

North Yorkshire County Council

Report to Councillor David Chance, Executive Member for Corporate Services

28 November 2022

Household Support Fund (October 2022 – March 2023)

1.0 Purpose of the Report

- 1.1 To set out, and seek approval for, the deployment of a third Household Support Fund (HSF) allocation (October 2022 – March 2023) in order to provide support to vulnerable households in most need of support, and to help with significantly rising living costs over the winter period.

2.0 Background

- 2.1 £421 million has been made available to County Councils and Unitary Authorities in England between October 2022 and March 2023 by the Department of Work and Pensions (DWP) to support households most in need, particularly those who may not have been eligible for other government support made available such as the DWP Cost of Living payments set out on 26 May 2022, and the energy support set out on 3 February 2022 (and enhanced on 26 May 2022) and detailed on 29 July 2022. The HSF is however 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.
- 2.2 The expectation is that HSF should be primarily used to support households in the most need with the costs of energy, however it can also be used to support households with the cost of food and water bills, essential costs related to those items, and with wider essential costs.
- 2.3 Funding allocations are provided under section 31 of the Local Government Act 2003. Although this is an extension to the original HSF, it is a new grant subject to its own grant conditions.
- 2.4 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.
- 2.5 In guidance received from DWP on 30 September 2022, the local authority has flexibility to determine eligibility in their area and to channel support through a variety of routes, for example through vouchers, direct provision or via third party suppliers. At least part of the scheme must be operated on an application basis.

2.6 Although this is considered an extension to the HSF scheme, it is a new grant subject to its own conditions. Funding restrictions seen in previous phases of HSF have therefore been lifted, however support should be targeted at the following households:

- i. Those who may not be eligible for government support that has been made available but who are in need. This includes the DWP Cost of Living Payments set out on 26 May 2022 and the energy support set out on 3 February (enhanced on 26 May 2022), and detailed on 29 July 2022. This may include, but is not limited to, people who are entitled to but not claiming qualifying benefits, people who are claiming Housing Benefit (HB) only, people who begin a claim or return to payment of a benefit after the relevant qualifying date, as well as people who have fuel costs but who cannot access the £400 of energy support from the Energy Bill Support Scheme or the equivalence package confirmed on 29 July 2022.
- ii. Those who are vulnerable to rising prices even though they are supported through these schemes, for example large families or single-income families.
- iii. Those from a range of low income households in need including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people.

2.7 Eligible expenditure includes:

- Energy and water. The fund should primarily be used to support 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.
- Food. The fund can 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 (for example period products, warm clothing, soap, blankets, the purchase of equipment such as fridges, freezers, ovens, slow cookers), in recognition that a range of costs may arise which directly affect a household's ability to afford or access energy, food and water. This may also include 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 inefficient lightbulbs or white goods. The intention of this is to provide sustainable support which could result in both immediate and long-lasting savings for the household.
- Wider essentials. The fund can be used to support 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.
- 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 fund. In addition, eligibility for Discretionary

Housing Payments (DHPs) must first be considered before emergency 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).

- In exceptional cases of genuine emergency, 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.
- 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).
- 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.
- Reasonable administrative costs for administering the fund.

2.8 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). Authorities must operate an application based service for emergency support as part of their HSF scheme.

2.9 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.

2.10 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 how they can prevent escalation of problems, and support those vulnerable households who are ineligible for other government support with the cost of living. Eligibility cannot be conditional on being employed or self-employed, or directly linked to a loss of earnings from employment or self-employment.

2.11 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.

- 2.12 Local authorities can proactively identify households who may benefit, and must also operate an application process for emergency support as part of the scheme. 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.
- 2.13 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 January and April 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 previous two phases of HSF.

3.2.1 Proactive identification of households using eligibility criteria

- Approximately 3,700 households who are in receipt of Housing Benefit but did not qualify for the second low income benefit or tax credit Cost of Living payment which was paid in November 2022. The proposed eligibility window (26 August to 25 September 2022) mirrors the eligibility window for the Cost of Living payment which was paid to people in receipt of Universal Credit, Income Support, Pension Credit, income-based Jobseekers Allowance (JSA), income-related Employment and Support Allowance (ESA), Child Tax Credit and Working Tax Credit. The voucher value of £325 mirrors the second Cost of Living payment paid to people in receipt of the above benefits during the period 26 August to 25 September 2022.
- Approximately 19,810 households who are in receipt of maximum means tested council tax support or reduction on 30 November 2022. These households will receive a voucher to the value of £85.

Based on data supplied by district and borough councils, it is proposed that the above eligible households will be contacted directly by post to advise them how to claim their voucher. Households which are eligible in both categories will only receive one award (£325).

Given the focus in the DWP guidance on supporting those who may not have been awarded Cost of Living support due to exceptional circumstances, it is proposed to implement an application process to complement the direct awards element of the scheme whilst it is live, closing in mid-February 2023. This will be exclusively for:

- Exceptional circumstances which led to households not receiving a low income benefit or tax credit Cost of Living payment for reasons such as benefit processing delays, temporarily falling out of benefit during the eligibility window etc. One proposed payment of £325, unless the household has already been awarded an HSF direct award voucher for being in receipt of maximum CTR, in which case, they will receive £240.
- Exceptional circumstances which led to individuals not being included as being in receipt of maximum council tax support or reduction on 30 November 2022, for example relocating at the time of the data cut and therefore temporarily falling out of the CTR scheme, delays to processing their CTR claim which were outside of the households control etc. A proposed payment of £85. Households who have already received a voucher for £325 will not be eligible for an additional £85 voucher.

The application and voucher award process for the exceptional circumstances elements will be hosted by Family Fund Business Services (FFBS) via a dedicated portal set up on the Flexigrant system to ensure cases are accurately managed and monitored in line with DWP guidelines. As part of this process, applications will be reviewed and assessed by the district and borough councils utilising a robust eligibility criteria, ensuring that comprehensive evidence is provided by the household to validate the exceptional circumstances they have outlined. Successful applicants will then be awarded their voucher via email by FFBS. The decision of the district and borough councils will be final with no appeals process.

It is proposed that a total of £2,912,000 is allocated to the direct awards element of the scheme.

It is proposed that vouchers will normally be distributed in January 2023, with the detailed timetable to be agreed by the Assistant Director Policy, Partnerships and Communities.

It is proposed that the vouchers will be supermarket vouchers, redeemable at a number of national supermarket chains, with the recipient being able to choose the national supermarket chain. Arrangements will be in place (including through libraries, district and borough councils, and community

support organisations) to ensure households who need additional help to access or utilise vouchers are able to do so. Consideration has been given to other ways of distributing the awards, but supermarket vouchers are the most cost-effective and efficient method of distribution available at short notice to the Council.

- 3.2.2 **Food Banks** – In the previous phases 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. Based on this learning, it is proposed that grants are once again made available for between October 2022 and March 2023, the size of which will be based on the size of the operator. In total, it is proposed to award up to £165,000 in total 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 solid fuel for heating. It is proposed to award a grant of up to £260,000 including reasonable 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 £200,000 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 until 31 March 2023 and to enable people who had reached their full award entitlement of food and / or utility applications prior to 1 October 2022 to be allowed up to another two applications to the scheme between 1 October 2022 and 31 March 2023.
- 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.

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 in line with the terms and conditions set out in the Grant Determination. Payment of the grant will be in arrears:

- First payment: after the submission of an interim MI return in January 2023.
- Final payment: following the submission of the final MI return and delivery plan tracker at the end of the grant period in April 2023.

4.2 Payments by DWP to the local authority are dependent on the submission of MI returns and they must be endorsed by the Section 151 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 October 2022 to 31 March 2023.

4.5 Based on financial modelling, indicative allocations are:

Part	Description	Total
(a)	Payments based on eligibility criteria	£2,912k
(b)	Food Bank Operators	£165k
(c)	Warm and Well	£260k
(d)	NYLAF	£200k
TOTAL		£3,537k

4.6 Although not expected, any overspend incurred will be the responsibility of the Council.

4.7 A light-touch evaluation of the scheme will be undertaken in April 2023 to support the submission of the final MI return to DWP.

5.0 Equalities Implications

5.1 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.

6.0 Environmental Implications

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

7.0 Risk Management Implications

- 7.1 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 a significant proportion 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.
- 7.2 Given the late receipt of guidance for the fund, there is a tight turnaround for the local authority to deliver the scheme.
- 7.3 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. In conjunction with Veritau, Officers across the councils will convene a weekly HSF Fraud Investigation Panel whilst the direct award element of the scheme is live to review and examine any potential fraud cases.

8.0 Recommendation

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

Neil Irving
Assistant Director Policy Partnerships and Communities
28 November 2022

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