

Title of report: Household Support Fund 6

Decision maker: Cabinet member finance, corporate services and planning

Director of Finance

Decision date: 18 November 2024

Report by: Talk Community

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

To accept the Household Support Fund allocation from the Department of Work and Pensions. To also approve the local eligibility approach for allocation of the funding for the Household Support Fund.

Recommendation(s)

That:

- a. The Household Support Fund allocation of £1,329,601.78 grant funding from the Department of Work and Pensions for October 2024 to March 2025 is accepted;**
- b. The local eligibility principles for allocation of the funding, as set out in paragraph 8, are approved;**
- c. Application of the principles of local eligibility as set out in this report is approved for any further extensions of the Household Support Fund, subject to any additional guidance issued by central government; and**
- d. All operational and budgetary decisions in accordance with the local eligibility criteria regarding this scheme be delegated to Talk Community Lead.**

Alternative options

1. Not to accept the allocation and a local eligibility framework and approach for the Household Support Fund (HSF) scheme. This is not recommended. The HSF is to be used from 1 October 2024 to 31 March 2025, to support vulnerable households. This is a key decision as the council will be incurring expenditure over £500,000 and it will impact on a significant number of residents within the county. Approval is therefore required for the framework and approach. Without approval, the council will be unable to incur the expenditure of the grant allocation of £1,329,601.78 for Herefordshire
2. To use all the funding allocation exclusively on those identified through means-tested benefits identified through data from the Department of Work and Pensions (DWP). This is not recommended. The expectation is that the HSF should be used to support households in the most need, particularly those who are not eligible for the other government support recently made available, but who are nevertheless in need. The flexibility of the HSF and the local eligibility framework will enable support to be provided to those on low incomes who do not qualify for means-tested benefits.
3. To use all the funding allocation exclusively on those who are on non-means-tested benefits. This is also not recommended. There may be those on means-tested benefits, who despite the level of support received through the government's cost of living package of support, are vulnerable to rising prices, for example large families with children of all ages, households with a disabled family member or single income families.

Key considerations

4. On 17 November 2022, the government announced a package of measures to help households facing increased living costs, including an additional £421 million for the Household Support Fund (HSF). This extension now covers the period from October 2024 to March 2025. The HSF is designed to support vulnerable households most affected by rising living costs and is available to County Councils and Unitary Authorities across England. In a grant determination letter dated 24 September 2024, the Department for Work and Pensions (DWP) confirmed that the council has been allocated £1,329,601.78 for this six-month period.
5. The HSF 2024/25 is part of a broader package of central government measures aimed at supporting households experiencing financial hardship, due to the rising cost of living. The council received £1.3 million for the period 1 April 2024 to 30 September 2024. The funding was used as follows:
 - a) Food Vouchers have been provided for children entitled to Free School Meals throughout the May Half term, summer holidays and October half term. The vouchers are based on £15 per

week for each week of the holidays. Schools organised distribution directly with eligible families, supporting over 4,700 children (c. £570,000.00).

b) Support has been provided to Voluntary and Community Organisations with money allocated to a number of local organisations to support residents who are struggling to pay essential bills as a result of the cost-of-living increases. Around £490,000.00 was awarded to these organisations, who were able to support households with fuel payments, energy bills, home energy packs; provide food parcels / food vouchers; support households with wider household essentials, such as white goods and slow cookers and advice services.

c) Community Support ('WoW' Sessions): Local community organisations ran "WoW" sessions, which provided meals, activities, and information to support families in need.

d) Food vouchers were allocated to families in need who had not received any support from the Household Support Fund. A total of 27 schools participated in this initiative, identifying families with school-aged children who were in financial difficulties despite not meeting the eligibility criteria for free school meals.

e) Low-income pensioners: Supermarket vouchers were provided to pensioners on Pension Credit, those receiving council tax relief and housing benefit but not Pension Credit, and households with a gross income of less than £21k (single) or £28k (couple) not receiving means-tested benefits.

f) Urgent Financial Assistance: Emergency support for food, heating, and essential household items was made available through customer services and the Local Welfare Provision team for individuals in urgent need.

g) Support for Families with Young Children: Families with children under five in financial need received supermarket vouchers and a 'financial health check' from the Citizens Advice Bureau (CAB).

h) Individuals with a long-term respiratory health condition and living in cold homes could access financial support and advice with heating their homes.

i) Households with individuals that are reliant on high energy consuming equipment to support their health needs and required financial support could access a one-off payment to help with energy bills.

j) Financial and Debt Advice: Funding was provided to Community Money Advice centres to ensure vulnerable residents had access to debt, benefits, and financial advice. An advisor from the Citizens Advice Bureau was also funded to assist food bank recipients.

k) Administration of the scheme was kept to a minimum by all parties (less 5% across the scheme), so that direct benefit to households could be maximised. The Talk Community Money on Your Mind website has also played a pivotal role in providing information on organisations like Citizens' Advice and Money advice centres as well as others who may be able to help.

6. The expectation for the next round of the HSF covering October 2024 to March 2025, is that it will provide crisis support to vulnerable households with the cost of essentials. This will particularly target those who may not be eligible for other recent government support but are still struggling due to the increased cost of living. Further information and details and eligibility for this other government support can be found in Appendix A. Local authorities have discretion on how the HSF is used within the parameters set out in the grant determination letter and guidance. 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, larger families, single-person households and those struggling with one-off shocks or

unforeseen circumstances. The HSF can be used to support households with the cost of food, essential expenses related to energy, food and water, and other necessities. In exceptional cases of genuine emergency, it can also be used to support housing costs where existing housing support schemes do not meet this need.

7. While the guidance for this new HSF period is largely similar to the previous round (April 2024 to September 2024), a few key updates have been made. The DWP still requires application-based support to be delivered through the scheme and clearly advertised to residents for most of the funding period. A portion of the funding may be used for supplementary advice services, including debt, benefit, or employment advice, though expenditure on such services is expected to be limited and directly linked to the provision of practical support. A notable addition to the new guidance allows funding to be used for preventative support, which aims to prevent poverty, build community resilience, and help residents avoid falling into crisis or worsening financial hardship.
8. The local eligibility framework for the HSF incorporates the requirements specified in the DWP guidance and is based on the following main principles;
 - a) Support to individual households will include vouchers and other payment methods, making direct provision of food or other goods as well as issuing grants to third parties to enable them to provide support to individual households in the same manner;
 - b) For direct provision to an identified mass cohort, such as vouchers for children eligible for free school meals a standard amount will be paid to each household. In addition to other support, households may receive a financial benefit deemed appropriate for each recipient. This benefit should not exceed a total of £600 per household for the duration of the Household Support Fund (HSF) from September 2024 to March 2025, unless there are exceptional circumstances, in which case prior approval is required.
 - c) The council's Local Welfare Provision service already operates an emergency application scheme. During the HSF period, additional resources will be provided through customer services to support this function.
 - d) In addition to using DWP data, the council will draw on other available data sources and work with third-party organizations and schools to identify vulnerable households. This includes low-income families, pensioners, unpaid carers, care leavers, and disabled people, especially those vulnerable due to rising utility costs.
 - e) Outside of direct awards for free school meals, no means test or benefit check will be required, but there must be an assessment of genuine need before financial assistance is provided. Herefordshire Council and its partners will particularly focus on supporting households who are ineligible for other government cost-of-living support. There will be no single definition of a vulnerable household, as services will assess vulnerability and set criteria based on individual circumstances.
 - f) Eligible spend is for essential household costs as detailed in the full guidance for the [HSF September 2024 to March 2025 issued by the DWP](#). This local eligibility framework should be read alongside the guidance. All services and partners involved in the delivery of the HSF will be required to pay 'due regard' to the public sector equality duty in the delivery of services funded through HSF.

Area of Support	Proposed framework of support to include
Food excluding FSM support	Support provided by foodbanks / other emergency food providers / specialist support agencies / community organisations / schools in term time. Local welfare provision.
Free School Meals support in the holidays	Vouchers worth no less than £75 to be provided via schools for each child entitled to FSM during the school holidays within the period (Christmas holidays, February half term and Easter holidays)
Support for energy and water	Households supported by third party organisations for direct financial support to alleviate fuel debt.
Support for wider essentials linked to energy and water	Households supported by third party organisations and local welfare provision to include energy efficiency measures which will result in ongoing savings for the household.
Support for wider essentials	Households supported by third party organisations and local welfare provision for support for essential household items to include help with essential transport related costs.
Support for groups vulnerable to rising prices	One-off support to vulnerable groups, in particular those that may be facing acute challenges due to disproportionate impact that rising costs bring for additional services.
Support for housing costs	Households supported by third party organisations and internal service areas for limited support with housing costs as prescribed in the DWP guidance.
Advice services	Households have access to local community money advice centre and a HSF advisor through the Citizens Advice Bureau.
Emergency support	To be provided by Herefordshire Council's local welfare provision and customer services, through an application process.
Preventative support	Vulnerable groups to be identified using community engagement services and a preventative service implemented, where possible, to support them.

Community impact

9. According to the Annual Fuel Poverty statistics for 2023, there are estimated to be 13% (3.17million) of households in the UK in fuel poverty. In Herefordshire fuel poverty in 2019 was higher than England's 13% average. This is likely to be a substantial under-estimate. More current estimates, based on data from the End Fuel Poverty Coalition and taking into account the government's recently announced energy price cap, indicate that about 7 million UK households (24.5%) are likely to be in fuel poverty in October 2022 (about 16.5 million people). Due to its rurality and housing stock, this percentage may be higher in Herefordshire. This takes into account a number of risk factors for fuel poverty and excess cold: there are a higher proportion of detached houses (40%) compared to England (23%); many houses were built pre 1,900 (39% compared to 8% nationally) and may be expensive and inefficient to heat; and 14,300 Herefordshire homes (17%) are deemed to have an excess cold hazard compared to 3% for England.
10. The HSF will provide additional financial relief to the most financially disadvantaged households in Herefordshire. By fully utilising the available government funding, this initiative will have a positive impact on the community by minimising the debt burden on those that struggle to pay essential bills. Additionally, the HSF will complement other forms of government support, energy supplier assistance, and locally available advice. It is important that HSF works in conjunction with this wider network of support to maximise its effectiveness.

Environmental Impact

11. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
12. Whilst this is a decision on back-office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy

Equality duty

13. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
14. Due to the scope of this project and its potential impact on certain protected characteristics, an Equality Impact Assessment (EIA) is attached as an appendix to this report.
15. In summary, this project impacts on protected characteristics as follows:
 - a. Age - Pensioners who are just above the pension credit threshold will be eligible for support for their heating over the winter months. Working with Age UK will enable us to identify those pensioners most in need.
 - b. Disability - Services within the council that work with disabled people in receipt of adult social care services will be asked to identify households in need of support financially to help reduce the impact of increasing energy costs.
 - c. Pregnancy & Maternity - Parents identified by professional colleagues, who need financial support to pay for essentials related to children, for example, nappies, formula milk, clothing, or food.

- d. Other: Carers, care leavers, homeless, economic deprivation - Services within the council that support unpaid carers will be consulted with to consider how financial support can be offered to households most in need.
16. This EIA did not identify any negative impacts at this time. Any future negative impacts will be reviewed and mitigated accordingly.

Resource implications

17. The HSF is provided to local authorities as a section 31 grant of the Local Government Act 2003 by the DWP. The HSF allocation of £1,329,601.78 grant funding from the DWP has been made to the council for spend during the period October 2024 to March 2025. The definition of spend includes grant funding that has been provided to vulnerable households, within the scope of the eligibility criteria and within the period of the scheme 1 October 2024 to 31 March 2025. Spend also includes 'committed spend'. For the purpose of this scheme committed spend relates to grant funding that has been spent and delivered to vulnerable households even though the vulnerable household may not have used their grant funding. There is an expectation that the household will have used the grant within a reasonable timeframe.
18. An allowance of 5% which equates to £66,500 has been estimated within the total allocation for all administrative costs associated with the scheme, which leaves £1,263,101.78 available to support vulnerable households. Reasonable administrative costs include staff costs, advertising, and publicity to raise awareness of the fund and IT charges.
19. Although this is considered an extension to the previous five HSF schemes, it is a new grant subject to its own grant conditions as is set out in the Grant Determination letter. Any underspends from the previous schemes cannot be carried forward.
20. Funds should be spent or committed before 31 March 2025 and cannot be carried over for future usage.
21. The HSF is paid in arrears on receipt of satisfactory claims, the interim statement of grant usage is due in March/April 2025 and Jun/July 2025 the final statement by end of April 2025.

Legal implications

22. There are no specific legal implications arising from the proposal, however the council will need to ensure compliance with any grant conditions and ensure any subsidy control requirements are met.
23. The council must have a clear basis for the objective assessment of eligibility and of genuine need.

Risk Management

Risk / Opportunity	Mitigation
Managing the risk of fraud	As with any welfare payment there is a risk of fraud as recipients might appear to be eligible when they are not. To help mitigate this risk services and partners already have well established systems to help identify genuine need. The council will carry out due diligence checks with any third-party organisation helping to deliver the scheme, including information on how applications for support will be assessed. They will carry out due diligence checks with residents applying for emergency welfare support. Wherever possible financial support will not be a direct cash payment.
Overspend / Underspend of the HSF	The HSF will be closely monitored including close liaison with any third-party organisations delivering support through the scheme. There is contingency amount included in the budget to consider unforeseen expenditure, as well as some flexibility at the end of the scheme for funds to be committed to be spent within a month of the scheme ending.
Not reaching vulnerable households most in need	The local authority will work closely with partners and colleagues, internal and external, to support the identification of the harder to reach households and promote the opportunity to refer such households to the council services and the third-party organisations delivering the scheme.

Consultees

24. Due to the short lead in time for HSF6, it has not been possible to conduct extensive consultations. However, the cabinet member for Finance, Corporate Services and Planning has been involved in developing the recommendations and content of this report. There has also been some consultation internally and with some external stakeholders who support vulnerable households, especially those third-party organisations which have had a key role in supporting the HSF between April 2024 to September 2024.
25. A political group consultation was undertaken on 16 October 2024 with 11 councillors taking part. The councillors represented a number of parties including Conservatives, Liberal Democrats, Green and Independents. The councillors that attended were all in support of the approach.

Appendices

Appendix A – [Cost of Living Payments 2022 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Appendix B – Equality Impact Assessment

Background papers

None Identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 22/10/2024
Finance	Judith Tranmer	Date 22/10/2024
Legal	Sean O'Connor	Date 21/10/2024
Communications	Luenne Featherstone	Date 23/10/2024
Equality Duty	Harriet Yellin	Date 28/10/2024
Procurement	Carrie Christopher	Date 24/10/2024
Risk	Jessica Karia	Date 29/10/2024

Approved by Rachael Sanders Date 05/11/2024