

EXECUTIVE

13th October 2022

Report Title	Household Support Fund (HSF) 3
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Lead Member	Cllr Jason Smithers, Leader of the Council

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

Appendix A – Department for Work and Pensions (DWP) Final Guidelines HSF3

1. Purpose of Report

- 1.1 The Household Support Fund 3 scheme has been announced by government and the final version of the guidelines from DWP have been distributed attached **Appendix A**). Distribution options were proposed to officers (see section 5.1) for the period between October 2022 and March 2023.
- 1.2 The report sets out several options to complement the Public Health: Health and Wellbeing Strategy and indicates how the scheme could be delivered to maximise appropriate referrals across a wide set of situational needs.

2. Executive Summary

- 2.1 The [Household Support Fund \(3\), announced](#) by the Department for Work and Pensions on the 26th May 2022, is the third version of the Fund, the previous scheme (HSF2) operated successfully between 1st April 2022 and 30th September 2022 across North Northamptonshire.

- 2.2 **DWP Final Guidelines indicate** *“Authorities have the flexibility within The Fund to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility. 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. There may be groups who are vulnerable to rising prices even though they are supported through these schemes, for example large families or single-income families. It is important to stress that The Fund is 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.*
- 2.3 The expectation is that it should primarily be used to support households in the most need with food and energy bills because of the recent cost of living increases. The fund can also be used to support households with essential costs related to those items and other essential household costs.”
- 2.4 The final DWP guidelines have been issued for Household Support Fund 3 and the key changes from Household Support Fund 2 are that there will be no ringfence of any proportion of funding for any cohort of people. Also amongst the changes is a requirement for all authorities to operate at least part of their scheme on an application basis i.e., residents should have the opportunity to come forward to ask for support. There is also an expectation of authorities to particularly consider those groups who may not have benefitted from any of the recent cost of living support.
- 2.5 The latest fund can be delivered to households between 1st October 2022 and 31st March 2023. There is no DWP stipulation of how the funds must be allocated or indeed the recipient cohorts however we know from experience that families on low benefits with children on free school meals are reliant on financial support over school holidays.
- 2.6 North Northamptonshire Council (NNC) has been allocated a sum of (£2,465,491.77). Payment for the grant will be made in arrears, following the submission of an interim MI return by 25th January 2023 for spend for the period 1st October 2022 to 31st December 2022. A final Management Information return will be required showing total spend from 1st October 2022 to 31st March 2023 by 28th April 2023.
- 2.7 The report provides a background to the Household Support Fund and the recommendations section provides the key focus of the type of support that the Unitary is recommending. This support ranges from Children’s Winter Food Support; households who contain employed contributors but who are on low income and do not receive full cost-of-living benefits; to a food and fuel concept which is operated through the voluntary sector and community hubs. Management and oversight will be provided by the Public Health Recovery and Wellbeing Programme Team

3. Recommendations

3.1 It is recommended that the Executive:

- a. Notes that the Household Support Fund (3) investment is to be managed locally.
- b. Approves the Recommended Scope and Diversity of Distribution as set out in section 4 of this report.
- c. Approves the control and oversight approach to be undertaken through a central operational team.
- d. Authorises any funds that have not been assigned or committed to by 31st January 2023, according to the distribution methodology set out in section 4, to be redistributed in line with the wider Department for Work and Pensions Guidelines (attached as Appendix A)

3.2 Reason for Recommendations:

- It is recommended that the Household Support Fund (3) is directed to funding to a lower income sector of the working community, and families with children.
- The recommended option seeks to support eligible families, who have children receiving Free School Meals, through the School Holiday Food awards from October until the end of the scheme
- The option also provides alignment to community engagement activity, community hubs, food banks and support for winter emergencies

3.3 Alternative Options Considered – The Council could choose not to draw down the funds, but this is not recommended as many vulnerable residents would miss additional support at a time when there are increased concerns regarding the cost-of-living increases. In choosing to draw down the funds and by applying the DWP guidelines and local insights there are three options in terms of distribution of funding to the community, 1) through a highly distributed network, 2) via simplified segmentation, or 3) to the lower income sector. For the reasons set out in section 5 of the report, 'Issues and Choices', option 3 is recommended.

4. Report Background

Building on the Success of Household Support Funds 1 and 2

4.1 This report follows on from two successful Household Support Fund (HSF) scheme operating from December 2021 until March 2022 (referenced as HSF1), and April 2022 until September 2022 (HSF2) respectively.

- 4.2 During the operation of HSF 1 we were able to build a highly efficient on-line application portal which enabled residents to self-service their application rather than utilising the voluntary sector set up. Not only did this provide an effective option but it also removed a level of pressure from our partner, Citizens Advice. In total we were able to distribute close to 100k food and fuel vouchers across Northamptonshire and issue all funds provided for, as well as achieving over 82% of the funding going to families with children.
- 4.3 For HSF2 we were able to distribute funds across a number of cohorts; families with children, pensioners who received pension credit and additional funds for these pensioners who were also registered as disabled and households who evidenced that they were suffering poverty for both food and fuel. This last category was distributed, for the first time, by a set of voluntary organisations managed by the Northamptonshire Community Foundation. Each element of the distribution was successfully managed and over 96% of all allocated funds were distributed.
- 4.4 Following the announcement on 26th May 2022 of a third tranche of government funding from the Department of Work and Pensions, Table 1 below sets out our proposed methodology to reach out and distribute just under £2.5m to approximately 15,750 households. This acknowledges the increased hardship that families and individuals may experience over the period 1st October 2022 to 31st March 2023.

Table 1 - Proposed Scope and Diversity of Funds Distribution:

Community Cohort	HSF3 Reference	£ Recommended	Average Award	Distribution Method	Households Supported
Families with Children	Children's Food Support	1,000k	£15 payment per eligible child per week of school holidays	Retail Voucher	Circa 10,000
Working but receiving a low wage	Issued via application to Employed with Low Earnings	1,000k	Payments will be provided to an appropriate level of support to each applicant. The financials used to complete this report assumed an average of £125 x 2. However, this will be adjusted on a case-by-case basis but within the overall allocated funds. The 2 nd payment of the same amount will be pushed automatically to the applicant after 1-3 months to bank details held	Cash to Bank via 2 payments or voucher	4,000
Community Engagement, Identified Household Needs, Food Banks and Winter Emergency Funding	Local community groups and Central Operations Team (to include Food Bank Donations, Emergency Funding and individual bespoke referrals)	500k	Up to £500 per household Up to £20k per food bank and voluntary organisations/charities donation	Cash to Bank or Practical Products via third party or voucher	1,750

- 4.5 Where any funds have not been assigned or committed to by 31st January 2023 in accordance with the distribution methodology in table 1 above, in order to maximise the Council's reach and support to the community, it is proposed to redistribute them in line with the wider Department for Work and Pensions Guidelines (attached as **Appendix A**), and under the control and oversight of the Public Health Recovery and Wellbeing Programme Team, acting as a central operational team.

5. Issues and Choices

- 5.1 There were three options that have been considered by officers:
- 5.1.1 Wider Distribution Option – this option created a wide range of recipients for delivery over the six months of the scheme. It included families with children, households on low income, pensioners, community hubs and donations to food banks. It was felt that this option could be too complex and confusing to residents where applications were required. It was discounted due to feasibility concerns.
 - 5.1.2 Simple Segmentation – this option consolidated many of the recipient types which simplified and enhanced the understanding of the delivery scope. However, it was felt that a greater proportion of the funds should be provided to families with children and households who are receiving a very low income. It was discounted due to a desire to recalibrate the distribution of the funds.
 - 5.1.3 Lower Income Segment – was the preferred option and represents the recommendation within this report. This option rebalanced the funding for families with children and the lower income working segment of the community but also allowed funds to be allocated to the community through food banks, needs analysis, community and family hubs and winter emergencies.
- 5.2 Significant feedback was sought from recipients of the HSF1 and HSF2 schemes who recognised that within the requirement of the scope presented by DWP, their ability to apply for a proportion of the funding was essential. This provided a level of control to the households.
- 5.2.1. The use of an on-line application portal has been developed as this is a requirement of the Department for Work and Pensions. This will be used for applications from the sector who are working but remain on a low salary. Steps have been taken to adjust the design to ensure fraudulent activity is minimised and the application is simple to operate.
 - 5.2.2. The experienced of HSF 1 demonstrated that individual voluntary sector organisations have a limited capacity to meet the level of payment distribution in a short period of time and therefore a number

of voluntary organisations within the food support sector will be provided with funds proactively.

5.2.3 Utilising retail vouchers for some payments of the HSF award provides additional household income and enables fuel or food to be paid for which can offset the normal household bills.

5.2.4 The following table illustrates how the recommended option meets the guidelines and best practices set out by DWP.

DWP Guidelines	Option 3 Delivering to the Lower Income Sector
The Fund should be used to support households in the most need – particularly those who may not be eligible for the other support government has recently made available	MET
There may be groups who are vulnerable to rising prices even though they are supported through these schemes, for example large families or single-income families.	MET
The Fund is 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.	MET
Support which can make a quick but sustainable impact on energy costs is particularly encouraged – for example, insulation of hot water tanks, fitting draft excluders to a door, or replacing inefficient lightbulbs or white goods.	MET
The Fund can also be used to support households with the cost of food and water bills, essential costs related to energy, food and water, and with wider essential costs.	MET
In exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.	MET
Authorities have the ability to deliver the scheme through a variety of routes including providing vouchers to households, making direct provision of food or goods, or issuing grants to third parties (with the exception of grants for advice provision).	MET
Every area must operate at least part of their scheme on an application basis i.e. residents should have the opportunity to come forward to ask for support.	MET

However, support is not restricted only to vulnerable households in receipt of benefits.	MET
Authorities should also use other sources of information to identify vulnerable households, including advice from professionals who come into contact with vulnerable households such as social workers and Supporting Families keyworkers and housing workers.	MET

6. Next Steps

- 6.1 Should the recommendations in this report be approved, the framework for distributing the funds will be set up; the voluntary sector will be engaged fully, internal collaboration will be created with the Revenues and Benefits team, adequate staff will be recruited, the online application portal will be finalised, and the communication and website plan will be finalised.

7. Implications (including financial implications)

7.1 Resources, Financial and Transformation

- 7.1.1 The Household Support Fund is incremental to the base budget for 2022/23. It is recommended that a temporary team is recruited to manage the fund and provide clear distribution controls to be approved formally. The staffing costs will be extracted as Administration Costs from the fund as allowed for in the terms and conditions. All fund monies are expected to be distributed into the community by the end of March 2023.

- 7.1.2 There are no direct resources or financial implications to Council budgets arising from the proposals that are not already covered by the grant.

7.2. Legal and Governance

- 7.2.1 There are no legal implications arising from the proposals

7.3 Relevant Policies and Plans

- 7.3.1 By focusing on the most vulnerable, and those affected by the cost-of-living increases the programme supports the Council's Public Health agenda to increase health and wellbeing within the community, as well as the corporate priorities.

7.4 Risk

7.4.1 Identified Risks are:

1. Excess requests, for use of funds, from the assumptions provided and therefore the grant will be exhausted. The mitigation would include utilisation of the other Public Health funds available as appropriate.
2. Excess funds remain prior to the closure of the scheme. The mitigation would provide weekly tracking of the funds run rate and as the distribution rate is modelled early contingency arrangements can be put in place
3. Duplicate requests may be received. The mitigation will be in the form of a control record, held at the centre, of all beneficiaries receiving the drawdowns from the fund.

7.5 Consultation

7.5.1 Consultation with internal HSF stakeholders has occurred and a formal lessons learnt document has been produced post the closure of HSF (2). Consultation with the various voluntary organisations and Northamptonshire Community Foundation has also been undertaken to provide input to the wider use of the Voluntary Sector. As a result, changes to the application process, the product choice and the back-office procedures have been updated to be more efficient and user friendly.

7.6 Consideration by Executive Advisory Panel

7.6.1 Not applicable as there is no Executive Advisory Panel in place for this scheme

7.7 Consideration by Scrutiny

7.7.1 The Programme will ensure that any requests from the Scrutiny Commission will be responded to, and formal engagement or presentations required will take place.

7.8 Equality Implications

7.8.1 The Equality Screening Assessment documentation was provided by the Household Support Fund management during June 2022. This will be reviewed for any changes to the distribution of funds since that period

7.8.2 The protected characteristics that are afforded protection against less favourable treatment within the Equality Act (2010) have been considered in the Equality Screening Assessment documentation produced.

7.8.3 To ensure that Officers are making informed decisions, all proposals requiring approval or consultation must have an Equality Screening Assessment completed. The Equality Screening Assessment provides evidence that the impact of the proposal on equality groups has been considered. This is also a requirement of the Equality Act (2010). The outcome of the initial assessment shows that there is minimal possibility of a negative impact on one or more equality groups.

7.9 Climate and Environment Impact

7.9.1 There are no specific impacts relating to the recommendations in this report.

7.10 Community Impact

7.10.1 The community will benefit significantly from this Programme. Additional funds will support those who are experiencing severe financial hardship during the winter period and working with voluntary organisations will enhance the co-ordination of the many referral teams within the council and external.

7.11 Crime and Disorder Implications

7.11.1 No implications identified.

8. Background Papers

8.1 None

