

Report to the Cabinet

Meeting to be held on Thursday, 4 November 2021

Report of the Director of Strategy and Performance

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Caring for the vulnerable;

Household Support Fund (06 October 2021 to 31 March 2022)

Contact for further information:

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Brief Summary

The purpose of the Household Support Fund 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 conditions of the Fund to provide support to households in the most need with food, energy and water bills. It can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need. At least 50% of the total funding must be spent on families with children.

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

Recommendation

Cabinet is asked to:

- (i) Approve the principles of the funding options for the allocation of the Household Support Fund according to the criteria and process set out in the report; and
- (ii) Authorise the Director of Strategy and Performance, in consultation with the Leader of the County Council, 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.

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.

Detail

The purpose of the Household Support Fund 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 fund guidance.

At the moment the funding allocation is still provisional, as is the detailed guidance, although the Department for Work and Pensions has provided provisional advice, which indicates that:

- The Lancashire allocation is £9,678,235.22.
- The funding covers the period 6 October 2021 to 31 March 2022 inclusive. Funds should be spent, or committed, before 31 March 2022 and cannot be held over for future usage.
- The objective of the Fund is to provide support to vulnerable households in most need of support this winter as the economy recovers. It should primarily be used to support households in the most need with food, energy and water bills. It can also be used to support households with wider essential costs.
- At least 50% of the funding is for vulnerable households with children. The remainder of the funding is available for vulnerable households without children (including individuals).
- The guidance is clear that the fund can be used to provide food/vouchers for free school meals recipients over holiday periods.
- Supporting documentation is clear that upper tier authorities in shire counties are expected to work closely with districts.
- In exceptional cases of genuine emergency, it can also be used to support housing costs – this is strictly defined and does not include mortgage support.
- Delivery can be through a variety of routes including providing vouchers to households, making direct provision of food, or issuing grants to third parties.
- Rather than focus on one specific vulnerable group, we are advised to identify and provide support to a broad cross section of vulnerable households.
- In delivering proposals the council has a responsibility to take account of and manage the risk of fraud.
- The council can claim reasonable administration costs.
- Government has set strict reporting arrangements that need to be complied with.

Proposed approach for Lancashire County Council

Options for the best use of the funding to identify those in need and deliver support are still under development, with input from services across the county council. Options will build on the learning from the roll out of the previous COVID Winter

Grant and the COVID Local Support Grant, although it should be recognised that the scope of this funding is different.

The advice relating to the fund sets a clear expectation that we should work closely with district councils. Officers have had discussions with representatives of Lancashire districts and it is clear that they have suitable capacity to deliver through local hubs, experience of funding distribution during earlier stages of the pandemic and a willingness to engage in this process. It is proposed that £3m of the grant funding should be allocated to district councils for distribution in line with the fund conditions. Payments will be authorised as soon as the final funding confirmation is received. The amount distributed to each individual district, will be based upon similar criteria to that used by the Department for Work and Pensions in allocating the grant nationally, which reflects population size and the number of benefits claimants in the district.

It is proposed allocations for each district council will follow previous methodologies and result in the following percentage allocations:

	allocation £
Burnley	300,000
Chorley	240,000
Fylde	150,000
Hyndburn	270,000
Lancaster	360,000
Pendle	270,000
Preston	420,000
Ribble Valley	90,000
Rosendale	180,000
South Ribble	210,000
West Lancashire	240,000
Wyre	270,000

It is also proposed that an element of the fund should be used to support benefits related free school meal eligible pupils over the Christmas school holidays and February half term holidays. An urgent decision regarding October half term was taken previously. This is in line with numerous other councils, and we are seeking to clarify this position as early as possible to ensure schools have the maximum level of certainty and planning opportunity. Use of an online platform is the proposed approach for primary, secondary and special schools. Edenred facilitated the Department for Education government scheme for free school meals, covering 93% of the UK during the first COVID lockdown, and we have used them for previous school holiday periods under different funding regimes, so most schools and parents

will already be familiar with the process to purchase and redeem vouchers. Edenred is also part of the Government's framework of providers.

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.

Consultations

District council officers have been consulted to ascertain their views on the implementation of the scheme and further suggested funding options to meet the needs of families and individuals in line with the fund requirements.

Implications:

This item has the following implications, as indicated:

This is a benefit scheme and the money must be spent by 31 March 2022 as any surplus must be returned.

Risk management

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

The county council has been granted £9.678m to be used up until March 2022 to support households. It is anticipated that the proposal to fund vouchers during the school holidays outlined will cost £1.77m. £3m of the grant will be distributed to district councils for use via their distribution networks. Districts will be required to complete timely performance management information.

It should be noted that our working assumption is that there will be no more funding after this financial year, and the Department for Work and Pensions has been clear that no underspends will be carried forwards.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A