



Report to Policy Committee

Author/Lead Officer of Report: Alex Westran
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Report of: *Alex Westran Operational Manager – Cost of Living Support Hub*

Report to: *Strategy and Resources Policy Committee*

Date of Decision: *19th April 2023*

Subject: *Household Support Fund*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 977				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

Purpose of Report:

1. To update Strategy and Resources Committee on the latest allocation of funding received from the Department of Work and Pensions (DWP) known as the Household Support Fund (HSF).
2. To seek this Committee’s approval to accept and spend the Household Support Fund from DWP in line with the spending plan detailed in this report.
3. To seek this Committee’s approval to ringfence £1,449,000 of HSF for targeted awards and, in compliance with DWP’s grant conditions, use the Cost-of-Living response data and intelligence workstream to identify and propose cohorts that will be targeted for these awards.
4. To seek approval from this Committee to review the eligibility criteria for the ‘application-element’ of the scheme as required under DWP’s grant conditions.

Recommendations:

It is recommended that the Strategy and Resources Committee:

1. Approves delivery of a programme of support in line with the spending plan in this report and funded from the Household Support Fund's allocation from the DWP which totals £10.407million for the period 1 April 2023 to 31 March 2024.
2. Approves ringfencing £1,449,000 of the Household Support Fund for targeted awards, and use of Cost-of-Living response data and intelligence workstream to identify and propose cohorts to be targeted for these awards.
3. Approves a review of the eligibility criteria for the 'application-element' of the programme of support made available through the Household Support Fund.
4. Notes there will be a further report to this Committee that seeks approval for a spending plan for the 'application-element' of the Household Support Fund allocated for 1 April 2023 to 31 March 2024 once details of eligibility criteria and cohorts that will be targeted for this part of the award have been prepared.

Background Papers:

Form 2 dated 19 November 2021 which gave approval for the delivery plan of which the delivery plan in this document is based upon. [Form2 Household Support Fund 28102021 FINAL 003.pdf \(sheffield.gov.uk\)](#)

Form 2 dated 05 July 2022 which gave approval for the 22-23 Fund allocation: [\(Public Pack\)Item 15 - Housing Support Fund Report Agenda Supplement for Strategy and Resources Policy Committee, 05/07/2022 14:00 \(modern.gov.co.uk\)](#)

[1 April 2023 to 31 March 2024: Household Support Fund guidance for county councils and unitary authorities in England - GOV.UK \(www.gov.uk\)](#)

[2023-24 Grant Launch Letter Guidance, and Grant Determination](#)

Lead Officer to complete: -							
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	Climate: <i>N/A</i>						
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>						
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Date: <i>31st March 2023</i>							

1. PROPOSAL

1.1 Introduction

The Department of Work and Pensions (DWP) has been providing Household Support Fund to local authorities since October 2021 to provide emergency support for vulnerable households. The funding aims to assist households via small grants administered by Sheffield City Council to meet daily needs such as food, energy and wider essentials where these cannot be afforded by households, or where other local hardship support cannot be secured. Local Authorities are responsible for delivering the scheme through a variety of routes including providing vouchers to households, making direct provision of food, or issuing grants to third parties.

HSF1, the initial iteration of the scheme, was announced to the public on the 4th of October 2021. Sheffield has since utilised nearly £14m of funding through further iterations of the scheme. HSF 1, 2 & 3 have been delivered using targeted proactive awards and the reactive application scheme.

In HSF1 & HSF2, the delivery of a percentage of the funding received was ringfenced for certain cohorts in the grant terms and conditions. Families with children were allocated 50% of funding received in HSF1, then in the HSF2 the scheme guidance ringfenced one third for families with children and one third to pension aged households.

The Council agreed in previous committee reports, in October 21 and July 22, to distribute the 'families with children' element via free school meal (FSM) vouchers in school holidays. The FSM data is objective and updated daily for our pupils, making it the ideal data set to allocate funding. An average of 31% of pupils in Sheffield are eligible for FSM, with the numbers increasing.

The pension aged households' ringfenced pot was delivered by targeting those households who were also in receipt of Housing Benefit or Council Tax Support with a one off £100 payment, using benefits' means testing to identify pension aged households that may be facing hardship.

In the third round of funding, HSF3, ringfencing was removed as a requirement and a new requirement that authorities must deliver an application scheme was added, this requirement has continued into the new round of funding, HSF4. Sheffield has always satisfied this requirement as an application scheme has been in place since the inception of the Household Support Fund. The guidance has also stipulated in HSF3 and 4 that Authorities should consider targeted awards to certain cohorts based on local intelligence.

Although ringfencing has been removed from the HSF4 scheme guidance, the DWP do ask us to consider providing support to people with caring responsibilities in their area and to disabled households, and we are expected to provide performance data on the amount and type of support that has been provided to families with children, to disabled households and to pension aged households.

As part of the initial decisions in October 2021 and July 2022 to accept and distribute the Household Support Fund, the Council committed to a review of other hardship schemes it delivered and did this through the 'One Route In' project. Since then, and as a result of that review, HSF has been connected to delivery of both the Local Assistance Scheme (LAS) Crisis Grants and payments to families in need under Section 17 of the Children Act 1989, (i.e. Section 17 Payments). One hundred percent of LAS Crisis Grant costs have been offset to HSF because of overlapping criteria. Section 17 Payments have also been connected to HSF, providing access to the scheme where there are funding overlaps via the 'application-element' of the scheme; approximately £1.5m of HSF funding has been offset from Section 17 costs using this process to date.

DWP have awarded a further round of Household Support Funding, this time to cover 12 months rather than 6-month periods, as in previous awards. This will provide much needed funding for the period 1st April 2023 to 31st March 2024 inclusive. Sheffield City Council has been awarded £10.407m for this period.

As well as giving a breakdown of how the fund has been distributed so far, this report sets out the proposed spending plan for this allocation of funding to cover the 2023/24 financial year.

The report also updates on the wider review of all the discretionary hardship funds as a corporate exercise that was committed to in the report of 19 November 2021.

1.2 The following is an update on how the funding has been used since October 2021:

Total spend

	Families with Children	Pension aged Households	Other Households	Total
HSF 1&2	£6,369,043	£2,455,291	£428,668	£9,253,001
HSF 3 (as of 13th March)	£3,440,201.	£53,029	£602,461	£4,095,690
Total	£9,809,243	£2,508,320	£1,031,128	£13,348,692
Please note, data for HSF3 is preliminary, the scheme was not complete at the time of writing this report. There are several final costs (for example March payments, administration costs and costs relating to the distribution of white goods) that are not included in the figures above. The final total claim is forecasted to total close to the full award amount				

Reactive Spend

The Council spent

approximately £3,977,310 on the reactive element of the scheme from October 2021 to 13th March 2023, this money has directly supported those in financial hardship via an application process with a direct payment, either direct to their bank account, or in urgent cases using cash or vouchers. Demand for this scheme has been increasing.

Proactive Spend

A programme of support for School Children has also been provided. The Council has continued to use this funding to provide food vouchers to the following categories since October 2021.

- Families who claim income-based Free School Meals.
- Families who get income-assessed Early Years Support.
- Young people leaving their care setting (Care Leavers).

From 6th November 21 when the scheme went live, the Council has provided 249,000 awards to vulnerable children and households totalling £7,218,000.

Across all elements of the scheme, the Council's total spend during the period from October 2021 to 31st February 2023 was £13,872,363.14 including the Council's administrative fees. *Please note the figures included for January and February 2023 are estimated and do not include awards made in March 2023, costs relating to the distribution of whitegoods or administrative fees for January to March 2023. The Guidance stipulates that all of the funding must be spent in the current financial year and our forecasts indicate that will be the case.*

1.3 23-24 Delivery Plan Spend Proposals

It is proposed that the allocation for HSF4, for 23-24, is as follows:

Spend area:	Amount (£)
Reactive application-based scheme	4,000,000
Targeted support – directed to existing cohort of children and families via food voucher scheme	4,758,000
Targeted support for other cohorts, as need identified	1,449,000
Administration costs	200,000
Total Award	10,407,000

1.4 Reactive Spend

The delivery plan proposes to follow the DWP guidance to continue to deliver an application-based scheme as part of our HSF4 delivery and allocate a little over one third of the fund (£4,000,000), to the reactive application-based element of the scheme. In line with how previous grants have been allocated, this will be delivered through the Council's Community Helpline, which is also delivering several energy support schemes and the LAS Crisis Grant.

It also proposed that over the course of the next 2 months, the eligibility criteria and award amounts for the 'application-element' are reviewed. Demand for the Household

Support Fund has increased exponentially over the winter because hardship is more prevalent, with the cost of energy bills and the general cost of living severely impacting household income. Also, successful communications campaigns alongside general increased awareness of the fund, has meant that processing times have increased because of the evidence requirements of the fund which has led to delays in how quick a payment is made to an applicant.

A new payment framework and eligibility criteria will take on board best practice from other organisations around the country. There are a number of potential measures that we could take to help us meet the demand which may include removing bank statement evidence requirements and move towards means tested payments, changes to the number of applications that can be made within a specific time period and changes to the value of payments, but ultimately should lead to payments being made quicker. There is still work to be done before options can be provided to allow us to tackle the current processing issues and the Cost-of-Living Gold Strategy group will contribute to this work

Children and Families:

It is proposed that a proportion of the award continues to be ringfenced to provide food vouchers to children and families in need, identified through the criteria used previously. However, between the reactive and proactive scheme elements, families with children have benefitted from nearly 75% of the HSF funding to date and, whilst there is no explicit ringfence, the guidance for HSF4 is clear that we are expected to consider support for a wide range of cohorts, including pension aged households and households with a disability or caring responsibility.

The approach to distribute funds from the HSF using eligibility for Free School Meals was originally introduced as at the time, it was considered the best indicator that we had to establish hardship within this cohort, which at that time was ringfenced for 50% of the fund. Since then, through the work of the Cost-of-Living Support Hub, we now have detailed data and a much deeper understanding of the cohorts that need support and of cohorts that struggle to access support when they need it. For example, from application scheme data, nearly 70% of the fund is distributed to families with children, which is a larger award made in response to a specific need, rather than as a one-off small payment to someone who may not be in need at that time. But pension aged households only receive 2% of the fund.

We are expected to report breakdown of expenditure by cohort to DWP and at present there is a significant imbalance in with some cohorts disadvantaged by the way in which we deliver the funds.

As such, it is proposed that amount ringfenced for the proactive children and families voucher element is revised to £4,758,000, based on provision of vouchers of £10 per week rather than the current £15 (except the Easter period already committed at £15/week), enabling a proportion of the monies to be ringfenced for proactive targeting of other cohorts to assist us to counteract the imbalance.

1.5

Calculation of proactive children and families voucher element:

Holiday	No. of weeks	Voucher amount per period All £10 except Easter	Voucher Cost - £ (based on voucher cost x 33,000)	Approx. Printing & Postage - £	Other Estimated Costs (project support, business support etc) - £	Total Cost - £
Easter	2	£15	990,000	13,000	10,000	1,013,000
May half-term	1	£10	330,000	13,000	10,000	353,000
Summer	6	£10	1,980,000	13,000	10,000	2,003,000
Oct half-term	1	£10	330,000	13,000	10,000	353,000
Christmas	2	£10	660,000	13,000	10,000	683,000
Feb half-term	1	£10	330,000	13,000	10,000	353,000
Total	13		4,620,000	78,000	60,000	4,758,000

Proactive spend on other cohorts:

It is proposed that the remaining £1,449,000 of the funding is ringfenced for targeted spending on other cohorts, with cohorts in need being identified via the Cost-of-Living Data and Intelligence workstream.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1** This decision contributes to the Corporate Delivery Plan objective ‘Tackling inequalities and supporting people through the cost-of-living crisis’. The scheme itself is a valuable part of the city’s cost of living response. By delegating decision making for key operational elements of the scheme, the Council will ensure that, through use of data and intelligence, those delivering the scheme are able to ensure that we are utilising the funding to tackle inequalities where it is needed the most.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1** The Council has carried out consultation and communication with a range of strategic partners, as well as customers accessing essential hardship funding to date, to ensure the Housing Support Funding is targeted at those in the most urgent need of support. Additional support has also been put in place for our most vulnerable as part of the delivery of mainstream support services and the work that is undertaken through the voluntary and community sector, to ensure that those who need support are helped to access the funding that is available.

Updates on progress and performance are delivered to key delivery and strategic partners at the Cost-of-Living Citywide Tactical Update meetings fortnightly and in person meetings with those who work closest with us, such as Citizens Advice monthly.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

Use and distribution of the HSF directly supports the Council's legal responsibilities under the Public Sector Equality Duty (e.g., to advance equality of opportunity) and its own Equality Objectives and other policy commitments (e.g., to recognise poverty and financial exclusion as causes and symptoms of inequality).

Supporting people financially when they experience a crisis is a key component to preventing further hardship. We recognise that groups in our communities who are already more affected by inequalities, exacerbated by the unequal effects of COVID-19 and the cost-of-living crisis, are more likely to need financial support.

As is recognised in this report, there has been an imbalance in the way that funds have been distributed to different groups. The proposal is to re-balance this distribution towards pension aged households, people with disabilities and/or those with unpaid caring responsibilities. This reflects the intelligence-gathering of the Cost-of-Living Support Hub and the steer from the DWP. The redistribution will reduce the normal proactive weekly voucher to families eligible for free school meals.

The Equality Impact Assessment is being reviewed to reflect this change of approach.

Equality implications will be monitored against awards made and they will be considered as part of the ongoing delivery of the scheme coordinated by a Household Support Fund Steering Group.

4.2 Financial and Commercial Implications

The following implications are based on the DWP Household Support Fund 2023-24 Grant (£10,407,651), Launch Letter, Guidance, and Grant Determination, and the above project report information.

Key features (not exclusive) of the DWP guidance pertaining to the grant are summarised below. The Grant Manager will need to read, understand, and comply with all the grant terms and conditions and will need to ensure that there are no ongoing unfunded costs once the grant has ended.

Financial Implications:

- Grant value £10,407,651
- Grant duration: 1st April 2023 to 31st March 2024
- Authorities should prioritise supporting (low-income) households with the cost of energy. The fund can also be used to provide support with food, essentials linked to energy and water, wider essentials.
- Advice services now considered eligible spend.
- Authorities are unable to carry forward any underspends from previous schemes because new grant with different conditions.

- Delivery plans must be signed off by both your 151 Officer and the responsible Cabinet Member
- Provide four quarterly MI returns outlining grant spend and volume of awards - see letter.
- Grant payments will be made to Authorities in arrears on receipt of a fully completed, compliant and verified MI return.
- Provide summary spending plan by 17 May 2023.
- MI must be returned on MI template provided and copied to 151 Officer.
- Grant is subject to clawback if terms /conditions are not complied with.
- SCC must have regard to DWP guidance issued / information and data available that may assist in decision-making.
- Eligible expenditure is payments made/committed during the Grant Period.
- Certain cost is to be excluded from eligible expenditure by SCC/ third parties (see grant details) including input VAT reclaimable.
- SCC must not deliberately incur liabilities for expenditure before there is an operational need to do so.
- Grant may be subject to External Audit.
- SCC must maintain accurate accounting records (for at least 7 years)

Commercial Implications:

- Public sector procurement is governed by and must be compliant with both the grant terms and conditions and UK National Law. In addition, all procurement in Sheffield City Council must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).
- Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process. The Portfolio / Service Grant Manager will need to contact the Commercial Services Team for detailed guidance on adherence to these rules when spending grant monies.

4.3 Legal Implications

The grant funding will be paid to the Council under Section 31 of the Local Government Act 2003.

The Council has a general power under Section 1 of the Localism Act 2011 which allows the Council to do anything an individual may generally do provided it is not prohibited by other legislation; this general power must be used in accordance with the Act. The Council may use this general power to make payments where no other legislation gives the Council authority to do this.

Under the Childcare Act 2006, local authorities have a duty in relation to the well-being of young children and this will be a consideration when making payments to children and families. Payments to other groups may be made under other legislation. Each case will have to be considered on its separate facts.

Payments must be made in accordance with grant terms, approved eligibility criteria and spending plans. Any unspent funds cannot be held over for future usage. The Council should ensure that all spend is in accordance with the eligibility criteria.

As these awards are being made to individuals and not enterprises there are no Subsidy Control implications.

4.4 Other Implications

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1** This report provides a detailed proposal and delivery that officers, in consultation with elected members, believe to be the best way of delivering the Household Support Fund.

6. REASONS FOR RECOMMENDATIONS

- 6.1** The recommendations presented to the Strategy and Resources Committee will enable Sheffield City Council to provide the funds to support vulnerable households in the city to meet immediate needs and help those who are struggling to afford food, energy and water bills, and other related essentials through the cost-of-living crisis.

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