

Committee Name and Date of Committee Meeting

Cabinet – 14 April 2025

Report Title

Agreement of the borough's Household Support Fund allocation for 2025/26

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(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The Household Support Fund (HSF) has been extended by Government from April 2025 to March 2026, with £742m of funding available in England. Government has also produced accompanying detailed guidance setting out how the resource can be used. As with previous allocations, this sets out the expectation that the fund should be used to support vulnerable households.

Rotherham has been awarded £4.387m for the Borough for the 2025/26 financial year. This report provides recommendations for a provisional allocation of this funding. Any variations arising from actual spend under each of the provisional allocations will be managed through adjusting the allocation made towards the Energy Crisis Support Scheme.

Recommendations

That Cabinet agree:

1. That provisional allocations of the Household Support Fund Grant of £4.387m be made as follows:
 - a. £2.687m for food vouchers to children eligible for free school meals for school holidays up to and including Easter 2026.
 - b. £950k towards the estimated costs of the Council's Local Council Tax Support Top Up Scheme.

- c. £500k to support applications from households for assistance with energy costs, through the Council's Energy Crisis Support Scheme.
 - d. £90k to provide additional financial support to care leavers.
 - e. £60k to local voluntary and community sector (VCS) organisations to support vulnerable households over Christmas / New Year through a supplement to the Crisis Support service level agreement.
 - f. £100k to provide parcels of household items to be distributed through VCS support.
2. Delegate authority to the Assistant Chief Executive in consultation with the Leader, to determine revised and final allocations for the Household Support Grant. This will 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.

List of Appendices Included

- Appendix 1 Equality screening
- Appendix 2 Climate impact assessment

Background Papers

[Cabinet report – 18th November 2024 – Household Support Fund \(October – March 2024/25\)](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
None

Council Approval Required
No

Exempt from the Press and Public
No

Agreement of the borough's Household Support Fund allocation for 2025/26

1. Background

1.1 In the second six months of 2024/25, Rotherham Council received £2.489m from the Household Support Fund (HSF). In November 2024 Cabinet set out plans to use this fund to support our most vulnerable residents in the borough by:

- £1.028m in food vouchers for children eligible to receive free school meals during the Christmas, February half term and Easter holidays.
- £1.156m in energy grants through the Energy Crisis Support Scheme.
- £150k to provide Local Council Tax Support (LCTS).
- £45k in support for care leavers through food vouchers and support with energy costs.
- £60k to local voluntary and community sector (VCS) organisations to support vulnerable households over Christmas / New Year.
- £50k to provide essential household items for residents, which were distributed through VCS community support including food banks and social supermarkets, and as part of the Open Arms programme drop-in sessions.

The outcomes of the 2024/25 HSF will be reported back to Cabinet in June 2025. It should be noted that there is a flexibility to amend the allocation of funds between different support methods, the effectiveness of which will be assessed in the June review.

1.2 The HSF, which was first introduced in 2021/22, has now been extended to the end of March 2026 following an initial government announcement as part of the Autumn Budget 2024, with individual allocations made in March 2025.

1.3 The grant has been made available to county councils and unitary authorities in England to support those most in need and struggling with the cost of living. Funding has been reduced nationally in 2025/26, with Rotherham receiving £4.387m compared to £4.978m in 2024/25. The future of the funding stream beyond 2025/26 is not yet known and will be subject to the outcome of the Government's Comprehensive Spending Review that is currently underway.

1.4 This paper sets out the proposed uses of this funding within the borough, in accordance with the guidance provided by government and the learning from what has worked in previous years.

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. Local authorities were given discretion about exactly how this funding was used within the scope set out in guidance.

- 2.2 For the period April 2025 – March 2026, HSF guidance makes specific provisions for use of the fund. 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.
 - Advice services supplementary to other provision.
 - Housing costs taking account of the risk of homelessness and other local factors.

The fund cannot be used to provide mortgage support, though homeowners could still qualify for the other elements of the fund.

- 2.3 Conditions also set out that:
- There must be a clear rationale or documented policy/framework outlining the approach, including how eligibility is defined and how households access the fund.
 - The fund is intended to cover a wide range of low-income households in need, including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people, larger families, single-person households, and those struggling with one-off financial shocks or unforeseen events.
 - Support is not restricted only to vulnerable households in receipt of benefits.
 - At least part of the scheme must operate on an application basis.
- 2.4 Following the experience of previous allocations of this fund, the Council will support a wide range of low-income households and is not limited to those in receipt of benefits. There is flexibility within the fund to identify which vulnerable households are most in need of support and apply discretion when identifying eligibility.

3. Options considered and recommended proposal

- 3.1 The preferred option is outlined below. This is informed by previous experience of 'what works' in distributing these funds and complements other actions being taken by the Council to support people in need. It also complies with HSF grant guidance in terms of priority households and target groups for the funding. During 2025/26, it is intended to use monitoring data from HSF and related support schemes to help the Council and partner organisations understand levels of need and design future support provision to meet those needs.

Given that funding has been reduced in 2025/26 and considering the time constraints, it is felt that there is no viable alternative option for the 25/26 programme.

3.2 Food vouchers for school holidays - £2.687m

- 3.2.1 The Council will continue to provide vouchers to children eligible for free school meals to cover school holidays, which has proved to be an effective way of supporting low-income families. It is intended that this HSF allocation will cover the school holidays from May 2025 up to and including the Easter holidays in April 2026, this approach would fund thirteen weeks of school holidays in total.
- 3.2.2 The allocation provides for a growing number of children in receipt of free school meals with the numbers having already increased from 12,955 at Easter 2024 to 13,454 at February half-term 2025. In 2024/25 to date there has been a 4.9% increase in the number of vouchers issued, coinciding with the introduction of the auto-enrolment process in 2024. As such, whilst it is assumed that the number of children in receipt of vouchers will increase in 2025/26, it is estimated that this will be at a lower rate. Based on vouchers continuing to be £15 per child per week, this would amount to £2.687m and qualify as pro-active support.

3.3 Council Tax Support Top Up Scheme - £950k

- 3.3.1 The Council is aware that residents will still be facing increased household costs as a longer-term impact of the period of high inflation and energy prices. In recognition of this, the Council proposes to again provide a further Local Council Tax Support Top Up scheme across the financial year 2025/26. The scheme will provide an expected additional award of £126.12 for 2025/26, on top of the 2025/26 support to working age claimants provided via the Council's Local Council Tax Support scheme. Based on current caseloads, this is expected to provide additional support to approximately 14,400 households. Where a claimant has a bill of £126.12 or less, 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 2025/26 Council Tax. Based on current caseloads, this is estimated to be approximately 11,000 households. The application of the scheme will include all those becoming eligible up to and including 31 March 2026.
- 3.3.3 The estimated scheme costs are between £1.7m and £1.9m and will be funded by £950k from the HSF allocation, with the remaining £950k funded through the Local Council Tax Support Grant reserve. The actual cost won't be known until the end of the 2025/26 financial year.

3.4 Energy support - £500k

- 3.4.1 The Council's energy scheme was extended into 2024/25 using funding carried over from 2023/24 (Covid Recovery Fund). This was supplemented again using HSF from the April 2024 – March 2025 allocations. The scheme was open to all households facing hardship, providing grants of £250 each.

3.4.2 Taking account of allocations to other elements of the programme, there is capacity to provide £500k for energy support, allowing up to 2,004 grants at £250 each. These one-off grants would be open to all households, including pensioners and it is proposed that the fund will support residents through with energy costs in autumn and winter 2025/26. This qualifies as open application-based support.

3.5 Support for care leavers - £90k

3.5.1 The allocations of HSF for 2024/25 included a £90k provision to CYPS to continue to support young people leaving foster or local authority care and living independently in their own accommodation. This funding is designed to provide additional financial support through the cost-of-living increases to these young people who are responsible for paying their own utility bills.

3.5.2 It is proposed that this is extended to cover April 2025 – March 2026 at the same level of funding of £90k. This would qualify as pro-active support.

3.6 VCS support to vulnerable families over Christmas / New Year - £60k

3.6.1 Over the last five years, HSF and the Covid Winter Grant have enabled local VCS organisations to provide additional support to vulnerable families that they work with. 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 2024/25, owing to increased demand, an allocation of £60k was provided. This enabled more than almost 600 Christmas hampers to be distributed across the borough.

3.6.2 It is recommended that £60k is provided for 2025/26 to continue to provide this support. Consistent with how this has been administered previously, it is proposed that this would be facilitated through a supplement to the Crisis Support service level agreement.

3.7 Wider household essentials support - £100k

3.7.1 Building on the support provided from HSF between July 2024 and March 2025, this allocation will continue to provide parcels of household items (cleaning / personal hygiene etc) to vulnerable households. These would be distributed through VCS community support including food banks and social supermarkets, and as part of the Open Arms programme drop-in sessions.

3.7.2 An allocation of £100k is included on the basis of £25 value for each parcel, this would provide support to 4,000 households. It would be facilitated again through a supplement to the Crisis Support SLA. This would qualify as third-party organisations spend.

3.8 Balance of spend

3.8.1 It is likely that actual spend will vary from that allocated to specific uses dependant on demand. It is proposed that to ensure full spend for the year, any balancing sums be applied through the Energy Crisis Support Scheme.

4. Consultation on proposal

- 4.1 Officers in relevant Council services, along with VCS partners, have been engaged in developing the approach to the use of this funding allocation.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Arrangements are being put in place to implement the range of support measure so that residents can begin to access the benefits as soon as possible.

6. Financial and Procurement Advice and Implications

- 6.1 The Household Support Fund grant has been confirmed for 2025/26, and the allocation for Rotherham is £4,386,841, which is a lower level of support than in previous years. The proposed spend detailed above reflects the reduced allocation and is in accordance with the grant conditions.

- 6.2 Scheme spend will be reviewed as part of management of the grant with final allocations being determined once the final cost of holiday food vouchers and demand against the other allocations is confirmed. This aims to ensure that the grant will be fully utilised or committed before 31st March 2026. This includes provision to fund food vouchers for the Easter school holidays in 2026.

- 6.3 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 relevant procurement legislation (namely the Procurement Act 2023 or the Public Contracts Regulations 2015, whichever is applicable).

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 to eligible children for school holidays through to Easter 2026, as well as support for care leavers.

10. Equalities and Human Rights Advice and Implications

10.1 The objectives of the use of the grant 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 or climate change.

12. Implications for Partners

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

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, that unless the final grant is substantially different from the estimate, to delegate authority to the Assistant Chief Executive in consultation with the Leader, to determine revised and final allocations for the Household Support Grant. This includes 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

Fiona Boden, Head of Policy Performance and Intelligence

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp OBE	31/03/25
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	28/03/25
Assistant Director of Legal Services (Monitoring Officer)	Phil Horsfield	28/03/25

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