

Poverty Panel Meeting 8 December 2022

Briefing Paper: Cost of Living Hardship Fund

1.0 Background

The Council agreed at its meeting on 19 October 2022 for:

“officers to investigate creating an additional discretionary energy support fund based on evidence from the poverty dashboard data. This will look at taking into account existing funds, how this additional fund could be financed from the level of grants and also explore the systems and staff resources required to design and administer the scheme”.

At the 2 November 2022 Cabinet Meeting under the report titled “Household Support Fund (HSF) and Discretionary Fund” it was highlighted that the Council already had funds set aside of £257K to support households struggling to afford essentials. It was proposed that we could use this funding in addition to the Household Support Funding we had been given to help households struggling.

The government have extended the HSF and we have £323,033 to cover support for households that are in need with essentials, including help with energy costs this winter. This is in addition to the government cost of living payments currently being received by households. A copy of the report on the HSF and the proposals for this scheme are available here. ([Public Pack](#))[Agenda Document for Cabinet, 02/11/2022 18:00 \(eastdevon.gov.uk\)](#)

We have identified a number of households who will benefit from targeted funding under the HSF as well as an open application for any resident to apply for financial support. We are working to get this scheme live by the end of this year. Once this scheme is live we will then be in a position to identify where there may still be residents who have either fallen through the gaps or are still in need of extra support.

2.0 Cost of Living Hardship Fund Policy

As we are not in a position to identify any particular cohorts for support we have nevertheless updated the previous Covid-19 Hardship Policy and renamed it the “Cost of Living Hardship Fund” (see appendix 1) to run alongside the HSF policy. As the HSF is time limited we will always seek to use that funding first, however there maybe occasions when we utilise funding from both schemes at the same time. For example, not sufficient funding available within HSF.

The draft policy has also been updated to reflect:

- Households struggling due to Cost of Living instead of Covid-19
- The fund will only be used when it is not possible to draw upon other available financial support schemes, such as the HSF
- Where a resident has been declined for financial assistance for the same support from another scheme unless due to unavailable funding.
- Using data to help build understanding through the social resilience (poverty) dashboard
- Updates relating to application process, data protection, fraud, etc.

This updated draft policy allows flexibility over how this fund will be utilised. Currently we are not in a position to identify where the need is for further support until we have distributed the targeted funding from the HSF and have a better understanding of who is approaching through the open application process. For instance we know with the discretionary energy rebate scheme that there were a number of households who did not want additional financial support even though they were in the cohort for receiving a targeted payment. It should also be noted that the government have provided a number of other measures to help households this winter.

We also recognise that there will be residents who have not received targeted support either through the HSF or from the government's cost of living payment but nevertheless are still in financial need – for example those that are just above the income thresholds for pension credit or those where their personal circumstances have taken a turn for the worse and who are or have not yet claimed the benefits they are eligible to receive.

Clearly the cost of living crisis is not going to be over quickly and energy prices are likely to stay high for some time. As part of the Council's poverty strategy we are keen to build upon more of the proactive work we can do in addressing root causes. As these are our own funds we have built into the policy the ability to utilise some of the funding to provide more energy efficient/saving measures to help reduce energy consumption in order to lower bills.

For instance, we know there are a number of low income households who are living in low energy rated accommodation and our aim would be to explore the possibility of trialling joint working on a small number of cases with Exeter Community Energy and Private Sector Housing to try and improve their accommodation and utilise this fund to support this work when appropriate. However where we can access funding from other schemes we would always do that first. This not only helps reduce household expenditure on energy costs it could also help to address health and wellbeing issues as well as supporting our climate strategy.

3.0 Current priority

We need to get the HSF live to ensure that residents can access and receive financial support. Once we are live with the scheme we will be able to assess demand and where there is further need.

4.0 Our approach/Timelines

- If the Poverty Panel agree with this approach then we will present the draft policy to Cabinet on 2 January 2023 for approval.
- At this stage we consider that the £257,000 currently available within the Hardship Fund is sufficient but this will be monitored and an update will be provided at the next Poverty panel meeting on the demand for HSF/Cost of Living Hardship Fund, current balances, etc.
- Once we run out of HSF we can still support households in need by utilising the Cost of Living Hardship Fund.
- In mid to late January 2023 we will have a better understanding of demand for HSF, how long that funding will last and potential gaps.
- Officers who administer the HSF will also administer the Cost of Living Hardship Fund. This is important to ensure that we are providing a joined up approach but also accessing other funds available by partner organisations.

- Applications under the Cost of Living Hardship Fund will be via our existing request for Financial Support form.

5.0 Other considerations/priorities

Energy Rebate Scheme

The Discretionary Energy Rebate Scheme closed on 30 November 2022 and our priority up until then was to ensure that we deployed all the government funding to our residents. We also need to complete the government returns required confirming spend and explaining how we have used this funding. As Members may recall under our local scheme we targeted the majority of funding at households with a disability or where there were carers. Although we received a good number of applications we also found that there were a number of residents who didn't want the funding. We also had to undertake a lot of phone work and repeated reminders to encourage applications. For those residents that couldn't apply online, staff resources were also needed to support residents being able to make a claim. Despite these measures not everyone made an application. Overall, delivering the Energy Rebate Scheme (main and discretionary) has taken a significant amount of staff resources to administer which is only just coming to an end.

Household Support Fund

As highlighted in this briefing our focus is currently on launching the HSF3. This is also resource intensive as we have had to manually review identified cases in order to ensure amounts awarded for targeted support are correct due to system limitations. This work is essential for processing of applications as the data sits within the tables behind the application form.

Working Age Council Tax Reduction Scheme

Changes to our Council Tax Reduction Scheme for 2023/24 – report was considered by Cabinet 2 November 2022 where we have proposed changes to our scheme which will lead to circa 2960 (65%) households seeing increases in the amount of support they receive. These changes include those in the lowest incomes (Band 1) seeing the relief being increased from 85% to 100% which will lift them out of paying council tax altogether. We're currently out to public consultation but the outcomes and recommended final scheme is to be presented to Cabinet at meeting on 2 January 2023 before going to full council. This is a tight timeline which we need to meet in order to be able to implement these changes in readiness for annual billing which starts late January 2023.

Link to the Committee report: [\(Public Pack\)Agenda Document for Cabinet, 02/11/2022 18:00 \(eastdevon.gov.uk\)](#)

Alternative Funding Scheme and Alternative Fuel Payment

BEIS (Department for Business, Energy & Industrial Strategy) wrote to local authorities on 18 November to advise that they are requiring local authorities to work in partnership to deliver the Alternative Funding Scheme. There is approximately £1 million households across the UK who do not directly contract with a domestic electricity supplier and therefore miss out on the Energy Bills Support Scheme. In addition the government have also announced the Alternative Fuel Payment (AFP) for households that use fuels other than gas to heat their homes. All local authorities have been asked to attend a webinar on 6 December where we will be provided with more detail on what is planned including the

scope of the scheme. We know from previous schemes we've delivered on behalf of government that these need to be delivered at pace.

Resources

At this stage it is unclear what the demand will be this winter and resource intensive the latest government schemes (Alternative Funding Scheme and Alternative Fuel Payment) will be on the Service especially as they are expecting this to be delivered at pace. Once we know this we will be in a better position to know what additional resources are needed and our capacity to set up and administer new schemes.

As mentioned we are keen to part use the Cost of Living Hardship Fund to build upon proactive measures to address poor energy rated properties especially those occupied by our vulnerable residents who are low income households. If the Poverty Panel are in agreement with this approach then in January we can start scoping up our approach as will involve working with partners. This will include how we can resource this project and the appetite from partner agencies to work collaboratively on solving underlying causes.

6.0 Summary

As can be seen there are a number of schemes we have delivered or in the process of delivering that are providing support to low income households but require resources to be implemented.

The proposed draft Cost of Living Hardship Policy provides flexibility in how this funding is utilised and means if we do identify the need to provide further targeted support then there is also provision to do that within the policy.

7.0 Recommendations

If the Poverty panel is in agreement with the draft policy and this approach, I will prepare a report to Cabinet for the 2 January 2023 meeting so Members can consider approving the policy.

Libby Jarrett

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