

# Cabinet – Supplementary Agenda No.1

**A meeting of the Cabinet will be held on:**

**Date:** Tuesday, 9 April 2024

**Time:** 7.00pm

**Venue:** St George's Centre, Pembroke Road, Chatham Maritime, Chatham ME4 4UH

<b>Membership:</b>	Councillor Vince Maple	Leader of the Council
	Councillor Teresa Murray	Deputy Leader of the Council
	Councillor Tracy Coombs	Portfolio Holder for Education
	Councillor Simon Curry	Portfolio Holder for Climate Change and Strategic Regeneration
	Councillor Lauren Edwards	Portfolio Holder for Economic and Social Regeneration and Inward Investment
	Councillor Naushabah Khan	Portfolio Holder for Housing and Property
	Councillor Harinder Mahil	Portfolio Holder for Heritage, Culture and Leisure
	Councillor Tristan Osborne	Portfolio Holder for Community Safety and Enforcement
	Councillor Adam Price	Portfolio Holder for Children's Services (including statutory responsibility)
	Councillor Zoë Van Dyke	Portfolio Holder for Business Management

# Agenda

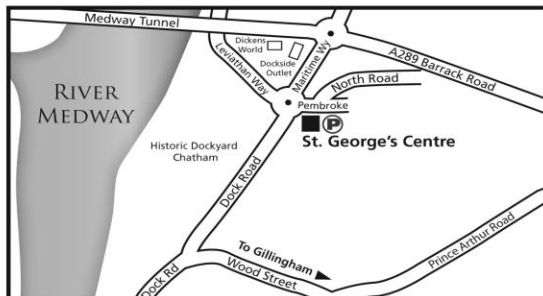
4. Household Support Fund: 2024/25 Allocation and Free School Meals (Pages 3 - 10)

5. Treasury Management Report - Quarter 3 (Pages 11 - 14)

Please find enclosed an addendum report.

For further information please contact Jon Pitt, Democratic Services Officer/Teri Reynolds, Democratic Services Officer on Telephone: 01634 332715/332104 or Email: [democratic.services@medway.gov.uk](mailto:democratic.services@medway.gov.uk)

Date: 3 April 2024



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## **Cabinet**

**9 April 2024**

### **Household Support Fund: 2024/25 Allocation and Free School Meals**

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Phil Watts, Chief Operating Officer

Author: Gemma Gilley, Head of Benefits and Financial Welfare  
Katey Durkin, Chief Finance Officer

#### **Summary**

This report sets out proposals to amend the use of the Household Support Fund (HSF) for the period 1 April to 30 September 2024 to ensure the grant is disbursed in full to Medway's residents.

#### **1. Recommendations**

1.1. Cabinet is asked to agree the proposals set out in section 5 of this report as the Council's approach to delivering the Household Support Fund in 2024/25 and to delegate authority to the Chief Operating Officer, in consultation with the Leader of the Council and the Portfolio Holder for Business Management, to finalise and implement these proposals.

1.2. Cabinet is asked to agree to delegate authority to the Chief Operating Officer in consultation with the Leader of the Council and the Portfolio Holder for Business Management, to make minor amendments to the proposals to enable them to continue to support vulnerable households in Medway, including amending any discretionary eligibility criteria where discussions remain ongoing and where further Government advice is provided.

1.3. Cabinet is asked to agree to delegate authority to the Chief Operating Officer in consultation with the Leader of the Council and the Portfolio Holder for Business Management to provide a delivery plan to the Department for Work and Pensions in accordance with the fund guidance.

#### **2. Suggested reasons for decisions**

2.1. The Household Support Fund (HSF) is fully grant funded by the Department of Work and Pensions to support vulnerable households. The HSF scheme for 2023/24 ends on 31 March 2024 and the decision to agree the proposals in this report would mean that residents will benefit from consistent support.

Agreeing the delegation requested would allow officers and Members to ensure that the support is allocated efficiently and in accordance with government guidance.

### 3. Budget and policy framework

- 3.1. Matters relating to grant funding to support Medway's population are a matter for Cabinet.

### 4. Background

- 4.1. Since November 2020, the government has continued to provide financial support to vulnerable children and families via local authorities, with this being named the HSF from 30 September 2021. Medway Council received £2,262,463 for the six months to the end of the 2021/22 financial year, and has continued to receive the same sum for every six month period since though funding announcements have often been made close to the start of the period to which the funding relates.
- 4.2. Alongside the publication of the Final Local Government Finance Settlement on 6 March 2024, the Chancellor confirmed the HSF scheme would continue for the first six months of the 2024/25 financial year with the same national allocation as has been announced in respect of every six-month period to date. At the time of preparing this report, the government have not published any further guidance nor confirmed the allocations for individual local authorities.
- 4.3. In 2023/24 the fund has been used to provide vouchers to parents and carers of Free School Meal eligible pupils for the school holidays, the continuation of the successful scheme providing grants to residents and voluntary and community sector organisations including the Medway Food Partnership alongside administrative costs.

### 5. Proposed Household Support Fund Scheme for Medway

- 5.1. Guidance was released by the Department for Work and Pensions on 26 March 2024. When administering the fund, authorities are expected to adopt the following principles: use the funding from 1 April 2024 to 30 September 2024 to meet immediate needs and help those who are struggling to afford household essentials including energy and water bills, food, and wider essentials. Authorities can also use funding to support households with housing costs where existing housing support does not meet this need, and to supplement support with signposting and advice.
- 5.2. The expectation is that the fund should be used to support households in crisis; not just those in receipt of benefits. The revised guidance highlights assistance for care leavers, carers and disabled people as suggested cohorts, these are cohorts we have previously supported. Targeted support can be carried out using the Low-Income Family Tracker and DWP data shares. Authorities may deliver the scheme through a variety of routes including

providing vouchers or cash to households, making direct provision of food and goods, or issuing grants to third parties. Authorities must operate at least part of their schemes on an application basis throughout the duration of the fund, either continuously over the majority or in regular intervals throughout the scheme.

- 5.3. The proposed scheme for 2024/25 retains the same broad elements but has been updated to ensure the fund is distributed with the maximum reach and impact possible, as follows:
- 5.4. **The continuation of support for Free School Meals eligible pupils during the school holidays between 1 April and 30 September 2024:** The numbers of children eligible for free school meals in Medway is rising with the most recent data available showing there are 12,486 eligible children in Medway. Providing every eligible child with £15 in vouchers for every school holiday in the period would cost approximately £1.350million allowing for some growth in caseload. This support would be provided in addition to any offers made by the Holidays and Food Activities Programme (HAF).
- 5.4.1. **The continuation of the successful grant scheme:** The proposed scheme is out in full at Appendix 1 to this report. It is proposed to increase the amounts awarded to reflect the continuing increase in the cost of living. In the current year we have provided some direct grants to third sector organisations to provide support to the vulnerable residents they work with. Instead, in 2024/25 we propose to introduce a new professionals referral route, through which Medway Council’s relevant partners will be invited to refer individuals they are supporting directly into the grant scheme. The grant scheme will be allocated £750,000 for distribution to households in need, based on the uptake in the current year.
- 5.4.2. The revised guidance indicates on average, authorities are spending 5% on administration so the remaining funds of £150,000 have been allocated for this purpose. This will cover staffing, communications, systems and design costs.
- 5.5. As the grant-based scheme, free school meals allocations and some administration costs are demand led and the amounts allocated to each element of the scheme may change, Cabinet are asked to delegate authority to the Chief Operating Officer in consultation with the Leader and Portfolio Holder to make minor amendments to the scheme to ensure that the grant is fully distributed by 30 September 2024 as required.

## 6. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
<b>Expenditure is not recovered through the Grant claim process</b>	Expenditure made may be on activities that are not within the grant conditions, and	The proposal has been designed to ensure expenditure is claimable. Arrangements will	CIV

Risk	Description	Action to avoid or mitigate risk	Risk rating
	therefore the Government does not fund these through the second and third payments.	be in place to record and monitor expenditure and submit claims in due course.	
<b>Likelihood</b>		<b>Impact:</b>	
A Very likely B Likely C Unlikely D Rare		I Catastrophic II Major III Moderate IV Minor	

## 7. Financial implications

7.1. Medway's HSF allocation is £2,262,463.11 for the period 1 April 2024 to 30 September 2024. Expenditure in line with the grant determination and guidance is claimable from the government in arrears up to the allocation, as has been the case for all tranches of this funding. The funding will be added to the Council's revenue budget under the delegation of the Chief Operating Officer.

## 8. Legal implications

8.1. Under the Equality Act 2010, all public authorities must comply with the Public Sector Equality Duty. For the purposes of this grant, you should consider how any support that helps people facing severe financial hardship impacts those with characteristics protected under the Equality Act.

### Lead officer contact

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### Appendices

Appendix 1 – Proposed Grant scheme April to September 2024

### Background papers

[Background Paper 1 - Household Support Fund: Guidance for County Councils and Unitary Authorities in England \(1 April 2024 to 30 September 2024\)](#)

[Background Paper 2 – Local Authority letter from Department for Work and Pensions regarding Household Support Fund Extension](#)

### **Household Support Fund - Grant scheme**

Medway Council will support by way of supermarket vouchers that can be used for groceries and fuel vouchers or energy cards for energy payments. Vouchers can only be used for the purpose they are provided for. Cash payments will only be made where voucher payments cannot be made. Applications can be made by residents directly on Medway Council's website.

To be eligible for a payment you must;

- Be aged 16 or over
- Be in demonstrable hardship. This will be demonstrated by completion of an income and expenditure statement and by the household providing their latest two months' bank statements for all accounts held. The statements must show transactions of income in and out.
- Not have access to any funds that can be relied on to meet the need you are applying for, and where you would be left with insufficient resources which would cause serious risk to your own, or your family's, health, or safety
- Have less than £500 in your bank account
- Be ordinarily resident in Medway.
- A household is as defined within Section 8 of Medway's Council Tax Reduction Scheme.
- Any resident making regular applications will be expected to engage the Council's Welfare and Debt Advice Team

There is an internal application process for Medway Council Officers who, in the normal course of their work have identified a household needs support through the fund. The officer will declare the household is eligible to receive a payment from the fund.

- Be aged 16 or over
- Be in demonstrable hardship verified by a council officer in the normal course of their work (Verified by Medway Council Officers)
- Not have access to any funds that can be relied on to meet the need you are applying for, and where you would be left with insufficient resources which would cause serious risk to your own, or your family's, health, or safety
- Have less than £500 in your bank account (verified by Medway Council officers)
- Be ordinarily resident in Medway

There will be a third route into the scheme via a professional referral scheme application process for Medway Council's partner organisations who, in the normal course of their work have identified a household needs support through the fund. The organisation's nominated officer(s) will declare the household is eligible to receive a payment from the fund.

- Be aged 16 or over,
- Be in demonstrable hardship verified by the organisation in the normal course of their work,

- Not have access to any funds that can be relied on to meet the need you are applying for, and where you would be left with insufficient resources which would cause serious risk to your own, or your family's, health, or safety,
- Have less than £500 in your bank account (verified by the professional)
- Be ordinarily resident in Medway.

The fund is available for those who are considered not eligible for public funds.

The fund can be used for:

- Food and home essentials
- Energy
- Water
- Essentials linked to energy and water such as white goods (Internal or specific applications only)
- Housing costs in exceptional circumstances but not mortgages.

Awards will be fixed as follows:

#### **Food and household essentials vouchers**

Single person	£65
Household with two people	£85
Household with three people	£115
Household with four people	£155
Household with five people	£190
Household with 6 or more	£225

#### **Fuel for those with prepayment meters**

A referral will be made to the Fuel Bank Foundation who will send a voucher for the value of £49(Winter rate) or £30 (summer rate) to prevent self-disconnection. They will also help to prevent the emergency occurring again.

#### **Fuel for those without prepaid meters**

Will be met by providing customers with an energy card to the value of £100.00. Additional amounts may be provided at the discretion of the Benefits and Financial Welfare Section



## **Water**

Will be met by providing customers with an energy card to the value of £100. These cards are ring fenced to energy and water suppliers.

Customers will be able to apply for assistance with three items when they claim however, their application must show the need for the support.

What will not be awarded:

- any application made that is felt to be not an immediate need
- applications from those with sufficient income or savings
- clothing (except in exceptional circumstances where someone is fleeing their home e.g. flood, fire, domestic violence)
- Mortgages
- personal debts
- phone costs or associated expenses
- Help with Council tax, this is met through either:
  - The Council Tax Discretionary Relief scheme, or
  - The Council Tax Extreme Hardship Scheme (for those in receipt of Council Tax Reduction)

Essentials for energy, white goods and housing costs will be decided on a case-by-case basis.

**The scheme is administered to a fixed budget and the terms of the scheme could change during the year.**

**Costs £750,000**

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## **Cabinet**

**9 April 2024**

### **Treasury Management Report: Quarter 3**

#### **Addendum Report**

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Phil Watts, Chief Operating Officer

Author: Andy McNally-Johnson, Head of Corporate Accounts

#### **Summary:**

This report was considered by the Audit Committee on 27 March 2024 and its comments are set out below.

#### **1. Audit Committee**

- 1.1. The Head of Corporate Accounts introduced the report which covered the period up to 31 December 2023. He highlighted borrowing had increased during the year by £11.7m though remained £64m below the capital finance requirement.
- 1.2. The Council's debt maturity profile continued to be focused upon short and medium-term borrowing, however, debt maturity for the next 12 months remained under the £150m limit and debt was repaid at regular intervals. Council treasury advisors continued to be against long-term borrowing at this stage with interest rates expected to fall in the medium term.
- 1.3. The Council received notice of two Lenders Options, Borrowers Options (LOBOs), £10m was repaid in quarter three, with a further £5m repaid in quarter four. No other debt rescheduling was required in quarter three.
- 1.4. The capital investment value was now below the original cost, the Lothbury fund continued to be in difficulty and a decision to dissolve or seek a merger was due by the end of March 2024. The likely result of this would be a capital loss of around £1m to the Council and this had been forecast in round three budget monitoring.

1.5. The following issues were discussed:

**Debt Maturity** – a Member commented that there was £40m due to be refinanced this year and £100m next year and queried whether the Council continued to borrow on a short term basis with interest rates being projected to fall significantly next year. The Head of Corporate Accounts stated that the Council continued to take advice from its treasury advisors, he added that the large debt maturity next year was concentrated towards the end of the year.

1.6. **Capital Receipts** – the Committee requested further detail on the £52.4m capital receipts repayment at table 5.2 of the report. The Head of Corporate Accounts undertook to provide a briefing note to the Committee following the meeting.

1.7. **Lothbury Fund** – a Member queried how decisions to invest were made. The Head of Corporate Accounts stated the Council took advice before investing, however the investments were made for the long term. There had been a significant decline in returns post pandemic.

1.8. **Investment** – It was asked whether the Council could look at how other authorities are achieving higher returns on investment and consider replicating their strategies. The Head of Corporate Accounts acknowledged that some authorities achieved better investment returns however, returns were dependent on the level of risk the authorities had accepted. The Council had followed a prudent risk strategy.

1.9. **Lending to other authorities** – in response to a question whether lending to other authorities was considered high risk at the moment, the Head of Corporate Accounts replied that authorities are backed by the government so are not high risk, but the local authority market for lending has contracted considerably and local authority lending rates were very high, around 2% above PWLB.

1.10. **Interest And Financing Budget** – it was questioned why £967,000 had been drawn from reserves, when the budget showed an underspend of almost £1.3m. The Head of Corporate Accounts explained the drawdown on reserves was earmarked to fund treasury spend and so by using it, it allowed the Council to forecast an underspend.

1.11. **Decision:**

1. The Committee noted the Treasury Management report.

2. The Committee requested a briefing note providing further detail on the £52.4m capital receipts repayment 2023/24 at stated in table 5.2 of the report.

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Appendices

None

Background papers

None

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