

Children and Families Committee

Date of Meeting:	14 November 2022
Report Title:	Household Support Fund 3 (HSF3) Grant Delivery
Report of:	Deborah Woodcock, Executive Director of Children's Services
Report Reference No:	CF/60/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. This report updates the children and families committee on the household support fund 3 (HSF3) grant awarded to Cheshire East and seeks agreement to delegate authority to the Executive Director of Children's Services to incur expenditure in line with the HSF3 grant conditions

2. Executive Summary

- 2.1. Following an announcement from the Department for Work and Pensions (DWP) at the end of August 2022, the HSF3 grant was awarded in a letter from the DWP on the 30 September 2022, with the grant commencing on 01 October 2022.
- 2.2. In July 2022, and ahead of the grant allocation to Cheshire East, finance committee agreed an supplementary estimate of £2.3 million in budget for 2022/23 in relation to the extension of the household support fund- see [Outturn 2021-22 - app 2.pdf \(cheshireeast.gov.uk\)](#)
- 2.3. Cheshire East's confirmed allocation is £2,203,892.10. The funding is expected to be used to support households in Cheshire East with food, utilities, and other essentials from 01 October 2022 until the 31 March 2023.

- 2.4. Following a survey to existing parents who have benefited from the previous household support fund and taking wider thinking into consideration, it is proposed to remain with the current model to issue the HSF3 grant in three payments with one in November, another in December 2022 and the remaining issued in February 2023.
- 2.5. Children and families committee is asked to note Cheshire East's final grant allocation, endorse the plans for the HSF3 grant and delegate authority to the Executive Director of Children's Services to incur expenditure in line with the HSF3 grant conditions

3. Recommendations

- 3.1. The children and families committee is recommended to:
- i. Note Cheshire East's final HSF3 grant allocation of £2,203,892.10.
 - ii. Endorse the proposed allocation of the grant, eligible cohorts and payment arrangements set out in this paper.
 - iii. Delegate authority to the Executive Director of Children's Services to incur expenditure in line with the HSF3 grant conditions.

4. Reasons for Recommendations

- 4.1. Whilst the finance committee agreed the supplementary estimated grant for the HSF3 grant, the final allocation and delegation to the Executive Director of Children's Services is required to spend the grant. This delegation enables the fund to be allocated effectively to those residents most in need in Cheshire East and gives opportunity for any minimal change in grant division which may arise due to possible cost changes in the current economic climate.
- 4.2. The proposal to move to remain providing three payments to those families most in need is based on feedback from families and also balancing the cost-of-living concerns to ensure that the vouchers reach those most in need at the most difficult months of the year.
- 4.3. The new HSF guidance includes a requirement for the enquiry form to be accessible. To date, Cheshire East has allocated the fund based on known cohorts and referrals from professionals. The introduction of the public facing enquiry form in Cheshire East will ensure that all families and adults in need have access to the fund. Increasingly, other local authorities have introduced this self-referral option for those who do not engage with other services to make it more accessible to them.
- 4.4. The HSF 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.

5. Other Options Considered

- 5.1. There are a range of other options, including increasing or reducing the payments to families, changing the cohorts that are eligible for the fund and the routes by which they can access this. After looking at all of these options and in consultation with parents, and colleagues across the council and partner agencies, the current proposed delivery model provides the most benefits.

6. Background

- 6.1. Over the last two years, a number of temporary grants and funding initiatives were introduced in recognition of the hardship placed upon families and individuals. This included the 'COVID Winter Grant Scheme' (December 2020 – April 2021), the 'COVID Support Grant' (April 2021 – September 2021), the Household support Fund (October 2021 – April 2022), the Household support Fund 2 (April 2022 – October 2022). Committee approval was received in receipt of these grants in Finance Sub on the 06.07.22 : which recommended to Council approval of:
- (a) fully-funded supplementary revenue estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 2, Table 1; and
 - (b) the virement of £2.3m in 2022/23 from the Medium-Term Financial Strategy Reserve to the General Reserve as detailed in Appendix 5, paragraph 4.
- 6.2. For families these grants were distributed via e-vouchers through early years settings, schools, colleges to families who were vulnerable to financial hardship due to the impact of the pandemic.
- 6.3. Over 10,000 children and families across Cheshire East were supported via these grants alongside over 8,000 adults and pensioners, with a total of over 150,000 vouchers provided. The council also ensured that families in need of replacement goods, such as fridges, cookers and washing machines, were helped, and benefited from a partnership involving schools, colleges, the NHS, council services and third sector organisations to identify families in need. A similar process was in place for adults who needed assistance.

Cheshire East's grant allocation

- 6.4. On 26 August 2022, the DWP announced that the HSF would be extended from 01 October 2022 to 31 March 2023. This was followed by a final DWP letter and guidance on 30 September 2022 setting out the grant conditions.

This is a new scheme, and the council cannot carry forward any underspends from previous DWP grants. Cheshire East's confirmed allocation is £2,203,892.10.

- 6.5. Whilst most elements of the HSF are in line with the previous grant, HSF3 does not ringfence any proportion of funding for any particular cohort of people. This means that there is no longer a requirement for at least 33.3% of the fund to be allocated to households with someone over state pension age and that a further 33% must be allocated to support households that included a person under the age of 19. However, as Cheshire East proposes to support the same cohorts as per the previous grant, the fund is likely to be split broadly in line with previous grant.
- 6.6. The HSF3 includes a requirement for all local authorities to operate at least part of their scheme on an application basis i.e. residents should have the opportunity to come forward to ask for support. There is also an expectation to particularly consider those groups who may not have benefitted from any of the recent cost of living support.
- 6.7. The aim of the HSF3 is to provide support to vulnerable households in most need. In Cheshire East we are proposing to use the £2.2m fund to support vulnerable households with food, utilities and other essentials between October 2022 and March 2023.
- 6.8. The HSF3 budget will allow for £80 worth of payments to be made to the families of our children and young people who are entitled to free school meals (FSM), early year pupil premium, 2 year old funder, care leavers, young carers and NEET, and 1 x £100 utilities payment to pensioners in receipt of council tax support. The budget will also facilitate an enquiry form with an inventory of food/utilities vouchers to capture those not included within the priority groups.
- 6.9. Alongside food/utilities vouchers, the budget also allows for individuals to access support for boilers payments, housing payments and other essentials.
- 6.10. Enquiry payments for food would continue to be available for £20 per child, £40 per single adult and £60 per couple for one week, and £100 per household for utilities. A further £20 will be available for wider essential payments per household.
- 6.11. Grant monies will also be provided to the community's department to provide meals for our vulnerable residents via the Warm plaCEs initiative. There is also the expectation this will support the programme to engage with individuals currently unknown to the programme, or who do not currently engage with referral agencies. Please note, any individual who

received bulk support can also access the enquiry form. Individuals requesting white goods will be referred to emergency assistance.

Grant cohorts

- 6.12. It is proposed that Cheshire East continues to support the same cohorts through the HSF3 grant as previously. The children's groups which are provided with priority bulk payments include those who are eligible for free school meals (FSM), those funded for two year old (2YO)/ early years pupil premium (EYPP), 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. These families will receive their vouchers via schools, colleges, early years settings and by a host of support services. Any vulnerable adults or families who do not receive support via these channels would be eligible for referral from recognised professionals or via the proposed public facing enquiry form.
- 6.13. Based on cohort numbers at the beginning of the HSF2 grant, Cheshire East had approximately 8,500 FSM young people in schools and colleges, with a further 2,000 in 2YO funder/EYPP, totalling 10,500 individuals. A further 750 individuals were supported across the remaining cohorts (please note, most of the high-risk individuals from these groups are included in the FSM, 2YO/EYPP lists).
- 6.14. The council is encouraged to work closely with local partners to identify a broad range of vulnerable households across their local area. We will target those from low-income households that cannot increase their income through work, such as pensioners, people with disabilities, unpaid carers, and parents of very young children in their area.
- 6.15. As with the previous HSF grant, 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.
- 6.16. Cheshire East's scheme targets pensioners who are in receipt of council tax support to enable referrals from professionals for those most in need. Referrals are likely to come from colleagues in the benefits service, adult services, the Citizen's Advice Bureau, Age UK, the Winter Wellbeing Group, housing associations, disability and carer support services 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. A cross-service steering group, chaired by the Head of Prevention and Early Help, oversees eligibility and development of the HSF.

- 6.17. The HSF 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.

Payments to families and adults

- 6.18. In reviewing the effectiveness of the previous grant, consideration has been given to the frequency of payments taking into consideration practice across other local authorities. Previously, the children's bulk payments have been aligned with holiday periods. During the timeline of the grant (October 2022 to March 2023), 3 school holiday periods will occur: October half term, Christmas and February half term.
- 6.19. To gain feedback from families about the grant, families were informed that the payment for October would be delayed enabling a survey to be held asked families to consider if they would like larger and less frequent payments. We had a total of 420 responses (approx. 5% of overall priority groups).
- 6.20. 44% of responses were in support of 1 payment of their entire allocation before the end of 2022. In second place, 3 payments between November and March, which totalled 37% of responses and 2 payments, one in 2022 and one before March 2023 came in third place with 19%.
- 6.21. Although the highest response rate was to move to one payment, we have taken all considerations in terms of the low percentage response rate of the survey from the overall priority groups, how the increase in the cost of living is putting additional pressure on families, and the risk that families will spend the whole money in one payment which may then result in them not having support throughout the following months. Therefore, subject to committee approval we are therefore purposing to remain with the current model to issue the HSF3 grant in three payments with one in November, another in December 2022 and the remaining issued in February 2023.
- 6.22. The survey also showed a 97.4% 5 star approval rating of the programme, with hundreds of supportive and constructive comments included in the wider comments section.

Referrals

- 6.23. Currently, all enquiries require a recognised practitioner/professional to complete the referral form to access the household support fund. We have used this method to reduce fraudulent claims, target those most in need whilst also allowing a significant degree of flexibility to capture the newly/unknown vulnerable during a period of increased financial instability.

The current enquiry form has worked successfully over the past 2 years, with a total of £292,460.00 provided to over 2,347 families/individuals over the past 6 months.

6.24. The HSF3 guidance includes a requirement for the enquiry form to be accessible. To address this, the proposal is to introduce a public facing enquiry form. The main benefit of this would be to ensure that those residents who are struggling and not currently engaged with services can get the help they need. We will encourage those who apply through this route to take up other offers of support and services.

6.25. **Implications**

6.26. **Legal**

6.26.1. Additional funding has been made available by the DWP to Local authorities and covers the period from 1 October 2022 to 31 March 2023. Local authorities have full discretion on how the funding is to be used as long as it is in accordance with the guidance set out in the household support fund grant determination .

6.26.2. Local authorities are expected to administer the HSF and provide assistance to households most in need to help with significantly rising living costs. Despite the fact that this is an extension to the previous two household support fund schemes it is a new grant subject to its own grant conditions as is set out in the grant determination letter.

6.26.3. Underspends from previous schemes cannot be carried forward and funds should be spent or committed before 31 March 2023 as they cannot be held over for future usage.

6.26.4. When administering the fund, authorities are encouraged to adopt the following principles:

- use discretion on how to identify and support those most in need, taking into account a wide range of information;
- use the funding from 1 October 2022 to 31 March 2023 to meet immediate needs and help those who are struggling to afford energy and water bills, food, and other related essentials. Authorities can also use the funding to support households who are struggling to afford wider essentials;
- in exceptional cases of genuine emergency, the funding can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.
- this includes payments made, or committed to, by the authority or any person acting on behalf of the authority, from 1 October 2022 to 31 March 2023.

- work together with district councils and third parties, including where necessary and appropriate other local services. This may include social workers, housing and family support services, and may incorporate intelligence and data from wider children's social care systems to help identify and support individuals, families and households within the scope of the fund.
- 6.26.5. Local authorities must ensure that they have a clear rationale or documented policy/framework defining eligibility and how households access the fund. Local authorities are expected to review their existing approach including how they define eligibility.
- 6.26.6. Rather than focus on one specific vulnerable group, local authorities should use the wide range of data and sources of information at their disposal to identify and provide support to a broad cross section of vulnerable households to prevent escalation of problems. Authorities should ensure that they consider the needs of various households including families with children of all ages, pensioners, unpaid carers, care leavers, and people with disabilities.
- 6.26.7. Authorities should particularly consider how they can support those vulnerable households who are ineligible for other government support with the cost of living, including the:
- Energy bills support scheme and the equivalence package confirmed on 29 July;
 - Council tax rebate and the associated £144m discretionary fund;
 - Cost of living payments for those on means tested benefits;
 - £150 disability cost of living payment;
 - One-off £300 pensioner cost of living payment (through the winter fuel payment),
- 6.26.8. In addition:
- a) The authority is to ensure that the grant is primarily allocated to support with the costs of energy (for heating, lighting and cooking), food, water (for household purposes, including sewerage) and other essential living needs in accordance with the Scheme guidance;
 - b) in exceptional circumstances of genuine emergency, the authority may allocate grant funds to support with housing costs as set out in the Scheme guidance;
 - c) the authority is to use best endeavours to facilitate applications for assistance under the scheme from individuals who are eligible for assistance in their area.

6.1.1 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 set out below shall apply. The level of grant funding (£2,203,892.10) requires Council approval, or a decision under urgency powers on behalf of Council.

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

6.27. Finance

6.2.1 Expenditure on the Household Support Fund will be fully funded by a government grant of £2,203,892.10. The duration of the scheme is from 01 October 2022 to 31 March 2023.

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 31 March 2023 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 01 October 2022 to the 31 December 2022 will be due on the 25 January 2023
- A final MI return for the period 01 October 2022 to 31 March 2023 will be due 28 April 2023.

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 HSF3 grant is part of the government's package of support, targeted at those vulnerable families and adults who are most in need, to help them to cope with the impact of rising prices.

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 has been completed 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 The current capacity in place to administer this grant will continue. 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 several 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 The risks of moving away from holiday periods include that there will be an expectation in the community that the vouchers will be received for holiday

periods, which may cause some initial resistance, and increased queries. Families in need are also unlikely to reserve the funds for during the holiday period due to financial pressures.

- 6.6.5 The risk of introducing a new public facing form include a possible increase in fraudulent claims. The proposal is to increase the administration and checks in relation to these claims to ensure there is no duplication etc. In terms of delivery, it is proposed that public enquiries would be eligible for 1 claim, with a second claim eligible via a referral agency. This is likely also to have the benefit of increasing engagement with support agencies.
- 6.6.6 Risks are routinely assessed and reported on at the household support fund 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:	Doug Hubbert, Business Development Manager Douglas.hubbert@cheshireeast.gov.uk
Appendices:	None
Background Papers:	None