

North Yorkshire County Council

Report to Councillor David Chance, Executive Member for Stronger Communities

22 April 2022

Household Support Fund

1.0 Purpose of the Report

- 1.1 To set out, and seek approval for, the deployment of a second Household Support Fund (HSF) allocation (April – September 2022) in order to provide support to vulnerable households in most need of support, and to help with significantly rising living costs.

2.0 Background

- 2.1 On 23 March 2022, the Chancellor of the Exchequer announced an extension to the Household Support Fund with £421 million being made available to County Councils and Unitary Authorities in England to support those most in need to help with significantly rising living costs between April and September 2022. In guidance published by the Department of Work and Pensions (DWP) on 20 April 2022, at least 1/3 of the funds made available must be spent on households with children, and at least 1/3 on households which include a person who has reached state pension age. The expectation is that the Household Support Fund should be primarily used to support households in the most need with energy, food and water bills. It can also be used to support households with essential costs related to those items, and with wider essential costs.
- 2.2 Funding allocations are provided under section 31 of the Local Government Act 2003. Although this is an extension to the original Household Support Fund, it is a new grant subject to its own grant conditions.
- 2.3 North Yorkshire County Council will receive an allocation of £3,537,549.92. The timing of the announcement and the public expectation that the scheme will be available for applications, means that prompt action is necessary to deliver the scheme as soon as possible.
- 2.4 The local authority has flexibility to determine eligibility in their area and target support within the conditions set out below:
- i. at least 33.33% of the total funding is allocated to support households that include:
 - (i) a person who will be under the age of 19 as at 31st March 2022, or
 - (ii) a person aged 19 or over in respect of whom a child-related benefit is paid or free school meals are provided during the grant period;
 - ii. at least 33.33% of the funding is allocated to support households that include a person who has reached state pension age by 30th September 2022; and

iii. up to 33.33% of the grant is used to assist other households.

2.5 Eligible expenditure includes:

- Energy and water: the fund should 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.
- Food: the fund should also primarily be used to provide support with food whether in kind or through vouchers or cash.
- 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 energy, food and water.
- 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.
- 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 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).

2.6 Local authorities are required to develop a 'local eligibility framework and approach' to enable them to distribute grant funding that best supports households most in need. This must be underpinned by a clear rationale or documented policy/framework outlining their approach including how they are defining eligibility and how households access the scheme. Local authorities have the ability to deliver the scheme through a variety of routes including provision of vouchers to households, making direct provision of food, or issuing grants to third parties (with the exception of debt advice provision).

2.7 Where a local authority chooses to use third party organisations, this should be done on an objectively fair, transparent and non-discriminatory basis, having regard to the time available to deliver the scheme.

2.8 The scheme requires local authorities to use a wide range of data and sources of information to identify and provide support to a broad cross section of vulnerable households in their area. In doing so, local authorities should particularly consider households who cannot increase their income through work. Support is not restricted to vulnerable households in receipt of benefits. Eligibility cannot be conditional on being employed or self-employed, or directly linked to a loss of earnings from employment or self-employment.

- 2.9 Local authorities can provide a basic safety net of support to an individual, regardless of their immigration status, if there is a genuine care need that does not arise solely from destitution.
- 2.10 Local authorities can request applications for support or can proactively identify households who may benefit or can take a mixture of the two approaches. There is no requirement for a means test or to conduct a benefit check unless this forms part of the local eligibility criteria. However, in relation to housing costs, local authorities must establish whether other forms of support are available to the household, such as Discretionary Housing Payments.
- 2.12 The local authority will be asked to report and manage spend in relation to the conditions set out above. Information will, however, be requested from DWP on which groups have benefitted from grants, administrative costs and payment assurance, alongside reporting delivery plan progress. Information provided to DWP in June and October 2022 must be copied to the Section 151 officer to provide assurance on validation of funding spend.

3.0 Local Eligibility Framework and Approach

- 3.1 The North Yorkshire eligibility framework and approach is intended to recognise the current cost of living pressures including inflationary pressures on essential goods and services in particular gas, electricity and other fuel costs. Whilst the proposed framework acknowledges these pressures, it is not the intention to replicate any other scheme.
- 3.2 The proposed North Yorkshire eligibility framework and approach offers different ways of providing support to households who may be in need. The aim is to provide targeted support that is delivered both effectively and efficiently, taking account of varying personal circumstances. The proposed framework and approach has been developed in consultation with officers of the district and borough councils in North Yorkshire, and drawing upon the experience and insight gained from the delivery of the initial phase of HSF.

3.2.1 Proactive identification of households using eligibility criteria

- Approximately 8,000 households with children (under 19 years of age) are receiving a means tested council tax support or reduction.
- Approximately 8,000 households which include a person who has reached state pension age are in receipt of maximum means tested council tax support or reduction.
- Approximately 6,300 working age households without children are receiving means tested council tax support or reduction.

Based on local intelligence and using data supplied by district and borough councils, it is proposed that these households will be contacted directly to inform them that they are eligible for a voucher. It is proposed that for the eligible families and pensioner household cohorts, the total voucher value will be £150, and for working age adult households, £75.

It is proposed that £2,975,650 is allocated to this which includes a small contingency to allow for variation to the modelling.

- 3.2.2 **Food Banks** – In the initial phase of Household Support Fund, 14 voluntary sector food bank operators and other food projects were supported, to ensure increased capacity was available in the free food supply infrastructure across the county over the winter. Based on this learning, it is proposed that grants are once again made available for between April and September 2022, the size of which will be based on the size of the operator. In total, it is proposed to award £150,000 to voluntary sector food bank providers and projects.
- 3.2.3 **Warm and Well** in North Yorkshire is a NYCC Public Health funded service delivered by Citizens Advice. It provides advice, guidance and practical support to residents across the county including advice on how to save money on energy costs, switching suppliers, grants and priority service; home visits to advise on how to make your home warmer and more energy efficient, or for help with minor repairs; and access to a hardship fund for those in urgent need. Target groups are people on low incomes or benefits, people over 65, families with young children, and anyone with physical or mental health issues. Warm and Well have significant experience of delivering fuel voucher schemes to people in greatest need, including those who use oil or sold fuel for heating. It is proposed to award a grant of up to £240,000 including staffing costs, to Warm and Well to support small payments through the hardship fund.
- 3.2.4 **North Yorkshire Local Assistance fund (NYLAF)** is the County Council managed scheme that provides support for vulnerable people including emergency food vouchers and utility top-ups. NYLAF is already experiencing increased demand from households who are struggling to buy food, pay essential utility bills or meet other essential living costs. It is proposed to allocate a budget of up to £171,900 to NYLAF to help meet the increased demand and to enable the maximum entitlement of four food and / or utility applications in a 12 month rolling period to continue to be raised until 30 September 2022.
- 3.2.5 Funding allocations will continue to be monitored throughout the grant period; with any residual funding across the support streams to be re-allocated as required to meet demand. It is proposed that should this be required, this decision can be undertaken by the Assistant Director Policy, Partnerships and Communities, in consultation with the Executive Member for Stronger Communities.

4.0 Financial Implications

- 4.1 The Household Support Fund is funded by a section 31 grant from the Department for Work and Pensions and ring-fenced to be spent line with the grant conditions. This includes the specific conditions that at least 33.33% of the funding should be allocated to households with children and at least 33.33% to households with an individual of state pension age. Payment of the grant will be in arrears:

- First payment: after the submission of an interim MI return in July 2022.
- Final payment: following the submission of the final MI return at the end of the grant period in October 2022.

4.2 Payments by DWP to the local authority are dependent on the submission of MI returns and they must be endorsed by the S151 officer.

4.3 As with any welfare payment to vulnerable recipients, there is a risk of fraud. Risk management implications are discussed in section 8 of this report.

4.4 The total grant allocation for North Yorkshire is £3,537,549.92 and covers the period from 1 April 2022 to 30 September 2022.

4.5 Based on financial modelling, indicative allocations are:

Part	Description	Total
(a)	Payments based on eligibility criteria	£2,976k
(b)	Food Bank Operators	£150k
(c)	Warm and Well	£240k
(d)	NYLAF	£172k
TOTAL		£3,538k

4.6 Initial payments under part (a), (b), (c) and (d) will be made as soon as possible. A light-touch evaluation of the scheme will be undertaken in June 2022 before the submission of the first DWP return.

5.0 Legal Implications

5.1 This matter requires an urgent decision by the decision taker, and cannot reasonably be deferred, to enable the timely consideration and implementation of this matter and to meet Government deadlines to enable allocations to be made. It has been agreed that the decision proposed is reasonable under the circumstances and to it being treated as a matter of urgency (where any delay likely to be caused by the call in process would seriously prejudice the Council's or the public interest). Therefore the call-in procedure should therefore not apply to the decision. See <https://edemocracy.northyorks.gov.uk/documents/d110044/%20Household%20Support%20Grant%20the%20Government%20has%20allocated%203537k%20to%20the%20County%20Council%20for%20the%20perio.pdf?T=a>

6.0 Equalities Implications

6.1 The Department for Work and Pensions has undertaken an Equality Impact Assessment on the national scheme. For the local implementation of the scheme in North Yorkshire, as identified in the attached Equality Impact Screening Form appendix 1), there is not an adverse impact on any protected characteristics.

7.0 Environmental Implications

- 7.1 There are no significant environmental implications arising from this report (see attached Initial Climate Change Impact Assessment Form appendix 2).

8.0 Risk Management Implications

- 8.1 The Household Support Fund is not a direct replacement for other policy decisions taken by national government and/or the local authority. There are a number of known and acknowledged pressures facing households. Whilst at least two thirds of the funding will be allocated based on eligibility criteria/data held by the local authority, it is anticipated that there will be demand for additional applications for support either from (i) households in receipt of the direct award where further support is requested, or (ii) from households who are facing pressures that are not identified by the eligibility criteria/data.
- 8.2 Given the late announcement of the scheme, there is a tight turnaround for the local authority to deliver the scheme. The local authority aims to make a decision on the grant by the end of April and disburse some elements of the grant by the end of May.
- 8.3 There is a risk of claims through NYLAF exceeding the available grant monies. The scheme will be reviewed in June 2022 to inform any amendments to the framework for August/September 2022 onwards.
- 8.4 Measures will be used to minimise the chance of fraudulent and multiple applications; there are two verification steps within the direct award stage to ensure monies are not distributed to ineligible households as well as other issues, such as multiple requests per households. An audit of the direct award scheme implemented in phase one of Household Support Fund has been undertaken by Veritau to ensure processes and procedures are as secure as possible.

9.0 Recommendation

- 9.1 It is recommended that Executive Member for Stronger Communities agrees the proposed Local Eligibility Framework and Approach for Household Support Fund as set out above.

Neil Irving
Assistant Director Policy Partnerships and Communities
22 April 2022

Appendix 1 - Equality Impact Screening Form
Appendix 2 - Initial Climate Change Impact Assessment Form