

Report to: Cabinet



Date of Meeting 5 January 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Discretionary Funds to support financial vulnerability

Report summary:

Following a motion to Council on 20 October 2021 it was agreed to provide a report on the different discretionary funds the council has available to support low income households due to the concerns being raised over the government's cuts to Universal Credit (removal of the temporary £20 uplift) and the rising costs of households bills.

It was also approved that the report would include potential options for directing additional resources into the Anti-Poverty Strategy to support the District in helping the most vulnerable residents this winter in the light of unexpected rising living costs.

This report pulls together the different schemes, current funding levels together with an outline of each of the schemes so Members have a better oversight of the support that is currently being provided and in particular what East Devon District Council is directly funding.

It also provides options for utilising grant funding to be able to continue the hardship scheme once we run out of funding within the Household Support Fund as well as continue the work the Council is doing around financial resilience.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

1. That Cabinet recommends that we use £109,680 funding available to support ongoing work of the financial resilience officers until August 2024 (see section 3.2).
2. That Cabinet recommends that we use £151,878 funding available for the Council's Hardship Scheme so that we can continue to provide emergency support with essentials beyond 31 March 2022 (see section 3.4).

Reason for recommendation:

So that we can continue to support residents who are in emergency crisis and to help build financial resilience by addressing root causes which is a key aim of our poverty strategy.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1.0 Background

- 1.1 This report provides details of the different Council's discretionary funds (appendix 1) that we have available to support low income households as well as providing an option for directing additional resources to ensure we can continue:
- to provide residents access to financial support for essentials
 - the work the council is doing around financial resilience which is critical if we want to deliver on the aims of our poverty strategy in building financial resilience by addressing root causes.
- 1.2 It is important that Members are aware of all the discretionary schemes available and the current available funding within these schemes when considering options for directing additional resources in to the Anti-Poverty Strategy to support the District in helping the most vulnerable residents this winter.

2.0 Discretionary Funds

- 2.1 Appendix 1 provides a table of all the discretionary funds the Council delivers that support low income/vulnerable residents with financial assistance, access to advice, etc. In total we currently provide £6,368,764 in support.
- 2.2 As this report is focussing on 'discretionary' support it doesn't take account of all the mandatory schemes the council operates such as; Housing Benefit, Disabled Facilities Grant, Council Tax Reduction (pensioner scheme), Homelessness, etc as these are something we are required to provide.
- 2.3 As can be seen from the following table, I have split the support between the amount directly funded by EDDC, other preceptors (primarily through the council tax base) and the amount provided by government:

Scheme (see appendix 1 for scheme details)	One off funding	Annual Funding based on 21/22	Cost to EDDC	Cost to preceptors	Government Funded
1.DHP		£211,157			£211,157
2.EHF		£56,353	£3,945	£52,408	
3.HSF	£142,286				£142,286
4.Hardship	£292,100		£100,000		£192,100*
5.Test & Trace	£430,000				£430,000
6.CTR		£4,625,587	£323,791	£4,301,796	
7/8/9.Homelessness	£54,804	£50,060			
10. Rent deposit Bond & Loan	£35,000**		£35,000		
11A/B/C. Better care fund		£265,000			£265,000
12. Passport to Leisure		£64,640	£64,640		
13-17 Charitable sector/Money Advice		£141,777	£141,777		
Total	£954,190	£5,414,574	£669,153	£4,354,204	£1,345,407

*Funding initially came direct from Devon County (£181K) but this was superseded by DEFRA funding which resulted in £192,100 being made available.

** The loan scheme has been categorised under 'one off funding' because as loans are repaid the fund will replenish so is not time limited.

2.2 The above table highlights the amount of support East Devon District Council directly funds of circa £669K but also demonstrates the different ways in which this is being provided. Except for the Hardship amount of £100K (one off funding) all the other schemes are annual costs to the council.

2.3 Many of the schemes still have funding available which is relevant when considering the recommendation by Council on 20 October 2021 'for potential options for directing additional resources to support the District in helping the most vulnerable residents this winter'.

2.4 It is also worth noting that the Household Support Fund (HSF) has only been in operation since the middle of November and Devon County have indicated that there may be additional funding available should the scheme be over subscribed. However there is no guarantee that this would be the case. In addition to the HSF we still have a balance in the Hardship scheme of £127,251 (£100K allocated by EDDC following the recommendation of the Poverty panel meeting on 18 January 21).

2.5 Alongside schemes being run by EDDC there are also other schemes being run by partner organisations /voluntary sector that also provide financial support with essential items this winter. For instance; Devon County Council who received just over £5m in funding for the Household Support Fund have put in place a number of other schemes to support residents struggling this winter such as; free school meal holiday voucher scheme, Citizens Advice Energy Relief Scheme, funding available to organisations to support food and fuel poverty, etc.

2.6 Depending upon demand from our residents for financial support it maybe that there will be sufficient funds to cover the winter period. However, the issues for our residents who are financially struggling are unlikely to end as we come out of winter especially with those in work who will face higher increases in National Insurance costs as well as other rises in essential bills, such as council tax which is likely to increase by circa 4% - 5%. It is therefore important that we are able to continue the work we are doing around addressing root causes and rebuilding financial resilience and as part of that work it's also key that we continue to run our hardship scheme once the Household Support Fund finishes so that we are able to provide emergency support with essentials.

3.0 Option for how we can continue to fund the financial resilience work and our hardship scheme

3.1 Currently we have two financial resilience officers on temporary posts (funded partly by Devon County and staff savings within the service) who are on secondments from their existing roles within revenues and benefits. Their roles have been temporarily backfilled. One of the financial resilience officer roles is due to end in August 2022 and the other August 2023. If Members agree that there is value in continuing this work (as highlighted in section 4 below) then I would recommend that we utilise government funding (primarily new burdens) in order to continue with this work until at least August 2024.

3.2 The Revenues & Benefits service have undertaken a number of new areas of work (primarily in the past two years) where they have gained additional government funding (new burdens) to support the operation of this new work. As we've had to mainly utilise our existing staff to undertake this work (reprioritising) it therefore makes sense that we direct some of this funding to support the financial resilience work until August 2024. The cost for extending the work of the financial resilience officers until August 2024 would be approximately £109,680. As there is sufficient funding available that we can utilise to support this valuable work there is no impact on the Council's budget.

3.3 By extending this work until August 2024 will provide sufficient time to see whether there is a need to make this work permanent and to explore how this can be achieved. With greater automation and digitalising services along with income growth opportunities there could well be scope to create more efficiencies that will enable this work to continue beyond August 2024 without adding additional ongoing revenue costs to the budget.

3.4 Turning to ongoing funding of the hardship scheme, it is suggested that Members utilise the Local Council Tax Support Scheme funding the council received (£151,878) for 2021/22. This funding was provided by government to reflect the increase in the number of council tax reduction (CTR) scheme cases (due to impact of Covid). All the major preceptors received a grant that reflected their proportion of the council tax. In 2020/21 the Government provided an additional £150 off the council tax bill for working age CTR however for this financial year council's instead received a grant payment with flexibility over how this could be used. However, the expectation of the funding from government is that the funding 'will benefit economically vulnerable households'. This funding was held to support this aim.

4.0 Why it is important to continue the financial resilience work (dedicated resource)

4.1 The financial resilience team aims to help support East Devon residents by identifying and addressing the root causes of poverty and financial hardship by maximising income, minimising expenditure and working with partners including those in the voluntary sector to achieve this.

4.2 People not being able to afford food, fuel and other essentials is a symptom of poverty so although it is critical that we have funds available to address that immediate need it's also important that we try to address the root cause to avoid repeat crisis by building financial resilience which is a key aim of our poverty strategy.

- 4.3 As part of their work they will link in with other teams and external organisations to access various discretionary funds (including those listed in this report) alongside administering the funds that sit within revenues and benefits. This ensures that we are taking a holistic view of the residents needs and taking the best route to address them.
- 4.4 Work already undertaken shows that root causes are often complex and will need multi agency approach. The Financial Resilience Officers will when needed work with partner agencies to provide the financial support whilst at the same time addressing wider issues. Some of the main issues identified to date include:
- Key elements of welfare benefits missing especially Universal Credit
 - Digital poverty
 - Single people are particularly struggling financially.
 - Cheaper rental properties coming with higher running costs, for example; energy
 - Repayments of debt leaving people unable to afford essentials leading to reliance on foodbanks and emergency support
- 4.5 Since administration of the HSF started in November we have developed a dashboard* so that we can better capture and analyse our data to understand poverty across the district. So far we've processed 241 applications and of those 145 (60%) require more in depth work such as referring to partners for example; Exeter Community Energy, East Devon Citizens Advice, etc. This is why it is so important that we continue to have dedicated resource to do this work. At the Poverty panel meetings we will continue to provide updates on outcomes of this work including case study examples of residents the team have helped.
- 4.6 Finally it's worth highlighting that DCN are looking to produce a set of case studies highlighting members' innovative and best practice in DHP use, in the coming weeks and this will include East Devon's financial resilience team as an example.

*Will form part of the Poverty Dashboard

5.0 Communications

- 5.1 We are working with our Communications team to create a central hub on our website for easier resident access on the financial support available across the Council. Initially we are focussing on internal support and will then develop this to link in with key external organisations. This is an issue that Members have highlighted to us that it is difficult to navigate our website to identify the different financial support available.
- 5.2 In addition, we are working on promotion of the Household Support Fund with Communications which includes press release and social media posts.

Financial implications:

Finance details are contained in the report.

Legal implications:

It is within the power of the Council to use the funding for the purposes specified. Otherwise, there are no specific legal implications requiring comment.