

Report to Emily King, Assistant Director (Communities)

July 2022

Household Support Fund

Report by James Skilling Category Manager – Resources

Electoral division(s): All

Summary

On 23 March 2022, the government announced in the Spring Statement that the Household Support Fund (HSF) would be extended from 1 April 2022 to 30 September 2022 to support those most in need to help with significantly rising living costs.

Local Authorities have discretion on exactly how this funding is used within the scope set out in the accompanying grant determination and guidance however at least one third of the total funding must be spent on families with children and at least one third must be spent on pensioners. In terms of type of support, the expectation is that the HSF extension should be used in a similar way as the original HSF scheme, with a greater emphasis on supporting households with energy bills.

Food and water bills also remain priorities with the funding able to support households with essential costs related to those items and with wider essential costs. 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.

The County Council's share of the grant amounts to £4,870,362.11 which covers the period from 01 April 2022 until the 30 September 2022 inclusive.

To help administer elements of the funding, the Council has completed a procurement process using the Crown Commercial Service (CCS) framework agreement for Voucher Scheme (RM6255) to select a voucher scheme provider; Wonde Limited. The proposed contract term is 24 months starting on 01 July 2022. The contract is initially valued at £1.9m to cover vouchers issued up until the end of the Summer Holidays and other ad-hoc support to households. However, the total value of the contract is subject to continued receipt of government funds and local prioritisation of support and therefore has a capped value of £10m to retain flexibility to mobilise schemes at short notice over the contract period.

The report explains how the funds will be administered.

Recommendations

The Assistant Director (Communities) is asked to approve that;

- (1) the Household Support Funding be distributed as set out in section 2 of this report, in line with Government guidance and subject to Government grant conditions, to support residents experiencing hardship, working in partnership with District and Borough councils.
- (2) the allocation of funds be rebalanced according to the greatest need, in consultation with the Director of Finance, in the event that significant sums are available after July 2022 for any reason including additional allocations of Grant Funding and be reported through the Performance and Resources Report.
- (3) the award of contract to Wonde Limited (Company number 08645640) with a capped value of £10m over the contract term to administer an electronic voucher scheme with vouchers redeemable across a broad range of grocery and non-grocery retailers relevant to the West Sussex area.

Proposal

1 Background and context

- 1.1 At the beginning of October 2021, the Government announced that a new Household Support Fund (HSF) grant will be made available to County Councils and Unitary Authorities in England to support those most in need that winter. This new grant ran from 06 October 2021 to 31 March 2022 and totalled £500m.
- 1.2 On 23 March 2022, the government announced in the Spring Statement that the Household Support Fund (HSF) would be extended to provide the same level of support for the period 01 April 2022 to 30 September 2022.
- 1.3 The County Council will administer the scheme and will receive £4,870,362.11 from The Department for Work and Pensions (DWP) for assistance to a wide range of low income households particularly affected by cost of living increases, including families with children of all ages, pensioners, and other low income households, particularly those who cannot increase their income through work, to prevent escalation of problems.
- 1.4 The latest allocation of Household Support Fund mirrors the previous Government grant allocation received by the County Council to address financial hardship experienced by low income households. The accompanying guidance indicates that although part of an overall extension programme is a new grant and must be strictly utilised with the identified time period with no opportunity to carry forward funds.
- 1.5 The accompanying guidance sets out the required collaboration between DWP, Local Authorities and their delivery partners to successfully meet the policy

intentions within the agreed framework. It also provides the constraints that need to be worked within and the reporting arrangements.

- 1.6 Given the purpose and aims of the grant, this proposal has been worked up in conjunction with District and Borough colleagues and draws upon learning from the last round of Household Support Fund grant distribution as well as experience of community impact and identified areas of priority need related to the effects of the pandemic, economic recovery and financial pressures experienced by the rising cost of living.
- 1.7 The guidance encourages the local authority to work closely with District Councils and other local partners to identify a broad range of vulnerable households across their local area.
- 1.8 Authorities should particularly consider how they can support low income households that cannot increase their income through work, such as pensioners, people with disabilities, unpaid carers and parents of very young children in their area
- 1.9 The County Council has the flexibility within the scheme to identify which persons and households are in most need of support and apply their own discretion when identifying eligibility.
- 1.10 There is a requirement to provide DWP with Management Information to help understand which groups have benefited from grants, the administrative costs and payment assurance.
- 1.11 Since December 2020 the Council has partnered with two voucher scheme providers to help administer grant funds, principally during school holidays for families with a means tested term time Free School Meal entitlement, but also to individuals who are in financial hardship and/or vulnerable circumstances, via the Community Hub.
- 1.12 In April 2021, the Crown Commercial Service (CCS) established a Framework Agreement to help Councils to select scheme providers who can provide multiple merchant closed-loop (vouchers to be used in a single retailer) vouchers.
- 1.13 Given the on-going requirement for a scheme of this type, the Council has run a procurement process using the Framework to select one provider who can best meet its requirement on a cost and quality/experience basis.

2 Proposal details

- 2.1 It is proposed that:
 - a) the Household Support Funding be distributed in line with Government guidance and subject to Government grant conditions, to support residents experiencing hardship, working in partnership with District and Borough councils;
 - b) Accounting and reporting of use of the grant is reported via the Council's Performance and Resources Report; and

- c) a contract is awarded to Wonde Limited to help administer elements of the funding (approx. 40% of the total value of the grant) through the provision of a voucher scheme.
- 2.2 Distribution proposals have been developed to ensure compliance with the requirements and guidance which indicates that at least one third of the total funding will be ring-fenced to support households with children, at least one third of the total funding will be ring fenced to support pensioners with up to one third of the total funding to other households genuinely in need of support. This may include households not currently in receipt of DWP welfare benefits
- 2.3 In terms of the 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 with wider essential costs. 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.
- 2.4 Supermarket vouchers provide an efficient way and secure way to distribute a large volume of support to means tested low-income families in partnership with schools. A sum of £1.63M has been ring fenced from this grant allocation to provide a voucher with £15 value for each Free School Meal (FSM) eligible child to cover six weeks of the summer holiday.
- 2.5 This approach mirrors that taken during school holiday periods in 2020/21 and 2021/22 using previous government grant funding allocations. Calculations have included an assumption of growth in the FSM eligible cohort so as to protect the budget allocation.
- 2.6 The procurement of a single voucher scheme provider will give the Council flexibility to respond to this and future grant allocations and mobilise schemes at short notice and provide schools and other users with a means of ordering and delivering vouchers in a secure way.
- 2.7 The remaining grant will be set against costs resulting from addressing individual, family and household circumstances against the following categories of need as set out in the guidance.
- a. Support for Energy and Water (e.g., electricity bill payment, gas bill payment, oil bill payment, refillable gas canister payment, fuel voucher, water bill payment)
 - b. Support for Food
 - c. Support for Essentials linked to Energy and Water (e.g., white goods; cooker, fridge, freezer, washing machine, tumble dryer, plug in heater, Microwave, Slow cooker, Clothing, Bedding, Home furnishing relating to retaining heat)
 - d. Support for Wider Essentials (e.g., Phone credit, phone bills, broadband, Transport costs including public transport)
 - e. Support for housing costs (e.g., support with rent payment and arrears where no alternative is possible following a Housing Officer's professional assessment of need)

- 2.8 General support can be accessed via two distinct channels
- a. County Council Community Hub, either by telephone on 0330 22 27980 or using the online request form via the website. The Community Hub is available seven days a week between 9.00am-5.00pm
 - b. District and Borough Councils either via the Housing Department or Revenue & Benefits Teams
- 2.9 Support will be delivered in a number of ways as part of a comprehensive offer and will be tailored to meet the specific circumstances. Cash payments will not be made direct to individuals but depending on the category of need identified support may be delivered via a voucher (e.g., for supermarket or high street store), direct provision of items, payment to supplier (e.g., utility bill payment) or purchase direct from vendor for delivery to customer (e.g., white goods).
- 2.10 Anyone is able to make contact to discuss their individual, family or household circumstances but the following criteria will be used to assess and prioritise use of these funds
- a. Statutory sick pay claimant (no other benefits)
 - b. New applicant for Universal Credit
 - c. Awaiting payment/delay in start of statutory benefit (e.g. State Pension)
 - d. Move to Temporary Accommodation (including a Refuge)
 - e. Bereavement (restricting access to funds)
 - f. Professional referral following assessment of need (if the request falls out of the above criteria)
 - g. Individuals with no recourse to public funds but has a genuine care need that does not arise solely from destitution, for example if:
 - i. there are community care needs
 - ii. they have serious health problems
 - iii. there is a risk to a child's wellbeing
- 2.11 The relevant details will be maintained by both the Community Hub Team and where appropriate District and Boroughs, to evidence the grant is spent in line with the guidance ensuring due diligence is undertaken to manage the risk of misuse.
- 2.12 If significant sums remain available at the end of July 2022 due to low demand the county council will review the referral criteria and widen the range of organisations providing support via the Household Support Fund
- 2.13 Details of the fund, who is eligible and how it can be accessed will be communicated widely with key stakeholders and direct to the public (e.g., via school newsletters). The communications approach will be multi-channelled and targeted at key groups identified as needing support as well as the wider population.

- 2.14 Printed material will be made available through a variety of channels to reach those people who do not use digital means.
- 2.15 The County Council in conjunction with District and Boroughs will use key networks to distribute assets and messaging, in particular developing partnership arrangements with locally based food/fuel banks, Citizens Advice, West Sussex Carers Support as well as community-based health and housing providers other voluntary and community organisations to reach those most in need of support.

3 Other options considered (and reasons for not proposing)

- 3.1 Other options for use of funding were considered when consulting with partners, such as a more direct distribution or an allocation to each District and Borough. It was agreed that the proposals outlined above offer the best arrangement to ensure that the support is made available swiftly, provides countywide access and focused on those most in need as identified within the criteria set out in 2.1
- 3.2 The provision of cash payments was considered but this significantly increases the administration process, risk of fraud and diminishes the ability to provide the Management Information return on spend data as required by the DWP.
- 3.3 In supporting Free School Meal eligible children during the forthcoming school holidays a number of options were considered but not progressed. These included;
- a) Opening school kitchens – not feasible to ask circa 700 term-time only staff to cancel leave at short notice to work over the Christmas period.
 - b) Food parcels – little confidence that supply chains are robust enough and provider would be able to meet the demand. Additionally, dietary requirements would likely be unmet.

4 Consultation, engagement and advice

- 4.1 West Sussex Districts and Boroughs, Voluntary & Community Based organisations and Health and Social Care colleagues and commissioners were among those consulted to discuss the arrangements and allocations of the Household Support Fund to West Sussex residents and to identify key contacts within their organisation to facilitate referrals.
- 4.2 Learning was also drawn from the previous round of Household Support Fund grant and other similar funding schemes delivered during the COVID-19 pandemic.

5 Finance

- 5.1 There is no net financial impact on the County Council. The Department for Work and Pensions (DWP) will provide the funding to the County Council under section 31 of the Local Government Act 2003, who will administer the scheme.
- 5.2 Authorities will be required to provide two management information (MI) returns outlining their grant spend and the volume of awards:
- An interim MI return for the period 1 April 2022 to 30 June 2022 will be due 22 July 2022;

- A final MI return for the period 1 April 2022 to 30 September 2022 will be due 21 October 2022;

- 5.3 Grant payments will be made to authorities in arrears on receipt of a fully completed and verified MI return.
- 5.4 A requirement to complete Management Information returns will be part of each delivery partner agreement to ensure that funds are drawn down based on demand and that funding allocations are spent within the time restriction and the required apportionment to households with children or pensioners.
- 5.5 The procurement of grocery vouchers (and non-grocery vouchers for other areas of the community where there is a need) will be spent with the proposed supplier, Wonde Limited. There is not a charge to the Council to set-up or administer the scheme so the spend therefore represents the cost of vouchers issued only. Equally there is no minimum financial commitment or volume threshold involved with establishing the contract.
- 5.6 The Supplier has been evaluated and selected according to experience of delivering voucher schemes directly in schools with quick mobilisation times and strong customer service and management information offer.
- 5.7 The estimated spend through the voucher scheme provider (as percentage of the total grant allocation for April 22 – September 22) is 40%. This may change in the future depending on the parameters of any subsequent grant allocations or local discretion of need or priority.
- 5.8 In the event that there are significant levels of funding remaining at the end of July 2022 consideration will be made of utilising a range of Voluntary and Community Sector organisations from any unallocated portion of the remaining grant.
- 5.9 The detail of the support given to residents will be reported to DWP as required.

6 Risk implications and mitigations

Risk	Mitigating Action -in place or planned
There is a potential risk that individuals who are not in need will request support.	The criteria outlined in 2.1 should mitigate the risk by clarifying the scheme parameters.
There is a potential risk that the fund will be a target for fraud	<p>Eligibility criteria with accompanying evidence requirements to confirm status have been agreed to prioritise the fund allocation and mitigate speculative requests.</p> <p>Management information requirements necessitate data capture for each award and data returns are double checked by staff not involved in the operational delivery.</p> <p>Only named individuals in each organisation have the ability to submit requests for support (e.g. delivery of food parcels) with management oversight.</p>

Risk	Mitigating Action -in place or planned
	No cash payments are utilised. Purchase of goods or payment of bills is via corporate credit card with a second layer of approval/verification
There is a potential risk that individuals will seek financial support for hardship from multiple sources.	Household circumstances will be considered on an individual basis prior to providing individual support to minimise duplication however families receiving other forms of assistance are not excluded from receiving support through this grant. Allocation through Housing and Revenues & Benefits Services within each District and Borough and to individuals already known by the County Council and identified as in need should reduce the risk of multiple payments. This will be further supported by the requirement to collect Management Information as per the DWP Framework.
Where the council accepts grant funding and distributes it, it becomes liable to repay any grants that are used incorrectly or against the terms of the grant agreement.	The criteria outlined in Section 2 of this report should mitigate this risk by clarifying scheme parameters. The detail of the support given to residents will be reported to DWP as required.

7 Policy alignment and compliance

- 7.1 The Supplier has met the financial and technical requirements required under the Councils Standing Orders for Procurement and Contracts. There is also robust management information available from the scheme-provider's platform to help with reporting requirements to the DWP.
- 7.2 The proposals are critical to the achievement of the County Council's objectives of ensuring support to vulnerable household including children or pensioners who are particularly affected by cost of living pressures where they cannot increase their income through work and for whom alternative sources of assistance may be unavailable.

Equality and Human Rights Assessment

- 7.3 The process will ensure that those who are charged with the distribution of support from a direct allocation of funds are reminded of the need to consider the public sector equality duty and the responsibilities it contains.

Social Value and Sustainability Assessment

- 7.4 The continuation of a voucher distribution scheme represents a swift and effective way of distributing funds to eligible families and households in a secure way. The recipient is able to choose a voucher for use in a supermarket that is local to them.
- 7.5 The voucher scheme offers the ability to print vouchers (for example at the school office) which means that recipients will not be at a disadvantage because

they do not have access to technology to receive the e-voucher (i.e., a smart phone or email address).

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Appendices None

Background papers None