

URGENT REPORT TO THE LEADER

21 OCTOBER 2021

COVID-19 LOCAL SUPPORT GRANT SCHEME

Portfolio Holder: Councillor Alan Jarrett, Leader of the Council
Councillor Gary Hackwell, Portfolio Holder for Business Management

Report from: Phil Watts, Chief Finance Officer

Author: Gemma Gilley, Benefits Manager, Revenue and Benefits

Summary

This report sets out the proposal to use the Household Support Fund (HSG) allocation for Medway Council to support families with children, other vulnerable households and individuals from 6 October 2021 to 31 March 2022.

1. Budget and policy framework
 - 1.1 Matters relating to grant funding to support Medway's population are a matter for Cabinet. The Leader has urgency powers to make decisions which would ordinarily be made by the Cabinet. These provisions are set out in the Constitution (paragraph 2.2 of Part 3 (Responsibility for Cabinet functions) of Chapter 3 (Responsibility for Functions) of the Constitution.
 - 1.2 The Chairman of the Business Support Overview and Scrutiny Committee has agreed that the taking of these decisions are urgent and cannot be reasonably deferred until the next Cabinet meeting on 16 November 2021, in accordance with Section 11 (Cases of special urgency) of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 and Rule 17 (Special Urgency) of the Access to Information Rules (Part 2 of Chapter 4 in the Constitution). This is because it is imperative that the Council takes urgent action to support individuals and families in Medway in line with the Government's announcement to implement the Household Support Grant.
 - 1.3 Additionally, and in line with rule 15.11 of Chapter 4, Part 5 of the Constitution, call-in can be waived where any delay likely to be caused by the call-in process would seriously prejudice the Council's or the Public's interests. The Chairman of the Business Support Overview and Scrutiny Committee has

agreed that the decisions proposed are reasonable in all the circumstances and to them being treated as a matter of urgency and to waive call-in.

2. Background

2.1 In October 2021 the Department for Work and Pensions announced £500million Household Support Grant to support children, families and the most vulnerable over winter. The funding is ring-fenced and covers the period to the end of March 2022. 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 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.

2.2 Authorities have the ability to deliver 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).

2.3 Awards must be based on the following framework:

at least 50% of the total funding will be ring-fenced to support households with children, with up to 50% of the total funding to other households genuinely in need of support this winter. This may include households not currently in receipt of DWP welfare benefits.

- Eligible spend includes:
 - Food. The Fund should primarily be used to provide support with food whether in kind or through vouchers or cash.
 - Energy and water. The Fund should also primarily be used to support with energy bills for any form of fuel that is used for the purpose of domestic heating, cooking or lighting, including oil or portable gas cylinders. It can also be used to support with water bills including for drinking, washing, cooking, and sanitary purposes and sewerage.
 - Essentials linked to energy and water. The Fund can be used to provide support with essentials linked to energy and water (including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc.), in recognition that a range of costs may arise which directly affect a household's ability to afford or access food, energy and water.
 - Wider essentials. The Fund can be used to support with wider essential needs not linked to energy and water should Authorities consider this appropriate in their area. These may include, but are not limited to, support with other bills including broadband or phone bills, clothing, and essential transport-related costs such as repairing a car, buying a bicycle or paying for fuel. This list is not exhaustive.

- Housing Costs. In exceptional cases of genuine emergency where existing housing support schemes do not meet this exceptional need, the Fund can be used to support housing costs (except mortgage costs). Where eligible, ongoing housing support for rent must be provided through the housing cost element of Universal Credit (UC) and Housing Benefit (HB) rather than the Household Support Fund. In addition, eligibility for Discretionary Housing Payments (DHPs) must first be considered before emergency housing support is offered through the Household Support Fund.
- Reasonable administrative costs. This includes reasonable costs incurred administering the scheme. These include for example:
 - staff costs
 - advertising and publicity to raise awareness of the scheme
 - web page design
 - printing application forms
 - small IT changes, for example, to facilitate MI production

2.4 Medway Council's allocation is £2,262,463.11. This has been added to the revenue budget under the Chief Finance Officer's delegated authority.

3. Proposed Grant Scheme Delivery

3.1 It is recommended that the grant is used in three different ways as follows:

3.2 It is proposed that £670,000 is used to support the delivery of vouchers for those recipients of free school meals during the school holidays at October, December and February. This continues the provision previously agreed under the urgency powers on 28 June 2021.

3.2.1 Currently we have approximately 10,000 children in receipt of free school meals. If we provide £15 per week per child, the costs will be:

FSM	Oct/Dec/Feb £15.00 per week	
Children	10,000	
Children with 5 weeks' holiday	2500	Cost
		£187,500.00
Children with 4 weeks' holiday	7500	Cost
		£450,000.00
Total		£637,500.00
Total with 5% variance		£669,375.00

A 5% variance has been added to account for fluctuating numbers in receipt of free school meals.

- 3.3 The grant conditions allows for grants to be made to third party organisations, it is therefore proposed that £150,000 is shared with charities providing food under the leadership of the Head of Health and Wellbeing Services. This mirrors the support provided under the previous Winter Grant Scheme.
- 3.4 The final part of the funding will allow residents to apply to the Council directly for support. This will be administered in two ways. The first will be through the website using a webform created by the Digital Team. The second will be for Council officers who, in the course of their work encounter households in need. This process will negate the need for residents to apply as eligibility is determined by the officer in collaboration with the resident. The details of the scheme can be found within Appendix A.
- 3.5 Having an internal claims process will ensure control over the grant conditions however, it will require resources. It is proposed that with the allocation for administration, three temporary resources are employed for the period from 1 November 2021 to 31 March 2022. The cost of this would be £70,000. The other significant administration costs will be marketing and communications and ICT changes needed to administer the grant.

4. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Expenditure is not recovered through the Grant claim process.	Expenditure made may be on activities that are not within the grant conditions, and therefore the Government does not fund these through the second and third payments.	The proposal has been designed to ensure expenditure is claimable. Arrangements will be in place to record and monitor expenditure and submit claims in due course.	Low

5. Financial implications

- 5.1 The scheme and activity outlined is fully funded by the government, with Medway's allocation confirmed as £2,262,463.11.

6. Legal implications

- 6.1 The Covid-19 pandemic is an unprecedented national and global event requiring urgent intervention by State and Local Authorities. The use of urgency powers will enable a fast and effective response by the Council and is in entirely line with the Constitutional provisions for urgent decision making.

7. Recommendations

- 7.1 The Leader is asked, using urgency powers, to agree the proposals set out in section 3 of this report as the Council's approach to delivering the Household Support Grant and to delegate authority to the Chief Finance Officer, in consultation with the Leader of the Council and the Portfolio Holder for Business Management, to finalise and implement these proposals.
- 7.2 The Leader is asked, using urgency powers, to agree to delegate authority to the Chief Finance 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.
- 7.3 The Leader is asked to agree that recommendations 7.1 and 7.2 are considered urgent and therefore should not be subject to call in.

8. Suggested reasons for decisions

- 8.1 Given the severity of hardship anticipated this winter and the lack of cost to the local taxpayer it is appropriate for the Council to introduce these measures to support our most vulnerable residents.

Lead officer contact

Gemma Gilley, Benefits Manager. Gun Wharf, Telephone: 01634 332310, Email: gemma.gilley@medway.gov.uk

Appendices

Appendix A – Proposed scheme
Appendix B – Information from the Fuel Bank Foundation

Background papers

None

.....(signed) October 2021 (date)

Councillor Alan Jarrett, Leader of the Council

This page is intentionally left blank

Household support grant claims process

Medway residents will be able to apply up to three times between October 2021 and March 2022 for assistance with essential household costs.

Medway Council will support by way of supermarket vouchers that can be used for groceries and fuel vouchers for pre-payment meters. Vouchers can only be used for the purpose they are provided for.

To be eligible for a payment the applicant must:

- Be aged 16 or over
- Be in receipt of benefits or be on a low income (earning less than the National Living Wage of £9.50 per hour) **Evidence will be required**
- 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 **Evidence will be required**
- Be ordinarily resident in Medway.
- Not have applied more than three times for the scheme between October 2021 and March 2022

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 receipt of benefits or be on a low income (earning less than the National Living Wage of £9.50 per hour) or be in demonstrable hardship verified by a council officer in the normal course of their work. **Evidence is officer verified**
- 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.
- Not have applied more than three times for the scheme between October 2021 and March 2022

Benefits include:

- Universal Credit
- Working Tax Credit/Child Tax Credit
- Employment and Support Allowance
- Jobseeker's Allowance
- Income Support
- Pension Credit.
- Council tax reduction

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

The fund can be used for:

- Food
- Energy and water
- Essentials linked to energy and water
- Transport related costs
- Housing costs in exceptional circumstances
- Wider essentials
 - Phone Bills
 - Broadband
 - Clothing
 - Other eligible items under the HSG guidance not covered by the above categories

Awards will be fixed as follows:

Food

£35 per person within the household including children.

Up to a maximum award of £210, payable by voucher.

Energy 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 to prevent self-disconnection. They will also help to prevent the emergency occurring again.

Energy for those without prepaid meters

Fuel for those without prepaid meters could be met by assisting with other expenses thus freeing funds for fuel payments or by making payment directly to your supplier.

Water

Southern Water provides excellent assistance to vulnerable customer <https://www.southernwater.co.uk/account/help-paying-your-bill>. Help with water could be met by assisting with other expenses thus freeing funds for water payments.

Clothing

£100 per person provided as vouchers once per person in a household between October 2021 and March 2022.

Wider essentials

Other costs will need to be demonstrated and a copy of the bill given to alongside the other qualifying criteria. All payments will be made directly to the organisation the money is owed to.

Housing costs

Will only be met under exceptional circumstances where the applicant is unable to apply for statutory assistance with housing costs such as Universal Credit, Housing Benefit or Discretionary Housing Payments, applicants will be required to provide information as requested by the council. At the very least, copies of tenancy agreements and proof of arrears and any legal action will be required. Payments can only be made against rental costs and will be made directly to the landlord once the arrears have been verified.

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

This page is intentionally left blank



WORKING WITH FUEL BANK FOUNDATION

We work with selected foodbanks and advice agencies to provide people with the breathing space that they need to get back on their feet. Fuel Bank helps prevent self-disconnection and ensures people are not left without energy for the basics like cooking and heating, when they struggle to top up their prepayment meter.

Fuel Bank principles

- Fuel Bank help is accessed where families turn in a crisis and help is targeted at those that need it most
- Help is provided on the same day and we will never make our clients jump through hoops to get it
- The financial support we provide to consumers is free with no need for repayment
- Targeted and easy to action advice always goes alongside financial help
- We use the insight from our work to refine what we do and to lobby for change

We keep things simple for clients

- Clients can be with any energy supplier and get a fuel voucher
- Clients receive a fuel voucher of £49 in winter months and £30 April – October
- A fuel voucher code is issued to the client on the same day, usually within a few hours. Most clients choose to receive their code via SMS
- Clients can choose how to split the voucher across gas and electricity

Approximately **15% of UK households** have a prepayment meter.

WE BELIEVE THAT NO ONE SHOULD HAVE TO LIVE IN FUEL CRISIS



Supporting you as a Fuel Bank partner



You'll have access to our simple app to submit client Fuel Bank voucher requests



Validation and verification is built into our processes to support those most in need and to prevent fraud



We'll provide helpful leaflets for your clients detailing extra support and energy efficiency information



Regular reporting is provided to you on Fuel Bank vouchers issued and redeemed



Training for using the app and prepayment advice will be provided by us

NEXT STEPS...

We would be delighted to partner with you. Please email us at partners@fuelbankfoundation.org to let us know you're interested.

Following this we will:

1. Send you relevant agreements to sign and return
2. Arrange a convenient time for your online training session

We look forward to working with you to help provide support to people living in fuel crisis.

Visit: fuelbankfoundation.org

