

URGENT REPORT TO THE LEADER

26 APRIL 2022

HOUSEHOLD SUPPORT FUND 2022/23

Portfolio Holder: Councillor Gary Hackwell, Portfolio Holder for Business Management

Report from: Phil Watts, Chief Operating Officer

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Summary

This report sets out a proposal to use the Household Support Fund (HSF) allocation for Medway Council to support families with children, other vulnerable households and individuals from 1 April 2022 to 30 September 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 3.2 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 10 May 2022, 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 Fund.
- 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 a £500million national Household Support Fund to support children, families and the most vulnerable over winter. The funding was ring-fenced and covered the period to the end of March 2022, with the scheme introduced in Medway the subject of an urgent report to the Leader in October 2021, decisions ref: 120-122/2021 refers.
- 2.2 In the Spring Statement on 23 March 2022, the Chancellor announced that the Household Support Fund would continue for the first six months of 2022/23 and that the funding was to be doubled to £1billion. The Department for Work and Pensions released the draft guidance for local authorities on 1 April 2022 and local authorities are required to provide a delivery plan for their allocated fund by 29 April 2022.
- 2.3 Medway Council's allocation is £2,262,463.11. This has been added to the 2022/23 revenue budget under the Chief Operating Officer's delegated authority.

3. Household Support Fund 2022/23

- 3.1 Local authorities must use the funding from 1 April 2022 to 30 September 2022 to meet immediate needs and help those who are struggling to afford energy, food and water bills, and other related essentials. In exceptional circumstances only, the fund can be used for housing costs.
- 3.2 At least one third of the total funding must be ring-fenced to support households with children, at least one third of the total funding must be ring fenced to support pensioners and up to one third of the total funding to be allocated to other households genuinely in need of support (which may include households not currently in receipt of DWP welfare benefits).
- 3.3 The guidance sets out that eligible spend includes:
 - 3.3.1 Energy and water – The Fund should 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.
 - 3.3.2 Food – The Fund should also primarily be used to provide support with food whether in kind or through vouchers or cash.
 - 3.3.3 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 energy, food and water.

- 3.3.4 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.
- 3.3.5 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.
- 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.
 - The Authority must also first consider whether the claimant is at statutory risk of homelessness and therefore owed a duty of support through the Homelessness Prevention Grant (HPG).
 - In exceptional cases of genuine emergency, households in receipt of HB, UC, or DHPs can still receive housing cost support through the Household Support Fund if it is deemed necessary by their Authority. However, the Fund should not be used to provide housing support on an ongoing basis or to support unsustainable tenancies.
 - Individuals in receipt of some other form of housing support could still qualify for the other elements of the Household Support Fund, such as food, energy, water, essentials linked to energy and water and wider essentials.
 - The Fund cannot be used to provide mortgage support, though homeowners could still qualify for the other elements of the Fund (such as energy, food, water, essentials linked to energy and water and wider essentials). Where a homeowner is having difficulty with their mortgage payments, they should contact their lender as soon as possible to discuss their circumstances as lenders will have a set procedure to assist.
 - The Fund can exceptionally and in genuine emergency be used to provide support for historic rent arrears built up prior to an existing benefit claim for households already in receipt of Universal Credit and Housing Benefit. This is because these arrears are excluded from the criteria for DHPs. However, support with rent arrears is not the primary intent of the fund and should not be the focus of spend.
- 3.3.6 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 and small IT changes, for example, to facilitate the production of Management Information.

4. Proposed Grant Scheme Delivery

4.1 It is recommended that the grant is used in four different ways as follows:

4.2 **Scheme 1, Household Support Grant** – £1million will be allocated from which residents can apply for assistance through supermarket and other store vouchers with food and home essentials, energy, essentials linked to energy and water such as white goods (Internal or specific applications only) and Housing costs in exceptional circumstances but not mortgages. The scheme will be open to those who are in demonstrable hardship, which would be demonstrated by the completion of an income and expenditure statement and applicants will be required to provide their latest two months' bank statements as evidence of their income and expenditure (for all accounts within the household, excluding children). An application will be made available online and there will also be an internal application process for Council staff to apply for assistance on behalf of households in need who they identify through the normal course of their work. Full details of the scheme can be found within Appendix 1.

4.3 **Scheme 2, Pensioner Grants** – The grant conditions state that at least one third of our allocation must be spent on pensioners so £750,000 will be allocated to this scheme (and it is assumed some pensioners will also apply for Scheme 1). Given the potential barriers associated with a voucher scheme, the Council proposes to do a targeted campaign to assist pensioners. The scheme will support pensioners in receipt of the Council Tax Reduction and those in receipt of Pension Credit, based on data to be provided to the Council by the Department for Work and Pensions. The distribution of this allocation will be made once the Council is in possession of the data and can make an accurate assessment of the need of Medway's Pensioners.

4.4 **Scheme 3, Free School Meals Holiday Support** – As Medway is successfully running the Holidays and Food (HAF) programme, Medway Go, there is no need to use the Housing Support Fund to provide free school meal vouchers for every eligible child during the holidays and providing vouchers could stifle attendance at Medway Go. Therefore, it is proposed that this scheme covers only the holidays that are not covered by the HAF scheme. As the duration of the fund is April 2022 to September 2022, the only relevant school holiday is May half term and therefore an allocation of £165,000 is proposed.

4.5 **Scheme 4, Assistance to local food charities** – It is proposed that we allocate £200,000 for grants to be awarded to local charities to support their work. These grants will be distributed by the Head of Health and Wellbeing.

4.6 It is recognised in the government guidance that in order to distribute these funds effectively, sufficient resources need to be allocated to administration and communication and this element is projected to cost £147,463.11.

Table 1: Household Support Fund 2022/23 Projected Spend

Activity	Spend	Associated administration spend	Total
Scheme 1: Household Support Grant	£1,000,000.00	£100,000.00	£1,100,000.00
Scheme 2: Pensioner grants	£750,000.00	£11,000.00	£761,000.00
Scheme 3: Free School Meals Holiday Support	£165,000.00	0	£165,000.00
Scheme 4: Assistance to local food charities	£200,000.00	0	£200,000.00
Communication, digital and miscellaneous costs	0	£36,463.11	£36,463.11
Totals	£2,115,000.00	£147,463.11	£2,262,463.11

5. 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

6. Financial implications

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

7. Legal implications

7.1 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 entirely in line with the Constitutional provisions for urgent decision making.

8. Recommendations

- 8.1 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 Fund and to delegate authority to the Chief Operating Officer, in consultation with the Leader and the Portfolio Holder for Business Management, to finalise and implement these proposals.
- 8.2 The Leader is asked, using urgency powers, to agree to delegate authority to the Chief Operating Officer in consultation with the Leader 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.
- 8.3 The Leader is asked, using urgency powers, to agree to delegate authority to the Chief Operating Officer, in consultation with the Leader and the Portfolio Holder for Business Management, to allow a decision to be made in respect of the ringfenced fund for pensioners once Officers are in receipt of all the relevant information from the Department for Work and Pensions.
- 8.4 The Leader is asked to agree that recommendations 8.1, 8.2 and 8.3 are considered urgent and therefore should not be subject to call in.

9. Suggested reasons for decisions

- 9.1 Given the severity of hardship anticipated from April 2022 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.

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Appendices

Appendix 1 – Scheme details.

Background papers

None

.....(signed) April 2022 (date)

Councillor Alan Jarrett, Leader of the Council