

Urgent Decision Taken on Behalf of Cabinet

Report to the Leader of the County Council and Cabinet Member for Children, Young People and Schools

Report submitted by: The Executive Director of Education and Children's Services

Part I

Electoral Division affected:
(All Divisions);

COVID-19 Winter Grant

Contact for further information:

Edwina Grant OBE, Tel: (01772) 535493, Executive Director of Education and Children's Services, edwina.grant@lancashire.gov.uk

Executive Summary

The purpose of the COVID-19 Winter Grant is to provide support to upper tier local authorities, in England, for expenditure lawfully incurred or to be incurred by them in accordance with the grant conditions to provide support over the winter to children and households who are experiencing, or at risk of experiencing, poverty, where they are impacted by the ongoing public health emergency and where alternative sources of assistance may be unavailable.

This is deemed to be a Key Decision and the provisions of Standing Order C21 have been complied with. Compliance with Standing Orders C19 and C20 was impractical as the grant allocation has only recently been announced.

Reason for Urgency

This decision is urgent and cannot await the next meeting of Cabinet on 14 January 2021. The reason for this is that under the terms of the grant, allocation should begin immediately as a response to persons in need of support. This decision is therefore being taken on behalf of Cabinet by the Leader of the County Council and the Cabinet Member for Children, Young People and Schools in accordance with the provisions of Standing Order C16(1).

Recommendation

The Leader of the County Council and Cabinet Member for Children, Young People and Schools are asked to

- i. approve the principles of the funding options for the allocation of the COVID-19 Winter Grant according to the criteria and process set out in the report.
- ii. Authorise the Director of Strategy and Performance, in consultation with the Leader of the County Council and the Cabinet Member for Children, Young People and Schools, to approve the final detail of the scheme, including any

other alternative options for the allocation of the grant in line with the principles set out and emerging government guidance.

- iii. Invite officers to explore ways in which the scheme can be extended beyond 31 March and to bring a report to February's cabinet setting out possible options

This decision should be implemented immediately for the purposes of Standing Order C29 as any delay could adversely affect the execution of the County Council's responsibilities. The reason for this is that the allocation of the grant should be implemented without delay for the reasons set out in the report.

Background and Advice

The purpose of the winter grant is to provide support to upper tier local authorities in England for expenditure lawfully incurred or to be incurred by them in accordance with the grant conditions to provide support over the winter to children and households who are experiencing, or at risk of experiencing, poverty, where they are impacted by the ongoing public health emergency and where alternative sources of assistance may be unavailable. This report recommends that a scheme is set up to allocate this resource to provide food, energy and water support to households affected by COVID-19 for a period until March 2021.

The Government has announced a £170 million grant scheme which has been made available from early December 2020 to support those most in need across England with the cost of food, energy (heating, cooking, lighting), water bills (including sewerage) and other essentials.

The aim is to give vulnerable households peace of mind in the run up to Christmas and over the winter months during the pandemic by helping those who need it to have food on the table and other essentials, so every child will be warm and well-fed this winter.

Upper tier councils have been given flexibility to consider how best to allocate this funding based on local knowledge about those children, families and individuals most in need. The guidance stresses that this funding covers a wide range of vulnerable households, including children of pre-school age, so is not limited to being used for families with children eligible for free school meals. Councils are encouraged to utilise the wide range of data and sources of information at their disposal to identify and provide support to a broad cross section of vulnerable households.

Funding must be used between December 2020 and the end of March 2021 to meet immediate needs and help those who are struggling to afford food and utility bills (heating, cooking, lighting) and water for household purposes (including drinking, washing, cooking, central heating, sewerage and sanitary purposes), or other related essentials. Payments can be in any form including cash, vouchers and payments direct to bank accounts.

Councils are able to work with and fund local organisations, e.g. voluntary groups, to provide support. They are also encouraged to work with neighbouring councils to

ensure that the needs of vulnerable families are being met and to avoid potential duplication.

There is no requirement to undertake a means test or conduct a benefit check of recipient households unless this specifically forms part of the council's local eligibility criteria. In accordance with their general legal duties, councils must have a clear rationale or documented policy/framework outlining their approach, including how they are defining eligibility and how households access the scheme. Awards must be based on the following framework:

- At least 80% of the total funding will be ring-fenced to support households with children, with up to 20% of the total funding to other households experiencing, or at risk of experiencing, poverty during the pandemic. This may include households not currently in receipt of Department of Work and Pensions welfare benefits.
- At least 80% of the total funding will be ring-fenced to provide support with food, energy and water bills for household purposes (including drinking, washing, cooking, central heating, and sanitary purposes) and sewerage. Within this condition there is flexibility about the proportion of support allocated to food and to bills.
- Up to 20% of the total funding can be used to provide support with other essentials clearly linked to the scheme conditions, (including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc.), in recognition that a range of costs may arise which directly affect a household's ability to afford or access food, energy and water.
- The scheme is not intended to cover payment of rent or other housing costs because these are not directly related to food or utility bills and other benefits and support is available to cover these costs. Nor is it intended to be used for the provision of general advice on managing debt and/or financial hardship.

Proposed approach for Lancashire County Council

Based on the government criteria, 80% of Lancashire's total allocation of £3.9m would be allocated to families and 20% to households without children.

It is proposed that the fund for families is allocated to children eligible for free school meals, families with pre-school children eligible for benefits and families identified as vulnerable who are not in receipt of free school meals, as set out in Table 1 below. This approach is broadly in line with other North West councils, many of which are planning to use children eligible for free school meals as a main criterion for allocating funding to families, while also recognising other vulnerable families that this might preclude.

Looking at the guidance and the decisions already made by comparator councils it is proposed that each family could receive a £15 food voucher per child per week of school holidays to ensure access to food and up to £50 per household for utilities as

a one-off payment for the winter period (which is based on the similar amount offered through other voucher schemes). Payments would be made in two instalments, one in advance of the Christmas school holidays (for food and utilities) and in advance of the February half term holiday (for food). It is also proposed that a food voucher of £30 is provided to Children Looked After who are aged 16/17 years old and live in semi-independent accommodation.

Table 1: Families Fund

Household	Allocation
Vulnerable families with pre-school children	Food vouchers of £15 per child per week of the Christmas and February half-term holiday
	One payment of up to £50 per family towards utilities and water
Families eligible for Free School Meals	Food vouchers of £15 per child per week of the Christmas and February half-term holiday
	One payment of up to £50 per family towards utilities and water
Vulnerable families not in receipt of FSM, other public funds and children in need)	Food vouchers of £15 per child per week of the Christmas and February half-term holiday
	One payment of £50 per family towards utilities and water
Looked After Children in semi-independent provision	Christmas period food voucher of £30
Care leavers who have children	Food vouchers of £15 per child per week of the Christmas and February half-term holiday
	Christmas period food voucher of £30
	One payment of up to £50 per family towards utilities and water

As a result of using both schools and benefits data and as families will have children in different age groups and at different schools there is a small risk of duplication of payments. This will be mitigated by cross referencing data sets and maintaining a record of families in receipt of payments.

The fund for *other* households, i.e. households without children would be allocated to care leavers and to other vulnerable households, who self-refer for support (Table 2). This would allow some flexibility in the allocation of this funding.

Table 2: Other Households Fund

Household	Allocation
Care Leavers (who do not have children)	Christmas period food voucher of £30
	One payment of up to £50 towards utilities and water for those living independently
Vulnerable households	Utilities vouchers/ food vouchers one payment of up to £50

Direct payments to Children Looked After and Care Leavers would be made through existing arrangements within the council to provide support to those children and young people. Payments to families with pre-school children would be administered by the council. Officers may need to make arrangements with district councils so that they can consider various options for distributing the support to families, including direct payments made by the council (vouchers or payments into bank accounts), the distribution of physical vouchers via schools to identified families and the use of an online payment platform which may be more easily accessed through other third party organisations such as district councils. The reason for this proposed distribution through third parties which is possible under the scheme, including a national voucher distribution scheme, is that:

- a) Direct BACS payments would be difficult for the council to administer as it would require the council to collect personal information, such as bank account details, for families eligible for free school meals who do not appear on the district council's benefits system (e.g. those who live out of the district). Asking all schools to distribute physical food vouchers to families, like those handed out during previous school holidays would be complex to administer and would place a significant burden on schools. It would also be difficult for a utilities payment to be administered through schools and it would be likely some form of direct payment system would also need to be set up for this.
- b) Use of an online platform would appear to be the simplest way to allocate food vouchers to families. Schools would be asked to register as a provider of vouchers and purchase the vouchers. This approach was used by the Department for Education during the first lockdown period, so it is one with which both schools and families are familiar. This approach would enable schools to identify and include families in the scheme who are vulnerable, but whose children are not currently eligible for free school meals.

Use of an online platform is therefore the proposed approach for primary, secondary and special schools. Officers will work with the four nursery schools to determine how families are allocated vouchers, to ensure there is no duplication with families with pre-school children identified as on benefits who would receive a direct payment due to being benefit recipients,

Edenred facilitated the Department for Education government scheme for free school meals, covering 93% of the UK during the first lockdown so most schools and parents will already be familiar with the process to purchase and redeem vouchers. They also have a pre-paid card facility which can be used to administer other government benefits and payments:

- Edenred allows the purchase of digital voucher codes through a portal which can be managed via the school or from a central location or a combination of both.
- They operate on a pre-paid system whereby 75% of the amount must be paid upfront to cover costs with a 25% credit limit. This allows some flexibility in the amount of funding distributed.
- This option would allow the Council to allocate funds and each school can order direct through the portal with no separate invoicing therefore the administration burden on schools is reduced.

- Edenred are exploring an option for fuel vouchers. However it is not thought this option will be available before Christmas. However a pre-paid card system is in place and we are exploring if this could be used to provide funding for utilities.

The county council could also potentially use Edenred to issue vouchers and or pre-payment cards to other groups e.g. care leavers. Edenred's costs are likely to be 1-2% of the funding to be distributed. Platforms have been identified for the distribution of food vouchers with the support of schools in the first phase of food distribution e.g. Edenred. Edenred is the preferred option on the basis that it has greater coverage and that the administration will be less resource intensive for schools. It may also be possible to offer schools a choice of platform but this could be more complex for the council to coordinate and will only be determined when the implementation phase begins.

Schools are also able to purchase supermarket vouchers through the platform and assign these to parent/carers using the data extracted from the management information systems. Parent/carers are then emailed a unique link to an online portal where they can self-select which supermarket they want a voucher code for.

- Schools could be retrospectively invoiced for the total value of the vouchers purchased and would be required to seek reimbursement from the council to cover these funds.
- With district councils, where possible, it will also be necessary to secure a platform to purchase Fuel Vouchers, which can be exchanged for energy credits for households with a prepayment meter. There will be an administration fee per fuel voucher issued this could be approximately £1 – a market provider, Wonde, are confirming what their offer will be and have advised that their aim is that this will be in place nationally immediately ahead of the Christmas holiday period. These vouchers would only be able to be used for households with a pre-payment meter and schools would need to request information about which energy provider a family used in order to provide the correct kind of voucher.

Colleges and Further Education

Lancashire Colleges have their own umbrella organisation which will enable us to work with our further education providers across the county to ensure that young people eligible for free school meal support are able to access support using the same approach as our schools.

Access to data

Officers will need to work up and publish a secure data scheme

- The Covid-19 Winter Grant Scheme is being classified as Local Welfare Provision and local authorities who have signed and returned the relevant section (Annex C) of the Department for Work and Pensions/local authority Memorandum of Understanding have legal permission to access the Department for Work and Pension's 'Searchlight' portal. This portal provides information on individual citizen's entitlement to (and confirms receipt of)

Department for Work and Pensions welfare benefits. Therefore, this data can be used to help councils identify those families and individuals to whom to target this support.

- Staff accessing Searchlight will need to be registered with the Employee Authentication System.
- Councils do not have permission for the purposes of this scheme to access the 'Income' data provided on Searchlight for the Test and Trace Support Payment Scheme so discussions will need to be had with the Department for Work and Pensions on the implementation of the scheme.
- Searchlight can only be used to verify a specific individual's Department for Work and Pensions benefit information. Therefore, if an Authority identified a group of potential customers who may be eligible for the scheme from their own records, they can access Searchlight to verify each claimant's benefit entitlement (although benefit entitlement is not a condition of support).
- Councils cannot use the Universal Credit Local Council Tax Reduction data share for Local Welfare Provision. We are not able to facilitate any bespoke Universal Credit data share to support Authorities with this scheme.
- Councils may also have access to their own non-Department for Work and Pensions data to help identify vulnerable households who may be eligible for support under this scheme.

Working with other organisations

The council should develop a 'local eligibility framework and approach' to enable them to distribute grant funding that best supports vulnerable families and individuals which is the purpose of this report.

County Councils are encouraged to work collaboratively with district councils and other organisations in their area who may come into contact with those households who are eligible and would benefit from this grant. County Councils that do not have the mechanisms in place to administer this grant are encouraged to consider whether district councils are better placed to do so on their behalf as outlined in this report. Grants may be distributed via Third Party Organisations and this should be done on an objectively fair, transparent and non-discriminatory basis, having regard to the time available to deliver the scheme.

Department for Work and Pensions Jobcentre Plus staff are being made aware of the scheme and will aim to connect with their local partners to raise awareness and support us as a council with the delivery of the scheme.

Establishing eligibility

As set out above the council has the flexibility within the scheme to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility. There is no requirement for a means test or a benefit

check unless this specifically forms part of existing local eligibility criteria. In accordance with their general legal duties, councils must have a clear rationale or documented policy/framework outlining their approach including how they are defining eligibility and how households access the scheme which is the purpose of this report.

Links with other sources of funding for winter support

Prior to the announcement of the Government's COVID-19 Winter Grant, the approval was given for an emergency allocation of funding to support Clinically Extremely Vulnerable and other vulnerable people during the second wave of the COVID-19 Pandemic. This was to be drawn from grant funding provided to the council to address pressures arising from the pandemic, namely the COVID-19 emergency fund and grant allocations for the clinically extremely vulnerable.

Some of the Winter Grant funding for households without children could be allocated to this fund, which is intended to support residents and voluntary groups in the form of grants to Food Aid agencies and mutual aid groups as well as supermarket and fuel vouchers for those in hardship. People who may require this support are identified via the council's own services, district hubs and customer contact centre or through food banks and other voluntary, community and faith sector partners. This may allow the management of the spending of the fund as the implementation of the scheme progresses but in the first instance it is recommended that officers work on ensuring that the number of families and individuals who should benefit from this scheme is known and provide assurance that this can be managed within the £3.9 m before any such additional grants are made.

Other council approaches in the North West

Engagement has been taking place with other North West councils to understand the approach they plan to take to distribute this funding and Lancashire County Council officers have also taken part in national briefing sessions. Most councils nationally appear to be focussing on those eligible for free schools meals as well as other groups such as care leavers and families with no recourse to other funds as set out in this report. A number of councils are working with schools to provide funding via voucher schemes with some others commissioning voluntary sector partners to deliver support.

Next steps

This urgent decision is required for approval of the spending of this grant funding and the development of the proposals and assurances outlined. Following agreement of the approach, the relevant project team will be established.

Consultations

District council officers have been consulted to ascertain their views on the implementation of the scheme.

Implications:

This item has the following implications, as indicated:

This is a benefit scheme and the money must be spent by 31 March 2021 as any surplus must be returned.

Risk management

The public thinks of this as a 'free school meals scheme' so good communications about entitlement and how this will be managed will be essential.

Reporting back to the government on the money spent must be accurate to avoid any clawback or audit problems with the scheme.

Eligibility, e.g. number of children entitled to free school meals may change as the implementation progresses. This is likely to be an increase not a decrease according to current trends so tracking the rate of spending will be essential.

Financial Implications

The county council has been granted £3.9m Winter Grant to be used up until March 2021 to support households particularly affected by COVID-19 Reporting on the spend of this grant will be undertaken by the finance team.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

Urgent Decision Taken on behalf of Cabinet: Declarations

Report to the Leader of the County Council and Cabinet Member for Children, Young People and Schools

COVID-19 Winter Grant

Original recommendation, as set out in the report, approved without amendment. Yes/No *

Original recommendation amended and decision as follows: Yes/No *

I have a pecuniary/non-pecuniary interest in this matter. Yes/No *

If an interest is declared please give details below:

.....
Leader of the County Council

insert date

Chief Officer

I certify that this is an appropriate and accurate record within the terms of Standing Order C30(2) and (3) of the decision taken by the Cabinet Member.

.....
Senior Democratic Services Officer

insert date

*Delete as appropriate

This decision is to be taken by more than one Cabinet Member and all relevant Cabinet Members must be in agreement with the decision

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