



West
Northamptonshire
Council

WEST NORTHAMPTONSHIRE COUNCIL CABINET

7TH MAY 2024

**CABINET MEMBER FOR ADULT SOCIAL CARE AND PUBLIC HEALTH:
COUNCILLOR MATT GOLBY**

Report Title Household Support Fund (HSF) 5 Proposal: Distribution of Funds and Recipients for HSF5

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List of Appendices

None

1. Purpose of Report

- 1.1 The Household Support Fund 5 scheme has been announced by government officials as part of the continuation of the Cost-of-Living support packages. The draft allocations and guidelines for the scheme from DWP were published on 26th March 2024.
- 1.2 The HSF5 scheme has been converted to a 6-month scheme, (the most recent scheme was for 12 months) and will operate between 1st April 2024 and 30th September 2024. This report sets out the preferred option to complement the WNC Public Health Anti-Poverty Strategy and indicates how the scheme would be delivered to maximise the local impact across a wide set of situational needs.

2. Executive Summary

- 2.1 In the Spring 2024 Statement, Chancellor of the Exchequer, Jeremy Hunt announced that the Household Support Fund will be extended until 30th September 2024, offering a further free financial support to vulnerable households.
- 2.2 Launched in October 2021 to help those struggling financially in the wake of the pandemic, the aim of the fund is to provide households in need with small grants to cover essential living costs such as food, clothing, and utility bills. With the ongoing cost of living crisis, the fund has now been extended three times. In March 2023 it was extended until March 2024 and given £5,199,297 million of additional funding, and has now been extended further to September 2024, with a further £2,465,491.77 of funding.
- 2.3 The fund is available in addition to other government support schemes such as the Warm Home Discount, and the Winter Fuel Payment.
- 2.4 HSF5 will be delivered to households between 1st April 2024 and 30st September 2024. There is no DWP stipulation as to how the funds must be allocated or indeed the recipient cohorts as it is understood that Local Authorities are best placed to recognise the needs of their communities.
- 2.5 This paper provides an outline of the proposed Fund distribution strategy. It considers learnings from previous funding, Public Health priority level of those who are vulnerable and in hardship as well as the desire to provide long term sustainable support for residents.
- 2.6 The expectation is that payments should primarily be used to support households in the most need with food and energy bills due to the recent cost of living increases. The fund can also be used to support households with essential costs related to those items which are critical to maintain warmth and nutritious food and other essential household costs.
- 2.7 Whilst there are no exclusions, the guidance does identify specific cohorts of people for whom efforts should be made to support.

- 2.8 We know from experience that our biggest expenditure for previous Funds has been for children eligible for benefits related free school meals as they are reliant on financial support over school holidays.
- 2.9 The recommendations are built on the success of previous schemes. This support has ranged from Children’s Winter Food Support; households who contain employed contributors but who are on low income and do not receive full cost-of-living benefits; Food Banks, crisis support relating to food and fuel operated through a Voluntary Community Services Enterprise (VCSE) and distributed through the voluntary sector.
- 2.10 Management, oversight and operational delivery will be provided by the WNC Wider Determinants Team within Public Health.
- 2.11 The HSF5 allocated funds for 6 months from DWP to WNC be £2,465,491.77. Payment for the grant will be made in arrears, following the submission of quarterly MI returns.

3. Recommendations

- 3.1 It is recommended that the Cabinet/Committee:
- a) Notes that the Household Support Fund (5) investment is to be managed locally.
 - b) Approves the provisional scope and Diversity of Distribution as set out in section 4 of this report.
 - c) Approves the control and oversight approach to be undertaken through the existing WNC Public Health team.
 - d) Authorises any funds that have not been assigned or committed to by 30th September 2024 according to the distribution methodology set out in section 4, to be redistributed in line with the wider Department for Work and Pensions Guidelines.

4. Reason for Recommendations (NOTE: this section is mandatory and must be completed)

- It is recommended that the Household Support Fund (5) high priority recipients will be primarily funding a lower income sector of the working community, households in crisis and families with children.
- The distribution of funds must meet the wider communities’ financial needs, where other grants and funding are not available
- An application process is required, and will be managed in-house which provides additional security and confidentiality of data
- Where possible the level of duplication of grants for the same purpose must be minimised which is why the in-house team is recommended

- It provides real benefit to underpin the West Northamptonshire Anti-Poverty Strategy and ensure residents most in need receive support
- It builds on the successful Household Support Fund (4) partnership with the VCSE in distributing funds via the downstream voluntary organisations to residents that may not otherwise be identified through the benefits system
- All awards and funding should be complimented by wrap around support schemes to promote long term, sustainable support with financial wellbeing.

5. Report Background

Building on the Success of Household Support Funds 1, 2, 3 and 4

- 5.1 This report follows on from four successful Household Support Fund (HSF) scheme operating from December 2021 until March 2022 (referenced as HSF1), April 2022 until September 2022 (HSF2), October 2022 until March 2023 (HSF3) and April 2023 until March 2024 respectively (HSF4).
- 5.2 During the delivery of HSF 1 WNC were able to build a highly efficient on-line application portal which enabled residents to self-service their application rather than utilising the voluntary sector set up. Not only did this provide an effective option but it also removed a level of pressure from our partner, the Citizens Advice Bureau (CAB). In total we were able to distribute close to 100k food and fuel vouchers across Northamptonshire and issue all funds provided for, as well as achieving over 82% of the funding going to families with children.
- 5.3 For HSF2 we were able to distribute funds across several cohorts; families with children, pensioners who received pension credit and additional funds for these pensioners who were also registered as disabled and households who evidenced that they were suffering poverty for both food and fuel. This last category was distributed, for the first time, by a set of voluntary organisations managed by the Northamptonshire Community Foundation (NCF). All elements of the distribution were successfully managed and over 95% of all allocated funds were distributed.
- 5.4 The third tranche of DWP funding, HSF3, was £2,599,628.53. Under advisement from Public Health these funds are well under way of being distributed to approximately 17,500 households within the region. The recipients ranged from families with school children, donations to allow the purchase of food bank supplies, people who are employed within households but receive a low income and those experiencing crisis and vulnerability due to financial hardship and are able to visit the appropriate voluntary organisation.
- 5.5 The fourth tranche of funding, HSF 4, was £5,199,257.06. These funds supported over 140,000 households and individuals. A prime objective of HSF4 was that it should continue seamlessly from the end of HSF3 to maintain continuity of support. Throughout HSF4 it has been recognised that a change of approach is required in order to transition residents from immediate short-term support to long term, more sustainable support.

Co-ordination and management

- 5.6 A Task and Finish Group set up in the final quarter of HSF4 including Public Health, VCSE Partners, Community Partnership colleagues and LAP representatives has been developing a sustainable support strategy to complement the WN Anti-Poverty Strategy.
- 5.7 HSF schemes 1, 2 and 3 have been managed through the Recovery and Wellbeing Project team, operating within Public Health, due to the uncertainty in ongoing continuity. Responsibility for HSF4 transitioned into the Wider Determinants Team within Public Health with additional administrative resource covered under the terms of the Fund.
- 5.8 Due to the short delivery time of HSF5, coupled with the established delivery strategy, it is expected that the management, operation and delivery will remain within Public Health with the support of Community Partnerships colleagues until the end of HSF5.

6. Issues and Choices

Principles and Objectives

- 6.1 An objective is that HSF5 will continue as seamlessly as possible from the end of HSF4 to maintain continuity of support, particularly with regards to the school holiday food vouchers which have been provided for the Spring Term Holidays in line with previous arrangements.
- 6.2 We also in HSF5 have an opportunity to provide advice to those in receipt of hardship support, in addition to direct provision of energy saving measures to homes (e.g. insulation of hot water tanks, fitting draft excluders to a door, or replacing inefficient lightbulbs or white goods). As part of the current Northamptonshire Energy Saving and Advice Service (ESA) project, we will continue to support this workstream through the arrangement already in place.
- 6.3 It is also acknowledged that HSF5 offers an opportunity to support, to a greater degree, families in extreme hardship to move from emergency aid to more sustainable support. This will be achieved through provision of wraparound support and advice targeted to those receiving support, as well as through a linked pilot of upscaling food larders – encouraging those who need to access food aid parcels or are in receipt of vouchers to move on to membership of larders.

Working within the scope of the national guidance

- 6.4 Unitary Authorities have discretion on exactly how this funding is used within the scope set out in the Department for Work and Pensions (DWP) Guidance (Appendix A).
- 6.5 Key requirements of the Fund are that it:

- Meets immediate needs and help those who are struggling to afford household essentials including energy and water bills, food, and wider essentials.
- Provides support that has a long-term sustainable impact, for example household items which would reduce bills in the long-term.
- Covers a wide range of low-income households in need, including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people, larger families, single-person households, and those struggling with one-off financial shocks or unforeseen events.

6.6 Much of the guidance for HSF5 replicates that for the previous schemes, with some exceptions:

- Guidance on communications has been strengthened, making it clear that funding is being provided by the UK Government and not the Department for Work and Pensions. *“It is mandatory for Authorities to reference that the grant is funded by the UK Government in any publicity material, including online channels and media releases.”*
- There is also a need to have a policy or framework documenting our criteria, this will be based on the guidelines set out in appendix A. *“Authorities must have a clear rationale or documented policy/framework outlining their approach, including how they are defining eligibility and how households access The Fund.”*
- There is a stronger preference for vouchers over cash awards *“.. vouchers should be used instead of cash where possible.”*
- There is a stronger children and young people focus, with specific mention of young carers, children in care, and care leavers.
- The expected that money spent on advice services is minimal although, does recognise importance of sustainable support. *“We would not expect a large portion of funding to be spent on advice services.”*

6.7 Table 1 below sets out the groups agreed range of propositions aligned to the possible funding ranges.

6.8 Proposed Scope and Diversity of Funds Distribution:

Table 1. Proposed Diversity of Funds Distribution

Workstream	Types of Support	Estimated number of individuals/ households supported	Award value	Allocation	%	Admin cost (5%)	TOTAL
Families with children	School Holiday food vouchers	12,700	£15 per child, per week of summer holidays	£1,143,000.00	46%	£57,150.00	£1,200,150
	School essentials vouchers	12,700	£30 per child	£381,000.00	15%	£19,050.00	£400,050
Vulnerable Households Via Discretionary Trusted Referrer Scheme	Vouchers for food or wider essentials	>500	Various (subject to individual circumstance and household size)	£60,000.00	2%	£3,000.00	£63,000
Other households experiencing hardship - Grant Scheme for applications from VCSE partners targeting HSF specific cohorts and support types	Vouchers for food or wider essentials	Subject to Grant Award Value	Various	£764,087.40	31%	£38,204.37	£802,291.77
	Food Network Capacity						
	Energy Saving Measures and Advice						
	Tangible items						
TOTAL				£2,348,087.40		£117,404.37	£2,465,491.77

- 6.9 Task and Finish Group feedback will continue to be sought allowing the HSF5 scheme to be delivered as efficiently and effectively as possible. Continuous improvement intra scheme is a core attribute of the current operations team and each scheme has benefited from course corrections which allow the funds to be fully utilised.
- 6.10 An application process is required by DWP. We propose the implementation of a webform via which residents can indicate the type of support required (eg food, utility, money and debt advice), they can then be referred into the relevant owner of that workstream grant. This allows engagement and support to continue beyond September 2024.
- 6.11 Utilising supermarket vouchers for the payment of the HSF award provides additional household income and enables fuel or food to be paid for which can offset the normal household bills.
- 6.12 Where any HSF5 funds have not been assigned or committed by 30th September 2024 in accordance with the distribution methodology in the final version of table 1 below, in order to maximise the Council’s reach and support to the community, it is proposed to redistribute them in line with the wider Department for Work and Pensions Guidelines under the control and oversight of the responsible delivery team.
- 6.13 The following table illustrates how the recommended option meets the guidelines and best practices set out by DWP (to be completed)

DWP Guidelines	Option
Energy and Water. This may include support with energy bills for any form of fuel that is used for the purpose of domestic heating, cooking, or lighting, including oil or portable gas cylinders. It can also be used to support water bills including for drinking, washing, cooking, as well as for sanitary purposes and sewerage.	Energy Saving Measures and Advice
Food. This may include through vouchers, cash or in kind.	Food Bank/Larder capacity Discretionary Support Vouchers for household essentials via trusted referrer support scheme
Essentials linked to energy, water and food. The Fund can be used to provide support with essentials linked to energy, water and food (for	Energy Saving Measures and Advice

<p>example insulation or energy efficient items which reduce bills, the purchase of equipment such as fridges, freezers, ovens, slow cookers or costs associated with obtaining these essentials such as delivery and installation). We encourage Authorities to consider supporting households on low incomes to repair or replace white goods and appliances with more energy efficient ones, or to invest in simple energy efficiency measures which will pay back quickly, such as insulating a hot water tank, fitting draft excluders to a front door, or replacing energy inefficient lightbulbs or white goods. The intention of this is to provide sustainable support which results in immediate and potentially long-lasting savings for the household.</p>	<p>Other voluntary support organisations Discretionary Support Vouchers for household essentials via trusted referrer support scheme</p>
<p>Wider essentials. The Fund can be used to support wider essential needs not linked to energy, water or food should Authorities consider this appropriate in their area. These may include, but are not limited to, support with other bills including broadband or phone bills, clothing, period and hygiene products, essential transport-related costs such as repairing a car, buying a bicycle, or paying for fuel. This list is not exhaustive. It can also include one-off payments to prevent a crisis.</p>	<p>Other voluntary support organisations School essentials vouchers Discretionary Support Vouchers for household essentials via trusted referrer support scheme</p>
<p>Advice services. The Fund may be used to provide supplementary advice services to award recipients, including debt, benefit and/or employment advice, where Authorities consider this appropriate. Authorities are reminded that the primary intention of The Fund is to provide support for those households most in need, and we would expect any advice services to complement this. We would not expect a large portion of funding to be spent on advice services. We would expect to see a connection between the funding provided for advice services and the practical support provided through The Fund. We anticipate that a significant proportion of this will be through signposting to existing advice services funded through other routes, such as the Help to Claim scheme which supports those making a claim to Universal Credit (UC).</p>	<p>Energy Saving Measures and Advice Other voluntary support organisations</p>
<p>Housing costs. The Fund can be used to provide support with housing costs to those in need. However, where eligible, ongoing housing support for rent must be provided through the Housing cost element of UC and Housing Benefit (HB) rather than The Fund. In addition, eligibility for Discretionary Housing Payments (DHPs) must first be considered before housing support is offered through The Fund. The Authority must also first consider whether the claimant is at statutory risk of homelessness and therefore owed a duty of support through the Homelessness Prevention Grant (HPG). It is expected that the focus of support should be on bills and that support for housing costs should only be given where existing housing support schemes do not meet need. Beyond this, Authorities have discretion to determine the most appropriate use of The Fund for their</p>	<p>Discretionary Support Vouchers for household essentials via trusted referrer support scheme Other voluntary support organisations</p>

area, based on their understanding of local need and with due regard to equality considerations.	
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7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 The Household Support Fund is incremental to the base budget for 2024/25. The staffing costs will be extracted as part of the Administration Costs from the fund, estimated at 5% for planning purposes, as allowed for in the DWP guidelines. All HSF5 monies are expected to be distributed into the community by the end of September 2024, if not before.

7.1.2 There are no direct resources or financial implications to Council budgets arising from the proposals that are not already covered by the grant.

7.2 Legal

7.2.1 There is a requirement for us to meet the grant conditions in distributing the Fund, there are no other specific legal implications arising from the proposal.

7.3 Risk

7.3.1 Excess requests, for use of funds, from the assumptions provided and therefore the grant will be exhausted. The mitigation would be to consider options to utilise funds from within the Public Health budget or other appropriate grants.

7.3.2 Excess funds remaining prior to the closure of the scheme. The mitigation would provide weekly tracking of the funds run rate and as the distribution rate is modelled early contingency arrangements can be put in place

7.3.3 Duplicate requests may be received. The mitigation will be in the form of a control record, held at the centre, of all beneficiaries receiving the drawdowns from the fund.

7.4 Consultation and Communications

7.4.1 Consultation with internal stakeholders has occurred continuously and a formal lesson learnt document will be produced post the closure of the current scheme, HSF4. Additional consultation with the various voluntary organisations, CAB and Northamptonshire Community Foundation will also be undertaken to provide input to the wider use of the Voluntary Sector and the accessibility of those in need. As a result of the lessons learnt document issued post the HSF3 scheme, changes to the way the recipients' data are collected (compliant with GDPR), analysed and used

to better manage communications and awareness to residents in high deprivation areas has been invaluable.

7.4.2 Communication will be critical to the Programme

7.4.3 The inclusion of specific web pages, member briefings and external press statements will be managed internally.

7.4.4 The communication themes will be linked to the Cost-of-Living information which is introduced by both Central Government and the localised teams

7.4.5 HSF5 will also benefit from the wide-ranging voluntary organisations we operate with and their local network of communications

7.4.6

7.5 **Consideration by Overview and Scrutiny**

7.5.1 The management will ensure that any requests from the Scrutiny Commission will be responded to, and formal engagement or presentations required will take place.

7.6 **Climate Impact**

7.6.1 Practical energy saving measures will be implemented and supported by our Third Party Organisations, both on referral and proactively. These will contribute towards CO2 emission reduction.

7.7 **Community Impact**

7.7.1 The community will benefit significantly from the HSF5 scheme. There will be a minimum of circa 15,000 households positively impacted by the recommended HSF5 approach. Additional funds will support those who are experiencing severe financial hardship during the 2024/2025 period and working with voluntary organisations will enhance the co-ordination of the many referral teams within the council and external.

7.7.2 The distribution of funds is closely aligned to the areas of deprivation within the region, thus ensuring that the communities living in areas of significant poverty are prioritised.

8. **Background Papers**

Appendix A DWP HSF5 Guidelines.



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