

## TRAFFORD COUNCIL

**Report to:** Executive Member for Finance and Governance  
**Date:** 19 October 2021  
**Report for:** Decision  
**Report of:** Corporate Director of Adult Services and Wellbeing and Director of Finance and Systems

### Report Title

**Household Support Fund**

### Summary

The Government has announced a new Household Support Fund (HSF) of £421m nationally and will provide grant funding of £1.458m to the Council for the period 6 October 2021 to 31 March 2022. This has to be used to provide support to households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs this winter as the economy recovers.

All funds must be spent or committed by 31 March 2022.

At least 50% of the total funding must be spent on families with children and up to 50% to be used to assist other households.

In terms of type of support, the expectation is that the HSF should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with essential costs related to those items and wider essential costs as defined within the schemes government guidance.

The timescales are short to deliver the scheme, with the October school holidays fast approaching, the end of furlough, increasing fuel bills and the removal of the additional Universal Credit payment, therefore this paper sets out the options open to the Council on delivery of the HSF through existing operational structures.

The Council has to set out to the Department for Work and Pensions (DWP) its delivery plans by no later than 29 October 2021 in order to secure the full funding.

### Recommendation(s)

That the Executive Member

- a) Approve the use of Household Support Fund grant as proposed in the report;
- b) Approve the scheme delivery proposals contained in the report;
- c) Approves the urgency provisions in respect of this decision as detailed in the report; and
- d) Approves, based on the urgency provisions that this decision shall not be subject to the call in process.

Name: Louise Shaw

## Background Papers: DWP Household Support Fund Guidance

Relationship to Corporate Priorities	Children and Young People Improving health and wellbeing of residents. Targeted Support
Relationship to GM Policy or Strategy Framework	Public Health GM Poverty Strategy
Financial	The government has provided funding of £1,458,074 to fully cover the cost of the scheme, including relevant administrative costs within the funding as appropriate.
Legal Implications:	None
Equality/Diversity Implications	There are no adverse effects as there are a range of options to support individual circumstances and available to all residents to apply for support
Sustainability Implications	None
Carbon Reduction	None
Resource Implications e.g. Staffing / ICT / Assets	Additional resources will be required but can be absorbed within existing resources
Risk Management Implications	Automated systems and cash options increase the risk of fraud and error
Health & Wellbeing Implications	The proposals are intended to increase the health and well-being of Trafford residents.
Health and Safety Implications	None

## **1.0 Background**

- 1.1 The Household Support Fund (HSF) has been made available to Local Authorities to support those most in need this winter during the final stages of economic recovery. Trafford's grant allocation is £1.458m and covers the period 6 October 2021 to 31 March 2022.
- 1.2 The expectation is that it should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with wider essential costs. The fund is not restricted to households in receipt of benefits, but must be a 'vulnerable household'.
- 1.3 This is a discretionary scheme and therefore it is up to each local authority to determine how to administer the scheme through a variety of routes including providing vouchers to households, making direct provision of food or issuing grants to third parties (with the exception of debt advice provision).
- 1.4 At least 50% of the funding is for vulnerable households with children, with up to 50% support for households without children, including individuals.
- 1.5 Eligible spend includes food, energy and water, essentials linked to energy and water, wider essentials and, in exceptional circumstances, housing costs not met through any other existing schemes (mortgage costs are excluded). Reasonable administrative costs for administering the scheme are also eligible costs.
- 1.6 There are compulsory reporting requirements in respect of HSF schemes. The Council must confirm how the Council plans to utilise the HSF funding to the Department for Work and Pensions by 29 October 2021 to secure funding.

## **2.0 Household Support Fund (HSF) Scheme Delivery Options**

- 2.1 Due to the immediate need in terms of: determining a scheme delivery plan; delivering the HSF to vulnerable households; as well as the funding being made available for a short term 6 month period only, the proposal is to utilise a combination of existing operational and partnership structures, together with established staffing arrangements and software systems, to ensure a viable scheme delivery model.
- 2.2 The proposal is to deliver HSF grant funds using a combination of the following scheme delivery options:-
  - a) Continue to provide awards for food to Free School Meal (FSM) and Council Tax Support (CTS) to eligible families during October, December, February and Easter holidays; and
  - b) Change the existing Trafford Assist (TA) scheme to include a HSF element and increase the number of awards available to vulnerable households, including individuals, to support with food, energy and water bills; and
  - c) Fund the Community Hubs to provide wider support for household essentials to all vulnerable households not covered in the Council's schemes; and
  - d) Fund a discretionary housing costs scheme via HOST to prevent households in rent arrears from becoming homeless.
- 2.3 Further details on each delivery option is provided below:

### **2.3.1 FSM and CTS Eligible Families – Awards for Food**

The Council has been running a successful food voucher scheme each school holiday since December 2020. Under the voucher scheme, supermarket vouchers with online shopping options are issued via the schools at the value of £15 per child. The scheme also provides

vouchers of the same value to families with children not in school settings and/or in receipt of CTS but not FSM eligible.

Since May 2021, the Council has offered each eligible family the option to swap the voucher for a cash alternative paid by BACs, although take up of the cash alternative has been very low. This is a successful established scheme and it is therefore proposed, given the short lead-in time before the upcoming October half term holidays, to distribute HSF Funds via this delivery option.

It is proposed that HSF funding be used to enable awards for food to Free School Meal (FSM) and Council Tax Support (CTS) eligible families to continue on a cash-first basis for the remaining school holidays up to and including Easter.

The HSF funds could be awarded by either:-

- using the Trafford Assist (TA) software involving an application process for all claimants each school holiday as bank details would need to be collected and eligibility could change; or
- a Paypoint voucher could be automatically issued, however this would require the household to exchange for cash at a Paypoint outlet. There would be an additional cost of this option of £2 per voucher;

Alternatively, should eligible families prefer supermarket vouchers then this option will also be made available using a manual back office process.

The cost of providing HSF funding support over the following holiday periods in October, December, February and Easter school holidays is a combined cost of c£615k, based on an award of £15 per child. This increases by c£82k if Paypoint vouchers are chosen as the delivery method, therefore it is proposed to make HSF cash awards to FSM and CTS eligible families for food using the TA system which will involve households having to make an on-line application or to provide supermarket vouchers where a preference for such is confirmed.

The value of the food award could be increased from £15 per child to any amount within the funding envelope of £1.458m, however, food is only an element of what the funding is intended for and with fuel costs rising and the non FSM/CTS cohort eligible to apply. It is proposed that the £15 per week per child for the food element is maintained but with an additional payment at Christmas of an additional £15 per week per child during the December holidays, this increasing the 2 weekly award from £30 to £60 per child. The cost of the Christmas bonus would be c£204k.

### **2.3.2 Awards for Food, Fuel and Water Bills – All Vulnerable Households**

It is likely over the winter that the largest spend increase for vulnerable households will be for fuel with the expectation of increasing prices for most households. This area is covered by the current TA scheme but it is proposed to widen the support available under the TA scheme to include water bills, which are eligible for funding through the HSF.

The existing TA scheme allows for 2 applications per household within a 12 month rolling period. Successful applicants receive a Fuel award of £20 per household, increasing to £30 between November and February. Food awards are dependent on household size - £20-£40 per household. As at the end of August, the TA scheme had supported 1,760 food and/or fuel applications at a cost of £80k since the start of the financial year. Assuming numbers will remain for the remainder of the year the current scheme will spend within the existing TA budget.

To supplement the existing TA scheme, which is a cash first scheme with awards delivered via BACS, it is proposed to increase the number of awards a household can receive with further support for food, fuel and water bills. Given the anticipated demand for the HSF from

new applicants as well as previous TA applicants who may have already received 2 awards, it is proposed to increase the number of awards to 3 for applications made by the end of January 2022.

There are currently approximately 4,400 households who benefit from the support for food during the school holidays. Assuming the existing TA cohort is included in this number then this would indicate a potential 9,680 new claims over the period as follows:-

- Existing TA scheme applicants 1,760 – one further claim
- New applicants 2,640 (FSM and CTS eligible families) x maximum of three claims = 7,920 claims

Based on take up from potential claimants of approximately 80% and using an average award covering food, fuel and water of £80, this would equate to £589k.

It is very difficult to identify a cost to making this change as it is a demand led service, awards are dependent on household size and composition and there is a review and appeals procedure in place. However, based on the assumptions from spend to date, and assuming the FSM and CTS cohort would also apply for additional support, the estimated cost is anticipated to cover the remaining HSF funding, but this will be closely monitored.

It is proposed that an HSF award of £20 for water bills will be made to eligible families via this process. It is also proposed that the Council will assess HSF resources at the end of January 2022 and where resources remain available, propose to extend delivery of HSF funds via this delivery option for a further period.

#### 2.3.4 **Community Hubs Funding for Wider Essentials**

The Community Hubs continue to be a valuable asset across Trafford and they have confirmed that they would support the delivery of the HCF for wider essentials not covered by the Council's schemes, i.e. support towards school uniforms, access to white goods, flooring this list is not exhaustive. It is recommended that £30k of the HSF funds be made available to the Community Hubs for wider essentials.

#### 2.3.5 **Housing Costs in Exceptional Circumstances**

The guidance states that the fund can be used towards housing costs (excluding mortgage costs) in exceptional circumstances and where existing housing support schemes do not meet this need. HOST could set up a discretionary fund to prevent households in rent arrears from becoming homeless. It is proposed that that £20k of the HSF funds be made available to HOST for this.

#### 2.3.6 In summary the proposed use of the HSF funding is as follows:-

	£000
Awards for Food during the school holidays for families eligible for FSM or CTS (up to and incl Easter 2022)	615
Temporary increase in December	204
Awards for fuel, water and food - for all vulnerable households (max 3 claims)	589
Community Hubs support	30
Support for housing costs	20
Total	1,458
Allocation	1,458

**3.0 Other Options**

- 3.1 The Council could decide not to create a Household Support Fund and return the funding to central government, but that would mean depriving Trafford's vulnerable households of a combined c£1.458m financial support at a time when they are most in need.

**4.0 Urgency**

- 5.1 The report is submitted to the Executive Member for Finance and Governance and the Executive Member for Communities and Partnerships on an urgent basis.
- 5.2 A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.
- 5.3 This report should be considered as 'urgent business' and the decision exempted from the 'call-in' process for the following reason(s):-
- The change is required to be in place as soon as practicable to financially support the most vulnerable households due to the economic climate impact, rising energy costs and Universal Credit reductions;
  - Any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests;
  - An urgent decision is required to enable the Council to adopt the new scheme in time to fund the October half-term school holidays and allow expenditure plans to be provided to the Department for Work and Pensions by the deadline of 29 October 2021.
- 5.4 The report and urgency of the key decision have been reviewed by the Chair of the Scrutiny Committee on 20 October 2021 has agreed that the decision should not be delayed until the next meeting of the Executive and not subject to call-in.
- 5.6 It is proposed therefore, that the decision contained in this report is therefore deemed to be urgent and cannot be reasonably deferred. It is also proposed that the decision, based on urgency provisions, is not subject to call-in to allow the Council to administer discretionary scheme funds without any delay.

**Reasons for Recommendation**

- There is an urgency to ensure that funding support can be delivered to support families in receipt of free school meals in time for the October half term, and for all other vulnerable households who need financial help as soon as possible.

**Key Decision** : Yes

**If Key Decision, has 28-day notice been given?** No (see 'urgency of decision')

**Finance Officer Clearance** GB.....

**Legal Officer Clearance** DS.....

*G. Bentley*

**DIRECTOR'S SIGNATURE** .....

To confirm that the Financial and Legal Implications have been considered and the Corporate Director has cleared the report prior to issuing to the Executive Member for decision.