

To: Executive
21 March 2023

HOUSEHOLD SUPPORT FUND EXTENSION AND PROCURMENT
Assistant Director: Early Help and Communities

1 Purpose of Report

- 1.1 To recommend the distribution of the fourth phase of the Household Support Fund from the Department of Works and Pensions (DWP) to low income residents in the borough. Proposals have been developed through the officer Financial Hardship Group and endorsed by the Member Welfare Steering Group.
- 1.2 To agree the procurement process to award a new contract(s) for supermarket vouchers and prepaid cards. This will be used to disburse the above grant plus potential future grants over a maximum period of 4 years and up to total sum of £6,000,000 across both contracts which is inclusive of the grant spend set out in this report.

2 Recommendations

- 2.1 **To distribute the Household Support Fund (phase four) through:**
 - 2.1.1 **Purchasing supermarket vouchers, or for opted schools to make equivalent arrangements, for children qualifying for Free School Meals in Bracknell Forest primary and secondary schools. Households will receive a £15 voucher per child per week of the holidays.**
 - 2.1.2 **Purchasing pre-paid cards or 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 national cost of living payment.**
 - 2.1.3 **Enhancing the Local Welfare Scheme provision, allowing applications from households in hardship who would not otherwise automatically qualify for the support above.**
 - 2.1.4 **Provide application-based grants to the voluntary, community and faith sector organisations to provide direct support to residents.**
- 2.2 **To award the contract as per the strategic procurement plan (appendix A) using the Crown Commercial Framework RM6248. This would provide the required vouchers and payments set out in 2.1 and the scope for further purchases, should additional grant funding be allocated.**

3 Reasons for Recommendations

- 3.1 The Household Support Fund (HSF) is provided by the Department for Work and Pensions (DWP), but local authorities must determine how it is spent within the scope of the guidance issued. The local authority is required by the DWP to create a local eligibility framework to disburse the funding.

- 3.2 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.

4 Alternative Options Considered

- 4.1 The financial hardship officers' group and Members welfare steering group considered a range of options for spending the HSF. It was concluded that these other options 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. The proposals follow the previously agreed mechanism in distributing preceding tranches of funding, accounting for the learning from these. Discussions with other councils also show that many are continuing to fund supermarket vouchers and boosting existing support mechanisms such as welfare funds.

5 Supporting Information

Household Support Fund (HSF)

- 5.1 Several similar tranches of government funds have previously been issued for councils to distribute, and a number of wider financial support schemes have been committed to for 2023/24. This includes direct government cost of living payments and a council tax support fund. The different funds available to households for the coming year, at a local and national level, are detailed in appendix B.
- 5.2 Further funding has been allocated to Bracknell Forest Council by the Department for Work and Pensions (DWP) as part of the HSF. The funding amount has been confirmed as £1,110,936 and must be spent between 1 April 2023 and 31 March 2024. The aim of the fund is to support households with the cost of energy, food and water bills.
- 5.3 Local authorities are required to focus on support related to energy and food. The funding can also be used for essentials linked to energy and water, wider essentials, housing costs. Local authorities can also spend the funding on supplementary advice services including debt and benefit advice. However, the primary focus of the grant is on practical support.
- 5.4 The guidance outlines that an application-based element is mandatory and must be available for the majority of the funding period and clearly advertised to residents.
- 5.5 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:
- 5.5.1 To purchase supermarket vouchers, or for opted schools to make equivalent arrangements, for Free School Meals eligible pupils in Bracknell Forest primary and secondary schools. Households will receive a £15 voucher per child per week of the school holidays, from May 2023 to March 2024. This would reach approximately 2,400 children and cost £468,000
- 5.5.2 Purchase pre-paid cards or 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 £900 national cost of living payments. Eligible working age households would receive £450 and eligible pension age households would receive £150. This would use approximately £285,000 of the funding.

- 5.5.3 Use the existing Local Welfare Scheme application process to offer extended 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. This will use £100,000 of the funding. At least £50,000 will be retained to cover the winter period of October to March to ensure that the support remains available over the winter.
- 5.5.4 Develop an application based grant scheme for Voluntary, Community and Faith Sector (VCFS) organisations. This would specifically offer the grant funding where organisations can demonstrate they are supporting more residents or those from seldom heard groups, as the council may not otherwise be able to reach these. The money must be used to directly support their residents and within the DWP grant conditions. Organisations would be able to apply for a maximum of £15,000 to support Bracknell Forest residents through their service. This would use £150,000 of the funding.
- 5.5.5 Administration costs for delivery can also be covered by the HSF. This will be required for the essential staffing costs to deliver the application and VCFS elements (5.4.3 and 5.4.4) as well as printing and postage costs for the distribution of the supermarket vouchers. The council will seek to keep these costs less than 8% of the grant value.
- 5.6 The full details for the funding allocations are set out in Appendix C.
- 5.7 The school holiday vouchers will continue to be 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.
- 5.8 The Household Support Fund policy will be updated to reflect these distribution routes, and the further detail, once approved. As with previous phases, it is recommended that should amendments be required to the approach, particularly where additional funding is available through unused/returned vouchers, that the decision to amend the policy is delegated to the Chief Executive Officer.

RM6248 Framework Payment Solutions

- 5.8 The proposals set out in 5.4.1, 5.4.2 and 5.4.3 require the purchase of supermarket vouchers or another payment solution in order to passport the grant funding directly to residents. Vouchers were previously purchased through the existing contract with Blackhawk. The vouchers provided by this supplier have been well received by schools, families and residents.
- 5.9 The existing contract was agreed in December 2021, however due to the receipt of unexpected additional grant funding, it is nearing its maximum contract value. Therefore, a new contract must be established.
- 5.10 The additional vouchers required for the Household Support Fund would mean the total spend through one supplier would exceed the £663,540 threshold which triggers application of the Public Contract Regulations 2015 for this type of contract. This means a full procurement exercise must be undertaken to allow other suppliers to bid for the contract.

- 5.11 There is a framework provided through the Crown Commercial Service (RM6248) for payment solutions. This includes both pre-paid cards and vouchers. There are five potential suppliers in each category, including the current provider Blackhawk. A direct award is permitted within the framework, for which the conditions are met. Therefore, evaluation will be based on the desktop evaluation of each of the supplier's prospectus's and the cheapest on price.
- 5.12 The strategic procurement plan for this procurement is attached in appendix A.

6 Consultation and Other Considerations

Legal Advice

- 6.1 The legal team have been involved in the development of the proposals and reviewed the procurement paperwork. Advice confirmed that a direct award can be permitted if the conditions are met. This includes that the Council develops a clear Statement of Requirements and applies the direct award criteria to the Suppliers' catalogues and description of the Deliverables as set out in the Specification and Framework tender documents for all Suppliers capable of meeting the Statement of Requirements, in order to establish which Supplier provides the most economically advantageous solution. The RM6248 contract conditions were reviewed and considered appropriate for the council to use.

Financial Advice

- 6.2 The recommendation is supported.

Other Consultation Responses

- 6.3 As detailed within the report.

Corporate Procurement Team

As identified within the report, there are no extensions remaining in the current vouchers contract supported by Blackhawk, meaning a new contract is required. Further, the total contract value will be Above Threshold under the Public Contracts Regulations 2015, meaning a compliant procurement process must be carried out.

Having reviewed the CCS RM6248 Payment Solutions Framework, Corporate Procurement is satisfied that it was compliantly procured and that Bracknell Forest Council is able to access it. The framework does allow direct award, but only to the most economically advantageous of all framework suppliers that meet the commissioning authority's requirements.

Corporate Procurement is satisfied that the commissioner's desktop evaluation will identify all framework suppliers that meet Bracknell Forest Council's requirements, and that the award will be made to the highest scoring within this subset.

It is recommended that the proposal be approved.

Equalities Impact Assessment

- 6.4 An equalities impact screening has been completed (appendix D). It does not identify any adverse or negative impacts. Actions will include ensuring that the application process is promoted through multiple community networks and that the uptake of the scheme will continue to be reviewed. Broadly this scheme will help reduce inequality faced by low income households.

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 Financial hardship is closely linked to health and wellbeing. Therefore, these proposals aim to improve the wellbeing of low income households but helping reduce some of the immediate pressures and stress.

Background Papers

None

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Appendix A – Strategic Procurement Plan – Payment Solutions

[Attached as separate document]

Appendix B – Upcoming financial support available

| Grant | Value | Recipients | Distribution | Date |
|---|--------------------------|---|--|--|
| Cost of Living Payment | £900 (three payments) | Low income households | Gov – direct to bank account | £301 – Spring 2023 £300 – Autumn 2023 £299 – Spring 2024 |
| Cost of Living Payment | £300 | Pension age households (Winter Fuel Payment households) | Gov – added to Winter Fuel Payment | Winter 2023 |
| Cost of Living Payment | £150 | Receiving disability benefit | Gov – through benefits | Summer 2023 |
| Council Tax Support Fund | £25 | Council Tax Support | LA – through council tax bills (DLUHC) | April 2023 |
| Household Support Fund (final part of phase three) | £30 per child | FSM eligible pupils | LA – through schools or via application (DWP funded) | March 2023 |
| Household Support Fund (phase four) | As per current proposals | | | April 2023 - March 2024 |

Appendix C – Funding estimates summary

| Route | Cohort | Value | Number reached | Total |
|-----------------|---|---|--------------------|-------------------|
| 1 | FSM pupils at Bracknell Forest schools | £15 per child per week of holidays | 2,400 children | £468,000 |
| 2 | Low income households not receiving other benefits | £450 working age households £150 pension age | 1,200 households | £285,000 |
| 3 | Application Local Welfare Scheme route | £50-£350 | 600-800 households | £100,000 |
| 4 | Voluntary and Community Sector distribution | Various | 1,000+ households | £150,000 |
| Sub-total | | | | £1,003,000 |
| Admin | Additional staff for application, assessment and funding distribution | £50,000 | n/a | £60,000 |
| | Printing and Posting costs | £2,000 | n/a | £4,000 |
| Admin Sub-total | | | | £64,000 |
| Total | | | | £1,067,000 |

Appendix D – Equality Impact Screening

[Attached as separate document]