone meeting the conditions on the qualifying date. There are different schemes for different benefits and different qualifying dates for each.

8.16 There are a number of reasons why a person may not be entitled to receive a Cost of Living payment that they would expect to receive. This would include claims with a start date after the qualifying date, Universal Credit customers who have nil awards for one month due to frequency of wage payments or starting to receive another benefit or having their claim sanctioned for non-compliance. Also Housing Benefit is not a qualifying benefit for the Cost of Living payments. So a customer who receives Housing Benefit without also receiving Universal Credit, Pension Credit or one of the other qualifying benefits will miss out.

8.17 The Household Support Fund guidance emphasises this group as being a priority for support in local schemes. There is no practicable way to reliably identify who these customers are in order to make a direct award. However they can be invited to make an application for support from the Household Support Fund 4 scheme.

8.18 The recommended groups to be included in the application based scheme are:

- Low income households not entitled to a DWP Cost of Living payment – including those entitled from a date after a qualifying date for payment, those with a pending decision or appeal with DWP, those receiving Housing Benefit without a qualifying CoL benefit award; and
- Low income households with a qualifying priority characteristic who were not entitled to a targeted payment from Exeter City Council HSF4 – for example receiving a means tested benefit but not Council Tax Support because of no Council Tax liability, no claim or decision at the eligibility date.

8.19 Household Support Fund is only for households on low income. For the purposes of this scheme that will mean a household income at or around the level that would give entitlement to means tested benefits for their household circumstances.

8.20 Applicants with any of the characteristics listed below will be prioritised for support. These groups are identified in the sources in 8.11 as having a generally higher need for support.

- Unpaid carers;
- Care leavers;
- Disabled household member;
- Household member of pensionable age;
- In low paid or insecure work; and
- Residents of temporary accommodation

8.21 Support amounts will be broadly aligned with the targeted support amounts in 8.7 and the value of national Cost of Living payments. Decision makers will have flexibility based on an applicant's household circumstances.

8.22 The application scheme will be promoted and publicised through third sector and community organisations who are working with customers who may otherwise not know to apply.

8.23 The support method will principally be by award of an online shopping voucher, giving the customer flexibility to choose how and where to spend the award. Cash vouchers could be offered as an alternative in individual cases.

8.24 The amount available to be awarded through the application scheme will be the amount left once the targeted support scheme has been completed. The awards cannot exceed the total agreed funding from Devon County Council. Once the allocation has been spent, no further awards will be made.

8.25 Applications will be by way of an electronic form accessed through the Exeter City Council website. Support will be offered to make a claim for customers who are digitally excluded, including through the Customer Services and Benefits & Welfare teams or a third party working with the customer.

8.26 The application gateway may be closed without notice where large volumes of claims are outstanding to be decided or once all funds have been spent. No claims can be accepted after the end of the HSF4 scheme in March 2024.

8.27 Application volumes and expenditure will be monitored throughout the scheme period. If it appears that the full allocation will not be spent through the application route a further direct award to priority groups may be made before the end of March 2024. This will be in line with the principles and priority groups agreed by members but may also take account of new data and emerging need that come up during the scheme period.

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

The Household Support Fund scheme 4 will support Exeter's communities and neighbourhoods by helping low income residents manage increased costs.

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

If a scheme is not agreed and delivered before 30 September 2023, the available funding for the first 6 months will not be able to be provided to Exeter's low income residents.

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 Distributing vouchers in paper form may carry a higher environmental cost than electronic methods such as email or SMS voucher. However records of customer email and mobile contact methods is limited. The groups being supported may also be digitally excluded and less willing or able to transact online.

12.2 By utilising the Post Office network for redemption of the vouchers there is a better chance that customers can collect their money as part of day to day activities. If a special trip is required, the journey should be local for most people and achieved by foot or public transport.

13. Are there any other options?

13.1 The funding for Household Support Fund allows for a large amount of local flexibility in how support is delivered. The Funding Agreement with Devon County Council aims to preserve as much of this flexibility as possible. Several alternatives were considered as part of developing the proposed scheme.

13.2 A similar approach to HSF3 would allocate the great majority of funding to direct awards. As the scheme this time is 12 months instead of 6, this could be delivered in two tranches throughout the year to customers entitled at each point. This would have the advantage of being the simplest option to deliver the support and would ensure that no fewer households received support than in the last scheme.

13.3 However this would not allow us to reach the households in need that we are not aware of from our existing data. Including an application based element within the scheme allows us help households that we may not have supported through previous schemes.

13.4 Making the whole scheme application based would allow for more support to be given to households who were not included in earlier schemes. However it would deny support to the large number of households where we have identified a strong rationale for supporting through direct awards. It would also be more labour intensive to administer. Due to the time required to set up the process and decide claims it also may not be feasible to have the required amount of support delivered by the end of September.

13.5 The recommended scheme applies the knowledge and experience gained from delivering previous support schemes as well as local and national research. It offers a balance between using data to identify households in need and providing a method of accessing support for other households.

Director Finance, David Hodgson

Author: Chris Buckman, Benefits & Welfare Lead

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

Background papers used in compiling this report:-

[Household Support Fund: guidance for local councils - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/household-support-fund-guidance-for-local-councils)

[Evaluation-of-Local-Welfare-Assistance-Policy-in-Practice-January-2023-2.pdf \(policyinpractice.co.uk\)](https://policyinpractice.co.uk/evaluation-of-local-welfare-assistance-policy-in-practice-january-2023-2.pdf)

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

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275