

Report to: Cabinet



Date of Meeting 29 March 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Household Support Fund 4 (HSF4)

Report summary:

This report provides details on the proposed policy of the Household Support Fund and funding available to support households for the period 01 April 2023 to 31 March 2024.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

1. That cabinet agree to the proposed policy for the Household Support Fund for the period 01 April 2023 to 31 March 2024.
2. That Cabinet agree for delegated authority to be given to the Assistant Director for Revenues, Benefits, Customer Services and Fraud and Compliance in consultation with the Portfolio Holder for Finance and the Portfolio Holder for Sustainable Homes and Communities, to determine the targeted groups who are most in need of financial support which takes into account data from our poverty dashboard and other relevant factors.

Reason for recommendation:

The recommendation allows for the administration of the Household Support Fund to be targeted at those who require financial support through the cost of living crisis. In addition the proposed policy is in line with the Department for Work and Pensions guidance and is in agreement with other Team Devon authorities who continue to work together to ensure a Devon wide framework in administering these funds.

At this stage it is not possible to provide details or numbers of all cohorts who will be targeted for receiving direct support, therefore allowing delegated authority to the Assistant Director for Revenues, Benefits, Customer Services and Fraud and Compliance in consultation with the Portfolio Holder for Finance and Sustainable Homes and Communities will ensure that identification of households can be fully modelled and amended where required based on the data available. It will also allow a seamless transition between the end of the Household Support Fund for the period 1 October 2022 to 31 March 2023 and this new funding.

This policy also continues to support the Council's poverty strategy.

Officer: Sharon Church. Benefits and Financial Resilience Manager

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 High Impact

We continue to recognise that having the Household Support Fund to support residents who are financially struggling with the cost of living will have a high relevance on some of the groups with protected characteristics, these being age, disability, children and vulnerable adults. We do not consider that the policy will not adversely impact these protected groups and that past equality impact assessments for this and our own cost of living hardship fund are still relevant. If we do look at providing further targeted support then a further impact assessment will need to be carried out. [equality impact assessments](#)

Climate change Low Impact

Risk: Low Risk;

Links to background information [Devon Framework Agreement](#)

Link to [Council Plan](#)

Priorities (check which apply)

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

- 1.1 In the 17 November 2022 Autumn statement the government announced that the Household Support Fund (HSF) would be extended from 1 April 2023 to 31 March 2024. The extension of the fund was part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living.
- 1.2 This will be the fourth extension of the HSF that has been in place since 1 October 2021, and as with all previous HSF schemes this funding must be used in line with the Department for Work and Pensions (DWP) guidance. The full guidance for the scheme can be accessed [here](#).
- 1.3 Previous HSF schemes have been delivered under a Devon wide framework agreed on by Devon County Council (DCC) and the other Devon district and city councils. This ensures that we are all approaching administering the scheme in the same way whilst allowing for local needs based on the demographics of each area. [The Team Devon Household Support Fund](#).
- 1.4 The previous HSF schemes have had slightly different approaches such as direct applications for the first set of HSF and a combination of direct targeted awards for certain cohorts for HSF2 and HSF3.

- 1.5 The DWP guidance has confirmed that the fund for April 2023 to March 2024 should continue to be used to support households in the most need, particularly those who are in need and require crisis support and who may not be eligible for the other government cost of living support payments.
- 1.6 The cost of living crisis is unlikely to see a marked improvement over the next 12 months and residents are going to continue to struggle to afford the basics such as energy and food.
- 1.7 Under previous discretionary schemes we have targeted support at cohorts who we have identified as needing extra support. This has included those with disabilities and carers under the Discretionary (council tax) Energy Rebate scheme.
- 1.8 The DWP have allocated funds for the whole of the financial year 2023/24 with an expectation that funding will be provided to residents in need for the whole of the funding period.
- 1.9 DCC has been allocated circa £10.1 million to distribute and to ensure that this funding will be available for the whole of the 12 months 45% of the funding will be allocated for use in the first six months with the remainder of the funds being available for the winter months.
- 1.10 As with previous schemes funding will be provided to other organisations such as Citizens Advice Devon for pre-payment meter energy relief scheme, free school meals holiday lunch vouchers and Early Help.

2. Devon County Council's approach on allocation of the HSF

- 2.1 DCC has been awarded funding of £10,129,752.00 for HSF to cover the period 1 April 2023 to 31 March 2024.
- 2.2 The proposed allocation to District Councils is in total £4,000,002.00 plus administrative funding.
- 2.3 The HSF must be spent or committed by 31 March 2024 and cannot be held over for future use. Funds should also be available for the whole of the financial year.
- 2.4 As the fund is finite once the money has been spent the fund will close. This may mean the fund will close earlier than the 31 March 2024.
- 2.5 Alongside the funding that district councils will receive Devon County Council are also utilising the remaining funds in the following ways.
 - As with previous HSF an amount of £15 per child per week of the school holidays will be allocated to those who qualify for free school meals by Devon County Council. Vouchers will be provided for 13 weeks of holiday throughout 2023/24.
 - Citizens Advice Devon Energy Relief scheme for pre-payment and credit meters will continue to run until 31 March 2024 or until funds are exhausted. This will allow those using pre-payment meters to apply for funds to top up meters.
 - Early Help will continue to provide financial support for food and other essential costs for eligible low income households. This will stay an open application process, verified by a professional working with the family.
 - The sustainable warmth minor rapid energy improvement pilot and Devon Community Foundations grant scheme are currently under review with the possibility of receiving further funding to support households.

3. East Devon's Funding Allocation

3.1 DCC and the district councils have agreed the fund will be split into two allocations. The first allocation will cover 1 April 23 to 30 September 2023 and will be lower (45%) than the amount for 1 October 2023 to 31 March 2024 (55%). This is because residents have higher expenditure over the winter period due to using more energy than in the spring and summer months.

3.2 Our proposed allocation is as follows:

- April – September 2023 (45%) £290,729.70
- October 2023 – March 2024 (55%) £355,336.30

Total £646,066.00

3.3 There will be an additional 15% of the amount provided for administrative costs. This will help support the on-going costs of the Financial Resilience Officers.

4. Proposed approach/policy

4.1 The framework agreed upon for the HSF 1 October 2022 to 31 March 2023 will continue. This is because it allowed individual authorities to meet the needs of residents who may have different demographics depending on where in Devon they live, whilst also ensuring that there is common ground amongst neighbouring authorities.

4.2 Our proposed policy for HSF for April 2023 to March 2024 will be in two parts. Part one will be targeted support for the majority of the funding. Although we are unable to give definite cohorts and figures at this time we will be looking to support those who we know are finding it the hardest to afford everyday essentials. Part two of the policy will be our open applications process. This is essential to ensure that those we have been unable to identify as needing support can still access the funds.

4.3 For targeted support the cohorts we will be looking to support will be similar to previous discretionary schemes, for example those residents who will not receive a government cost of living payment as they are not receiving one of the qualifying benefits or those who are disabled or carers and will only receive a reduced payment.

4.4 As per the HSF scheme for October 2022 to March 2023 those residents we identify as being eligible to receive a payment will need to complete a shortened form in order to receive their funds. This will ensure that we can pay funds to the resident in the way that they choose works best for them. Payment will be offered via bank account or post office voucher. Direct applications will continue to be paid via vouchers and payments direct to suppliers.

4.5 The proposed policy allows for re-consideration of the cohorts and amounts that will be allocated based on existing data and the economic situation nearer to the second allocation. This will ensure that we will be able to suitably respond to the needs of residents by reviewing the need in the district for Autumn/Winter 2023/24 and amending any cohorts as required. The decision on final cohorts and amounts allocated will be made by the Assistant Director for Revenues, Benefits, Customer Services and Fraud and Compliance in consultation with the Portfolio Holder for Finance and Sustainable Homes and Communities.

5. Other considerations/priorities

- 5.1 The government has announced that they will be making further Cost of Living payments throughout 2023/24. Full details regarding eligibility and dates of payments can be found in the DWP's Cost of Living Payments guidance available [here](#) however for ease the main amounts to be awarded are as follows;
- £900 paid in three lump sums of £301, £300 and £299 if receiving Universal Credit, income-based Job Seekers Allowance, income related Employment and Support Allowance, Income Support, Pension Credit, or Working or Child Tax Credit.
 - £150 Disability Cost of Living Payment if receiving Attendance Allowance, Disability Living Allowance, Adult or Child Disability Payment, Armed Forces Independence Payment or War Pension Mobility supplement.
 - An extra £150 or £300 Winter Fuel Payment for winter 2023/24
- 5.2 Our internal data shows that the highest group requesting a payment from the HSF and asking for extra financial support from the Financial Resilience team is still those living in a household where there is a disabled or carer resident.
- 5.3 This data is supported by The Joseph Rowntree UK Poverty 2023 report (available [here](#)) that confirms poverty rates being among the highest for households that include a disabled person or carer.
- 5.4 The top reasons why residents approach us for help is because they are unable to afford food or energy. Although this is the reason for the initial approach, the extra financial support work carried out by the financial Resilience team, shows the top three reasons for needing support continue to be budgeting, mental health and physical health.
- 5.5 As we were aware of the groups who were struggling to afford essentials we took this into account when we reviewed our Working Age Council Tax Reduction (CTR) scheme for 2023/24, and moved to allowing CTR of up to 100% for residents falling in income band 1 from 01 April 2023. This means that we now have 2,301 households who no longer need to pay any Council Tax for the coming financial year. We have also amended the income bands to allow for couples. The number of residents falling within income bands 1 and 2 have increased following these changes with the biggest winners being those households with children.
- 5.6 Alongside the changes to the CTR scheme the Council Tax Support Fund (guidance issued on 23 December 2022, available [here](#)) has also meant that we have been able to award a further reduction of up to £55 per household off council tax bills. This has been awarded to those residents in receipt of CTR who still have an amount left to pay for the financial year 2023/24.
- 5.7 We will need to take account of all the above when modelling for the targeted support which is a key element of our policy.
- 5.8 We are aware that there are still a number of residents who would benefit from the support available but do not engage with us or know that help is available. Therefore it is important that we retain a proportion of the funding for the open application process. We will continue to work with partners as well as exploring other means of identifying and reaching these residents throughout the period that we are administering the HSF.

6. Resources

- 6.1 The Financial Resilience team is already set up and will continue to administer this latest round of HSF, however it is worth noting that there is still a lot of work coming in to the Benefits and Financial Resilience team as more people struggle with the cost of living, the ability to pay their bills and afford everyday essentials such as food.
- 6.2 By targeting some of the funding we can use the same processes already set up to administer the funds for the current HSF. This will ensure that we can administer the majority of the funding in a timely manner whilst also allowing us to financially support those residents we are unable to identify through our available data sets.
- 6.3 The Financial Resilience team will continue to provide further financial support and work with partners to help lift residents out of poverty. They continue to build links with partners across external organisations and the voluntary sector. This most recently has included an officer being present at Exmouth Foodbank once every two weeks. Although this has only just started the team have already been able to engage with residents we would not normally see. We are hopeful that this partnership working will continue to enable us to identify those residents who we know would benefit from receiving financial support from the HSF.

7. Summary

- 7.1 In order to ensure that we can deliver this scheme we are recommending that delegated authority is given to the Assistant Director for Revenues, Benefits, Customer Services and Fraud and Compliance in consultation with the Portfolio Holder for Finance and the Portfolio Holder for Sustainable Homes and Communities. This will ensure that we can seamlessly continue with open applications from 1 April 2023 whilst we carry out modelling for targeted support.
- 7.2 Ideally we would have liked to have been in a position to provide a full breakdown of the cohorts we will be targeted funds to within this report. Due to prioritising annual billing as well as implementing the new CTR changes and the Council Tax Support fund we have not yet been able to carry out detailed modelling in order to determine the households and the amount for targeted support, however it is worth noting that we will continue to use our poverty dashboard to help inform this work as we have done previously.
- 7.3 The aims of our proposed scheme will therefore continue to strike the right balance between providing targeted support to those we identify as most in need whilst also retaining a proportion of the funding for open applications to those who fall outside of the targeted award criteria but nevertheless are struggling.
- 7.4 [The draft policy for HSF4.](#)

Financial implications:

The financial details are contained in the report, the costs associated with the scheme being proposed is to be met direct from Government funding.

Legal implications:

What is proposed is within the authority of Cabinet to agree and the policy appears reasonable. Members must have regard to the equalities impact position in terms of discharging the public sector equality duty. Otherwise there are no legal implications requiring comment