

**REPORT FROM: CHIEF FINANCE OFFICER**

**TO: COUNCIL**

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## **HOUSEHOLD SUPPORT FUND**

### **PURPOSE OF REPORT**

The Purpose of the report is to set out the Council's scheme for distributing funds allocated under the Government Household Support Fund Grant Scheme.

### **RECOMMENDATIONS**

- (1) Agree the scope of the Council's Household Support Fund scheme as set out in the report
- (2) Delegate Authority to the Chief Finance Officer, in consultation with the Leader of the Council, to allow the local scheme to be flexed so that all funds allocated to Pendle Council can be distributed in accordance with the Funding Guidance by the deadline of 31<sup>st</sup> March 2021.

### **REASONS FOR RECOMMENDATIONS**

- (1) To allow Pendle Council to distribute funds to residents in accordance with the Guidance and by the deadline of 31<sup>st</sup> March 2022.
- (2) To give sufficient flexibility to allow all funds to be spent in accordance with the Guidance.

### **ISSUE**

1. On 30<sup>th</sup> September 2021, The Department of Works and Pensions (DWP) announced a new Government Grant called Household Support Fund. The total allocation is £421million with Lancashire receiving an allocation of £9,678,235.22. All moneys need to be spent by 31<sup>st</sup> March 2022. A link to the Guidance can be found in the Background Papers at the end of this Report.
2. The purpose of the Grant is to provide support to households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or

housing costs (in exceptional cases of genuine emergency) this winter as the economy recovers. At least 50% of the funding is for vulnerable households with children with the remainder of the funding is available for vulnerable households without children (including individuals).

3. Authorities have discretion to determine the most appropriate scheme for their area, based on their understanding of local need and with due regard to equality considerations.
4. The guidance set out Eligible spend as follows;
  - a. Food. The Fund should primarily be used to provide support with food whether in kind or through vouchers or cash.
  - b. Energy and water. The Fund should also primarily be used to 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 with water bills including for drinking, washing, cooking, and sanitary purposes and sewerage.
  - c. Essentials linked to energy and water. The Fund can be used to provide support with essentials linked to energy and water (including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc.), in recognition that a range of costs may arise which directly affect a household's ability to afford or access food, energy and water.
  - d. Wider essentials. The Fund can be used to support with wider essential needs not linked to energy and water 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, and essential transport-related costs such as repairing a car, buying a bicycle or paying for fuel. This list is not exhaustive.
  - e. Housing Costs. In exceptional cases of genuine emergency where existing housing support schemes do not meet this exceptional need, the Fund can be used to support housing costs. Where eligible, ongoing housing support for rent must be provided through the housing cost element of Universal Credit (UC) and Housing Benefit (HB) rather than the Household Support Fund. In addition, eligibility for Discretionary Housing Payments (DHPs) must first be considered before emergency housing support is offered through the Household Support 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).
5. The guidance also sets out a number of areas where the fund can and cannot be used;
  - a. In exceptional cases of genuine emergency, households in receipt of HB, UC, or DHPs can still receive housing cost support through the Household Support 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.
  - b. Individuals in receipt of some other form of housing support could still qualify for the other elements of the Household Support Fund, such as food, energy, water, essentials linked to energy and water and wider essentials.
  - c. The Fund cannot be used to provide mortgage support, though homeowners could still qualify for the other elements of the Fund (such as food, energy, 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.

- d. 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. This is because these arrears are excluded from the criteria for Discretionary Housing Payments. However, support with rent arrears is not the primary intent of the fund and should not be the focus of spend.
  - e. It is expected that the focus of support should be on food and bills and that support for housing costs should only be given in exceptional cases of genuine emergency. Beyond this, Authorities have discretion to determine the most appropriate scheme for their area, based on their understanding of local need and with due regard to equality considerations.
  - f. Individual awards can be whatever type and amount is deemed appropriate by Authorities for the receiving household, bearing in mind the overall spend eligibility priorities listed above and the risk of fraud and error. Awards to any given household can cover only one of the spend eligibility categories listed above, or can cover several.
  - g. Authorities should not make Household Support Fund eligibility conditional on being employed or self-employed, or directly linked to a loss of earnings from employment or self-employment. This will ensure that there is no National Insurance Contribution liability payable on any payments by either the claimant, the Authority or employer.
6. The guidance allows for an administration fee which should be kept to a reasonable level.
  7. Guidance stipulates that the following Management Information must be recorded and this information must be returned to DWP.

	Food	Energy & Water	Essential Linked to Energy & Water	Wider Essentials	Housing Costs
<b>Household with Children</b>					
By Value (£)					
Number of Households					
<b>Households without Children</b>					
By Value (£)					
Number of Households					

8. A report to the Lancashire County Council Cabinet meeting on Thursday 4 November 2021 which discussed the grant and it was agreed to use £1.77m to fund food vouchers related to free school meal eligible pupils over the Christmas school holidays and February half term holidays. This allocation has now been increased to £3.1m and will allow food vouchers to be distributed to all families eligible for free school meals with children from early years settings up to 16-19 colleges.
9. A further £3m has been distributed to the Lancashire Districts based upon similar criteria to that used by the Department for Work and Pensions in allocating the grant nationally, which reflects population size and the number of benefits claimants in the district. Pendle's allocation being £270,000.

### **Proposed Scheme for Borough of Pendle**

10. Every District has freedom and flexibility to set its own scheme within the rules of the Guidance set out by Government. Each District is different with different local policies and infrastructure and we have each gone about administering the scheme slightly differently but all with similar aims and objectives.

11. It is proposed that the scheme for the Borough of Pendle be run on the following basis;
- a. In order to comply with the overarching guidance, at least 50% of the funding is to be spent supporting vulnerable households with children.
  - b. An element of the Grant will be top sliced and awarded through as a Small Grant to local Food Banks to support the distribution of Food Parcels. There are 11 major Food Banks identified within the Borough and it is proposed to make an award of up to a maximum of £10,000 per organisation. Up to £75,000 has been identified being distributed under this scheme. The application process is not designed to be onerous but must ensure that each Food Bank has the capacity to deliver the outcomes required and can also provide the Management Information required by the Grant.
  - c. The remaining balance of the fund (£195,000) is to be distributed along similar line to the Test & Trace isolation payment via a Website application. This will be validated by Liberate staff and paid in to the applicant's bank account. One application per Household is allowable and the recipient must be in receipt of some form of benefit. A single payment of £200 will be made per household.
  - d. The applicant will have the opportunity to ask for a larger claim as part of the application process as per the Guidance though this will be determined as and when we gauge the popularity of the scheme.
  - e. Amounts payable to Food banks and individual households may be flexed in order to ensure funds are distributed by 31<sup>st</sup> March 2021.
  - f. DWP will be sharing benefit data with Authorities and it is possible that any unspent funds could be paid over towards the end of the Grant period in order to distribute as much of the grant as possible to residents in need.
12. Delegated Approval is also sought for the Chief Finance Officer to administer the fund as deemed appropriate and in consultation with Colleagues from Pendle Council and Partner Organisations.

### **Summary**

13. The Household Support Grant is a new scheme announced by Government in October 2021. Money has been allocated to Lancashire County Council and a further allocation has been made to the Districts.
14. The report sets out a methodology for the scheme in Pendle and for the distribution of funds locally in order to best meet the needs of local Residents.
15. Flexibility is sought to allow the local scheme to be amended in order to ensure that all funds are distributed by 31<sup>st</sup> March 2021. Any changes to the local scheme will be done so in accordance with the overarching Funding Guidance.

### **Recommendations**

16. Agree the Scope of the Household Support Grant as set out in the report.
17. To give delegated authority to the Chief Finance Officer to distribute all funds allocated to Pendle Council in accordance with the Funding Guidance in order to meet the deadline of 31<sup>st</sup> March 2021.

## **IMPLICATIONS**

**Policy:** As set out in the report.

**Financial:** As set out in the report.

**Legal:** None arising from the report.

**Risk Management:** None arising from the report.

**Health and Safety:** None arising from the report.

**Sustainability:** None arising from the report.

**Community Safety:** None arising from the report.

**Equality and Diversity:** None arising from the report.

## **APPENDICES**

None

## **LIST OF BACKGROUND PAPERS**

Lancashire County Council Report

<https://council.lancashire.gov.uk/ieIssueDetails.aspx?Id=106069&PlanId=0&Opt=3#A185280>

Government Guidance

<https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils>