



**Corporate Policy and
Resources**

Thursday, 23 May 2024

Subject: Household Support Fund 5

Report by:	Director of Change Management, ICT & Regulatory Services
Contact Officer:	Angela Matthews Benefits Manager angela.matthews@west-lindsey.gov.uk
Purpose / Summary:	To provide an update on criteria and delivery plan for the Household Support Fund 5 and seek approval of the scheme.

RECOMMENDATION(S):

1. Approve the delivery of the Household Support Fund 5, which runs to 30 September 2024
2. Approve that where there are relatively minor amendments made to the scheme, unless these are considered 'significantly material' then the Benefits Manager in consultation with the Director of Change Management, ICT and Regulatory Services is delegated to implement these changes after consultation with the Committee Chairman. This ensures the scheme to adapt to requirements and need to respond promptly if required, as well as remaining consistent with principles of the Lincolnshire Districts scheme.

IMPLICATIONS

Legal:

Any awarding of funding to Voluntary & Community Sector (VCS) partner organisations will be treated as a grant award. All grant awards will be subject to a Grant Funding Agreement. Existing grant funding agreement templates used for Council funding activity will be used and have been approved for use by the Legal team.

Financial : Grant funding will be received from the County Council to cover the fund and administration costs.

The proposals are that the County distributes vouchers direct to families in receipt of income-related free school meals, they also distribute 1% of the funds to Care Leavers and distribute 38% of the funds to the seven Districts.

It is estimated at the time of this report that West Lindsey will receive approximately **£245,000**.

Income and expenditure budgets will be created to reflect the grant being received and spend activity where applicable.

FINREF: FIN/12/25/CPR/SL

Staffing : The fund will be administered by the Benefits Manager covering attendance at meetings, financial returns and general administration and the Communities Manager covering grant agreements with third parties and fund distribution. Capacity will be kept under review during delivery.

HR REF:

Equality and Diversity including Human Rights :

The decision should not have an adverse effect on any group of people, an application can be made for assistance by any person.

Data Protection Implications :

Information Sharing Agreement established for the sharing of data from DWP via Lincolnshire County Council to District Councils. Data protection included within grant funding agreements and any terms and conditions for voucher issuing providers.

Climate Related Risks and Opportunities : None

Section 17 Crime and Disorder Considerations : None

Health Implications: The delivery of Household Support Fund 5 will have a direct impact on the health and wellbeing of identified households in West Lindsey facing financial hardship. The fund will provide support aimed at helping households with the cost of food, energy and other household essentials.

Title and Location of any Background Papers used in the preparation of this report:

<https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils>

Risk Assessment :

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

Executive Summary

The Household Support Fund (HSF) was first introduced in October 2021 and has been renewed every 6 months until March 2023 when an annual HSF scheme was launched for 2023-24.

West Lindsey has been successful in distributing £1.6m to the residents of the district over the previous four HSF schemes.

The 'Final' Household Support Fund (HSF5) was announced on 6 March 2024 and the details of the fund were clarified on 26 March. The fund will run for 6 months commencing 1 April 2024 and Lincolnshire County Council (LCC) have been awarded £5.46m.

The funding will be received from the Department for Work and Pensions who issue guidance on how the money may be spent, this was issued on 26 March 2024. LCC have proposed that each District will get a fund to distribute to its residents and it is estimated that West Lindsey will receive funding of approximately £245,000.

Using the learning from the previous 4 HSF multiple distribution methods, it is known that to reach as many residents as possible, we need to involve partner organisations such as food banks and charitable organisations. It is also known that a costly resource is needed if the Local Authority chooses to accept direct applications from residents wishing to apply for funding.

This report recommends that to reach as many residents as possible whilst keeping the administration costs controllable, we distribute funding via food banks and voluntary organisations with at least one of the voluntary organisations administering an application-based process.

1 Introduction

- 1.1 On 6th October 2021 the Government announced a new fund being made available to all County and Unitary authorities to support those residents most in need over the Winter of 2021-22. This was known as Household Support Fund 1 and was followed by HSF2, HSF3 and HSF4 that ended on 31 March 2024.
- 1.2 Under the four rounds of HSF Lincolnshire County Council were awarded funds and issued with a separate guidance from the Department for Work and Pensions on how the funding should be distributed.
- 1.3 The County collaborated with the seven Lincolnshire District Councils on each of the four funds to reach as many people as possible with the funding.
- 1.4 On each round of funding the County has distributed vouchers to all families entitled to income-related free school meals.
- 1.5 On each round the seven Lincolnshire Districts have been awarded a percentage of the total fund to distribute in their areas and the Districts have attempted to align their distribution to avoid a 'postcode lottery' of who gets funding and how much.
- 1.6 On 6 March 2024 the Government announced the 'Final' round of Household Support Fund and on 26 March 2024 some details of the funding were released. HSF5 will run for six months commencing 1 April 2024.
- 1.7 The County and Districts have been meeting to finalise HSF4 and begin to discuss HSF5 and the County Officer will present distribution proposals to their Leader between 29 April and 3 May.
- 1.8 The proposals are that the County distributes vouchers direct to families in receipt of income-related free school meals, they also distribute 1% of the funds to Care Leavers and distribute 38% of the funds to the seven Districts.
- 1.9 It is estimated at the moment that West Lindsey will receive approximately **£245,000**.
- 1.10 During HSF3 and HSF4. the Department for Work and Pensions (DWP) issued Cost of Living payments direct to customers in receipt of DWP income-related benefits and it was encouraged that HSF funds should not be paid to households who had received Cost of Living funds from the DWP. The DWP Cost of Living funding has now ended and the HSF5 funding guidance suggests that we should use the funding to support all 'low-income households' including Pensioners, families with children, single adult households and households with disabilities.

2 Options for Distribution

- 2.1 Under the previous 4 HSF schemes different distribution methods have been tested by the District Councils in line with the guidance given by the DWP on each fund. Learning from the previous schemes, it is known that WLDC have been most successful and economic when distributing the funding via 3rd party organisations.
- 2.2 Given the very short timeframe between the funding announcement on 6 March and the fund end date of 30 September 2024 it has been agreed that the Lincolnshire Districts may not be able to trial or agree any funding distribution routes that have not already been tested or established in HSF 1 to 4.
- 2.3 It has also been agreed that each District has different governance routes, and this may hold up distribution of the funding – this is similar for the County who need to progress through their corporate governance first.
- 2.4 West Lindsey has previously used several different methods of distributing funding, these include:
- a direct application process, an internal and an external customer referral process,
 - issuing grants to 3rd parties to distribute vouchers and/or food parcels direct to residents,
 - using a 3rd party organisation to administer an ‘application-based’ scheme and
 - using DWP data to identify certain groups of residents and issuing cash vouchers direct via the Post Office ‘PayOut’ system.
- 2.5 As the funding can and will be accessed by a potentially bigger number of households due to the DWP Cost of Living payments ending, it is noted that we need resilient, professional low risk options for awarding the funding and goods to households most in need.

3. The Preferred Distribution Model.

- 3.1 Having administered the HSF funds since 2021, using different distribution methods, producing different results it is recommended that the HSF5 fund is paid out to residents via several different experienced channels and processes all being administered by 3rd party organisations.
- 3.2 The food bank and voluntary organisation distribution route has been tried and tested over the last 2+ years of HSF and has proved very

successful needing very low levels of intervention by West Lindsey officers.

- 3.3 An application- based process via a 3rd party charitable organisation has been tested during HSF4 and has proved extremely successful and attracts an administration fee of 15% (however, we know the application-based process is very labour-intensive to deliver as we managed the process in-house in a previous scheme). The organisation who distributed the funds via this method recognise that the applications for HSF5 may be bigger in volume and complexity but are not worried by this. With the wider audience in mind, it is recommended that more of the funding is distributed using this process.
- 3.4 The District Council should retain a small percentage (5%) of the funding for contingencies, the cost of monitoring the spend and reporting to the County each month.

4. **Recommendation**

- 4.1 Members agree the officer proposals to distribute the HSF5 funding as follows:
- 60% via an application-based process administered by a 3rd party charitable organisation
 - 35% via food banks and 3rd party organisations (e.g. Carers First, Age UK)
 - 5% for WL administration and contingencies
- 4.2 Approve that where there are minor amendments made to the scheme, unless these are considered 'significantly material' then the Benefits Manager in consultation with the Director of Change Management, ICT and Regulatory Services is delegated to implement these changes after consultation with the Committee Chair