

CABINET	AGENDA ITEM No. 5
20 SEPTEMBER 2022	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director – Place and Economy	
Cabinet Member(s) responsible:	Cllr Steve Allen, Deputy Leader and Cabinet Member for Communication, Culture and Communities Cllr Lynne Ayres, Cabinet Member for Childrens Services, Education, Skills and University	
Contact Officer(s):	Matt Oliver, Head of Think Communities Jonathan Lewis, Service Director for Education	07919 213962 07920 160402

HOUSEHOLD SUPPORT FUND – EXTENSION – ROUND 3

RECOMMENDATIONS	
FROM: <i>Corporate Leadership Team</i>	Deadline date: <i>N/A</i>
<p>It is recommended that the Cabinet:</p> <ol style="list-style-type: none"> 1. Approves the overall approach to the delivery of the Household Support Fund extension including the spend proportions and areas of focus. 2. Delegates authority to the Executive Director for Place and Economy, in consultation with the Cabinet Members listed above, to finalise the detailed arrangements for all aspects of the scheme, upon receipt of the final grant allocation from Government 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet as requested by the Corporate Leadership Team.

2. PURPOSE AND REASON FOR REPORT

2.1 This report provides brief information about the present organisation and performance of Household Support Fund (HSF) 2, and information on the proposed allocation of the next round of HSF (round 3). Cabinet is asked to provide views on the proposed plan for spend and the focus of the fund, and to endorse the continued development of the delivery model of household support fund.

2.2 Guidance and finalisation of total grant amounts are still in draft from Government, but we have good confidence from government officers that this will change little between now and the proposed start of delivery in October.

2.3 This report is for Cabinet to consider under its Terms of Reference No. 3.2.2, *'To take collective responsibility for any Executive decision that has significant implications across two or more portfolios.'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 In November 2020, the Government announced funding for Local Authorities to support families and communities through the challenges of Covid-19. Since this time, there has been a succession of schemes which have extended this support including the Winter Support, and Local Authority Covid-19 Support Grants.

In May 2022, the Government announced a further extension to the Household Support Fund to run from 1 October 2022 to 31 March 2023.

Updated guidance on HSF 3 was received on 26 August 2022 and makes changes to the previous scheme; at this time there is no final determination of grant, so the report is indicative of the focus areas and how we intend to spend the fund and the proportionate amounts.

4.2 Each of the previous schemes have offered local discretion (to an extent) around the allocation of the grant and we have used the funding to target groups within the city that we consider to be vulnerable. The expectation of the present scheme (HSF 2) has been that it should primarily be used to support households in the most need particularly those including children and pensioners who would otherwise struggle with energy bills, food and water bills and essential supplies. 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.

Guidance for HSF 3 continues the focus on those most in need, but adds to this those who may not be eligible for the other support from government which has recently been made available:

- £650 - Cost of Living Payment for those on Universal Credit, Job Seekers Allowance, Employment Support Allowance, Income Support.
- £400 - Energy Bills Support Scheme for all households with domestic electricity connection
- £150 - Council Tax Rebate for households in bands A to D

The guidance also asks us to consider those who are eligible for, but not claiming, qualifying benefits as well as those claiming housing benefit only, as they are not eligible for the £400 Energy Bill Support Scheme.

Additionally, the guidance stresses that we should consider a wide range of low-income households in need including families with children of all ages, pensioners, unpaid carers, care leavers and people with disabilities.

The inclusion of the need to capture Management Information in respect of households with a disabled person in addition to those with children and pensioners should be noted.

4.3 Authorities have been given scope to deliver the scheme through a variety of routes including directly issuing vouchers to households and making third party payments that enable direct provision of food, essential supplies and support (with the exception of grants for advice provision). However, in addition HSF 3 stipulates that at least part of the scheme should be application-based.

Peterborough has been operating application-based provision since the start of the scheme so will meet the new requirement of the guidance.

4.4 As in previous rounds the guidance states that appropriate administrative and resource costs should be charged against the grant. It must be noted that although we wish as much funding be spent on support for those that need it, ensuring we have enough staffing and management to mobilise the full funding available is critical to success. In previous delivery administrative costs

have been set at 5%, which is extremely low, and therefore the amount propose for administration in this report is set more appropriately, in the region of 10%.

4.5 **Proposed Delivery**

Our indicative proposals for spend are based on a budget of £1.82m, noting that the funding model has changed to a population and deprivation calculation which may increase the grant available for Peterborough.

Although the mandatory requirement to use at least one third of the funding for pensioners, at least one third for families with children, and up to one third on other vulnerable households has been removed, segmentation and focus on key cohorts provides continuity of approach and maintains the headway that we have made in reaching out to those key cohorts. Therefore, the proposed delivery set out below takes advantage of the de-restricted guidance and widens the criteria and delivery options for the new scheme whilst retaining some familiar elements.

4.5.1 **Peterborough Holiday Voucher Scheme** – we are proposing to fund £10 per eligible child at October half term (reduced from £15 previously but in line with the May Half term which was £10), £30 for the Christmas holiday and a final £10 at February half term. The total cost of the three voucher schemes will be £746k.

The criteria for the scheme would remain the same and it would cover children eligible for 2-year-old free entitlement, 3- and 4-year-olds eligible for the Early Years Pupils Premium, children eligible for free school meals and those pupils eligible for the post-16 bursary fund (including those with SEND who meet the criteria). The scheme covers those from ages 2 to 19. A letter will be sent to parents prior to each round of the scheme once the details are agreed.

Any unclaimed vouchers will be refunded, and we would undertake this process after each holiday round. For each of the rounds, we will send the voucher on the last day of the term prior to the holiday. We have direct access to schools' data so there is little administrative burden on schools.

It is felt that utilising data to allocate vouchers to those families who are eligible as described above remains one of the most effective elements of our scheme and we will retain this function with the possibility of enhancement if increased funds allow.

4.5.2 **Pensioner Voucher Scheme** – we propose to retain a focus on pensioners by continuing to run an application-based scheme but at a lower proportion of the fund than previously mandated; we will set our scheme spend at 15% of the total fund. We have learnt through other iterations of the scheme that it takes a great deal for pensioners to reach out, but recently we have started to see our referrals increase and the opportunity that brings to support our pensioners through our partnership with Age UK Cambridgeshire and Peterborough. Age UK would continue to act as an initial point of contact for pensioners to access the HSF, supporting them to fill out the online form or completing this on their behalf (as well as facilitating Age UK's wraparound support offer); the online form will then go to the team who administers the scheme according to the criteria set out below. This service is provided by the county council, and we would contribute £30k to Cambridgeshire to host this, and also fund Age UK an administration fee – this fee is likely to be circa £18k. The proposed total allocation to the pensioner scheme would be £273,695 with £218,495 available for vouchers supplying in the region of 1456 awards.

Consideration has been given to bringing the processing of the pensioner element in-house to PCC (Peterborough City Council), however there are distinct advantages of funding this through the county council due to economies of scale and already established management information systems which support our reporting to government and analysis of data.

Proposed guiding eligibility criteria for pensioners voucher scheme is as follows. Applicants will need to be:

- Born on or before 30 September 1956

- Resident in Peterborough
- Experiencing financial hardship (as determined by our staff or trusted partner)
- On or below Joseph Roundtree Foundation minimum income standard
- Residing in a household where no one under the age of 19 (after the 30 September 2022) resides

In exceptional circumstances, these criteria may be waived.

Individual award amounts would continue to be between £100 and £200 depending on assessment of need.

Over the last 2 months we have investigated alternative methods of supporting pensioners to receive funding. At present the voucher delivery mechanism is through smart phone or email in the form of a QR code which creates obvious barriers for some older people. We will move to a BACS by default system to directly deposit money into bank accounts as well as exploring the possibility of a postal voucher system. Wonde (our current voucher provider) can manage the whole postal process for £2 per transaction (issue fee and postal charges).

- 4.5.3 **Vulnerable Households Voucher Scheme** – An expansion of this area of the scheme gives the most scope for supporting a wide range of households as described in the guidance; a total of £504,641 will be available to deliver the scheme. In recognition that this is the most flexible element of the fund we have increased the proportion of this element and taken away its constraints in order to support larger families with multiple age ranges who are not eligible for other cost of living support including households with disabled persons. It is proposed that the voucher element of the scheme continues to be administered by Citizens Advice Peterborough for a management fee of approximately £50K, including communication, interpretation and staffing.

Once fees have been covered, this would leave approx. £454,167, to provide vouchers between £100 and £200; taking £150 as average spend this would supply 3027 households.

Proposed guiding eligibility criteria for vulnerable household's voucher scheme is as follows. Applicants will need to be:

- Resident in Peterborough
- On or below Joseph Roundtree Foundation minimum income standard
- Experiencing financial hardship (as determined by our staff or trusted partner)
- Residing in a household where no one born on or before 30 September 1956 resides

- 4.5.4 **Vulnerable Households Support Fund** – A total of £300,000 will be made available to support direct grants to local voluntary and community organisations who either are already delivering or would like to deliver food and essential supplies support directly to residents. This could be issued to foodbanks, lunch clubs, community cafes or other charities that issue essentials to those in need. During Covid significant work was done to support the “don’t go hungry this summer” campaign which aimed to support residents to access food supplies and debt management. We feel that through the winter period we will need to support our VCS organisations to recreate something similar around access to food, warm spaces alongside debt advice and access to skills and employment support.

- 4.6 The overall proposed allocation of the HSF can be seen in the table below. Officers will continually monitor demand changes within these schemes and re-allocate funding if appropriate. Officers will also monitor administration costs and adjust as appropriate to ensure best use of public funds, in line with the grant guidance.

	Children and Young People Holiday Voucher Scheme	Vulnerable Households Voucher Scheme	Vulnerable Households Support Fund	Pensioners Scheme	Total
Direct cost of scheme	£745,300 *	£454,167	£270,000	£218,495	1,687,962
Administration costs	£1,000	£50,464	£30,000	£55,200	136,664
Total Spend	£746,300	£504,631	£300,000	£273,695	£1,824,626
% Spend of grant	41%	27.6%	16.4%	15%	100%

(*) A

reconciliation of previous scheme spend will be undertaken in September and should any unclaimed voucher money be identified, this will be used to increase the CYP voucher amount during Christmas. We would also like to consider offering a one-off payment to care leavers at Christmas, dependent upon monies available.

4.7 Key statistics and learning from previous rounds of funding:

Children and Young People Voucher Scheme

- For the summer term 2022, we purchased 27,652 vouchers covering 13,887 eligible children who received £45 across two vouchers. Appendix 2 outlines how these were allocated by education establishment.
- This was a 1.3% increase in the number of eligible children since the May half term scheme and reflects the growing number of children on free school meals. Reviewing further back, the numbers allocated through reflect a 26% increase in eligible pupils from the voucher round run in February 2021.

Pensioner element at time of publishing

- Between 28 June and 30 August, a total of £20,300 has been granted to pensioners, with 201 applications processed. Targeted comms to this group is just starting to have an impact and applications have started to rise over the last few weeks, including as a result of 4000 letters to those on Pension Credit. Continued work is needed to find other ways to engage with this cohort. Nationally Local Authorities have struggled to spend the full allocation of this fund. We are in discussions with Anglian Water regarding options to directly fund debt relief for those that are in pension credit

Other Vulnerable Adult element at time of publishing

- £70,474 has been spent through this scheme from 20/6/2022 – 30/8/2022 with 1,817 applications processed. As with the pensioner element of the fund, we are starting to see applications pick up again, as national and local communications around the cost of living continue, as well as this we have relaxed the application criteria in recognition of the need to support families with multiples of children who may have one child eligible for free school meals but who still need further support. We have also increased the voucher amounts as above and will monitor the fund to see if we can trial our third party grants scheme.

5. CONSULTATION

- 5.1 This decision does not require any public consultation in line with grant guidance. However, we have worked with organisations across Peterborough to develop the proposed schemes, including Age UK, Citizens Advice, local food banks, Cross Keys Homes, the local voluntary and community sector forum, the Safer Peterborough Partnership, and Peterborough Council for Voluntary Service.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 The immediate hardship facing many Peterborough families due to the current cost of living crisis will be alleviated through the provision of food vouchers and support with utility bills and other

household support as well as more direct support through communities for essential supplies.

7. REASON FOR THE RECOMMENDATION

7.1 The grant is flexible, and we have targeted it at the areas that we consider to be the greatest need.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 A number of options for delivery were explored:

Maintain the existing delivery and ring-fencing of amounts focusing on pensioners and families with children. As stated in the report the guidance asks us to focus on a wider range of households as well as those not eligible for other support and therefore this option was discounted.

Change our arrangements with Age UK and Citizens Advice Peterborough and bring all the operations of the Household Support Fund in-house. Significant work has been undertaken to set up and start to make an impact through Citizens Advice Peterborough and Age UK. The value which is added through these working relationships has meant that claimants have been able to receive wider support from those agencies which have expertise in dealing with those cohorts. The option to deliver all support in-house has therefore been discounted.

Consider delivering all the funding through the School Holiday Voucher Scheme, recognising the efficiency of disseminating through the allocation of vouchers to those eligible for free school meals. This option would not meet either the guidance or the ethos of reaching out to a wider section of our population. Therefore, this option was discounted.

9. IMPLICATIONS

9.1 Financial Implications

We estimate spending approx. £1,199,467 on children and young people vouchers and vulnerable household vouchers through Crown Commercial Service (Wonde LTD). We have modelled the financial demands from parents / eligible children, spent in line with the recommended pensioners level and ensured there is sufficient allocated resources to support vulnerable adults in the city.

We estimate spending £218,495 on the pensioner element via the Family Fund Trust.

Other management elements are described in the report.

All funding spent on the scheme will be from the external household support fund grant and with MI data returns to draw down the funding.

The table at section 4.6 sets out the detail.

9.2 Legal Implications

Legal colleagues will be fully consulted on any procurement arrangements so they meet the requirement of the grant conditions and procurement legislation.

9.3 Equalities Implications

The financial limitations of the grant have meant we have had to restrict the scheme in the area of Direct Holiday Vouchers. Our proposal outline fits within the requirements of the grant conditions. All documentation will be shared with councillors so they can support their ward residents.

Translation of communications to key groups regarding the HSF 3 will be made available through schools and our community champions, provisions for those who are digitally excluded will also be made to ensure everyone can access the support if they need it.

We will ensure a variety of access methods such as email, landline freephone, online form as well as consider our delivery channels (BACS, postal vouchers, online vouchers).

As well as this we will commission and work with trusted partners from key isolated communities to ensure support and access to the fund.

9.4 **Carbon Impact Assessment**

In considering the carbon impacts of the application of this fund there are opportunities to support initiatives which help our residents to become more efficient with the use of energy. Although priorities are likely to be on other more pressing needs the guidance of the fund asks the LA to consider actions such as funding the insulation of boilers tanks, changing to more efficient light bulbs as well as installing other measure such as draft excluders. We will also take the opportunity to work in conjunction with local schemes to support residents to take advantage of wider works to homes for solar panels and larger insulation work.

9.5 **BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10. **APPENDICES**

- 10.1 Appendix 1 - Review of HSF schemes from other Local Authorities
- Appendix 2 - Allocation of vouchers from the Summer Holiday Scheme

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