

Committee Name and Date of Committee Meeting

Cabinet – 20 March 2023

Report Title

Household Support Fund April 2023 – March 2024

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Jo Brown, Assistant Chief Executive

Report Author

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Ward(s) Affected

Borough-Wide

Report Summary

The Household Support Fund (HSF), first introduced in 2021/22, then extended to 2022/23, has been extended again to 2023/24 through the Government's Autumn Statement, with £1bn of funding available in England.

Rotherham has been allocated £4.978m for the 2023/24 financial year and Government have provided detailed guidance setting out how the resource can be used. This guidance again sets out the expectation that the fund should be used to support vulnerable households.

This report provides recommendations for a provisional allocation of the £4.978m. Any variations arising from actual spend under each of the provisional allocations to be managed through adjusting the allocation made towards the Energy Crisis Support Scheme.

The report also provides the Council's proposed use of the business rates levy surplus distribution, announced by Government alongside the final local government finance settlement 2023/24. The Council's allocation from the business rates levy surplus distribution is £538,415 and relates to the financial year 2022/23. It is proposed to use the resource to support the Council's current Energy Crisis Support Scheme, that allows residents of the borough to claim £400 support towards the cost of their energy

bills, where the impact of those increased energy bills are placing them into financial difficulty.

Recommendations

That Cabinet agree:

1. That provisional allocations of the Household Support Fund Grant of £4.978m be made as follows:
 - a) £2.5m for food vouchers to children eligible for free school meals for school holidays up to and including Easter 2024.
 - b) £1.2m to cover the estimated costs of the Council's Local Council Tax Support Top Up Scheme.
 - c) £0.4m additional funding to top up the Council's Discretionary Housing Payments fund.
 - d) £0.563m to support applications from households for assistance with cost-of-living increases, through the Council's Energy Crisis Support Scheme.
 - e) £180k to provide additional tinned food to supplement the supplies available for crisis food parcels provided by local food banks and Community Food Members. This sum would also assist with supplies to social supermarkets, which is a supplement to the Crisis Support service level agreement.
 - f) £90k allocation to support care leavers, being young people leaving foster or local authority care and living independently in their own accommodation who are responsible for paying their own utility bills, providing additional financial support through the cost-of-living increases.
 - g) £45k to support local VCS organisations to support vulnerable households over Christmas / New year through a supplement to the Crisis Support service level agreement.
2. To delegate authority to the Assistant Chief Executive in consultation with the Cabinet Member for Social Inclusion, to determine revised and final allocations for the Household Support Grant to include provision for other eligible actions within the use of Household Support Fund should it not be possible to achieve full spend of the grant through the approved provisional allocations.
3. £150,000 cost of living crisis grant funding from the South Yorkshire Mayoral Combined Authority is used to top up the allocation to Discretionary Housing Payments; of which, £50,000 will be utilised in the current financial year and the remaining £100,000 in 23/24.
4. To approve use of the Council's Business Rates Levy surplus distribution allocation of £538,415 to be used to support Energy Crisis Support Payments in 2022/23.

List of Appendices Included

Appendix 1 Equality screening

Appendix 2 Climate impact assessment

Background Papers

Household Support Fund grant allocation and guidance (DWP 21st February 2023)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Household Support Fund April 2023 – March 2024

1. Background

- 1.1 The Household Support Fund (HSF), first introduced in 2021/22, then extended to 2022/23, has been extended again to 2023/24 through the Government's Autumn Statement with £1bn of funding available in England.
- 1.2 The 2023/24 Rotherham allocation is £4.978m.

2. Key Issues

- 2.1 Household Support Fund was made available by the Department of Work and Pensions (DWP) to County Councils and Unitary Authorities in England to support those most in need. This funding initially covered the period October 2021 to the end of March 2022 and was then extended to the end of March 2023. Local Authorities were given discretion about exactly how this funding was used within the scope set out in guidance.
- 2.2 For the period October 2022 to March 2023, the criteria for the grant set out in particular that:
 - Authorities have the flexibility within the Fund to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility. Authorities should ensure that they consider the needs of various households including families with children of all ages, pensioners, unpaid carers, care leavers, and people with disabilities.
 - Authorities must operate an application-based service for support to ensure those in need have a route to emergency support. This can be delivered directly by the Local Authority or by a third party on their behalf. Authorities should establish eligibility criteria for their application service and should communicate with residents to ensure that their scheme and the mechanism for applying is clear and accessible. Note this does not have to be used for the whole of the Fund.
 - Authorities can also proactively identify households who will benefit from support. Where this is the case, Authorities should consider how they can ensure that they are focusing on those in the most need to prevent escalation of problems.
- 2.3 These provisions are carried over into the guidance for 2023/24.
- 2.4 HSF guidance for 2023/24 also makes specific provisions for use of the fund. The provisions have been expanded and refined. These are:
 - Energy and water.
 - Food, whether in kind or through vouchers or cash.

- Essentials linked to energy and water – household goods.
 - Wider essentials not linked to energy and water including meeting bills.
 - Advice services supplementary to other provision.
 - Housing costs taking account of the risk of homelessness and other local factors.
- 2.5 The Fund cannot be used to provide mortgage support, though homeowners could still qualify for the other elements of The Fund.
- 2.6 The Fund can exceptionally and in genuine emergency be used to provide support for historic rent arrears built up prior to an existing benefit claim for households already in receipt of Universal Credit and Housing Benefit.
- 2.7 The recommended allocations and uses are compliant with the fund guidance. The recommended provision through the Council’s Energy Crisis Support Scheme meets the condition to operate an application-based service, whilst other support including providing vouchers to children eligible for free school meals to cover school holidays, is compliant with the condition covering proactively identifying households who will benefit from support.
- 2.8 Delivery of HSF funded support during October to December 2022, supporting households through the rising cost of living, resulted in:
- 35,658 vouchers issues to children in receipt of free school meals over the October half term and Christmas holidays.
 - 1,305 households supported through the Council’s energy scheme.
 - 1,458 households supported with crisis food parcels.
 - 521 Christmas hampers distributed.
 - 171 care leavers supported with household costs.

3. Options considered and recommended proposal

3.1 The options have been assessed to meet the criteria of the grant funding Streams, aligned with the other actions being taken by the Council to support people in need. The proposed allocations are based on previous experience of impact in distributing these funds. Specific groups of people identified in the guidance as priority households can be targeted through the applications for support options.

3.2 Food vouchers for school holidays

3.2.1 Continuing to provide vouchers to children eligible for free school meals (FSMs) to cover school holidays will carry forward support to low-income families in a manner that has proved effective. Assuming use of HSF will include the Easter holidays in April 2024, this approach would fund twelve weeks of school holidays over the year from May 2023 half-term to April 2024.

3.2.2 The allocation provides for a growing number of children in receipt of FSMs with the numbers having already increased from 10,767 in May 2021 to 11,937 in December 2022.

3.3 Funding the Council's Local Council Tax Support Top Up Scheme

3.3.1 The Council is aware that residents will be facing rising household costs as a result of rising inflation and energy prices. In recognition of this, the Council will provide a further Local Council Tax Support Top Up scheme in 2023/24. The scheme will provide an expected additional award of up to £117.60 for working age claimants in receipt of Local Council Tax Support in 2023/24. This is expected to provide additional support to approximately 14,200 households. Where a claimant has a bill of £117.60 or less, then the bill will be reduced to zero.

3.3.2 This means that for a working age household in receipt of maximum Council Tax support in a non-parished area Band A property, there will be no bill to pay for 2023/24 Council Tax. Based on current caseloads this is estimated to be approximately 10,500 households. The application of the scheme will include all those becoming eligible up to and including 31 March 2024.

3.3.3 The estimated scheme costs of £1.7m will be funded by £0.5m from Government's Council Tax Support Fund for vulnerable households that will pay up to the first £25 per LCTS claimant, with the remaining £1.2m proposed to be funded from the Council's Household Support Fund allocation for 2023/24. The actual cost won't be known until the end of the 2023/24 financial year.

3.4 Top up the Council's Discretionary Housing Payments fund

3.4.1 Discretionary Housing Payments provide exceptional support in addition to housing support through other benefits where there is severe need. The demand for this additional support is growing at the same time that the allocation of government funding for this purpose has reduced.

3.4.2 The provision of an allocation of £0.4m from HSF will top up the fund and make the payments available to more households, reducing housing stress for families including rent arrears and risk of homelessness alongside paying other bills.

3.4.3 Government funding has reduced from £765,828 in 2020/21 to £603,286 in 2021/22 reducing to £427,584 in 2022/23. The government has committed to the same national spend for the next two years so the Council will receive £427,584 for 2023/24 and 2024/25. As at 1st March the Council has paid £744,066 across 838 households for 2022/23, with an average award of £887.90. The expenditure above the Government funding in 2022/23 is funded from an allocation of £300k from the Covid Recovery Fund, as approved at Cabinet March 2022.

3.4.4 Given the importance of the Discretionary Housing Payments in supporting residents during rising costs of living, it is also proposed to utilise £150,000 of

cost of living crisis funding from the South Yorkshire Mayoral Combined Authority to top up this fund. £50,000 of this will be utilised in the current financial year and the remaining £100,000 in 2023/24.

3.5 Boosting the Council's Energy Crisis Support Scheme

- 3.5.1 The current scheme arrangements are that the Council receives applications for energy crisis support via an online application form, though residents can call the Council to make an assisted application. The scheme was launched in 2022/23 as part of the Council's Covid Recovery Fund, providing for all successful applications to receive up to £250 (April to September), with an additional £150 to pensioners funded via the Household Support Fund. The scheme was updated as part of the Household Support Fund allocation for October 2022 to March 2023 to provide support of £400 as a one-off grant.
- 3.5.2 Since October the Council has paid out 3,156 grants of £400 per eligible household. The current expectation is that the Council will have awarded £1.7m-£1.9m of Energy Crisis Grants between October and March exceeding the original budget of £1.4m. Therefore, the Council's Business Rates Levy surplus distribution allocation is proposed to be used to support Energy Crisis Support Payments in 2022/23 to prevent the need to cease delivery of the support until the new Household Support Fund commences from 1st April 2023.
- 3.5.3 Given capacity constraints on the available funds, it is recommended that for 2023/24, grants of £250 are provided, enabling support to be provided to up to 2,252 applicants.

3.6 Extra provision of food

- 3.6.1 The provision of crisis food to local food banks is covered in the Crisis Support SLA. The food received is food industry surplus and provided at no cost. The costs in the SLA only relate to warehousing and distribution. Demand for crisis food remains high following the COVID pandemic. Whilst adequate tonnages of food continue to be provided through the food industry, the nature of what is being declared surplus changed in 2022 with tinned food, especially meat, fish, vegetables and fruit becoming increasingly short in supply. This impacted on the range of produce that could be included in food parcels. Rotherham's social supermarkets and food pantries were also reporting a reduction in the access to tinned food, with fewer donations being received.
- 3.6.2 During the period September 2022 to March 2023, £90k of HSF was therefore used to purchase tinned stock, which was then added to the surplus stock received from the food industry. This was administered through a supplement to the Crisis Support SLA supporting food banks and used the purchasing, warehousing and distribution arrangements already in place.
- 3.6.3 It is recommended that a full year allocation (£180k) of HSF is made to continue this provision while a longer-term sustainable solution is developed for crisis food provision in the borough.

3.7 Support for care leavers

3.7.1 The allocations of HSF for 2022/23 included a £90k provision to CYPS to continue to support young people leaving care with cost-of-living pressures. This would be extended to cover 2023/24 at the same level of funding.

3.8 VCS support to vulnerable families over Christmas / New Year / Winter

3.8.1 HSF, and the Covid Winter Grant before it, has enabled local VCS organisations to provide additional support to vulnerable families that they work with, over the last three years. £30k was provided in each of the first two years. This primarily involved the provision of food hampers over Christmas and New Year. Small grants to organisations were administered by VAR. During Christmas and New Year 2022/23, owing to increased demand an allocation of £44k was provided. This enabled 521 Christmas Hampers to be distributed supporting 1,561 individuals.

3.8.2 It is recommended that £45k is provided for 2023/24 to meet the same level of demand. This would be facilitated again through a supplement to the Crisis Support SLA.

3.9 Balance of spend

3.9.1 It is likely that actual spend will vary from that allocated to specific uses dependant on demand. Other resources to support the impact of the rising cost-of-living are likely to become available to support actions included in the recommendations in this report. This may include funding towards discretionary housing payments and energy crisis support. It is proposed that to ensure full spend for the year, any balancing sums be applied through the Energy Crisis Support Scheme.

3.9.2 The Finance section of the report gives further details about other funding availability.

3.10 **Use of Business Rates Levy Surplus**

3.11 At the same time as the Government announcement of the final Local Government Finance Settlement 2023/24, the Council received confirmation of an allocation from the business rates levy surplus distribution. The Council's allocation from the business rates levy surplus distribution is £538,415 and relates to the financial year 2022/23. The allocation comes from Government's retained level of Business Rates income, in any year where there is a surplus, Government can choose to allocate that surplus across Local Authorities, in most financial years this does not happen and even if it does the Council has no way of projecting the level of surplus or allocation, as such this income is not budgeted for.

3.12 It is proposed to use the resource to support the Council's current Energy Crisis Support Scheme that allows residents of the borough to claim for £400 support towards the cost of their energy bills, where the impact of those

increased energy bills is placing them into financial difficulty. The Council's current scheme has been running since October 2022 and is funded by the Household Support Fund allocation for the period October 2022 to March 2023. However, in order to ensure that all claims made in this period could be processed and paid in this period and therefore eligible against the grant, the scheme would need to close for new applicants at the end of February 2023.

- 3.13 Given the Council is proposing to continue the Energy Crisis Support Scheme in 2023/24 albeit at a lower value, it is important that the scheme continues through March 2023 to prevent a break point in the scheme, but more importantly to continue to provide support at a point where the volume of claims being received by the Council remains high. To enable this, applications under the 2022/23 provisions will continue to be open until the end of March and processed in April. These applications will be funded using the business rates levy surplus funds and will allow the Council to continue to award grants at the £400 level. Applicants making a claim from the 1st April 2023 will receive support at the £250 level outlined earlier in this report.

4. Consultation on proposal

- 4.1 Officers in relevant Council services along with VCS partners have been engaged in producing the recommended options.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Arrangements are in place to commence the range of support measure as soon as approval is given.

6. Financial and Procurement Advice and Implications

- 6.1 A Household Support Fund Grant allocation of £4.978m has been confirmed for 2023/24. The proposed spend is in accordance with the grant conditions, though progress on spend will need to be monitored to ensure that expected Government requirements and timeframes are adhered to.
- 6.2 Scheme spend will be reviewed as part of management of the grant with final allocations being determined once the final cost against each budgeted provision is confirmed. This aims to ensure that the grant is utilised or committed before 31st March 2024. This includes provision to fund food vouchers for the Easter school holidays in 2024.
- 6.3 It is also proposed that to compliment the HSF allocation made to Discretionary Housing Fund, a further £150k of funding granted from the South Yorkshire Mayoral Combined Authority to the Council is used for this purpose. This will include an allocation of £50k in 2022/23 and £100k in 23/24 as part of the wider support for residents amidst the rising costs of living.
- 6.4 The Business Rates Levy Surplus is un-ringfenced grant. Spend against the £538k from the current Energy Crisis Support Scheme won't be finalised until

the new financial year, as applications up to and including the 31st March 2023 will need to be processed and paid in April 2023.

6.5

There are no direct procurement implications arising from the recommendations detailed in the report. Where support is being provided via third party organisations, this is being facilitated via grant agreements, which are outside the scope of procurement legislation. If there is a need to enter into contracts for goods/services to support this delivery, this must be undertaken in line with both the Council's own Financial and Procurement Procedure Rules (FPPR's) and the Public Contracts Regulations 2015 (as amended).

7. Legal Advice and Implications

7.1 The recommended proposals are in accordance with the conditions of use of the grant. Further, the scheme is consistent with relevant public law principles, in particular it is lawful, fair and rational.

7.2 The Council can support this type of local welfare provision under the "Local authority's general power of competence", as set out in S.1 of the Localism Act 2011 (c. 20). Further Local authorities' have the ability to act in this area under powers contained in other legislation, for example, section 2 of the Local Government Act 2000 enables local authorities to provide financial assistance to any individual.

8. Human Resources Advice and Implications

8.1 There are no Human Resources implications associated with this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The recommended use of Household Support Fund includes issuing vouchers in lieu of free school meals eligible children for school holidays through to Easter 2024 and support for care leavers.

10. Equalities and Human Rights Advice and Implications

10.1 The objectives of the use of the grants and targeting towards vulnerable households including families with children will contribute to addressing economic and social inequalities. It will have a positive equalities impact.

10.2 Equalities data will be collected as part of administering the programme of support.

11. Implications for CO2 Emissions and Climate Change

11.1 There are no implications for CO2 emissions of climate change.

12. Implications for Partners

- 12.1. Partner organisation will be engaged in making referrals to support provided under the grant along with direct support to vulnerable households and those struggling through the cost-of-living crisis.

13. Risks and Mitigation

- 13.1 Risk is primarily centred around achieving, whilst not exceeding spend of the grant.
- 13.2 To address this, the recommendations provide for a delegated decision to the Assistant Chief Executive in consultation with the Cabinet Member for Social Inclusion, to determine revised and final allocations for the Household Support Grant to include provision for other eligible actions within the use of Household Support Fund should it not be possible to achieve full spend of the grant through the approved options.

14. Accountable Officers

Steve Eling
Policy and Equalities Manager
Assistant Chief Executives Directorate.

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	06/03/23
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	02/03/23
Assistant Director, Legal Services (Monitoring Officer)	Phillip Horsfield	02/03/23

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