

Report to: Health and Wellbeing Committee, 10th June 2024

Report of: Corporate Director – Operations, Homes and Communities

Subject: HOUSEHOLD SUPPORT FUND TRANCHE 5 ALLOCATION - APRIL 2024 TO SEPTEMBER 2024

1. Recommendation

That the Committee:

- 1.1 Notes the contents of the report, and in particular the use of Managing Director ‘Urgency Powers’ in allocating Household Support Tranche 5 funding covering the period 1st April 2024 – 30th September 2024; and**
- 1.2 Notes that this matter was presented to Policy and Resources Committee on 21st May 2024 in line with the Council’s Constitution.**

2. Background

Household Support Fund

- 2.1 In 2022/23, through the Department for Work and Pensions, the Government allocated Household Support Fund (The Fund) to County Councils and Unitary Authorities in England to support those most in need with the rising cost of living.
- 2.2 In 2023/2024, the Government extended the Fund from 1st April 2023 to 31st March 2024 and an allocation of £7,898,278.38 was made to Worcestershire. The allocation for the city council over the financial year was £337,086 which was apportioned as outlined in the table in 2.3 below.
- 2.3 Worcester City Council Spend 2023-24**

Area of spend	Description	Allocation (£)
Discretionary Welfare Assistance Scheme (DWAS)	Single household offer Include low income working UC households Maintain the increased number of food and energy voucher awards Maintain the higher in value of energy voucher awards Include carpets and energy saving features Other Essential Supplies and energy saving measures.	£95,000

Area of spend	Description	Allocation (£)
Worcester Foodbank	Provide food, clothing and travel vouchers.	£100,000
Supermarket vouchers for pre-school and college students.	To continue to expand the supermarket voucher offer of the County Council free school meals voucher during school holidays to include preschool children and those in college. Providing £15 per week for each child eligible for the pupil premium scheme during 13 weeks of school holidays	£78,000
Spend to Save	Grants instead of loans for affected residents and deposit for homeless residents. To include over 65s and to cover rent where utility bills put households at risk of homelessness.	£55,000
Marketing and promotion	To continue the targeted promotion of existing services through face-to-face engagement, to communities and demographics who may be entitled to support but might not be aware that they are either eligible or how to access.	£9,086
	Total	£337,086

- 2.4 In 2023-24, the Fund assisted 5,633 households.
- 2.5 On 6 March 2024, the Chancellor announced that the Household Support Fund (The Fund) would be extended for a further six months, from 1 April 2024 to 30 September 2024. As with previous schemes, the fund will be made available to County Councils and Unitary Authorities in England to support those most in need with the rising cost of living.
- 2.6 Although this is informally considered an extension, it is a new grant subject to new grant conditions and, as such, authorities are unable to carry forward any underspends from previous schemes.
- 2.7 The Fund should be used to to meet immediate needs and help those who are struggling to afford household essentials including energy and water bills, food, and wider essentials. Authorities can also use funding to support households with housing costs where existing housing support does not meet this need, and to supplement support with signposting and advice.
- 2.8 Whilst immediate needs should be prioritised, Authorities are encouraged to use The Fund to provide support that has a long-term sustainable impact, for example household items which would reduce bills in the long-term. Subject to the considerations around advice services, this can include support with income

maximisation through advice and signposting to benefit, debt and employment services.

- 2.9 The Fund should be spent or committed before 30 September 2024 and cannot be carried over for future usage.

3. Eligible spend includes:

- 3.1 **Energy and Water.** This may include support with energy bills for any form of fuel that is used for the purpose of domestic heating, cooking, or lighting, including oil or portable gas cylinders. It can also be used to support water bills including for drinking, washing, cooking, as well as for sanitary purposes and sewerage.
- 3.2 **Food.** This may include through vouchers, cash or in kind.
- 3.3 **Essentials linked to energy, water and food.** The Fund can be used to provide support with essentials linked to energy, water and food (for example insulation or energy efficient items which reduce bills, the purchase of equipment such as fridges, freezers, ovens, slow cookers or costs associated with obtaining these essentials such as delivery and installation). We encourage Authorities to consider supporting households on low incomes to repair or replace white goods and appliances with more energy efficient ones, or to invest in simple energy efficiency measures which will pay back quickly, such as insulating a hot water tank, fitting draft excluders to a front door, or replacing energy inefficient lightbulbs or white goods. The intention of this is to provide sustainable support which results in immediate and potentially long-lasting savings for the household.
- 3.4 **Wider essentials.** The Fund can be used to support wider essential needs not linked to energy, water or food should Authorities consider this appropriate in their area. These may include, but are not limited to, support with other bills including broadband or phone bills, clothing, period and hygiene products, essential transport-related costs such as repairing a car, buying a bicycle, or paying for fuel. This list is not exhaustive. It can also include one-off payments to prevent a crisis.
- 3.5 **Advice services.** The Fund may be used to provide supplementary advice services to award recipients, including debt, benefit and/or employment advice, where Authorities consider this appropriate. Authorities are reminded that the primary intention of The Fund is to provide support for those households most in need, and we would expect any advice services to complement this. We would not expect a large portion of funding to be spent on advice services. We would expect to see a connection between the funding provided for advice services and the practical support provided through The Fund. We anticipate that a significant proportion of this will be through signposting to existing advice services funded through other routes, such as the Help to Claim scheme which supports those making a claim to Universal Credit (UC).
- 3.6 **Housing costs.** The Fund can be used to provide support with housing costs to those in need. However, where eligible, ongoing housing support for rent must be provided through the Housing cost element of UC and Housing Benefit (HB) rather than The Fund. In addition, eligibility for Discretionary Housing Payments (DHPs) must first be considered before housing support is offered through The Fund. The Authority must also first consider whether the claimant is at statutory risk of homelessness and therefore owed a duty of support through the Homelessness Prevention Grant (HPG). It is expected that the focus of support should be on bills and that support for housing costs should only be given where existing housing

support schemes do not meet need. Beyond this, Authorities have discretion to determine the most appropriate use of The Fund for their area, based on their understanding of local need and with due regard to equality considerations.

- 3.7 Households in receipt of HB, UC, or DHPs can still receive housing cost support through The Fund if it is deemed necessary by their Authority. However, The Fund should not be used to provide housing support on an ongoing basis or to support unsustainable tenancies. Individuals in receipt of some other form of housing support could still qualify for the other elements of The Fund, such as food, energy, water, essentials linked to energy and water and wider essentials.
- 3.8 The Fund cannot be used to provide mortgage support, though homeowners could still qualify for the other elements of The Fund (such as energy, food, water, essentials linked to energy and water and wider essentials). Where a homeowner is having difficulty with their mortgage payments, they should contact their lender as soon as possible to discuss their circumstances as lenders will have a set procedure to assist. Those who are in receipt of or treated as receiving a qualifying benefit could be entitled to Support for Mortgage Interest.
- 3.9 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 UC and HB. This is because these arrears are excluded from the criteria for DHPs. However, support with rent arrears is not the primary intent of The Fund and should not be the focus of spend.
- 3.10 **Reasonable administrative costs.** This includes reasonable costs incurred administering The Fund. These include for example:
 - a) staff costs
 - b) advertising and publicity to raise awareness of The Fund
 - c) web page design
 - d) printing application forms
 - e) small IT changes, for example, to facilitate MI production
 - f) reasonable costs for evaluating the impact of the scheme at a local level, should Authorities wish to do so
- 3.11 Eligible spend does not include:
 - a) mortgage costs.
- 3.12 The principles applied to date for the allocation of additional funding through recognised channels and widening either the scope or criteria has worked well. This approach means that once the funding stops people are still coming to the right locations to seek advice. Feedback and response from officers is that need is not diminishing and so it is advised to continue to allocate funding to the Discretionary Welfare Assistance Scheme, Worcester Foodbank, Spend to Save and super market vouchers for pre-school children and those in college.
- 3.13 In the latest tranche, Worcester City Council has been allocated £168,543 from the Worcestershire allocation.

3.14 Therefore, it has been agreed that we prioritise The Fund with the following allocations:

Area of spend	Description	Allocation (£)
Discretionary Welfare Assistance Scheme (DWAS)	<ol style="list-style-type: none"> 1. Single household offer 2. Include low income working UC households 3. Maintain the increased number of food and energy voucher awards 4. Maintain the higher in value of energy voucher awards 5. Include carpets and energy saving features 6. Other Essential Supplies and energy saving measures. 	£43,000
Worcester Foodbank	Provide food, clothing and travel vouchers.	£40,000
Supermarket vouchers for pre-school and college students.	<p>To continue to expand the supermarket voucher offer of the County Council free school meals voucher during school holidays to include preschool children and those in college.</p> <p>Providing £15 per week for each child eligible for the pupil premium scheme during the seven weeks of school holidays until 30th September 2024 (Whitsun half-term and summer holidays).</p>	£47,500
Spend to Save	Grants instead of loans for affected residents and deposit for homeless residents. To include over 65s and to cover rent where utility bills put households at risk of homelessness.	£20,000
Citizen's Advice Worcester	Fund an additional day for their drop-in service (which would otherwise be removed) where they deliver advice to residents facing hardship and facilitate referrals to existing schemes funded by the HSF5.	£11,000
Administration costs	To support the delivery of the DWAS vouchers and free school meals vouchers, including staffing costs and IT costs incurred with an increase in vouchers.	£7,043 (4%)
	Total	£168,543

- 3.15 Worcestershire County Council has allocated an additional £10,000 to each of the Worcestershire districts, which is to be given directly to the Foodbank.
- 3.16 On 22nd January 2024, the Health & Wellbeing Committee approved the following allocation of UK Shared Prosperity Fund (UKSPF) to support households impacted by the cost of living crisis.

Area of spend	Description	Allocation (£)
Discretionary Welfare Assistance Scheme	<ol style="list-style-type: none"> 1. Single household offer 2. Include low income working UC households 3. Maintain the increased number of food and energy voucher awards 4. Maintain the higher in value of energy voucher awards 5. Include carpets and energy saving features 6. Other Essential Supplies and energy saving measures. 	£30,000
Worcester Foodbank	Provide food, clothing and travel vouchers.	£50,000
Spend to Save	Grants instead of loans for affected residents and deposit for homeless residents. To include over 65s and to cover rent where utility bills put households at risk of homelessness.	£20,000
	Total	£100,000

- 3.17 With the Fund only being available until 30th September 2024 and currently no indication of whether that will be extended, the recommendation is to use the Household Support Fund allocation first, and use the UKSPF funding to allow support for vulnerable households to continue for the second half (and colder months) of 2024/25 regardless of whether we have a further award of Household Support Fund.
- 3.18 With the short delivery timescales, it was decided to continue with existing delivery channels to ensure that we can mobilise quickly and spend or commit the funding within the specified timeframe of six months.
- 3.19 Funds should be spent or committed before 30 September 2024 and cannot be carried over for future usage. All Authorities are encouraged to ensure, wherever possible, that any vouchers issued are redeemed before the end of The Fund, or shortly thereafter, or consider recycling unused vouchers. It is acceptable for vouchers that have been purchased and delivered to households before the end of The Fund to be spent shortly thereafter. Any funds not spent must be returned.
- 3.20 Officers have conducted a scoping assessment and identified no significant adverse equality implications identified with the spending options proposed in this report.

The funding for FSM will be available to all residents of Worcester who are facing hardship. All the funding recipients will have equality assessed services.

3.21 In line with the Council's Constitution, use of Managing Directors Urgency Powers in this matter was reported to Policy & Resources Committee on 21st May 2024. In exercising these powers, the Managing Director consulted with the Chair and Vice Chairs of Policy & Resources Committee.

Ward(s): All
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Background Papers: None