

To: Executive
24 May 2022

HOUSEHOLD SUPPORT FUND EXTENSION AND ENERGY REBATE DISCRETIONARY FUND

**Executive Director: Resources, and
Assistant Director of Early Help and Communities**

1 Purpose of Report

- 1.1 To recommend to the Executive proposals to allocate the £555,468 Household Support Fund extension from the Department of Works and Pensions (DWP) and seek approval for the proposed spending. Proposals have been developed through the officer Financial Hardship Group and endorsed by the Member Welfare Steering Group.
- 1.2 To propose an initial approach to targeting allocations from the £184,650 Discretionary Fund element of the Council Tax Energy Rebate package, pending further consideration of potential targeting of the fund by the Member Welfare Steering Group.

2 Recommendations

- 2.1 **To purchase supermarket vouchers, or for opted schools to make equivalent arrangements, to provide support over the Summer and October Holidays to children qualifying for Free School Meals in Bracknell Forest schools and the equivalent under 5s. Households will receive a £15 voucher per child per week of the holidays. As detailed in 5.4(a)**
- 2.2 **Provide pension age households who are in receipt of pension credit or council tax reduction with a one-off supermarket voucher in June of £100. As detailed in 5.4(b)**
- 2.3 **Use the remaining funding of approximately £15,000, and the value of any unredeemed vouchers, to target low income working age disabled and carer households without children, and care leavers with a supermarket voucher of £50. As detailed in 5.4(c). If more funding is available, the decision to increase this value is recommended to be delegated to the Chief Executive.**
- 2.4 **To agree the Discretionary Fund element of the Council Tax Energy Rebate is initially used to provide financial support to working age and pensioner households occupying properties in Council Tax Bands E-H who currently receive income based council tax support and also to care leavers, as set out in paragraph 5.10.**
- 2.5 **To delegate authority for agreeing proposals to allocate the remainder of the Discretionary Fund element of the Council Tax Energy Rebate to the Executive Member for Children, Young People and Learning, advised by the Members Welfare Steering Group.**

3 Reasons for Recommendations

- 3.1 To seek endorsement on each of the recommendations to enable the rapid and widespread distribution of the funding to households in the community.
- 3.2 The Household Support Fund has been provided by the Department for Work and Pensions (DWP), but the local authority must determine how it is spent within the scope of the guidance that has been set out. The local authority is required by the DWP to create a local eligibility framework to disburse the funding. Recommendations have been established based on learning from how the previous equivalent Covid Winter Grant, Covid Local Support Grant and Household Support Fund was spent.
- 3.3 In addition to the mandatory Council Tax Energy Rebate which is payable to households in Band A to D properties who pay their energy bills, as directed by the Department for Levelling Up, Housing and Communities, there is also a Discretionary Fund. Councils are required to individually determine how to allocate the Discretionary Funding to households that are energy bill payers but not covered by the main scheme. Bracknell Forest's allocation is £184,650.
- 3.3 Financial Hardship is increasing and has seen a drastic increase due to the pandemic and cost of living increases. Therefore, making these recommendations aims to help alleviate the financial pressures this is causing for people. Presenting the two funds together aims to align with work across the council, maximise the reach of the funding and minimise unwanted duplication.

4 Alternative Options Considered

- 4.1 The financial hardship officers group considered other options for spending the household support fund, but it was concluded that these would not be as effective as those recommended in terms of efficiently disbursing funds to those most in need whilst keeping within the guidelines set out by DWP. Several other options have been considered, including grants to voluntary and community sector organisations and fuel support for households on pre-payment metres but these are more complex and labour intensive. The proposals follow agreed practice in distributing previous tranches of this funding.
- 4.2 A range of approaches have been considered for the disbursement of the Energy Rebate Discretionary Funding, including having a completely flexible application process that any household can apply for. However, the absence of any defined criteria would mean that assessment of eligibility would be both complex and subjective and would require more resources to effectively distribute the funding. The existing Hardship Fund is well established, and it is felt that this remains the best route to direct households in acute financial hardship towards.

5 Supporting Information

5.1 Context of Household Support Fund

The Department for Works and Pensions (DWP) has provided ringfenced funding to Local Authorities for welfare needs since December 2020. The scheme was extended multiple times with the latest due to end on 31 March 2022. It has since been extended for a further six months to support individuals hardest hit by the cost-of-living crisis.

5.2 The council has been given a further £555,468.03 of funding from DWP to help support vulnerable households through the rise in energy bills and the cost of living. The money is available to the council from the 1 April 2022 and must be spent by 30 September 2022. Local authorities have discretion on exactly how the funding should be spent within the scope set out in the guidance and can deliver this scheme through a variety of routes including, through direct provision of food, delivering vouchers to households or issuing grants to third parties. The funding can cover reasonable administration costs.

5.3 Criteria of Household Support Fund

The funding should be used to support vulnerable households most in need. However, this is not limited to those that are in receipt of benefits. A minimum of one third of the funding is to be spent on families with children with an additional one third to be spent on pensioners and the remaining funding on other individuals, focussing on those that cannot maximise their income through work. The fund should primarily be used for immediate food, energy, and water related costs. The framework set out in this paper will enable distribution of the grant to best support local households.

5.4 Proposals for local eligibility framework for the Household Support Fund (HSF)

It is proposed that the HSF is distributed through the following routes:

- a) Purchase supermarket vouchers to provide support over the Summer and October holidays to free school meal (FSM) eligible children and the equivalent under 5s. This is the same cohort as previously supported and vouchers will be provided through the same channels, distribution via schools and early years settings. Approximately 2,800 children are eligible under this criteria. To provide £15 per child per week of school holidays will require £312,000 of the grant funding for the supermarket vouchers and a further £26,000 for direct payments to schools who make their own equivalent arrangements. Therefore approximately 61% of the funding will be spent on families with children.
- b) Provide pensioners who are in receipt of pension credit or council tax reduction with a one-off supermarket voucher in June of £100. This aims to reach approximately 2,000 households and will use approximately 36% of the total funding (£200,000).
- c) The remaining funding will be used to target low income working age disabled and carer households without children and care leavers with a supermarket voucher of £50. These groups are less likely to be able to increase their income through work. By targeting these groups, it is intended to increase the reach of support whilst minimising the risk of duplicating support. The council's Low-Income Family Tracker (LIFT) software can be used to identify these cohorts.

5.5 Vouchers for all routes outlined in 5.4(a), (b) and (c) are proposed to be purchased through the existing contract with Blackhawk Incentives. This is permitted under the maximum contract spend of £1.8million until December 2024 which was agreed at Executive dated 16 November 2021.

5.6 It is anticipated, based on the previous distribution of supermarket vouchers, that approximately 10% of the supermarket vouchers will be unredeemed (approximately £55,000). In this scenario, the credit is refunded and can be used to purchase further vouchers. This credit will be used to further support working age cohorts highlighted

in 5.4c, this will be reviewed in August to consider further options for redeeming credit on the supermarket vouchers account.

- 5.7 Should further funding be available to distribute, due to unredeemed vouchers, it is recommended that the decision to allocate further vouchers within the cohorts identified in 5.4c is delegated to the Chief Executive.

5.8 Context of Energy Rebate Discretionary Funding

The Government announced on 3 February 2022 a package of support to households with rising energy bills. This includes a Council Tax Energy Rebate, payable to households occupying and responsible for paying energy bills in properties banded A to D for Council Tax purposes. The council has already made just under 25,000 payments to households paying their council tax bills by direct debit and has started assessing details provided by other households in Band A – D properties. Billing authorities have also been allocated discretionary funding to support households who are in financial need but not currently eligible for the Energy Rebate.

Allocations of the Discretionary Fund to billing authorities was calculated based on the index of multiple deprivation and the estimated number of low-income households in council tax bands E to H. Bracknell Forest has been allocated a sum of £184,650.

5.9 Criteria of Discretionary Funding

Each council must determine locally how best to make use of this funding to support those most likely to be experiencing financial hardship as a result of rising costs of living. The funding can be used to provide payments to those in bands E to H and/or top up payments made to the most vulnerable households in bands A to D. Each council must publish their agreed guidelines for eligibility to the Discretionary Fund. All Discretionary Funding payments must be made by 30 November 2022.

5.10 Proposals for Discretionary Funding

In order to help the eligibility assessment process, the council needs to agree clearly defined categories of households who are intended to be assisted by the discretionary fund before inviting applications. In doing so, Bracknell Forest has taken into consideration its proposed approach to the Household Support Fund. It is felt that further detailed assessment is required before the full range of potential priority groups can be finalised and this will be undertaken by the existing Members Welfare Advisory Group. However, in order to ensure that the grant starts to be distributed with minimal delay it is proposed that payments are targeted initially as follows;

- a) Working age and pensioner council tax support claimants occupying properties in Bands E to H, to be offered £150 per household
- b) Care leavers previously looked after by Bracknell Forest Council, aged 18 – 25, to be offered £50 per household.

- 5.11 It is expected that there will be at least £175,000 remaining of the funding after these allocations. It is proposed that the decision for further distribution of the funding is delegated to the Executive Member for Children, Young People and Learning, with advice sought from the Members Welfare Steering Group.

6 Consultation and Other Considerations

Legal Advice

- 6.1 In relation to the proposals in paragraph 5.4 (a), (b) and (c), it is understood that such vouchers would be purchased under an existing framework contract for the provision of food vouchers with a company named Blackhawk. This expenditure would fall within the total maximum spend (of £1.8 million over 3 years) as authorised by the Executive pursuant to the report to the Executive dated 16 November 2021, on vouchers under that contract. Legal are satisfied that the further expenditure will be in accordance with the Public Contracts Regulations 2015 as this falls within the total anticipated contract value as referenced in the original contract documents.

For all other proposals listed in this report, compliance with the Public Contracts Regulations 2015 does not require consideration given that payments to individuals are outside the scope of the PCR 2015, however care will need to be taken to ensure that all grant funding conditions and any associated guidance is complied with.

Financial Advice

- 6.2 The proposals set out in this report relate to allocating Government grant funding so have no direct implication on the Council, although should particularly complex application processes be established there may be a requirement for additional staff that would not be funded from the grants.

Other Consultation Responses

- 6.3 N/A

Equalities Impact Assessment

- 6.4 An equalities impact assessment has been completed for the Household Support Fund and Discretionary Energy Rebate scheme and is attached as Appendix A and B respectively.

Strategic Risk Management Issues

- 6.5 None identified.

Climate Change Implications

- 6.6 The recommendations in Section 2 above are expected to:

Have no impact on emissions of CO₂.

The reasons the Council believes that this will have no impact on emissions are that the recommendations outlined uses online platforms to identify individuals.

Health & Wellbeing Considerations

- 6.7 The scope of both the Household Support Fund and Discretionary Fund is to support those suffering from financial hardship. The recommendations aim to directly support individuals with financial help and in turn helps to reduce the negative impacts financial hardship has on well-being

Background Papers

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