

28 September 2022**REPORT OF SERVICE DIRECTOR, PLACE AND COMMUNITIES****HOUSEHOLD SUPPORT FUND – PHASE THREE****Purpose of the Report**

1. To approve the outline criteria and allocation model for phase three of the Household Support Fund to support those in immediate need in Nottinghamshire for the period 1 October 2022 - 31 March 2023.
2. This is a Key Decision because it will result in expenditure of £1 million or over and it will have significant effects on two or more electoral divisions.

Information

3. In October 2021 the Government launched Phase One of the Household Support Fund for the period to 30 March 2022 and allocated **£5,646,450** to the Council to allocate to those in immediate need in the County. By working closely with partners over the 6 months of the scheme, **£5,624,064** of the funding was applied.
4. Phase One guidance required that at least 50% of the Fund be spent on households with children. Councils had discretion to apply the remainder of the balance to other households deemed to be in immediate need. In Nottinghamshire, Phase One of the Fund met these criteria by providing holiday food vouchers to those children eligible for Free School Meals for the school holiday periods in the funding timescale.
5. In the Chancellor's spring budget statement in March 2022, it was announced that the Household Support Fund would continue and a further **£5,646,450** had been awarded to Nottinghamshire for the period 1 April 2022 to 30 September 2022.
6. Phase Two guidance Fund required at least one third of the Fund to be used to support pensioners, and at least one third be used to support families with children. Councils had discretion to apply the remainder of the balance to other households deemed to be in immediate need.
7. Nottinghamshire met these criteria by providing holiday food vouchers to those children eligible for Free School Meals for the first 3 weeks of the school holidays in the funding period. For the remaining 5 weeks of the period, a flat rate of £50 per eligible child was paid.
8. Department for Work and Pensions (DWP) data for those in receipt of Pension Credit was used to offer support directly to that cohort.

9. The distribution of the second phase of the Fund is currently being concluded and further information will be provided following a reconciliation exercise after 30 September 2022.
10. On 26 May 2022 a further statement from the Chancellor confirmed the Government would provide further funding for a third phase of the Fund to cover the period from 1 October 2022 to 31 March 2023.
11. On 30 August 2022 draft government guidance on phase three was received and outlined that the only restriction on the Fund is that every area must 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. The guidance gives flexibility on how this can be run, including through third parties rather than directly by Councils.
12. While the amount to be provided and the final criteria are yet to be confirmed, funding is expected to be the same as in previous phases.

Learning from previous phases

13. The paragraphs below set out the key learning from the earlier phases of the scheme.
14. Tight timescales: With each iteration of the Fund, the guidance and parameters set by Government have changed. To design, communicate, implement, and close each Fund within 6 months is extremely challenging as each scheme is a separate and distinct. Funding cannot be rolled over and must be fully committed within the funding period.
15. Importance of early communication: Knowledge of the Fund has grown due to its duration and because it is a headline policy with regards to cost of living challenges. Therefore, for phase three it will be important to manage the expectations of those in need of support effectively communicating the application criteria and distribution model to be used.
16. Food vouchers for those in receipt of Free School Meals: Since April 2020, food vouchers have been provided to those children eligible for Free School Meals either via central government or by the Council. There is a level of expectation from schools and the families of those eligible that this will be ongoing support. It is important that early communication takes place to inform the public as to how the Council will deploy phase three funding to support households free school meal or equivalent entitlements.
17. Pensioners: Using an intelligence-led approach backed up with effective communication strategy has allowed the Council to deploy targeted support effectively and appropriately to over 15,000 pensioners in need for Phase Two, whilst understanding the special circumstances of this cohort of residents.
18. Our approach in previous phases used different ways to provide support – some support was provided on a per person basis, whilst other support was provided on a per household basis. There is an opportunity now to apply funding more consistently.
19. Demand is high, while the amount of funding is relatively modest: In Phase One, the Fund was opened to accept direct applications from members of the public. This route resulted in huge volumes of applications which took a disproportionate amount of time to then process. Therefore, the most effective way to deploy the funding is to use data where possible to systematically deploy the funding directly to those in need.

20. Feedback from the Partnership Steering Group, which includes district and borough councils, and key partners such as the DWP, and which has guided the distribution of the Fund in phases one and two, has identified that previous phases did not initially provide support to a range of other groups who were in need but fell outside the eligibility criteria. These included households with children who are not in receipt of free school meals and pensioners who do not receive pension credit, although this has been addressed to an extent during the implementation of the Fund.
21. Some groups who are in need are hard for the Council to reach: For example, residents that are just over the benefit threshold and therefore receive proportionately less support with cost of living issues than those for example receiving state benefits. Further, there are some residents who have significant need who do not present to partners or ask for help.
22. Additionally, some pensioner households eligible for pension credit do not claim it. These do not appear on DWP datasets provided for the previous phases. This cohort – approximately 700 across the County – are recommended to be included in future phases and can be identified by District and Borough partners.

Further requirements for applying phase three of the fund

23. As required by Government, plans for deploying the Fund need to be developed for approval by the Partnership Steering Group described above.
24. The expectation is that the Fund should be used to support households in the most need – particularly those who may not be eligible for the other support the Government has recently made available, including cost of living payments and energy support.

Proposals for applying the fund

25. To ensure parity across all groups supported, it is proposed for phase three that an equivalent level of payment for all household cohorts is introduced, with payments made on a per household basis as opposed to a per person basis.
26. Further, to meet government draft guidance, it is proposed that all support given is described as “Winter Support payments as provided by the Household Support Fund”.
27. Building on the learning from previous phases, it is proposed that the households in immediate need to be supported for phase three are those:
 - with children in receipt of free school meals, or with children aged 5 or under with an equivalence of eligibility.
 - with one or more people of pensionable age in receipt of, or eligible for, pension credit.
 - assessed by professionals in the Partnership as needing immediate support, particularly those households who are not eligible for other government support with cost of living issues (e.g. – Energy Bills Support Schemes, Council Tax Rebate, Cost of Living Payments, Disability Cost of Living Payments, or one-off Pensioner Cost of Living Payments).

28. It is proposed that the provision of support to households is timed to deliver support when it is likely to be needed the most. The timing of this support is to be determined by the Partnership Steering Group to avoid coinciding with any other support being delivered by the Government to households in the groups in question.
29. It is further proposed that the development of the detailed criteria and application/allocation and funding distribution processes for the group are developed and agreed by the Partnership Steering Group.
30. Further, a funding shortfall in Borough and District Council's Discretionary Housing Payment Funds for 2022-23 totalling £305,687 (29% of the combined total budget across all councils) has been identified. Most of the Councils report severe pressure on this budget, which provides some support to those most at risk of homelessness. It is proposed that £210,000 (an average of £30,000 per council) is made as a one-off contribution from the Household Support Fund towards this shortfall.

Rationale

31. The proposals outlined consider previous learning, the latest draft Government guidance, and increasing demand for support with cost of living challenges.
32. Phase Two of the Fund has been delivered in a data led way. To provide consistent support across all households, this same principle is proposed to be applied for phase three.
33. In Phase Two, those of pensionable age have been provided with a one off food and energy support payment based on the number of household members. It is proposed that this principle is replicated for all cohorts for Phase Three to unify the approach to support.
34. It is proposed that regular briefing/update reports are provided to the Cabinet Member, and to agree any necessary significant changes to the approach set out in this report.

Finance Summary

35. As with the previous Fund, the Nottinghamshire Household Support Fund Partnership Steering Group has met to design the most effective systems to deliver the support to those in immediate need. Further analysis needs to be undertaken to determine the exact number of households in each cohort. This will enable a more accurate forecast on the value of support predicted to be provided to each cohort.
36. After administration costs and Discretionary Housing Payment support to Borough and District Councils are taken into account, it is proposed that the remainder of the Fund is divided between the three cohorts of households identified.
37. Data from Phase Two identified approximately 30,000 children in receipt of Free School Meals. The number of households where this cohort resides is lower, estimated to number approximately 20,000. Approximately 15,500 pensioner households receiving or entitled to receive pension credit were identified in Phase Two.
38. It is proposed to provide an equivalent level of support to all eligible households for phase three, averaging £100 for each household. The final amount per household will be proportionately adjusted based on the number of eligible people in the household. It is

proposed that all households receive an equivalent level of support towards energy costs, but that food support payments increase in line with the number of those eligible in the household.

39. Using an average figure of £100 per household means in effect over 50,000 households will receive support. The total figures delivered to each household may vary following detailed analysis of volumes and applications received to the scheme through professionals.
40. Based on the administration costs previously incurred by the County Council and its delivery partners, it is initially proposed that £350,000 is approved and reserved to cover these costs.
41. The table below summarises the proposed allocations for phase three, based on the assumption that funding approved by the Government is the same as for previous phases. If the amount the Government awards is different, the proposed spend on each cohort will be proportionately amended:

Expected Government Allocation to Nottinghamshire	£5,646,450
Support to Households	
a. Those households in receipt of, or with an equivalence of need for, free school meals – c20,000	£2,000,000
b. Those households with one or more people of pensionable age in receipt of, or eligible for, pension credit – c15,500	£1,550,000
c. Applications made by professionals within the partnership for those Households identified as needing immediate support – c15,364	£1,536,450
Discretionary Housing Payment allocation to Borough and District Councils	£210,000
Administration costs (NCC/District/Boroughs)	£350,000
Total	<u>£5,646,450</u>

Other Options Considered

42. The proposed allocation proportions and approaches as set out in this report have been arrived at following careful consideration by a cross council partnership group of the impacts of changing the relative proportions of deploying this finite fund of money to a range of different household groups and the requirements within the Government guidance.
43. The allocations and methods proposed will ensure that for the primary three groups that support will be provided on a per household basis, treating all in the same manner for phase three of the Fund. Consideration to providing at least part of the support on an individual basis was given.

44. The levels of funding to be provided on average to households could be increased with additional funding from Council revenue sources. Given the ongoing pressures on the Council's revenue budget this is not considered achievable without adversely impacting other important Council funding priorities.

Reasons for Recommendation

45. The proposed approach provides targeted support to two types of households identified as being in most immediate need, namely those with children eligible for free school meals, and those households with pensioners eligible for pension credit. The third group which is those assessed by professionals in the Partnership as needing immediate support, provides the opportunity to give support to those households who are not eligible for other government support with cost of living issues but also are in need.

46. Discretionary Housing Payments are an extremely useful way that partners can directly support households at risk of homelessness. The demand for such support has increased, but the budgets in Housing Authorities have decreased.

47. To allow the Council to work with a range of partners to deploy Government funding available to those in immediate need as soon as is practical, whilst complying with Government guidance issued for Phase 3.

Statutory and Policy Implications

48. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability, and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

49. Paragraphs 35-41 of this report set out the financial implications.

Public Sector Equality Duty Implications

50. The proposals set out in this report will ensure that a significant proportion of funding would be reserved and targeted towards households of older adults of pensionable age and to households with children.

51. Further, the design of the system to deploy the funding to other households will be undertaken by the Partnership Steering Group. Aside from the specific age considerations set out above, the Group does consider broader equality matters to ensure as far as possible the funding reaches and supports those in immediate need in all groups.

52. An EQIA will be completed in advance of the deployment of the Fund.

RECOMMENDATIONS

- 1) That the Cabinet Member approves the allocation of phase three of the Household Support Fund according to the criterion detailed in the report.
- 2) That the Cabinet Member approves that the Nottinghamshire Household Support Fund Partnership Steering Group implements the necessary work to provide support to those entitled to support through the Fund,
- 3) That updates on the progress of the scheme or any proposed changes, be provided to the Cabinet Member with necessary further approvals sought where appropriate.

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Constitutional Comments [CEH 22/09/2022]

53. The recommendations fall within the remit of the Cabinet Member for Communities.

Financial Comments [RWK 21/09/2022]

54. The outline financial implications are set out in paragraphs 37 to 42. The actual allocations are subject to the amount of Government grant allocated to the County Councils and any guidance issued by the Government. All expenditure incurred will be fully funded from additional Government grant so there are no additional financial costs to the County Council.

Background Papers and Published Documents

- None

Electoral Divisions and Members Affected

- All