

TITLE OF REPORT: Household Support Fund Round 5 and Welfare Support

REPORT OF: Darren Collins, Strategic Director, Resources and Digital

Purpose of the Report

1. To seek Cabinet's approval of the Council's proposal for the distribution of the Household Support Fund round 5 (HSF) for the period 1st April 2024 to 30th September 2024 and to commence a review of overall welfare support.

Background

2. The Department of Work and Pensions (DWP) Household Support Fund has been extended until 30th September 2024, providing £1,836,629 of funding.
3. The spirit of the fund remains the same, namely, to support those at risk of going cold or hungry and to help with significantly rising living costs.
4. Whilst last year the round of funding was for 12 months, this final round of HSF is to cover 6 months between 1 April 2024 – 30 September 2024.
5. The expectation is that the HSF should be used to support households in the most need. This may include but is not limited to:
 - people who are entitled to, but not claiming, qualifying benefits,
 - people who are claiming Housing Benefit only,
 - people who begin a claim or return to payment of a benefit after the relevant qualifying date.
6. Various iterations of HSF have been in place since 2020. There is no guarantee that the Government will extend HSF post September 2024 and many local authorities are reviewing their approach to Local Welfare Assistance.
7. The DWP monitor and audit the Council's administration of the scheme and the 2023/2024 HSF round 4 supported over 5,000 awards through the application and referral process. In addition, around 8,000 children who were eligible for free school meals were provided with vouchers over the school holidays (13 weeks). Funding was also provided to various groups and projects which have been supporting residents at risk of going cold or hungry.
8. The guidance states that local authorities should keep administrative costs to a reasonable level. In previous iterations of HSF, average administrative spend was no more than 5% of the total allocation.

Proposal

9. Based on the revised guidance from the DWP and the lessons learned from implementing previous rounds of the HSF the following is proposed.

Children – estimated total £950,000

10. The number of children eligible for free school meals is around 8,000. It is proposed Gateshead continues to support children through the free school meals provision. This will require an estimated £120,000 to cover the May half term. As in previous holidays this will be distributed through the schools.
11. As the HSF is due to end in September and will no longer provide support during school holidays it is proposed that the Council send a single voucher in June of £100 to all children receiving free school meals. A letter would be sent with the voucher explaining that the DWP funding is ceasing. It will also include information and advice for households that are struggling and signpost to the Holiday Activity Programme which will take place in the summer holidays.
12. Further the proposal would be to allocate £30,000 grant to the Jewish Community Council of Gateshead (JCC) to support children in Jewish schools who do not access free school meals.

Support to households through existing and new projects – estimated cost £250,000

13. It is proposed to continue to provide funding to the various groups who have been supporting residents at risk of going cold or hungry.
14. These groups include but are not limited to:
- Food Co-ops
 - Gateshead Foodbank
 - Feeding families
 - Supply of baby milk
 - Running costs for Warm Spaces provision
 - Refreshments in Council Warm Spaces
 - Warm Box project
 - Food Network Grant Programme
 - Reconnection of energy and energy grants
 - Citizens Advice, Gateshead
15. It is proposed to set aside an amount of £250,000 to support these groups. As the funding is only until September 2024 it is proposed to provide single grants through the existing process administered by the Voluntary and Community Development Service. This will reduce administration and aid monitoring.

Remaining funding subject to administration costs

16. The guidance states that every area must operate at least part of their scheme on an application basis in other words, people should have the opportunity to come forward to ask for support. There is some flexibility on exactly how this can be run, including operating this either continuously or at intervals during the fund period.

17. The previous application scheme has seen multiple applications from residents and also a number of issues where larger allocations and more targeted support could potentially have prevented the escalation of problems e.g. lack of cooking equipment, failing heating systems or large energy debts.
18. The guidance allows Local Authorities to identify vulnerable households, including taking advice or application referrals from professionals who come into contact with vulnerable households such as: social workers, keyworkers delivering early help and family support; health visitors; housing and benefit support officers. The proposal is that the Council continues to accept referrals through this route.
19. The Council must follow the DWP guidance and have a clear rationale and documented framework outlining their approach. It is proposed that the HSF round 5 application process is amended but continues to base allocations on the principles in the current Council's Local Discretionary payments scheme. It is proposed that the application process:
 - helps target those continually struggling and therefore awards are increased to accommodate people who are experiencing one – off financial shocks or unforeseen events. A clear process will be documented including authorisation of any payment over £500
 - Will operate for a fixed term up to September 2024 or until the funding is exhausted.
 - A more holistic support package in conjunction with Citizens Advice Gateshead is offered and provided where necessary.
 - Payments are made on a first come, first served basis based on the funding remaining
 - Payments where possible will be made by either the existing voucher system or direct award of goods and services.
 - The scheme to be promoted through the website, existing Council Communication channels and the voluntary and community sector

Welfare Support post 30 September 2024

20. It is proposed that a review of welfare support is undertaken over the summer, taking into account national and regional views, to understand the impact of the cessation of the HSF funding and to provide options for the Council post September 2024.

Recommendations

21. It is recommended that:
 - (i) Cabinet support the proposal to support residents at risk of going cold or hungry through the mechanisms above.
 - (ii) Cabinet support the proposal to undertake a review of Welfare Supportfor the following reason(s)
 - (i) Targeting the groups identified will meet our Thrive policy objectives

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Policy Context

1. Gateshead residents like many throughout the United Kingdom continue to experience significant cost of living rises, including increases in fuel, interest rates and escalating energy costs.
2. The driver for this work is the Thrive Policy Framework, in particular: -
 - Put people and families at the heart of everything we do
 - Tackle inequality so people have a fair chance
 - Support our communities to support themselves and each other
3. These proposals have regard to the Health and Wellbeing Strategy for Gateshead and the principle of targeting those in greatest need.

Background

4. The Department of Work and Pensions (DWP) Household Support Fund has been extended until 30 September 2024, providing £1,836,629 of funding. The spirit of the fund remains the same, namely, to support those at risk of going cold or hungry.
5. The HSF can be used to support households with the cost of food and water bills, essential costs related to energy and with wider household 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 exceptional circumstances
6. The expectation is that the HSF should be used to support households in the most need. This may include but is not limited to:
 - people who are entitled to, but not claiming, qualifying benefits,
 - people who are claiming Housing Benefit only,
 - people who begin a claim or return to payment of a benefit after the relevant qualifying date
7. There may, however, be groups who are vulnerable to rising prices even though they are supported through these schemes, for example large families or single-income families. The Fund is intended to cover a wide range of low-income households in need including families with children of all ages, pensioners, unpaid carers, care leavers, and people with disabilities.
8. Guidance for round 5 of the HSF scheme has to be followed and includes the requirement that every area must operate at least part of their scheme on an application basis to ensure there is a route for emergency support i.e. residents should have the opportunity to come forward to ask for support. There is flexibility on exactly how this can be run, including through third parties rather than directly by the Local Authority. The Local Authority are expected to operate such a scheme for the majority of the fund period either continuously or in regular intervals over the course of the scheme.

Proposal

9. Based on the revised guidance from the DWP and the lessons learned from implementing previous rounds of the HSF the following is proposed.

Children – £880,000

10. The number of children eligible for free school meals is around 8,000. It is proposed Gateshead continues to support children through the free school meals provision. This will require an estimated £120,000 to cover the May half term. As in previous holidays this will be distributed through the schools.
11. As the HSF is due to end in September and will no longer provide support during school holidays it is proposed that the Council send a single voucher in June of £100 to all children receiving free school meals. A letter would be sent with the voucher explaining that the DWP funding is ceasing. It will also include information and advice for households that are struggling and signpost to the Holiday Activity Programme which will take place in the summer holidays.
12. Further the proposal would be to allocate £30,000 grant to the Jewish Community Council of Gateshead (JCC) to support children in Jewish schools who do not access free school meals.

Support to households through existing and new projects – estimated cost £250,000

13. It is proposed to continue to provide funding to the various groups who have been supporting residents at risk of going cold or hungry.
14. These groups include but are not limited to:
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 - Reconnection of energy and energy grants
 - Citizens Advice, Gateshead
15. It is proposed to set aside an amount of £250,000 to support these groups. As the funding is only until September 2024 it is proposed to provide single grants through the existing process administered by the Voluntary and Community Development Service. This will reduce administration and aid monitoring.

Remaining funding subject to administration costs

16. The guidance states that every area must operate at least part of their scheme on an application basis in other words, people should have the opportunity to come forward to ask for support. There is some flexibility on exactly how this can be run, including operating this either continuously or at intervals during the fund period.

17. The previous application scheme has seen multiple applications from residents and also a number of issues where targeted support could prevent the escalation of problems e.g. lack of cooking equipment, failing heating systems or large energy debts.
18. The guidance also allows Local Authorities to identify vulnerable households, including taking advice or application referrals from professionals who come into contact with vulnerable households such as: social workers, keyworkers delivering early help and family support; health visitors; housing and benefit support officers. The proposal is that the Council continues to accept referrals through this route.
19. The Council must follow the DWP guidance and have a clear rationale and documented framework outlining their approach. It is proposed that the HSF round 4 application process is amended but continues to base allocations on the principles in the current Council's Local Discretionary payments scheme. It is proposed that the application process:
 - helps target those continually struggling and therefore awards are increased to accommodate people who are experiencing one – off financial shocks or unforeseen events. A clear process will be documented including authorisation of any payment over £500
 - Will operate for a fixed term up to September 2024 or until the funding is exhausted.
 - A more holistic support package in conjunction with Citizens Advice Gateshead is offered and provided where necessary.
 - Payments are made on a first come, first served basis based on the funding remaining
 - Payments where possible will be made by either the existing voucher system, direct award of goods and services, through Post Office payments or through partner organisations
 - The scheme to be promoted through the website, existing Council Communication channels and the voluntary and community sector

Welfare Support post 30 September 2024

20. It is proposed that a review of welfare support is undertaken over the summer, taking into account national and regional views, to understand the impact of the cessation of the HSF funding and to provide options for the Council post September 2024.

Consultation

21. The Leader and Deputy Leader of the Council have been consulted on this report.

Alternative Options

22. In previous rounds we have relied partly, although not exclusively, on VCSE partners to distribute the funds on our behalf, but the demand for service placed an intolerable pressure on VCSE agencies and visibility of potential duplication was much restricted. If we were to take this approach again, we would need to resource the VCSE agencies – on previous occasions they worked within their existing resources. However, in smaller agencies it is likely recruitment to short term employment opportunities may be problematic in the current job market,

whereas the Council is more likely to be able to resource the work from its much bigger workforce. The administration costs are also limited by the guidance and significantly reducing the possibility to properly fund other organisations.

23. We have used our learning from previous rounds to formulate these proposals. Further, enquiries with neighbouring authorities and our participation in national networking calls suggest our approach is similar to others.

Implications of Recommended Option

24. **Resources:**

- a) **Financial Implications** – All grant money must be spent, not just allocated, by the end of September 2024. Any underspend must be returned to national government, there is no provision for roll over to future programme activity. There is no indication of any further funding from Government beyond September 2024
- b) **Human Resources Implications** – We will need to identify and deploy employees to support this work within the administration fee of 5%.
- c) **Property Implications** - None identified.

25. **Risk Management Implication** - Monitoring of spend is essential to ensure all funds are distributed in a timely fashion to Gateshead residents. Any under-spend needs to be returned to national government.

26. **Equality and Diversity Implications** -

Using our network of partners and professional advisers within the Council, the intention is to identify people who may be vulnerable or just coping using a direct referral system. However, there will be people within these groups who may not be visible to us.

27. **Crime and Disorder Implications** – None identified

28. **Health Implications** – There are health implications for a vulnerable person living in a cold home, it increases their chance of serious illness or death. They are at higher risk of a heart attack or stroke, breathing problems, flu, depression and falls¹. Further, research has found that food insecurity is associated with increased risk of some birth defects, anaemia, lower nutrient intakes, cognitive problems, and aggression and anxiety².

29. **Climate Emergency and Sustainability Implications** - 9 in 10 households rely on gas boilers and lots of gas boilers need lots of gas; UK households consume more of it than almost all their European peers, at around twice the EU average. Gas burned in households now equates to half of all imports – that is why any spike in gas prices immediately translates into higher heating bills for the UK. Adequately insulating homes is a key component of managing energy prices. And yet, the charity National Energy Action has noted that between 2012 and 2019 the number of home insulation installations dropped by 95%, and at current rates it would take nearly a century to properly insulate all the current fuel-poor homes in the country.

¹ National Institute for Health and Care Excellence, Helping to Prevent Winter Deaths and Illnesses Associated with Cold Homes

² Health Affairs, Food Insecurity and Health Outcomes

30. **Human Rights Implications** - None identified

31. **Ward Implications** - None identified