

REPORT TO EXECUTIVE

Date of Meeting: 9 April 2024

REPORT TO COUNCIL

Date of Meeting: 23 April 2024

Report of: David Hodgson, Director Finance

Title: The Household Support Fund – Scheme 5

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report seeks members' agreement to delegate authority to agree the scheme for disbursing funding from the fifth Household Support Fund to the Director Finance in consultation with the Leader and the Portfolio Holder for Council Housing Development & Support Services.

2. Recommendations:

2.1 That Executive agrees and RECOMMENDS to Council that the Director Finance is given delegated authority to agree the scheme for disbursing funding from the fifth Household Support Fund in consultation with the Leader and the Portfolio Holder for Council Housing Development & Support Services.

3. Reasons for the recommendation:

3.1 On 6th March, the Chancellor announced a 6-month extension to the Household Support Fund, to run from 1 April 2024 to 30 September 2024. This presents a problem in getting Council agreement of a new local scheme in time to be able to distribute funds before the scheme ends.

3.2 Funding is given by the Department for Work and Pensions (DWP) to Devon County Council (DCC), who top slice to fund free school meals during the holidays and other support initiatives across the county, then give an allocation to each district authority to fund their local support scheme via a grant agreement.

3.3 The DWP has not yet released their guidance or confirmed funding allocations. Both will inform the grant agreement the Council will get from DCC and the requirements that need to be followed. The criteria and the specification of our local scheme will need to be determined once the DWP guidance is available and grant allocations and framework agreed with DCC. As with the previous four Household Support Fund Schemes, HSF5 is targeted at low-income households who are struggling and so the scheme, most probably, will mirror previous schemes in order to give the most effective help.

3.4 The following committee cycle is Executive (meeting 4 June) and Council (16 July). Using that cycle for approval would mean not being able to make any crisis support payments between 1 April and 16 July (15 weeks) at a time when there are no more cost-of-living payments (the last were issued in February) and no further energy bill rebates.

3.5 Because the funding would need to be spent between 17 July and 30 September, there would then only be 11 weeks to use it up. Realistically that is not achievable and risks funding not being spent.

3.6 Given that the scheme and administration costs are fully funded via Devon County Council there will be no financial implications for the General Fund arising out of the scheme.

4. What are the resource implications including non-financial resources.

4.1 Having already administered Household Support Fund Schemes, the resourcing is in place, as is the ability to make direct awards or run an application scheme.

Payment of customer grants under this scheme will only be made up to the value of the grant agreement with Devon County Council which will include administration funding. 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:

5.1 The Council has been given a short notice period for this six-month extension of the scheme. To avoid this risk of having insufficient time to spend the funds, it is necessary for a delegation to be requested. As far as is possible under the terms that the Council has to follow, the scheme will use the same principles that have been adopted for the previous rounds of funding.

6. What are the legal aspects?

6.1 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 will be receiving 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, will be allocated funding by Devon County Council to deliver local support schemes in accordance with the Household Support Fund 5 Grant Agreement. The conditions on the allocation of the grant funds will be set out in the agreement between Devon County Council and Exeter City Council. Guidance will be provided by the DWP.

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:

7.1 The legal implications are set out in paragraph 6 above. Given that, this report raises no issues for the Monitoring officer.

8. Report details:

8.1 The Household Support Fund Scheme 5 will run from 1 April 2024 to 30 September 2024.

8.2 Exeter City Council will receive funding from Devon County Council to deliver support to low-income residents struggling with the cost of living. 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.

8.3 Once DWP guidance has been issued, and allocations have been agreed, Devon County Council will work with the district authorities on a framework agreement which will inform local scheme design.

8.4 The Benefits & Welfare Team are currently administering Household Support Fund Scheme 4 which has been a mixture of direct awards and by application, therefore the mechanisms are already in place to deliver similar for scheme 5.

8.5 The four Household Support Fund schemes have shared common objectives which will also likely apply to the fifth scheme. Funding is intended to support low-income households who are struggling to afford essentials due to the increased cost of living. Within that framework there is discretion for who to support and how to deliver it.

8.6 We have learnt through previous schemes what works well locally, who our most in need households are and how best to provide them with financial support. During the second half of the fourth scheme, we have operated an application-based scheme, open to anyone in need but specifying priority groups for support. Those priority groups have been drawn from national and local research and our own analysis of benefit caseload.

8.7 It is anticipated that a fifth scheme will largely follow the principles and approach developed through the latter part of the fourth scheme. An application-based approach means individual circumstances can be considered allowing more targeted awards. Using the insights from our Council Tax Support caseload we are also able to promote the availability of support to priority households who may not be aware of the scheme.

8.8 The priority low-income groups for Household Support Fund Scheme 4 and the Economic Vulnerability Fund, which ran alongside HSF4, were:

- Deduction from Council Tax Support for adult family member.
- Disabled child in household.
- Unpaid carers.
- Care leavers.
- Disabled household member.
- Household member of pensionable age.
- In low paid or insecure work.
- Residents of temporary accommodation.

- Customers in receipt of passported benefits.
- 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.

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

9.1 The Household Support Fund scheme 5 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?

10.1 If a scheme is not agreed and delivered before 30 September 2024, the available funding 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 This recommendation has no impact. An Equalities Impact Assessment will be carried out at the time a local scheme is designed.

12. Carbon Footprint (Environmental) Implications:

12.1 None.

13. Are there any other options?

13.1 Utilising the next committee cycle would mean not being able to make any crisis support payments between 1 April and 16 July (15 weeks) and risks a significant proportion of funding going unspent.

Director Finance, David Hodgson

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

Background papers used in compiling this report: - none.

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