

EXECUTIVE

16th June 2022

Report Title	Household Support Fund (HSF) 2
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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

None

1. Purpose of Report

- 1.1. The Household Support Fund 2 (£2.465,491.77), which has been provided via the Department for Work and Pensions (DWP), for distribution across households in North Northamptonshire will be issued, via various packages, to eligible families and individuals in specific financial hardship. Available funds must be issued by 30th September 2022. The report sets out the local strategy and how the scheme will be delivered to maximise appropriate referrals across a wide set of situational needs.

2. Executive Summary

- 2.1 The Household Support Fund (2), announced by the DWP on the 31st March 2022, is the second version of the Fund, The first (HSF1) operated between 1st December 2021 and 31st March 2022 across North Northamptonshire.

- 2.2 Thérèse Coffey, Secretary of State for Work and Pensions, said: *“We have always provided help to those who need it and extending this fund is another commitment to support people with the cost of living. We know the pressures many are currently facing, especially pensioners and families with children, which is why this fund targets support to the most vulnerable households across the country.”*
- 2.3 The DWP has given local authorities a wide discretion on how these funds should be used, which is to support those most in need of financial support. *“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 household items and other essential household costs.”*
- 2.4 The latest fund guidance advised that the funds could be delivered to households between 1st of April 2022 and 30th September 2022, although approval timescales did not allow for this. In HSF (1), there was a stipulation that a minimum of 50% of the fund must be used to support families with children. However, in HSF (2) we have been advised to split the fund; one third to families with children, one third pensioners and the final third to households demonstrating severe financial hardship.
- 2.5 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 spending returns to the DWP on 22nd July 2022 (for the period to 30th June 2022) and 21st October 2022 (for the full length of the scheme).
- 2.6 The report provides a background to the HSF fund and the recommendations section provides the key focus of the type of support that the Unitary is recommending. This support ranges from Holiday School Meal Vouchers for the summer holidays; pensioners who are already receiving a Pension Credit and those who are on Pension Credit but also severely disabled. The final category, households demonstrating severe financial hardship, is recommended to be operated through the voluntary sector. This approach will create the opportunity for the voluntary sector, on behalf of NNC, to identify the individuals and families in severe financial hardship which may not otherwise be on the radar.
- 2.7 Management and oversight will be provided by the Public Health Recovery and Wellbeing Programme Team who will ensure that there is a comprehensible reconciliation between vouchers issued and household information captured. As was the case in HSF (1), mitigation of duplicated payments and fraudulent applications is paramount.

3 Recommendations

- 3.1 It is recommended that the Executive:
- a) Note that the Household Support Fund (2) investment to be managed locally

- b) Approve the Recommended Scope and Diversity of Distribution as set out in section 4
- c) Approve the control and oversight approach through a central operational team

3.2 Reasons for Recommendations:

- The distribution of funds must meet the wider communities' financial needs, where other grants and funding are not available
- Where possible the level of duplication of grants for the same purpose must be minimised which is why the in-house team is recommended
- It provides real benefit to underpin the Public Health Wellbeing Programme and aligns to the Recovery and Wellbeing Programme
- The recommended course of action is the most cost-effective.
- The residents of NNC will receive the maximum benefit from the option proposed

3.3 Alternative Options Considered: The option not to draw down the funds was considered; however, this was discounted as many vulnerable residents would miss additional support at a time when there are increased concerns regarding the cost-of-living increases. An option to provide all households claiming Universal Credit with an additional payment from the Fund was also considered, however, as there are 20,000+ on the database the amount predicted to receive per household would be derisory to the current cost-of-living increases.

4 Report Background

Building on the Success of the 2021/22 Scheme

- 4.1 This report follows on from a very successful Household Support Fund (HSF) scheme operating from December 2021 until March 2022 (referenced as HSF1). During the operationalisation 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, the Citizens Advice Bureau. 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.
- 4.2 The table below proposes that approximately 26,770 households within North Northamptonshire will be reached to benefit (the number of people to be supported) which acknowledges the increased hardship that families and individuals may experience over the period June 2022 to September 2022. The

proposal also reflects the national governments desire to maintain the school child holiday meal system, at least until the start of the new school year.

Proposed Scope and Diversity of Funds Distribution:

	NNC	Notes
DWP Grant Allocation	£2,465,491	As published by DWP on 31.3.22
Unused Vouchers Recycled	£405,880	NNC previously purchased vouchers that have not been redeemed and now expired <i>See note 5.3</i>
Total Funds Available	£2,871,371	To be distributed by 30.9.22
Summer School Holiday Food Vouchers	£1,217,640	10,147 @ £20 school holiday food vouchers for children on Free School Meals for 6 weeks. <i>See note 5.3</i>
Pension Credit Recipients	£652,300	£100 payment for each recipient (6,523)
Pension Credit Top Up for those with severe disabilities	£105,000	£50 payment top up for each eligible recipient (2,100)
Payments to households suffering severe financial hardship identified through the voluntary sector	£822,467	Maximum of £100 voucher to over 8,000 households in severe financial hardship via an energy or food voucher
Grant Administration	£ 73,964	Estimated at 3% (maximum 5%)
Total Funds Distributed	£2,871,371	

5 Issues and Choices

5.1 Whilst constructing a set of 'determining rules' for the recommended distribution of the HS fund we maintained the clear mandate from DWP that:

- 33.3% of funds must be received by families with children
- 33.3% of funds must be received by pensioners
- 33.3% of funds must be received by households demonstrating severe financial hardship

This distribution is in line with the DWP Guidelines issued on 31.3.22

- 5.2 Choices were made by the NNC Executive Leadership Team regarding each category of funding. The driving principle was to establish the widest spread of households receiving the fund plus ensuring the most effective and efficient way of providing the payment to the recipient. This related to a 'push' approach for an existing registered cohort of households (i.e., Free School Holiday database, Pension Credit database) and a 'pull' approach for applicants who would apply into the fund and where eligibility was assured (i.e., voluntary sector applications)
- 5.3 Additional funds have been identified from previous vulnerable Household support schemes. It has been agreed by DWP that we are able to recycle these funds into HSF2 and we await final written authorisation. If formal approval is not forthcoming this could reduce the 6-week holiday food payment back to 4 weeks.
- 5.4 Significant feedback was sought from recipients of the HSF1 scheme 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 an additional level of financial control to the households.
- 5.5 The use of an on-line application portal provides a higher degree of throughput than the face-to-face application process, however, during HSF 1 some fraudulent activity was seen on this channel. Steps have been taken to mitigate this going forward.
- 5.6 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. Therefore, for HSF2 it is recommended that a Northamptonshire VCSE supports the distribution on behalf of NNC across several charities. Capacity of managing the applications, through the voluntary sector, has been taken into consideration and any risks identified where applications are delayed, will be monitored and managed immediately.
- 5.7 Utilising supermarket vouchers for the payment of the HSF2 award provides additional household income and enables fuel or food to be paid for which would have the benefit of offsetting the normal household bills.

6 Next Steps

- 6.1 Should the recommendations in this report be approved, the framework for distributing the funds will be finalised; the voluntary sector will be engaged, internal collaboration will be created with the Revenues and Benefits team, adequate staff will be trained, and the communication, social media and website plan will be finalised.
- 6.2 The anticipated timelines for implementation and distribution of funds are as follows:

Distribution Category	Dependencies	Expected Distribution Timeline
Summer School Holiday Food Vouchers	Anticipated to deliver vouchers to schools 2 weeks prior to July holidays	Mid July (no application required)
Pension Credit Payments	Anticipated to deliver payments following the data migration from NNC Revenues and Benefits systems	End July (no application required)
Financially Vulnerable Household Food/Fuel Vouchers	The Expression of Interest procurement process, to identify a viable VCSE, concludes 13 th June. On-boarding the partner and setting up systems and processes will require circa 5 weeks.	End July/Early August

7 Implications (including financial implications)

7.1 Resources, Financial and Transformation

7.1.1 Household Support Fund is incremental to the base budget for 2022/23. It is recommended that a temporary team continues in order to manage the fund and provide clear distribution controls to be approved formally. The staffing costs will be extracted from the fund as allowed for in the terms and conditions. All fund monies are expected to be distributed into the community by 30th of September 2022.

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, the programme supports the Council's levelling up agenda, as well as the corporate priorities.

7.4 Risk

7.4.1 Identified Risks:

- 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 funds available as appropriate
- 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.
- Capacity of the voluntary sector could prove to be insufficient in dealing with the volume of applications over a short period of time. The mitigation is to undertake capacity modelling in advance of go-live and continuous monitoring.

7.4.2 There are no other significant risks arising from the proposed recommendations in this report.

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 (1). Consultation with the Citizens Advice Bureau has also been addressed to provide input to the wider use of the Voluntary Sector. As a result, changes to the application process 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 no Executive Advisory Panel is in place for this scheme

7.7 Consideration by Scrutiny

7.7.1 Not applicable for this report although the work undertaken could be part of the scrutiny work programme.

7.8 Equality Implications

7.8.1 The Equality Screening Assessment documentation was provided by the Household Support Fund management during November 2021. This will be reviewed for any changes to the distribution of funds since that period although the DWP provide the guidelines for NNC to follow

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 Impact

7.9.1 Nothing specific relating to the recommendations in this report

7.10 Community Impact

7.10.1 The community impact will be extremely positive. Care will be taken when referrals are assessed to ensure that if the Household Support Fund is not appropriate that other funds/packages are identified and signposted where possible. Communication across the community regarding the fund, the purpose of the fund and where advice can be sought will be critical to the success of accessing the support. The communication and website plan is under construction.

7.11 Crime and Disorder Impact

7.11.1 No implications identified.

8 Background Papers

8.1 Household Support Fund Determination, DW&P (31.3.2022) [HSF DWP Guidelines 31.3.22](#)