

# Policy Committee

10 July 2023



**Reading**  
Borough Council  
Working better with you

<b>Title</b>	Household Support Fund 4
<b>Purpose of the report</b>	To make a decision
<b>Report status</b>	Public report
<b>Report author</b>	Gavin Handford, Assistant Director, Policy, Performance & Customer Service
<b>Lead Councillor</b>	Liz Terry, Corporate Services & Resources
<b>Corporate priority</b>	Thriving Communities
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. To agree the utilisation of the DWP Household Support Fund as detailed in Para 3.11 for 2023/24 to support Reading residents in the most need; particularly those who may not be eligible for the other cost of living support government has recently made available.</li><li>2. To delegate the ability to the Director of Resources, in consultation with the Leader of the Council, to make changes to the delivery of HSF4 to meet changes in demand and maintain compliance with the funding allocation requirements from DWP as detailed in para 3.1.</li><li>3. Note the decision taken under officer delegation by the Assistant Director, Policy, Performance &amp; Customer Service, to utilise an element of the funding for staff resource and initial allocation payments as detailed in para 1.7.</li></ol>

## 1. Executive Summary

- 1.1. A Household Support Fund (HSF) grant of £2,261,298 has been confirmed for Reading borough to provide cost of living support to households in the most need; particularly those who may not be eligible for the other support government has recently made available.
- 1.2. The grant is funded by the Department of Work and Pensions (DWP) and is to be utilised between 1<sup>st</sup> April 2023 and the 31 March 2024.
- 1.3. The grant is provided to help families and vulnerable individuals who struggle to pay for basic living costs, such as:
  - energy and water
  - food
  - essentials linked to energy and water
  - wider essentials
  - advice services
  - housing costs
- 1.4. DWP has stipulated some grant conditions including that Local authorities are expected to offer support throughout the duration of the Fund Period and must develop their delivery plans to reflect this. A summary of the DWP conditions is in Appendix 1.

It is proposed that the utilisation of the HSF grant over the coming year is focused on two key elements:

- An **application-based** scheme that is agile and flexible enough to meet the specific needs of local people who are in desperate need of cost-of-living support. There are a wide range of people who need such support, but that are difficult to specifically identify, and therefore provide a defined funding allocation.
  - Automatic support through an **allocation** scheme to low-income households with children in receipt of Pupil Premium/Free School Meals and older people in receipt of Housing Benefit who do not receive the direct government support provided to recipients of other DWP benefits.
- 1.5. The Council may make changes to the delivery of HSF4 during the year to respond to changes in demand from residents and to ensure that the delivery of HSF4 remains within the available funding.
- 1.6. Due to HSF4 being delivered over a full year, in contrast to the six-month timescale of previous HSF rounds, the resources being utilised through the scheme are now more than £2,000,000. Therefore, the comprehensive detail of the HSF4 scheme for Reading is being presented to Policy Committee for approval.
- 1.7. To enable the timely delivery of HSF4, £499,500 of the funding has been drawn down under delegated authority by the Assistant Director for Policy, Performance & Customer Services. Within this, £383,000 was identified to begin the first payment of the allocation element of HSF4 to be made by July 2023, prioritising Pupil Premium families with children entitled to free school meals, and £116,500 of the funding was identified to cover the set-up and administration costs of the application-based element. Following detailed data collection on the number of eligible households, the allocation to voucher payments was increased to £400,000, whilst remaining within the financial limits for Officer Delegation.
- 1.8. Other key requirements of the HSF4 process are summarized in Appendix 1.
- 1.9. Details of the proposed application-based element of HSF4 are presented in Appendix 2.

## **2. Policy Context**

- 2.1. For HSF3 (1st October 2022 to 31st March 2023), the Council moved away from providing direct support for Free School Meals (FSM) families during school holidays to the provision of Cost-of-Living vouchers with the intention of providing residents with more flexibility and choice in utilising the support provided.
- 2.2. The HSF 3 scheme can be summarised as follows:
- £125 Cost of Living Voucher per family household that have school age children eligible for Pupil Premium Free School Meals and/or vulnerable children up to nursery age
  - £125 Cost of Living Voucher per care leaver
  - £100 Cost of Living Voucher per household with older people receiving the state pension (individuals who have reached the state pension age) who are on the Council Tax Reduction Scheme (CTRS) or in receipt of housing benefit, or with older people receiving the state pension (individuals who have reached the state pension age) who are in receipt of pension credit or savings credit and not on CTRS.
  - £650 Cost of Living voucher to households receiving Housing Benefit and on CTRS but no other DWP benefit.
  - £25 emergency energy vouchers - A small fund of £1,250 was allocated to provided 50 x £25 emergency energy vouchers to council tenants who

experience issues with their heating and hot water to fund the use of electric heaters whilst the issues are resolved.

- 2.3. Data for determining the number of households with school-age children eligible for Pupil Premium Free School Meals was using information provided by schools to BFFC through their school census that was used for HSF3.
- 2.4. Approximately 90% of the Cost-of-Living vouchers which were allocated to the residents detailed above were taken up. This means that there were still over 500 households across the borough which did not access the support that was being directly offered to them.
- 2.5. Due to the previous HSF funding windows being for only six months and therefore the including smaller amounts of funding to the Council, the utilisation of the funding received from DWP for the Household Support Fund activities has previously been agreed under officer delegation.

### 3. The Proposal

- 3.1. Based on the requirements and information provided by Government<sup>1</sup>, the following approach for HSF4 is recommended.
  - To establish an application-based scheme that is agile and flexible enough to meet the specific needs of local people who are in desperate need of cost-of-living support. There are a wide range of people who need such support, but that are difficult to specifically identify, and therefore provide a defined funding allocation.
  - Provide automatic support through an Allocation scheme to low-income households with children in receipt of Pupil Premium/Free School Meals and older people in receipt of Housing Benefit who do not receive the direct government support provided to recipients of other DWP benefits. These are definable groups whose circumstances make them specifically vulnerable to cost-of-living rises, but who miss out on more general Government support.
  - In line with the permitted use of the funding, to utilise up to 10% of the HSF4 resources for the administration of the scheme throughout the year; including promotion of the Application element so that support reaches those most in need.
  - The Council may make changes to the delivery of HSF4 during the year to respond to changes in demand from residents and to ensure that the delivery of HSF4 remains within the available funding.
- 3.2. The **allocation** elements are proposed to be made in two equal payments during the year, with the first payment being in June/July and the second payment being in November. Initial payments in June have been made under the officer delegation, prioritising free school meals families. This is to provide resources to residents in the build-up to potentially key cost-increasing times of year (school summer holidays and the winter months). The need for an earlier payment to residents is also mitigated by the £300 cost of living payment the Government will be making soon to low-income households, and the recent payment by the Council of £650 to residents who only receive Housing Benefit or CTRS, and no other benefits. Families eligible for Pupil Premium support are also able to access support during the Easter School Holidays via the Holiday Activities & Food programme.
- 3.3. As required by the HSF guidance, the **application-based** element needs to be available throughout most of the year to 31<sup>st</sup> March 2024. It is proposed not to be a

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<sup>1</sup> [1 April 2023 to 31 March 2024: Household Support Fund guidance for county councils and unitary authorities in England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/household-support-fund-guidance-for-county-councils-and-unitary-authorities-in-england)

budget limit on the amount allocated each month as although it is uncertain what will be the demand, we do not want to refuse applications that have a clear need. However, to ensure that funding remains available for the whole of the year, it is proposed to monitor expenditure each month and take action to manage demand accordingly. This may include further marketing the scheme if demand is low.

3.4 Specific details of the proposed application-based element of HSF4 are presented in Appendix 2.

3.5 **Application-based** schemes in other local authorities are commonly delivered via an online application form which requires proof of residency and requests a range of financial information, as well as a description of the need for support. It is proposed that the administration of the application-based element is delivered by the Council, with the additional capacity needed to do so funded from the administration element of HSF4. Capacity is needed to develop the scheme, launch, and promote the application-based element, coordinate activities across the council and with key external partners, and manage the budget throughout the year.

3.6 **Reasonable Administrative Costs.** Within the guidance for HSF4, there is provision for local authorities to utilise these funds to administer its delivery. Specifically, the guidance defines reasonable costs as:

- staff costs
- advertising and publicity to raise awareness of The Fund
- web page design
- printing application forms
- small IT changes, for example, to facilitate management information production

3.7 To successfully deliver HSF4, the Council will need staffing resources to set up the application-based element, to administer the applications, outreach activities to target hard to reach groups, and to provide overall management of the fund during the year. There will also be costs associated with making payments to residents within both the allocation and application-based elements. Early feedback from other local authorities is that administration costs increased during the delivery of HSF3 and therefore were considering allocating up to 10% of the Fund to cover its administration.

3.8 Setting up the application-based element and having sufficient resources to administer it is a practical priority for successfully delivering HSF4, along with having a dedicated a named lead for the work during the year. It is therefore recommended that £116,500 of the Fund initially be allocated to the administration of HSF4, with the ability to utilise up to a maximum of 10% of the Fund (£226,130), in accordance with Government guidance, on its administration and promotion.

3.9 **Specific Details of Resources and the Households/Individuals to be Supported.**

- Families with children eligible FSM or Pupil Premium, & care leavers it is proposed would receive two cost of living payments of £125 during the year.
- Older People on low income in receipt of Housing Benefit, but no other DWP benefits, it is proposed would receive a one-off £450 cost of living payment.
- Application-element estimated on mean £125 per application.

3.10 This approach would provide support to the following number of households:

	Households
With children eligible FSM or PP, & care leavers	4,200
Older Housing Benefit recipients not in receipt of £900 from DWP	1,000
Number of individual Application payments of £125	4,281

3.11 Based on these assumptions and utilisation of up to 10% of the HSF for administration costs, the overall costs of the Scheme are as follows:

Option Costs	Rate £	Number	£
Admin and scheme cost (Maximum)			<b>116,500</b>
Scheme promotion and contingency			<b>109,630</b>
Older Housing Benefit recipients not in receipt of £900 from DWP	450		
<i>Actual</i>		909	
<b>Estimate for Budgeting</b>		<b>1,000</b>	<b>450,000</b>
Households with FSM, care leavers, PP	250		
• <i>Reading PP/FSM</i>		3,165	
• <i>Care Leavers</i>		240	
• <i>West Berks FSM (Reading Residents)</i>		307	
• <i>Wokingham FSM (Reading Residents)</i>		371	
<i>Actual</i>		4,083	
<b>Estimate for Budgeting</b>		<b>4,200</b>	<b>1,050,00</b>
Application-Based Element	125		<b>535,168</b>
<b>Total</b>			<b>2,261,298</b>

### Variant Options

3.12. In developing the scheme, the following three variant options were considered. The **increase or decrease** in option costs from those set out in the table above is estimated below (and there would of course be a corresponding reduction in the funding distributed through the **application-based** element)

1	Pay £450 to all people receiving Housing Benefit, but no other benefits	£228,150
2	Increase the amount paid to £900 for Older People receiving Housing Benefit, but no other benefits	£294,300
3	Additional payment of £50 per child after the first for households with children eligible FSM or Pupil Premium, & care leavers	£281,092
4	Reduce the amount paid to Older People receiving Housing Benefit, but no other benefits to £250 to be consistent with payment made to FSM families reducing the cost to £163,500	£-130,800

3.13 An example of these options in combination would be to do **both 3 and 4** which would still leave funding for the Application element estimated at **£385K**.

3.14 Inclusion of these variant options has not been recommended as 1,2&3 would reduce the amount of funding available to the discretionary application-based element of HSF4, and therefore reduce the ability and capacity for the Council to respond flexibly to the needs of residents who are struggling to meet their cost of living within the Borough.

- 3.15 Older People receiving Housing Benefit, but no other benefits are not eligible to receive the £900 cost of living payment from the Government to low-income households. Allocating a payment of £450 to these residents is recommended as a way of mitigating this group of residents missing this payment from Government.

#### **4. Contribution to Strategic Aims**

- 4.1. The utilisation of the Household Support Fund provides direct targeted support to families within the borough and enables a broad range of individuals to have the opportunity to access financial support to mitigate the impact of the rising cost of living within the borough.
- 4.2. This targeted and flexible support to residents is to help ensure that everyone who lives within the borough can maintain a suitable quality of life and share in its successes. It tackles inequality in our society, to ensure everyone has an equal chance to thrive whatever their economic, social, cultural, ethnic, or religious background, and prioritises the needs of the most marginalised groups and the most vulnerable adults and children in our communities.
- 4.3. The Council's Corporate Plan 2022-25 'Investing in Reading's Future' sets out the vision for Reading to reach its potential and to ensure that everyone living and working can share the benefits of our town's success. This commitment is also central to the Council's Tackling Inequality Strategy 2023-26 which demonstrates how the Council will go beyond our existing activities and strategies to achieve a more consistent quality of life for our residents in our most deprived areas.

#### **5. Environmental and Climate Implications**

- 5.1. Resources from the Household Support Fund can be utilised by residents to improve the energy efficiency of their homes and therefore reduce their energy costs.

#### **6. Community Engagement**

- 6.1. The Council has routinely engaged with local voluntary and community organisations to understand the impact they are experiencing in supporting residents with the rising cost of living within the borough. This engagement has enabled the Council to tailor the information and support available to residents who are struggling with the rising cost of living.
- 6.2. The development of the approach and criteria for the application-based element of the Household Support Fund have been guided by the feedback from local voluntary and community organisations on how the rising cost of living can affect residents from a broad range of backgrounds and personal circumstances. For example, over half of the residents being referred to support from the Readifood foodbank are single people living alone.

#### **7. Equality Implications**

- 7.1. The Household Support Fund is focused on supporting any resident who is experiencing difficulties with the rising cost of living within the borough.
- 7.2. Opportunities to access support from the Household Support fund will be widely promoted across the borough to ensure everyone is aware of them, including to local voluntary and community organisations who have a direct relationship with local communities across the borough.
- 7.3. Elements of the Household Support Fund which is targeted towards families eligible for free school meals and older people in receipt of Housing Benefit is also expected to support other protected characteristics within the borough.

- 7.4. Monitoring of the take up of the Household Support Fund will include Equalities information to determine if any changes to the scheme and support available to access it need to be amended during the year.

## **8. Other Relevant Considerations**

- 8.1. None.

## **9. Legal Implications**

- 9.1. None to note.

## **10. Financial Implications**

- 10.1. The Council has been allocated a Household Support Fund grant by Department of Work & Pensions of £2,261,298 for the financial year 2023/24. All costs for this Household Support Fund scheme within Reading Borough will be met from this grant.
- 10.2. The utilisation of these resources is being undertaken directly in accordance with the guidance issued by Department of Work & Pensions for their use, to support residents within Reading Borough.
- 10.3. Activities relating to the delivery of the Household Support Scheme will be contained within the resources provided by Department of Work & Pensions. Flexibility has been built into the delivery arrangements to enable the Council to alter the scheme as needed to meet any unexpected changes in demand.
- 10.4. At this time, there is no indication from Government on whether there will be a Household Support Fund allocation to local authorities in future years.

## **11. Timetable for Implementation**

- 11.1. Not applicable.

## **Appendices**

1. Appendix 1 – Summary of the key requirements of the HSF4 process
2. Appendix 2 – Details of the proposed application-based element of HSF4

## APPENDIX 1

### Household Support Fund 4 – Key Requirements Overview

DWP has provided data and information to identify those in need in their area:

- information relating to Universal Credit (UC) claims with limited capability for work or earnings below the Free School Meals (FSMs) and free prescription thresholds in their area
- data on people receiving the Guarantee Credit and/or Savings Credit elements of Pension Credit
- data on all claimants on income-related (IR) Employment and Support Allowance (ESA IR).

Every local authority must operate at least part of their scheme on an **application basis**, so that residents can come forward to ask for support. There is flexibility regarding exactly how this can be run, including through third parties rather than directly by the Council. As with funds allocated directly to residents, it is expected that the Council will offer application-based support throughout the duration of the Fund, either continuously over most of the year or in regular intervals throughout the year.

It is also mandatory for local authorities to **make public their plans for the Fund**, including how and when they intend to deliver the application-based portion of their scheme. This should be through a website page dedicated to the Fund headed with 'Household Support Fund' on their website.

This webpage must be easily accessible for residents and outline the Council's plans for funding, including with details of who is eligible in the area, as well as how and when residents might be able to apply for the application-based element of the scheme. Links to the Government's Cost of Living Hub should be included, as well as a specific reference that the grant is funded by the Department for Work and Pensions or the UK Government.

A proportion of the funding can be used to cover the administration costs of the scheme.

Utilisation of the HSF grant can commence from 1<sup>st</sup> April 2023, but the Council is required to submit an initial delivery plan in a specified template to DWP by 17<sup>th</sup> May 2023. This was done based on the outline of the scheme presented to Policy Committee and with the agreement of the Lead Member and Section 151 officer which is a condition of the HSF4 guidance.

At the end of the Fund, the Government will also ask for a summary of the spending against the final delivery plan with this due at the same time as the final MI in April 2024. Delivery plans must be signed off by our Section 151 Officer and responsible Lead Member before submission to DWP.

This delivery plan requires information on anticipated spend, expected volumes and number of households supported in the following sections:

Information Type	Specific Details Requested
Household Composition	Households with Children Households with Pensioners Households with Disabled People Other Households
Spend by Category	Food (excluding FSM support in the holidays) FSM support in the holidays Energy & Water Essentials Linked to Energy and Water Wider essentials Housing Costs



	Advice Services
Types of Support	Vouchers Cash awards Third Party Organisations Tangible Items Other
Access Routes	Application-based support Proactive Support Other

The Council is required to appoint an appropriate Senior Responsible Officer who is accountable for ensuring a delivery plan is developed and agreed through necessary decision-making mechanisms including engagement with the relevant Lead Member and ensuring compliance with and progress against the commitments in the delivery plan.

## **APPENDIX 2**

### **Discretionary Application-Based HSF Support – Overview**

#### **Eligibility**

The discretionary application-based element of HSF4 is focused on two specific approaches.

The **first** is providing additional support to low-income households within the borough who are more at risk due to the rising cost of living. Low-income households at risk are defined as households in receipt of low-income benefits or other related state benefits (such as a Personal Independence Payment).

Therefore, an assessment of eligibility for support from HSF4 for this approach focuses on two specific criteria:

- Is the person making the application a Reading Borough resident
- Is the person / family making the application on a low-income benefit, or other related state benefit, and therefore at risk because of the rising cost of living

The **second** approach is for residents who aren't in receipt of any income-based or other state benefits but have specific circumstances that have negatively impacted their overall cost of living, such as an unexpended or increased expenditure.

These residents will need to provide information about their income and expenditure, and their current specific circumstances that means they are requesting support with their cost of living.

In terms of their personal circumstances, support will be prioritised to households who fall into one or more of the following higher risk categories:

- Carers
- Care Leavers
- People with Disabilities
- Families with children receiving Pupil Premium
- People Living Alone
- Residents with Unsecure Employment
- Large Households
- People with energy inefficient homes
- Households with prepayment energy meters
- Residents in Private Rented Accommodation
- Victims of Crime
- Veterans
- Residents with English as a Second Language
- Residents with Ethnically Diverse Heritage

Promotion of the discretionary application-based element of HSF4 can be targeted to support these residents.

#### **Type of Financial Support**

It is recommended that financial support to households that are assessed as eligible to receive it is paid directly into their bank accounts via BACS. For the expected small number of residents who don't have or are unwilling to use their bank accounts, alternative payment arrangements will be made.

Eligible households will be able to access financial support. Households will be able to apply for HSF4 support twice during the year (either between April and September, or between October and March).

The average amount of £125 is suggested as this is consistent with the payments that were made to families within HSF3. Having a set amount of funding available will also help manage resident's expectations of the level of support available from the HSF. With a recommended budget for Application-Based support from HSF4 of £535,168, the Council would be able to make 4,281 payments of £125 to residents throughout the year.

### **Application Process and Information Needed**

The initial application for support from HSF4 will be made via a form on the Council's website. This form can be completed by the resident or by someone else (such as a local advice organisation), if needed.

Proof of residency will be confirmed via residents providing their Property Reference Number and Council Tax Reference Number. Additional provision will be made for residents who are not able to provide this information.

Confirmation of being in receipt of benefits will be the main method of determining need for cost-of-living support from the **first element** of the discretionary application-based part of HSF4.

Additional information on income, expenditure and specific circumstances will be needed for the **second element** of the discretionary application-based part of HSF4.

When making an application, residents will be asked information about their personal circumstances and what the HSF4 payment will be used for. This information will be used to complete the required information returns to DWP.

Personal Information:

- Households with Children, Households with Pensioners, Households with Disabled People

Type of Support Needed:

- Food, Energy & Water, Essentials Linked to Energy and Water, Wider essentials, Housing Costs, Other

### **Decision and Appeals**

The decision to award or reject will be made by Council officers administering the scheme. Their decision will be final and there will be no right to appeal

### **Profile of Resources Available for the HSF4 Application Scheme**

To ensure that residents can apply for support from HSF4 in each month of the year, a profile of monthly spend has been created based on expected levels of demand.

A periodic review of the number of applications will enable the Council to determine whether any changes need to be made to the eligibility or size of payments available to ensure that all the resources are utilised correctly, and the Council stays within the available budget. Any changes to the amounts of funding allocated within the scheme will be taken by the Director of Resources in line with the Council's agreed financial management arrangements. For example, this could include additional payments to families on Free School Meals to reflect different family sizes.

To manage some expected peaks in demand for the scheme, the following monthly spend profile is proposed for the application-based element of HSF4:

<b>HSF4 Application Element Budget Profile</b>		
<b>Month</b>	<b>Budget</b>	<b>Demand Peaks</b>
Apr		
May		
Jun		
Jul	133,792	Launch & School Summer Holidays
Aug	53,517	School Summer Holidays
Sep	53,517	Back to School Costs
Oct	26,758	
Nov	26,758	
Dec	80,275	Cold Weather & Xmas
Jan	53,517	Cold Weather
Feb	53,517	Cold Weather
Mar	53,517	Cold Weather
<b>Total</b>	<b>535,168</b>	