



**Open Report on behalf of Michelle Andrews , Assistant Director - ICS**

Report to:	<b>Councillor M J Hill OBE, Leader of the Council and Executive Councillor - Resources, Communications and Commissioning</b>
Date:	<b>05 - 12 May 2023</b>
Subject:	<b>Household Support Fund, Grant scheme utilisation 2023-2024</b>
Decision Reference:	<b>I029449</b>
Key decision?	<b>No</b>

**Summary:**

The Government has confirmed that the £842m Household Support Fund (HSF) will be extended from 01 April 2023 to 31 March 2024. As part of a number of measures to provide help with the significantly rising cost of living due to the global inflationary challenges.

This paper sets out the Government's aim for the HSF and provides, options for how Lincolnshire could utilise the county's allocation of £10,929,370.40 for the benefit of our residents as set out within the fund grant guidance document. As with previous schemes, the fund will be made available to county councils and unitary authorities in England to support those most in need.

The report seeks approval for the preferred option which is for the council to work in partnership with district councils (DC's), schools and early years providers to distribute the funding to the targeted cohorts identified within the report and for the remaining funding to be allocated using the indices of multiple deprivation to DC's to support the delivery of an application based process at a local level to meet the specific needs of their communities.

The HSF has already been discussed with DC's, as well as Lincolnshire County Council (LCC) officers, as this is the fourth tranche of this funding, learning from previous delivery arrangements of HSF has been used to inform our approach. All of which are supportive and welcoming of the recommended option as the preferred approach for the implementation of this fund across Lincolnshire.

**Recommendation(s):**

That the Leader of the Council (Executive Councillor – Resources, Communications and Commissioning):

- 1) Approves the following delivery plan principles for the distribution of the Household Support Fund (HSF) or 2023/24
  - i. approximately 43% of the HSF through appropriate delegation to schools and Early Years providers targeting children eligible for benefit related 'Free School Meals' (FSM), 'Early Years Pupil Premium', (EYPP) and families with a 2-year-old eligible for 'Early Years Entitlement' (EYE) and
  - ii. approximately 44% directed through the Lincolnshire district councils to provide financial support to housing benefit only claimants not in receipt of other support provided via the national scheme
  - iii. 1% of the grant funding to provide financial support to eligible care leavers in supported living accommodation. The remaining grant funding will be directed at other vulnerable households via local schemes with
  - iv. approximately 11% of the total grant made available to district councils on a proportionate basis to enable the funds to provide support to other households in need throughout the grant period. district councils and other third sector/Voluntary organisations will support in the need to provide an application-based process to ensure this funding is distributed through local channels in line with the grant conditions across local areas.
  - v. 1% of the grant will cover administration of the grant.
  
- 2) Authorises the Assistant Director - ICS to work in partnership with schools, Early Years providers and district councils as recognised trusted partners to give effect to the above decision.

**Alternatives Considered:**

1.	Option 1 - the grant distributed via DC's only For the grant funding to be allocated to the seven DC's with allocations to be utilised to provide support to vulnerable households within the parameters of the grant conditions.
2.	Option 2 - the grant distributed via the county council. For the grant funding to be distributed by the county council to meet the needs of vulnerable individuals and families within the parameters of the grant conditions.
3.	Option 4 – Do nothing and decline to distribute the grant via any of the above options.

**Reasons for Recommendation:**

The preferred option denoted above, offers flexibility and meets a wider cohort of families with eligible children, young people requiring support and those individuals that meet the criteria. There is also less risk involved for the Council as the accountable

authority by breaking down the grant into smaller parts.

The HSF has already been discussed with DC's, as well as several LCC officers across the council. A comparable methodology has been tried and tested during 2021 and through 2022 when the previous rounds of the HSF were released. All are supportive and welcoming of the recommended option as the preferred approach for the implementation of this grant across Lincolnshire.

## 1. Background

On 17 November 2022 in the Autumn Statement the Chancellor announced, as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, that the HSF would be extended from 1 April 2023 to 31 March 2024 with a further £842m of funding. As has been done for previous schemes, the fund will be made available to county councils and unitary authorities in England to support those most in need. The guidance can be viewed [here](#).

A summary of key points from the guidance are below.

In accordance with their general legal duties, authorities must have a clear rationale or documented policy/framework outlining their approach, including how they are defining eligibility and how households access HSF. It is expected that authorities will review any existing approach and to have a strong rationale for their targeting so that funding is available to the households who most need it.

Authorities have the flexibility within HSF to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility. Rather than focus on one specific vulnerable group Authorities should use the wide range of data and sources of information at their disposal, including through engagement with relevant Third Party Organisations (TPO's), to identify and provide support to a broad cross section of vulnerable households to prevent escalation of problems. Authorities should ensure that they consider the needs of various households including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people.

Authorities should particularly consider how they can support those vulnerable households who are ineligible for other government support with the cost of living, including:

- amended Energy Price Guarantee from April 2023
- up to £900 in Cost of Living Payments for those on eligible means tested benefits
- £150 Disability Cost of Living Payment
- one-off £300 Pensioner Cost of Living Payment (through the Winter Fuel Payment).

Authorities should have regard to the fact that receipt of any of the above support should not exclude a resident from receiving support through the HSF in principle and households in receipt of support from these schemes may still be in need. It remains at the discretion of authorities to establish their local eligibility and identify those most in need in their area.

However, the Government schemes listed in the paragraph above do not cover everyone and Authorities should consider prioritising those households, who (for example):

- are eligible for but not claiming qualifying benefits
- become eligible for benefits after the relevant qualifying dates
- are in receipt of Housing Benefit only
- are ordinarily eligible for benefits but who had a nil award in the qualifying period due to, for example, a fluctuation in income.

This list is not exhaustive and there may additionally be households that are vulnerable to rising costs despite being in receipt of this government support with the cost of living.

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 Authority or by a TPO 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. Authorities could make the entirety of their scheme application based. Authorities must make sure that this support is clearly advertised to residents and is available throughout the majority of the period of the grant, either continuously or in regular intervals over the course of the scheme.

Where authorities proactively identify households who may benefit from support, they should consider how they can ensure that they are focusing on those in the most need to prevent escalation of problems. There is no requirement for authorities to undertake a means test or conduct a benefit check unless this specifically forms part of the Authority's local eligibility criteria. However, in relation to housing costs, authorities must establish whether other forms of support are available to the household, such as Discretionary Housing Payments (DHPs).

A delivery plan is expected to be submitted by each local area to the DWP by the 17<sup>th</sup> May 2023 and a template has been provided. Previous tranches of HSF have not brought with them any requirements concerning approvals and have accordingly been signed off through formal decision-making at Chief Officer level. However, this tranche requires the approval of the responsible cabinet member Section 151 officer prior to submission, hence a decision being sought from the Leader of the Council on this occasion. There remains an expectation that in two tier local authority areas collaboration with DC's takes place to distribute the funds.

As stated above, the guidance requires local areas to set the local eligibility criteria. It must include some element as an application-based process to ensure the funds are accessible to all households that are vulnerable and in need of emergency financial support, however there is no minimum limit set to the percentage that must be dedicated to an application-based approach.

## **Options considered for the local delivery of HSF 2023/24**

To develop options for consideration for the allocation and distribution of this grant funding, officers have utilised the lessons learnt from the delivery of support provided via the first three tranches of the HSF. These options have been developed through discussions with representatives from a range of service areas across the council and with DC representatives.

### **Option 1 - the grant distributed via DC's only**

For the grant funding to be allocated to the seven DC's with allocations to be utilised to provide support to vulnerable households within the parameters of the grant conditions. This will be informed by available local data through localised systems and processes. For c.44% to be distributed to Housing Benefit (HB) only households with the remaining to be distributed to the seven DC areas on a proportionate basis to support the delivery of an application-based process directly or through partner organisations. For 1% to be retained to support administration of the grant.

**Benefits** - Ability to meet specific needs of local areas and identify households through local data systems across the county.

**Barriers** – This option does not enable the county council to directly target support to households with children eligible for benefit related FSM or EYPP or those eligible for 2-year-old EYE. In addition, the county council remains accountable regardless of this delegated funding model. DC's have expressed concerns over their capacity to distribute whole of the grant due to the other demands across the system and the short-term nature of this grant funding. Therefore, increased reputational risk for both the county council and for DC's if the funding was not able to be effectively utilised.

### **Option 2 - the grant distributed via Lincolnshire County Council (LCC)**

For the grant funding to be distributed by the county council to meet the needs of vulnerable individuals and families within the parameters of the grant conditions. c.56% of the allocation of funding to be delegated to schools and Early Years providers during the grant period based on number of children eligible for FSM, EYPP as well as families with a 2-year-old eligible for EYE. In addition, the council to work with strategic partners to direct c.1% of this funding to provide additional support to eligible careleavers in supported living accommodation. c.43% to be utilised to support other vulnerable groups via an application-based process. This would need to be a commissioned service delivered by a TPO.

**Benefits** – the county council retains control over the distribution of the funding therefore reducing the risk to the council of distribution via other partners. This allows the county council to direct a significant proportion of the funding to vulnerable household with children and young people.

**Barriers** – The county council have concerns over their capacity to distribute the entirety of the funds due to the short-term nature of this grant funding. There are also limited resources within the council to manage an application-based process and the validation that would be required to minimise fraud. This would place additional demands on the county council and result in the need to commission a TPO to manage the fund for Lincolnshire. Therefore, a significant proportion of the funding would be utilised to support management costs to deliver an application-based scheme rather than maximising the funding available to households in need. Therefore, increased reputational risk for the county council if the funding was not able to be deployed.

**Option 3 – To distribute the grant via Lincolnshire County Council (LCC), DC's and partners.**

LCC to distribute this funding to households via schools and Early Years providers. c.43% of the allocation of funding to be delegated to schools and Early Years providers during the grant period based on number of children eligible for FSM, EYPP as well as families with a 2-year-old eligible for EYE. This will be distributed in the best way to meet the needs in their area, in most cases this will be vouchers or cash dependent on the needs of the families. The seven DC's collectively will distribute c.44% of the grant funding to those households in receipt of housing benefit only as this is a group that have not benefited from other recent cost of living support. This will be paid direct to households in three instalments across the grant period. c.11% DC's to facilitate an application-based process at a district level to ensure this funding is distributed through local channels in line with the grant conditions to meet the population needs of local areas. In addition, the council will work with strategic partners to direct c.1% of this funding to care leavers in supported living accommodation. 1% will be utilised to cover council administrative costs.

**Benefits** – This option allows schools, Early Years providers and DC's to be the conduit for distribution. This maximises the proportion of funding which is directed at households and minimises the amount of the fund that is utilised for the administration of the scheme. As distribution would continue to be through trusted partners, alternative methods of distribution are very likely to cost significantly more to deliver due to the associated administration costs. This is a tried and tested model for Lincolnshire. Based on the approach taken in previous rounds of HSF it is expected that this approach will reach approximately 5316 households who will benefit from the HB only payments proposed in this option. In addition, approximately 31,207 children and young people will receive support via this proposal. Exact numbers may fluctuate depending on the number eligible at the time the payments are made during the next twelve-month period. In addition, this option will provide over £1m for DC's to provide local arrangements for households in need of financial support and target support across the county. Allocated proportionately using the Indices of Multiple deprivation (IMD). The method of distributing the funding to households limits the risk of fraud.

**Barriers** – This places an additional burden on schools, early years providers and local authorities, however there are now systems and processes in place that support this as a distribution method. This approach will put a strain on the existing resources within organisations and the systems available to them.

#### **Option 4 – Do nothing and decline to distribute the grant via any of the above options.**

This is not a realistic option as the funding is specifically given to local authorities for specified purposes set out in Grant Conditions and while there is discretion as to the detail of how the funding is used, once allocated the expenditure of the funding on the specified purposes is a requirement of the grant.

#### **2. Legal Issues:**

##### Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

The Department for work and pensions has advised local authorities that an equality impact analysis has been undertaken as part of the policy development and implementation of this grant.

The Equality Act duty has been taken into account in this instance and there are not considered to be any negative impacts on people with a protected characteristic as a result of the proposed local implementation of this grant scheme. The scheme will be delivered via several avenues to ensure take up and accessibility is maximised within the resources made available through the grant.

However, the approach taken at a local level has a positive impact on age as families with children under the age of 19 eligible for FSM will benefit along with EYPP and those eligible for 2-year-old EYE. In addition, families/individuals without children are able to access this fund through other routes providing support via DC's and other partners systems and processes. There is an emphasis within this grant to specifically target vulnerable households which are impacted most by the current cost of living challenges.

Joint Strategic Needs Assessment (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

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The scheme contributes to the following themes of the JSNA:

**Be Healthy**

The provision of grants to support those eligible for FSM, EYE and those eligible for 2-year-old EYE, will help to contribute to the health and wellbeing of children through the provision of meal vouchers.

**Achieve Economic Wellbeing**

Provision of financial support will help to alleviate economic hardship for the most vulnerable families in Lincolnshire.



The scheme contributes to the following themes of the JHWS Strategy:

**Promoting healthier lifestyles**

Provision of financial support will help families to afford a better, more healthily balanced diet.

**Improve health and social outcomes for children and reduce inequalities**

By targeting provision at the most vulnerable families, the scheme will help to alleviate economic hardship and reduce inequalities whilst contributing to better health for children and their families.

**Tackling the social determinants of health**

Addressing the economic hardship being experienced by the most vulnerable families will help to improve their health and wellbeing.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The provision of targeted support to help the most vulnerable families overcome economic hardship may prevent families/individuals from seeking alternative avenues to meet their needs, including through engagement with persons linked to criminal activity or direct criminal action.

**3. Conclusion**

Although the first three options within the paper would meet the grant criteria set out within the guidance. Option 3 makes best use of the current infrastructure available for the distribution of a grant which is short term in its duration (i.e. 12 months). This is the fourth round of the HSF. In each of the previous rounds the council have worked in partnership with schools, early years providers, DC's and third sector organisations to deploy the funding to targeted groups and best maximise the grant funding for Lincolnshire. This has worked well and has enabled us to target specific cohorts. This approach would enable the HSF to provide support to approximately 5316 households eligible for HB only, and 31,207 children and young people in low income households while allowing the remaining £1m to be directed to other households in financial need.

It is important to note that the council does not have any requirement or duty to provide additional funding to children eligible for benefit related FSM, EYPP and those eligible for 2-year-old EYE and to do so is only possible due to this HSF as local funding is not available.

**Option 1** – This option creates concerns from a DC perspective as to their capacity to deliver such large sums of funding to a high number of residents in such a short timeframe without allocating a significant proportion of the fund to the methods of distribution. As this would need to include administrative, contractual and staff costs that would be associated with this approach. This option is not the most cost-effective method of distribution.

**Option 2** - A similar issue to option 1 capacity is a limiting factor as the county council does not have the existing resources to deliver such high proportions of funding in this way within the grant period. Therefore, it would need a higher proportion of costs to administration and infrastructure which would reduce the allocation available directly to residents. As the council does not have provision in place, the time to set this up would be also a barrier to implementing this approach. This option is not the most cost-effective method of distribution.

**Option 3** – This approach directs a proportion of funding (43%) via schools and early years providers, 44% would be driven through the DC for housing benefit only households. 11% would be available to other households at a district level. With 1% to be directed at eligible care leavers in supported living accommodation with the final 1% to cover administration of the fund.

**Option 3 is the recommended option.**

**4. Legal Comments:**

The Council has the power to distribute the Household Support Fund in the way proposed.

The decision is consistent with the Policy Framework and it is a requirement of the funding that the money be spent on specified purposes and that the delivery plan is approved by the appropriate Executive Councillor.

The decision is considered to be a non-key decision and the decision is within the remit of the Leader of the Council

**5. Resource Comments:**

The recommendation for the Executive Councillor to approve the distribution of HSF to schools and early years providers through the eligibility of FSM; EYPP and 2-year-old EYE the funding is deployed to those vulnerable children and families (43% share of the allocation); DC's to provide financial support to HB only claimants (acknowledged by The Department for Work and Pensions as a cohort to be prioritised) (44%); supporting care leavers in supported accommodation (1%), along with the Council providing districts Council's 11% of the total grant value (through a government deprivation distribution methodology) to provide an application-based process, in accordance with the grant conditions. This application-based service for support will ensure those in need have a route for seeking support, and other vulnerable groups can be supported during this grant period.

The grant is primarily allocated to support households in most need (to prevent escalation of problems) with a focus of support on the costs of food, energy (for heating, lighting and cooking), water (for household purposes, including sewerage) and other essential living needs in accordance with the Scheme guidance.

The recommended approach of option 3 will satisfy the conditions of the grant and systems and processes are in place / available to facilitate the financial support to meet a wide cohort of families with eligible children and those individuals meeting the criteria, including an application process.

The Council has received a government ring-fenced grant allocation of £10.929m to support vulnerable households. Periodic reporting is required of the Council to the Department for Work and Pensions on spending of this grant. Funding will be paid to the Council in arrears following these returns, to the maximum of the grant value. The grant end date is the 31 March 2024. The recommendation will maximise the funding available to Lincolnshire.

## 6. Consultation

### a) Has Local Member Been Consulted?

n/a

### b) Has Executive Councillor Been Consulted?

Yes

### c) Scrutiny Comments

The decision will be considered by the Overview and Scrutiny Management Board on 27 April 2023 and the comments of the Committee will be reported to the Leader of the Council.

### d) Risks and Impact Analysis

This will be undertaken throughout the duration of the grant.

## 7. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
HouseHold Support Fund: guidance for local councils	<a href="https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils">https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils</a>

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