

To: Executive
18 October 2022

Financial Hardship Action Plan and Household Support Fund (Phase 3)
Executive Director: People
Assistant Director: Chief Executive's Office

1 Purpose of Report

- 1.1 To set out the proposed routes for distributing the funding from the third phase of the Household Support Fund, provided by the Department for Work and Pensions.
- 1.2 To brief the Executive on the council's new Financial Hardship Action Plan, setting out a strategic and sustainable approach to supporting residents experiencing hardship.

2 Recommendations

2.1 To approve the distribution of the Household Support Fund (Phase three) through the following routes (more detail provided in 5.4.1):

- 2.1.1 Supermarket vouchers to Free School Meal pupils at Bracknell Forest schools, ages 5-16.**
- 2.1.2 Offering the local foodbanks additional funding, including to provide fuel vouchers and fresh food.**
- 2.1.3 Purchase supermarket vouchers to distribute to low-income households receiving income based council tax reduction or housing benefit but not the benefits, such as universal credit, which would qualify them for the £650 national cost of living payment.**
- 2.1.4 Enhancing the Local Welfare Scheme provision, allowing applications from households in hardship who would not otherwise automatically qualify for support.**

2.2 To endorse the financial hardship action plan (2022-2024) for operational implementation.

3 Reasons for Recommendations

- 3.1 There is increasing financial hardship in the community, and nationally, related to rising inflation and the cost of living crisis. This has extended the financial uncertainty many households faced during the pandemic. The financial hardship action plan offers a preventative approach to hardship, drawing together existing support across the voluntary, community and faith sector and council to maximise resources. This aims to help residents be more financially independent and the community more resilient.
- 3.2 Residents are likely to be concerned about their finances and Councillors may be asked what support is available, the action plan aims to help answer these questions.

- 3.3 The commitments within the action plan will be delivered over the next 18 months, however the council recognises that there is also immediate hardship facing many households in the borough. Therefore, the additional funding provided within the Household Support Fund is welcomed short term support. The recommendations on distributing this funding are set out to enable the funding to be distributed to as many households as possible through mechanisms available between now and March 2023.

4 Alternative Options Considered

- 4.1 The relevant Officer and Councillor groups considered other options for spending the Household Support Fund, but it was concluded that these would not be as effective as those recommended for supporting those most in need. The proposals broadly follow the previously agreed mechanism in distributing preceding tranches of funding. Discussions with other councils also show that many are also choosing to fund supermarket vouchers and boosting existing support mechanisms such as welfare funds or voluntary and community sector partners.
- 4.2 There is no statutory requirement to deliver a financial hardship action plan, and there are limited additional resources available to do this, so the plan makes best use of existing resources. The Executive could decide not to endorse the delivery of the action plan, or any further development. However, given the current economic climate, without any action there is likely to be increasing pressure on household finances and on demand for services such as welfare, housing, social care and council tax in the near future.

5 Supporting Information

Short Term / Crisis Support – Government Funding

- 5.1 Several tranches of government funds have previously been issued for councils to distribute including previous iterations of the Household Support Fund (HSF) and the energy rebate scheme. These are also additional direct government payments like the £650 cost of living payment, see Appendix A. The different funds that have been available to households, at a local and national level, are detailed in Appendix A.
- 5.2 Further funding of £555,000 is being allocated to Bracknell Forest Council by the Department for Work and Pensions (DWP) as part of the HSF. This must be spent between 1 October 2022 and 31 March 2023. The aim of the fund is to support households with the cost of energy, food and water bills.
- 5.3 There have been a number of changes to the conditions of the grant for this current tranche of funding, primarily:
- No ringfencing to specific cohorts such as families or pensioners.
 - Adding the requirement to operate at least part of the scheme on an application basis
 - Authorities must particularly consider those groups who may not have benefitted from any of the recent cost of living support.
 - Authorities should prioritise supporting households with the cost of energy.
- 5.4 Taking this guidance, knowledge of local cohorts and the assessment of existing mechanisms into account, along with discussions with the Officer Financial Hardship

Group and Member Welfare Steering Group, the following routes for distributing the funding are recommended:

- 5.4.1 Purchase supermarket vouchers for free school meal (FSM) eligible children attending Bracknell Forest schools aged 5-16 years. It is proposed that households will receive a voucher of £30 per child in December and £15 in February to cover the winter period. This would reach approximately 2,400 children. This will use approximately £108,000 of funding.
- 5.4.2 Offer additional funding to the local foodbanks (Bracknell and Crowthorne) to purchase fresh food and to offer fuel vouchers. This will use approximately £40,000 of the funding.
- 5.4.3 Purchase supermarket vouchers to distribute to low-income households receiving income based council tax reduction or housing benefit but not the benefits, such as universal credit, which would qualify the household for the £650 cost of living payment. They would automatically receive £200 per household. This would reach approximately 1,500 households, using £300,000 of the funding.
- 5.4.4 Use the existing Local Welfare Scheme application process to offer support under the HSF. Residents will receive varying payments depending on their circumstances and number of people in the household. This will provide direct support for costs related to energy and food. This aims to reach households who were previously just about managing and may not be qualifying for wider support. It also means a wider cohort such as FSM equivalent under-fives, electively home education pupils, 16+ pupils, and SEND children attending out of borough schools can apply for an equivalent voucher if they are low income. This will use any remaining funding.
- 5.4.5 Administration costs for delivery are also covered by the Household Support fund. This will include the essential staffing costs to deliver the application element (5.4.4) of the funding as well as printing and postage costs for the distribution of the supermarket vouchers.
- 5.5 Learning from the previous phase of the funding (April to September) has been considered when developing the current plans, including changes in neighbouring authorities policies, affecting children at out of borough schools and the challenges around distributing voucher to early years settings. The full details for the funding allocations are set out in Appendix B.
- 5.6 The previous school holiday vouchers will be re-branded as a cost of living support payment, to move away from the growing expectation for parents to receive vouchers every holiday period. It is not known how long this funding will continue to be available by the DWP.
- 5.7 Previous cohorts who have received vouchers may not now automatically qualify to receive them, such as children in Early Years settings. They will however be able to apply for the equivalent support through the Local Welfare Scheme. This offers greater flexibility to families in the support available, recognising that there will be a range of needs present. Application through the Local Welfare Scheme will also mean the council can directly offer wider information and signposting on available support. Local promotion and communication will aim to encourage this application, so no previously eligible families miss out.

- 5.8 The previous Household Support Fund policy will be updated on the website to reflect these distribution routes and the further detail.

Taking a strategic and sustainable approach - Financial Hardship Action Plan

- 5.9 Whilst the government funding is vital in the current short-term crisis, it is not a sustainable solution to helping residents increase their financial stability and resilience. Therefore, alongside these recent government funds, the council has been developing a longer-term approach.
- 5.10 Bracknell Forest is broadly an affluent borough, where there is high employment, high levels of education and good health. However, this is not the case for all residents and this affluence, can hide the areas of deprivation. In the least deprived neighbourhood in Bracknell Forest, 1.5% of people are estimated to be income-deprived compared to 14.7% in the most deprived neighbourhood. More than one in ten households in the borough are known to be 'low income'¹.
- 5.11 The rising financial pressure is expected to increase demand on council services, particularly statutory duties around homelessness, the Local Welfare Scheme, and requests for council tax support and social care financial assessments. Indirect effects should also be expected for increasing health and social care needs and increased demand on the community and voluntary sector. A more preventative, upstream, approach intends to improve the independence and resilience of the community.
- 5.12 There are many organisations in the community, and teams across the council, who already provide some element of support around hardship, from foodbanks to council tax support. However, there is not currently a joined-up approach to viewing the individual as a whole. A more unified approach could pinpoint those most in need sooner to prevent escalation of more complex cases and to support a faster return to economic security.
- 5.13 To better understand the challenges and opportunities, a needs analysis was conducted in the Spring 2022 to map local financial hardship. This provided a detailed evidence base to understand key cohorts and risks for financial hardship and where there is the opportunity for better targeting resources. Further engagement then took place with subject matter experts within the council, partners and across the VCFS to establish practical ways to address these challenges. This formed the basis for the action plan (Appendix C).
- 5.14 This development work has been possible through the COVID Welfare funding committed within the 2021-22 budget. There are currently limited further resources dedicated to preventative financial hardship action, therefore a key focus has been to join up existing workstreams and share skills and expertise to make the biggest impact.
- 5.15 The outcomes of the action plan will be measurable and quantifiable to demonstrate the impact for the individual and the council. Bringing this together aims to achieve a preventative, upstream approach to improve the independence and resilience of the community whilst managing the demand on council services.

¹ As defined by those known to the council to be receiving Housing benefit or income-based council tax reduction.

- 5.16 The action plan sets out an overall vision “For all residents to be financially stable, independent, and engaged with the local community and economy, through reducing the impact and extent of financial hardship.” This is supported by two underpinning priorities and three targeted priorities:
- Underpinning priority one: Signposting and accessing support
 - Underpinning priority two: Promoting Community Initiatives
 - Targeted priority three: Essential Living Costs
 - Targeted priority four: Employment Support
 - Targeted priority five: Financial Literacy
- 5.17 Each priority then has one or more objectives with specific actions and outcomes associated. This aims to provide a clear structure for the deliverables and aims of the plan. The actions contain those that will benefit the whole population, e.g. “Promote the use of the Open Learning Centre for IT lessons and access to computers” and more targeted work, e.g. “Support unemployed residents with ‘low barriers to work’ into employment”.
- 5.18 Beyond the 18-month plan period, the actions undertaken aim to increase the independence and financial resilience of residents. Therefore, this aims to reduce the need for the same level of intervention from the council longer term. This will continue to be reviewed as the delivery of the plan progresses.

6 Consultation and Other Considerations

Legal Advice

- 6.1 Under Section 31 of the Local Government Act 2003 ‘A Minister of the Crown may pay a grant to a local authority in England towards expenditure incurred or to be incurred by it’. In exercise of those powers the Secretary of State for Work and Pensions made the determination known as the Household Support Fund Grant Determination 2022 No. 31/3096 on 20 April 2022 the purpose of which is to provide support for expenditure lawfully incurred or to be incurred by the Council in accordance with specific grant conditions to provide support to households particularly those including children and pensioners 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) to help them with significantly rising living costs.

In addition to this the Council has a general power under Section 1 of the Localism Act 2011 to do anything an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act. Therefore, the Council is able to receive, accept and utilise the grant in accordance with specific grant conditions and relevant guidance.

In administering the HSF the Department of Work and Pensions has issued guidance for local authorities known as ‘The Household Support Fund (1 April 2022 to 30 September 2022): final Guidance for county councils and unitary authorities in England. The guidance indicates the Council should develop a ‘local eligibility framework and approach’ to enable access to grant funding that best supports households most in need but includes flexibility to develop a local delivery approach which fits the schemes objectives. This guidance must be followed when administering the fund and awards must meet frameworks set out in the guidance around ring fenced funding and eligible spend.

The United Kingdom left the EU on 31 January 2020, and the State Aid regime has been replaced by a similar regime known as 'Subsidy Control'. Under this regime, a subsidy (or in this case a grant) is a measure which is

- given by a public authority; and
- makes a financial or in-kind contribution to an enterprise which is not available on market terms; and
- affects international trade.

Whilst the giving of a grants is not likely to be caught being unlikely to affect international trade both government and local procurement regulation must be followed. In particular, the DWP guidance explains that: 'the funding is intended to benefit households most in need of support with food, energy bills, related essentials and (exceptionally) housing costs as the economy recovers this winter. The funds should not be used for any economic undertaking. Whichever way you use the funding, including where you work in partnership with others you should consider all subsidy rules (previously known as state aid) and issues. Check whether the 'de minimums' regulation exception applies. You should follow government procurement procedures where relevant.'

Legal advice was given previously about the procurement aspect of vouchers allotted under the under the Fund. Compliance with the Public Contracts Regulations 2015 does not require consideration in terms of distribution, 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 Once the level of grant is confirmed, the level of expenditure will be within that cash envelope and so no additional burden on Council finances.

Other Consultation Responses

- 6.3 Engagement was undertaken with council officers and the Members Welfare Group as part of the development of the Household Support Fund (phase three) recommendations. Engagement has also been held at multiple points to develop the action plan with council staff, councillors and partners across the community. This feedback has been incorporated throughout.

Equalities Impact Assessment

- 6.4 The Equalities Impact assessment for the Financial Hardship Action Plan is attached as appendix D. A previous EqIA was completed for the previous household support fund and will be updated in line with the final guidance from DWP once released, this is currently drafted as appendix E.

Strategic Risk Management Issues

- 6.5 Not addressing hardship is likely to increase the pressure on council services and thus risks for the council. Therefore, these plans seek to reduce this.

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 is that the majority of recommendations are working with existing resources.

Health & Wellbeing Considerations

- 6.7 There is a direct link between financial hardship and health and wellbeing. These recommendations seek to reduce hardship and therefore this is anticipated to have a positive impact on residents' health and wellbeing.

Background Papers

[Household Support Fund: guidance for local councils - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/household-support-fund-guidance-for-local-councils)

Contact for further information

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Appendix A – Recent Financial Support March-November 2022

There have already been a number of direct financial support offered to residents, some targeting specific hardship vulnerabilities. Some have been administered at a local level, others nationally. The proposals set out in the paper aim to complement these routes.

Target Cohort	Support	Delivery
Universal	£400 to all households 'Energy Bills Support Scheme'	October
	£150 energy rebate to all band A-D properties	May
Low income	£650 'cost of living' payment directly into the bank accounts of those receiving eligible benefits incl. Universal Credit, tax credits, pension credit and other means tested benefits.	Split into two payments for July and Autumn
	£150 discretionary energy rebate to households in Council Tax Bands E-H who currently receive income based council tax support	Summer
	£120 discretionary energy rebate to households receiving council tax reduction but not benefits that qualify for the £650 cost of living payment.	Autumn
	£100 council tax reduction to all households receiving council tax support	2022/23 tax bill
Pension age	£300 pension age households	November/December
	£150 Warm Homes Discount	Winter
	£100 in supermarket vouchers to pension age holders in receipt of housing benefit or council tax support. (Local HSF2 scheme)	Summer
Families	£120 in supermarket vouchers per child registered for FSM. (Local HSF2 scheme)	May-November holidays
Disabled households	£150 for those receiving disability benefits, including DLA, PIP and attendance allowance	September
	£50 + £35 in supermarket vouchers to low income working age disabled and carer households without children (Local HSF2 scheme)	August/September
Care leavers	£50 in supermarket vouchers to Bracknell Forest care leavers under 21. (Local HSF2 scheme)	Summer
	£50 discretionary energy rebate to Bracknell Forest care leavers under 25	Summer

Appendix B – Household Support Fund Phase 3 Summary

Estimates of spend

Route	Cohort	Value	Number reached	Total
1	FSM pupils at Bracknell Forest schools	£30+£15 supermarket voucher	2,400 children	£108,000
2	Foodbank fresh food and energy support	£40,000	n/a	£40,000
3	Low income households not receiving other benefits	£200	1,500 households	£300,000
4	Application Local Welfare Scheme route	£50-£350	200-400 households	£55,000
Sub-total				£503,000
Admin	Additional staff for assessment and funding distribution	£50,000	n/a	£50,000
	Printing and Posting costs	£2,000	n/a	£2,000
Admin Sub-total				£52,000
Total				£555,000

Appendix C – Bracknell Forest Council Financial Hardship Action Plan 2022-2024

[Attached as separate document]

Appendix D – EqIA Bracknell Forest Council Financial Hardship Action Plan 2022-2024

[Attached as separate document]

Appendix E – EqIA Bracknell Forest Council Household Support Fund Phase 3

[Attached as separate document]