

REPORT TO EXECUTIVE

Date of Meeting: 4 February 2025

REPORT TO COUNCIL

Date of Meeting: 25 February 2025

Report of: Strategic Director for Corporate Resources

Title: Household Support Fund scheme 7

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 a scheme for disbursing funding from the seventh Household Support Fund to the Strategic Director for Corporate Resources in consultation with the Leader and the Portfolio Holder for Housing, Homelessness Prevention & Customer Services.

2. Recommendations:

2.1 That Executive agrees and RECOMMENDS to Council that the Strategic Director for Corporate Resources is given delegated authority to agree the scheme for disbursing funding from the seventh Household Support Fund in consultation with the Leader and the Portfolio Holder for Housing, Homelessness Prevention & Customer Services.

3. Reasons for the recommendation:

3.1 At the budget on 30 October 2024, the Chancellor announced a further extension to the Household Support Fund to run from 1 April 2025 for twelve months.

3.2 Funding is given by the Department for Work and Pensions (DWP) to Devon County Council (DCC), who distribute their allocation 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 in a local scheme. The criteria and the specification of our scheme can only be determined once the DWP guidance is available and grant allocations and framework agreed with DCC. As with the previous six Household Support Fund Schemes, HSF 7 will be targeted at low-income households who are struggling with the cost of essentials. In order to give the most effective help, the new scheme design is likely to remain similar to previous iterations.

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

4.1 Scheme administration as well as the funding for customer grants are fully funded via a Funding Agreement with Devon County Council. Having already run six Household Support Schemes, the resources are already in place to deliver a further scheme along similar lines.

4.2 Payment of customer grants will only be made up to the value of the grant agreement. The scheme will be administered by existing staff within the Benefits & Welfare service, including two temporary Welfare Assistance Officers funded through the HSF administration grant. Beyond officer time there is therefore no cost to Exeter City Council.

5. Section 151 Officer comments:

5.1 The Council has again been given little notice of the funding and guidance for this twelve-month extension of the scheme. To avoid the risk of having a delay in spending 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 7 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.

6.2 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 Members will note the purpose of the Household Support Fund scheme and the basis of the allocation of the scheme funds as set out in the legal aspects above. As was the case in relation to Scheme 6, Exeter City Council does not yet know the funding amount it will receive, nor the scheme guidance for Scheme 7. Accordingly, the recommendation is that authority is delegated to agree the scheme for administering the funds once this information is received. This will allow Officers to get the scheme up and running in good time to provide household support over the scheme period.

8. Report details:

8.1 The sixth Household Support Fund scheme has to close on 31 March 2025 or sooner if funds have run out. Household Support Fund Scheme 7 will run from 1 April 2025 to 31 March 2026.

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 confirmed, Devon County Council will work with the district authorities on a framework agreement which will inform local scheme design. This work is likely to be ongoing through the early part of 2025, meaning a detailed scheme design cannot be delivered at this stage.

8.4 The Benefits & Welfare Team are currently administering Household Support Fund Scheme 6 and have run five earlier schemes from October 2021. These schemes have been a mixture of direct awards and an application process; therefore, the mechanisms are already in place to deliver similar for scheme 7.

8.5 The six Household Support Fund schemes have shared common objectives which will also likely apply to the seventh 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 Previous schemes have helped inform 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, and throughout the fifth and sixth, 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 seventh scheme, subject to guidance and funding, will largely follow the principles and approach developed through the fourth, fifth and sixth schemes. An application-based approach means individual circumstances can be considered allowing more targeted awards. Using the insights from our Council Tax Support caseload we were also able to promote the availability of support to priority households who may not be aware of the scheme. This proved particularly successful during scheme 5 in encouraging claims from our elderly customers who were much less likely to claim without support.

8.8 Using Council Tax Support records allows us to identify low-income households with characteristics that indicate a particular need for extra help. Appropriate groups can be selected to receive a direct award.

8.9 Priority groups identified through the earlier schemes as being in particular need of support from HSF include:

- Households affected by welfare reforms (large families, local housing allowance rules, under 25 rate of Universal Credit);

- Unpaid carers;
- Households including a disabled child;
- Households with temporarily higher expenditure (families in temporary accommodation, parent temporarily unable to work);
- Care experienced young people;
- Households including a member of pensionable age

8.10 Within three weeks of opening applications for scheme 6, over 1000 requests for support had been received. This indicates high levels of ongoing need for this additional support. A total of £243,000 is available for grant payments through the application phase of scheme 6. This should be sufficient to help more than 1700 low-income households through to the end of March 2025.

8.11 From winter 2024, pensioners' Winter Fuel payments were linked to a means tested benefit for the first time. In most cases this meant being in receipt of Pension Credit. Take up rates of Pension Credit are traditionally low and it is likely that many low-income pensioner households will lose out on their annual Winter Fuel Payment as a result.

8.12 The Benefits & Welfare service have been working to encourage and assist pensioners who may be entitled to Pension Credit to make a claim. However, there are households who, despite being on a low income, will not qualify for Pension Credit and will therefore lose their Winter Fuel payment. The sixth Household Support Fund used Council Tax Support records to identify many of these customers and provided support through a direct award to 923 pensioner households. This overcame the generally low rates of proactive applications seen across the pensioner group and provided valuable support through the 2024 winter period.

8.13 This approach was supported by the Secretary of State for Work and Pensions in front of the Work and Pensions Committee on 13 November 2024. She highlighted the role HSF could play in supporting low-income pensioner whose income is just above the level that would allow them to receive Pension Credit and the Winter Fuel Payment. Subject to sufficient funding, the seventh Household Support Fund could extend this support offer to pensioners through winter 2025.

8.14 Running the seventh scheme over 12 months, rather than the more usual six-month schemes, gives greater flexibility in the delivery model. A combination of direct awards to identified groups, and open applications can be utilised to make best use of the available funding and staff resources as well as enabling the support offer to respond to emerging priorities.

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

9.1 The Household Support Fund scheme 7 will support Exeter's communities and neighbourhoods by helping low-income households manages increased costs throughout 2025/26.

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

10.1 If a scheme is not in place and support delivered before 31 March 2026, 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 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 Waiting until all details of guidance and funding are known is likely to mean sending a recommended scheme to Council after the start of the funding period. This will reduce the time window for delivering support to residents.

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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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