

Council

Date of Meeting:	20 October 2021
Report Title:	Household Support Fund Grant
Report of:	Ali Stathers-Tracey, Director of Early Help & Prevention
Ward(s) Affected:	All

1. Executive Summary

- 1.1. Council is being asked to approve expenditure related to receipt of the Department for Work and Pensions (DWP) grant titled the 'Household Support Fund' (HSF).
- 1.2. The decision requires a Supplementary Revenue Estimate as the funding associated with this grant will lead to an increase in the Council's approved budget for 2021/22.
- 1.3. The Household Support Grant was awarded by the DWP in October 2021. Cheshire East's allocation is £2,203,892.10. The funding is expected to be used to support households in Cheshire East borough with food, utilities, housing costs and other essentials over the winter period. Council is recommended to approve the acceptance of the grant and delegate the authority to spend to avoid any delays in the roll out of the programme and the benefits to our residents.

2. Recommendations

- 2.1. Council is recommended to approve a Supplementary Revenue Estimate for £2,203,892.10 and delegate authority to the Executive Director – Children's Services to incur expenditure in line with the conditions of the Household Support Grant.

3. Reasons for Recommendations

- 3.1. The recent removal of a number of funding initiatives to support adults and families during COVID, including the COVID support grant, £20 uplift to Universal Credit and furlough, is likely to have a financial impact on a number

of Cheshire East residents. Families are expected to be further affected by the rise in fuel charges and inflation of food prices.

- 3.2. The grant letter asks for local authorities to be ready to deliver support to vulnerable households from 06 October 2021 and asks that we start making immediate preparations to administer the grant. In Cheshire East we would like to act quickly to provide immediate support to our most vulnerable residents by using our established processes to roll out the grant for the October half term as an emergency measure.
- 3.3. The Household Support Grant will contribute to the delivery of the outcomes in the Corporate Plan under the priority to be a council that empowers and cares about people. Both adults and children and young people who suffer the greatest inequality in terms of lack of household income will directly benefit from this grant.
- 3.4. DWP grant conditions provided to the Council and communications released by central government state that the grant has been provided to local authorities to be accessible from 6 October 2021. As a result, families have already contacted Cheshire East Council for more information on how and when they will be able to access the funding.
- 3.5. The DWP requires Cheshire East Council to provide them with an outline of our spending plans in relation to the indicative grant allocation by 29 October 2021. We are not able to provide this information without the Council's decision to accept the grant conditions.

4. Other Options Considered

- 4.1. The Council could refuse to accept the additional revenue support from the Household Support Grant, but this would mean that our most vulnerable residents would not benefit from this central government initiative.

5. Background

- 5.1. During the pandemic, a number of temporary grants and funding initiatives were introduced in recognition of the hardship this placed upon families and individuals. This included the 'COVID Winter Grant Scheme' (December 2020 – April 2021) and the 'COVID Support Grant' (April 2021 – September 2021). These grants distributed e-vouchers via early years settings, schools, colleges, and families who were vulnerable to financial hardship due to the impact of the pandemic. Approximately 10,000 children and families across Cheshire East were supported via these grants, with a total of over 65,000 vouchers provided. The council also ensured that families in need of replacement goods, such as fridges, cookers and washing machines, were also helped, and benefited from a partnership involving schools, colleges, the NHS, council services and third sector organisations to identify families in need.

- 5.2. In October 2021, the government announced that a new Household Support Fund grant would be made available to councils in England to support those most in need this winter. This new grant will run from 06 October 2021 to 31 March 2022 and totals £421m in England. This is a new scheme, and the Council cannot to carry forward any underspends from previous DWP grants.
- 5.3. The aim of the Household Support Fund is to provide support to vulnerable households in most need of support this winter as the economy recovers. In Cheshire East we are proposing to use the £2.2m fund to support vulnerable households with food, utilities and other essentials between October 2021 and March 2022.
- 5.4. At least 50% of the total funding must be spent on families with children. The Council is encouraged to work closely with local partners to identify a broad range of vulnerable households across their local area. The proposal is to split the administration of this grant approximately in half between Children and Families using the existing COVID support grant systems and the Benefits Service to extend the Hardship Support payment system for adults.
- 5.5. The support will be distributed in the form of e-vouchers, and payments made to utility providers, payments to white goods providers (known to Emergency Assistance), payments made to landlords, or in some exceptional cases payments will be made directly to individuals.
- 5.6. Eligibility for the children's portion of the grant will fall in line with previous grants (CWGS/CSG) and will focus on vulnerable young people who are known to Cheshire East Council. This includes free school meal eligible, care leavers between 18 – 25, young people aged 16 – 18 who are not in education, employment, or training (NEET), young carers, children open to social care, children open to early help and prevention services and children who are known to domestic abuse services. Any children or families who do not receive support via these channels are eligible for referral from recognised professionals via the online enquiry form.
- 5.7. Eligibility regarding adults, will come via referrals from colleagues in Benefits, the Citizen's Advice Bureau, Age UK, the Winter Wellbeing Group, Housing Associations, and other recognised professionals working with vulnerable adults. This will include individuals at immediate risk of eviction or who are facing notable winter poverty with regards to food or utilities.
- 5.8. The Housing Support Fund sits within a wider context of poverty support being provided to individuals including, discretionary housing payments, homelessness prevention and support under the emergency assistance scheme.

6. Implications

6.1. Legal

- 6.1.1. The Household Support Grant has been determined by the Secretary of State for Work and Pensions in exercise of the powers conferred by section 31 of the Local Government Act 2003.
- 6.1.2. The purpose of the grant is to provide support to certain local authorities in England for expenditure lawfully incurred or to be incurred by them in accordance with the Grant Conditions to provide support to households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs (in exceptional cases of genuine emergency) this winter as the economy recovers.
- 6.1.3. Approval of a Supplementary Revenue Estimate requires adherence to the provisions of the Financial Procedure Rules as set out in the Constitution and specifically the provisions of Chapter 3 Part 3 at para 19 shall apply:

Funded from Additional Grants

Directors may make applications for grants, where the application does not create a financial or any other commitment, in consultation with the Chief Finance Officer. However, if the application is for a grant in excess of £1m, or if any match funding will be required, then CLT must be consulted in advance.

Successful grant applications will require a supplementary estimate to incur spending, in line with the approval limits set out in the table below.

If grant application or receipt commits expenditure outside of the Control Totals then a Virement or Other Supplementary Estimate will also be required.

Amount of grant to be received	Approval Level
Up to and including £100,000	Officers
Between £100,000 and £500,000	Relevant Member of CLT in consultation with Chair of the relevant Committee and Chair of Finance Sub-Committee
£500k and up to £1m	Committee
£1m and above	Council

- 6.1.4. It being noted that the level of grant funding (£2,203,892.10) requires Council approval.
- 6.1.5. The determination by which the grant funds are awarded in exercise of the powers conferred by section 31 of the Local Government Act 2003 apply Conditions. Legal have reviewed the Conditions; it being noted that the Conditions are directed to ensuring that the Council acts to apply a scheme that ensures the Council uses the grant funding “to provide support to households who would otherwise struggle to buy food or pay essential utility

bills or meet other essential living costs or housing costs (in exceptional circumstances of genuine emergency) this winter as the economy recovers.”

The conditions require the Council to report its application of the funds in a Statement of Grant Usage; and requires the Council to deliver additional information in the form of Progress Report and Management Information Return as required. Overall, the Council is obliged to maintain a sound system of internal governance and financial controls in relation to the grant.

- 6.1.6. It should be noted that the Conditions provide for clawback in the event of breach:

Breach of Conditions and Recovery of Grant

20. If the Authority fails to comply with any of these conditions, or if any overpayment or underpayment is made in relation to this grant or any amount is paid in error, or if any of the events set out in paragraph 21 occurs, the Secretary of State may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the Authority. Such sum as has been notified will immediately become repayable to the Secretary of State who may set off the sum against any future amount due to the Authority from central government.

21. The events referred to in paragraph 20 are:

- a) the Authority purports to transfer or assign any rights, interests or obligations arising under this Determination without the prior agreement of the Secretary of State,
- b) any information provided in any application for grant monies payable under this Determination, or in any subsequent supporting correspondence is found to be significantly incorrect or incomplete in the opinion of the Secretary of State,
- c) it appears to the Secretary of State that other circumstances have arisen or events have occurred that are likely to significantly affect the Authority's ability to deliver the Scheme,
- d) the Authority's Section 151 officer is unable to provide reasonable assurance that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the Grant Period in accordance with the definitions and conditions in this Determination, or
- e) the Authority fails to provide the Statement of Grant Usage and a Progress Report and Management Information Return in accordance with the Grant Conditions.

6.2. **Finance**

- 6.2.1. Expenditure on the Household Support Fund will be fully funded by a government grant of £2.2m. The duration of the scheme is from 06 October 2021 to 31 March 2022. The current understanding is that the grant can also be used to cover Easter 2022.
- 6.2.2. The expectation is that the Council will spend the grant in accordance with the conditions and not exceed the amount advised by the DWP. There will not be any unfunded ongoing commitments as a result of this expenditure. It is not yet known if any funding will be provided after 31st March 2022 to continue this scheme or something similar.
- 6.2.3. The Council will be required to provide two management information (MI) returns outlining their grant spend and the volume of awards as follows:
- An interim MI return for the period 06 October 2021 to 31 December 2021 will be due 21 January 2022.
 - A final MI return for the period 06 October 2021 to 31 March 2022 will be due 22 April 2022.
- 6.2.4. Grant payments will be made in arrears on receipt of a fully completed and verified MI return.
- 6.2.5. If the Council has not spent the grant in accordance with the conditions then there is scope for clawback. The service will manage that risk.

6.3. **Policy**

- 6.3.1. The policy context is the Corporate Plan. Any policy implications that arise from activities funded by the HSF will be dealt within an individual report to Members or Officer Decision Records.

6.4. **Equality**

- 6.4.1. In accordance with the public sector equality duty, DWP has had due regard for the potential equalities impacts of this grant.
- 6.4.2. An equality impact assessment is currently being completed regarding the implementation of the Holiday Support Grant to ensure that people are not disadvantaged or treated unfairly by this scheme. For example, that our processes are easy to access and to navigate.
- 6.4.3. We expect that the implementation of the grant will have a positive impact in relation to the protective characteristic of age, particularly for children and young people. It will also support the need to ensure that we have fairer and more resilient communities.

6.5. Human Resources

- 6.5.1. There will be a need for additional capacity to administer this grant. Reasonable administration costs are funded as part of the grant and we will ensure that the full costs of any additional staffing are offset against the grant.

6.6. Risk Management

- 6.6.1. There are a number of risks associated with providing grants to a high number of individuals and families.
- 6.6.2. As with any welfare payment to vulnerable recipients there is a risk of fraud, as recipients might appear to be eligible when they are not. To help mitigate this risk, the local authority will work with other organisations, including early years, schools, and colleges to administer this scheme to help identify vulnerable families, households, and individuals.
- 6.6.3. As a significant amount of funding will be in form of e-vouchers, it is impossible to ensure that these are spent on essential household items, however, these are families in need and our experience over the past year is that the funding has been used on necessary expenditure.
- 6.6.4. There is a risk that we do not currently have the capacity to administer the grant on such a large scale to ensure that appropriate checks and balances are in place. We are looking to recruit additional support, funded from the grant, as soon as possible.
- 6.6.5. There is a risk that if Council do not approve the recommendation to accept the grant in October, then we will not be able to administer the grant to those who need it over October half term.
- 6.6.6. Risks are routinely assessed and reported on at the biweekly steering group, and remedial action is taken, as required.

6.7. Rural Communities

- 6.7.1. Children and families in rural areas of the Council will directly benefit from receipt of the new grant as we harness distribution methods through our network of community early years settings, schools, and colleges.

6.8. Children and Young People/Cared for Children

- 6.8.1. Children and young people who suffer the greatest inequality in terms of lack of household income will directly benefit from this grant. Cared for children are one of our most vulnerable groups and will continue to benefit from the grant.

6.9. Public Health

- 6.9.1. Poverty poses a threat to the public health of our residents as they are less likely to be able to access the conditions that promote a healthy physical and mental lifestyle. An adequate income can help people to avoid stress and

feel in control, to access experiences and material resources, to adopt and maintain healthy behaviours, and to feel supported by a financial safety net.

6.10. Climate Change

- 6.10.1. There are not expected to be any climate change implications from the Household Support Grant.

Access to Information	
Contact Officer:	Ali Stathers Tracey, Director of Early Help and Prevention Alison.Stathers-Tracey@cheshireeast.gov.uk 07870 603585
Appendices:	None
Background Papers:	None