

Policy Committee

08 July 2024



Reading
Borough Council
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Title	Household Support Fund Update 2024
Purpose of the report	To note the report for information
Report status	Public report
Report author	Mark Redfearn, Social Inclusion and VCS Partnerships Manager
Lead Councillor	Cllr Liz Terry, Leader of the Council
Corporate priority	Thriving Communities
Recommendations	<ol style="list-style-type: none">1. That the committee notes the utilisation of the Household Support Fund grant from DWP during 2023/24.2. That the committee endorses the arrangements for the utilisation of the Household Support Fund grant from DWP between April and September 20243. That the Assistant Director for Policy and Performance, in consultation with the Lead Councillor for Corporate Services and Resources and the Director of Finance, is delegated to make arrangements for any further funding rounds of the Household Support Fund.

1. Executive Summary

- 1.1. The purpose of this report is to provide an update on the delivery and take-up of the Household Support Fund scheme between April 2023 and March 2024, and the Household Support Fund scheme currently being delivered between April and September 2024.

2. Policy Context

- 2.1. The guidance from Government states that the objective of the Household Support Fund is to provide crisis support to vulnerable households in most need with the cost of essentials. The fund should help those who are struggling to afford household essentials including energy and water bills, food, and wider essentials. Funding can support households with housing costs where existing housing support does not meet this need and can supplement support with signposting and advice.
- 2.2. Whilst the Council is providing direct support to residents through the fund, the Council continues to seek to support residents before they are in crisis.

3. The Proposal

Household Support Fund 4 Summary

- 3.1 The Household Support Fund is money provided to local authorities by the Department of Works and Pensions (DWP) to help residents with essential costs who are struggling to meet the current cost of living. The funding received by the Council to deliver support between April 2023 and March 2024 was the fourth round of Household Support Fund money provided to local authorities and is commonly referred to as HSF4. Each round

of funding has only been confirmed as the end of the previous round nears, creating significant uncertainty and preventing long term planning.

3.2 For HSF4, the Council received £2,261,298 of funding to cover support to residents between April 2023 and March 2024. Unlike the previous three HSF rounds, which were for periods of six months, the utilisation of this funding needed to be managed successfully to provide support to residents throughout the year.

3.3 The utilisation of the HSF grant over the year was focused on two main 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.
- 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.

3.4 In addition to these main elements of the scheme, some funding was made available via Public Health to local community-based organisations providing direct cost-of-living support to residents.

3.5 Specifically, the support provided by HSF4 was:

- Two rounds of £125 vouchers to Pupil Premium Free School Meal Households and Care Leavers
- One round of £115 vouchers to Pupil Premium Free School Meal Households and Care Leavers
- One payment of £450 to all residents above state pension age in receipt of Housing Benefit who did not receive the direct government support provided to recipients of other DWP benefit
- Two rounds of support for low-income households of £125 available through applications
- £20,000 distributed to local community-based organisations via Public Health

3.6 During 2023/24, HSF4 had the following headline impact on residents:

- 4,630 households with Pupil Premium Free School Meal children or Care Leavers received Cost of Living vouchers worth up to £365.
- 880 households with residents above state pension age in receipt of Housing Benefit who did not receive the direct government support provided to recipients of other DWP benefits, received a payment of £450.
- 2,651 payments of £125 have been made to low-income households who have applied for cost-of-living support. Of these, 1,272 applications were made from households with a disability, 1,969 were made with households with children, and 102 were made from households with someone above state pension age (applicants were able to specify each that was applicable).
- Through the Public Health element, 2,537 people in low-income households were supported via local community-based organisations.

3.7 The delivery of the Household Support Fund 4 scheme has been an effective way to utilise the funding within the borough to provide direct financial support to residents that they have the flexibility to utilise in the best way to meet their needs.

Analysis of HSF4

3.8 The information below shows the initial forecasting for the utilisation of the HSF4 grant from DWP, the actual spend at the end of the year, and specific information on the take-up of the different elements of HSF4 by residents.

Forecasting

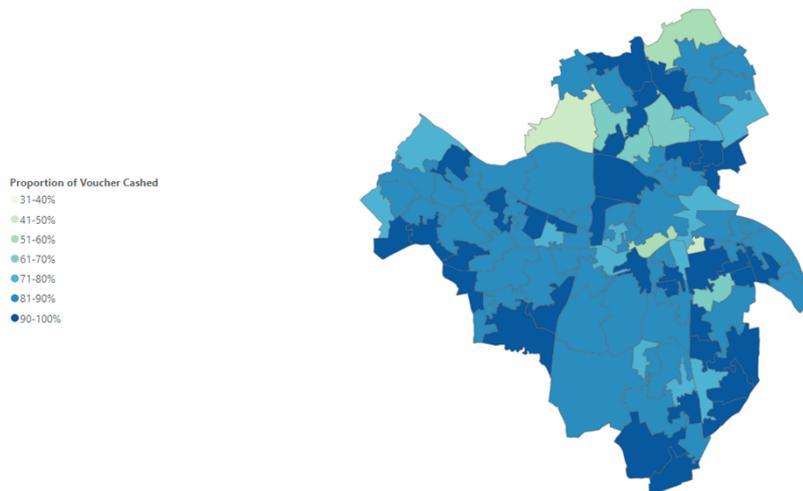
3.9 The table below shows the initial forecasts for each element of the scheme compared to the final actual spend:

	Forecast (£)	Actual (£)
Admin and delivery costs, scheme promotion and contingency (budget)	226,130	172,118
Older Housing Benefit recipients not in receipt of £900 from DWP	450,000	396,000
PPFSM Households & Care Leavers	1,050,000	1,341,805
Public Health	0	20,000
Application-Based Element	535,168	331,375
Total	2,261,298	2,261,298

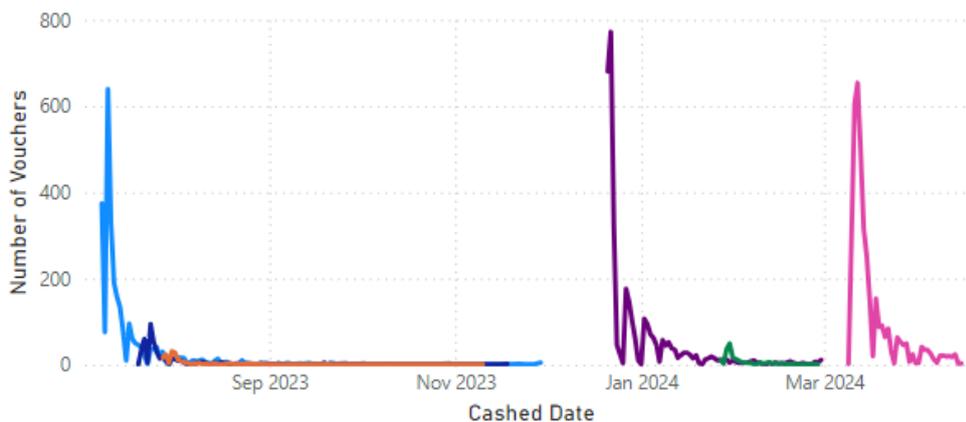
Take-Up Across the Borough

Vouchers

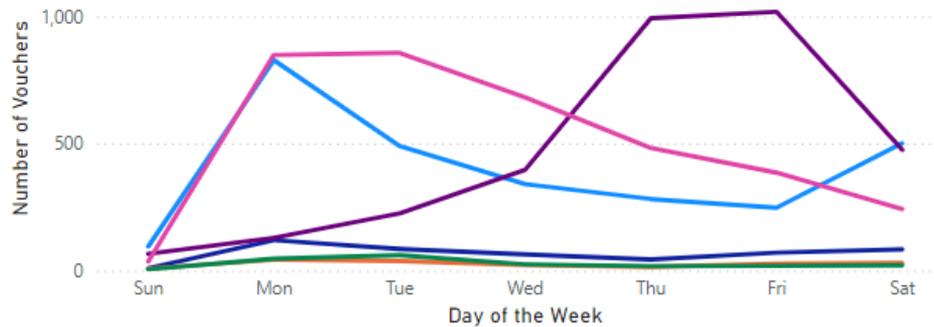
3.10 Overall, across the three rounds of vouchers being sent to Pupil Premium Free School Meal households and Care Leavers, there was an 87.05% take-up rate of the support offered to these residents. This take-up rate was consistent across all three rounds of vouchers issued. The map below shows the proportion of vouchers cashed in each LSOA within the borough:



3.11 The graphs below show the rate at which vouchers were cashed following the issue of each round (the different colours relate to the different batch releases of vouchers to households):



3.12 The graph below shows which day of the week vouchers were cashed (as above, the different colours relate to the different batch releases of vouchers to households):



Applications for Cost-of-Living Payments

3.13 In total, 2651 payments were made to residents through the two available rounds of support. The first round of applications was available to residents between late September and the end of November 2023, and the second round of vouchers was available to residents between December 2023 and March 2024. 68% of applications in the second round were made by people who had accessed support in the first round.

3.14 When applying for cost-of-living support, residents were asked to provide specific information that was required for the Management Information returns to DWP (applicants were able to specify each that was applicable). From this monitoring information we know that our HSF application scheme supported:

- 1,969 households with children
- 1,272 households with someone with a disability
- 102 households with pensioners

3.15 In terms of what the support was used for, the following information was provided by applicants:

- 718 households supported with energy and water costs
- 245 households supported with essentials linked to energy and water
- 834 households supported with food
- 366 households supported with housing costs
- 546 households supported with wider essentials

3.16 When making an application for support from HSF4, in addition to providing details of their income and required DWP monitoring information, residents were asked if they were in one or more of the following priority groups. Again, applicants were able to specify each that was applicable.

Total Applications: 2651	Number	%
Family with children receiving Pupil Premium	967	36.5
Disabled	962	36.3
Household with prepayment energy meters	773	29.2
Carer	659	24.9
Private Rented Accommodation	535	20.2
Living Alone	492	18.6
Large Household	204	7.7
Energy inefficient homes	172	6.5
English as a Second Language	168	6.3
Ethnically Diverse Heritage	111	4.2
Victim of Crime	94	3.5
Unsecure Employment	74	2.8
Care Leaver	28	1.1
Veteran	11	0.4
None	399	15.1

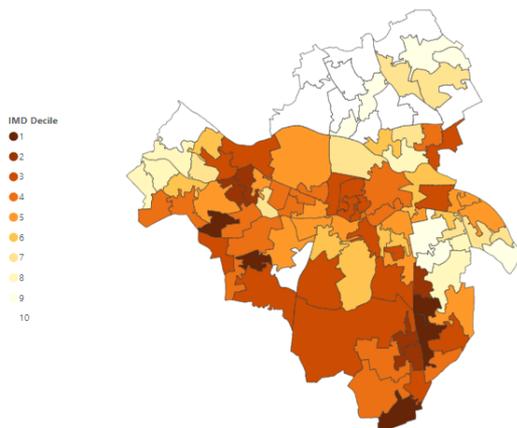
3.17 In addition to the 2,651 approved applications for support, only 43 applications from residents were rejected as being ineligible for support, with a further 99 applications being started by residents but not completed.

3.18 The maps below show the distribution of applications for support from HSF4 compared to the latest Indices of Multiple Deprivation data for the borough:



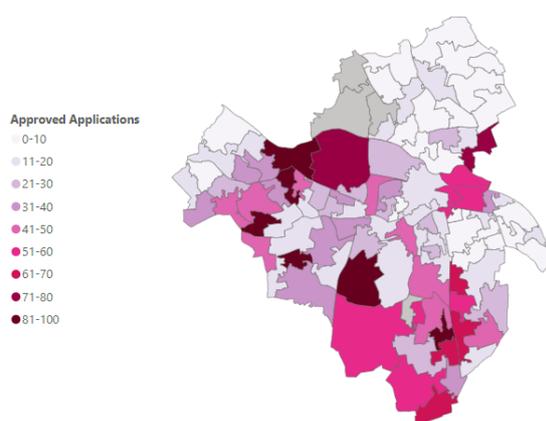
Household Support Fund 4 - IMD & Applications

IMD index of multiple deprivation 2019 - Deciles



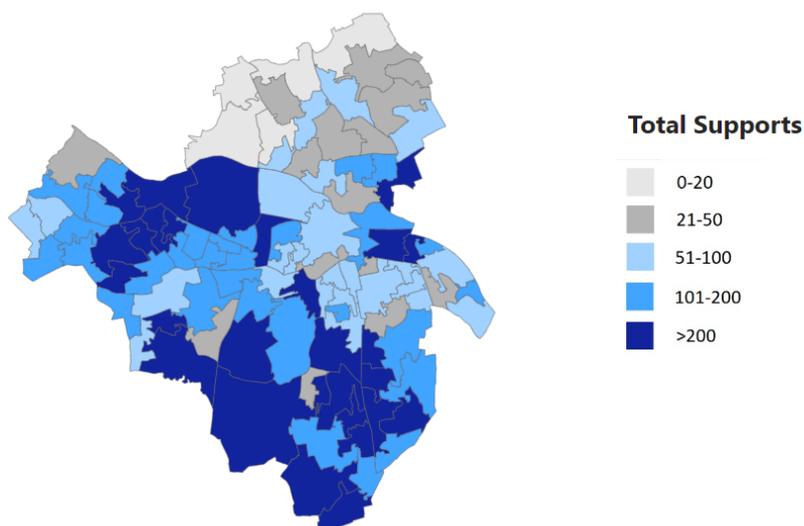
The darker the colour, the more deprived the area is.

Approved Applications by LSOA



Note: IMD data is presented with 2011 LSOA boundaries. The approved application data is presented with 2021 LSOA boundaries. There are slight differences in the areas.

3.19 The map below shows the total amount of support provided across the borough by the Vouchers, Direct Payments, and Application elements of HSF4:



Public Health Support

3.20 In March 2024 it was decided to allocate £20,000 of funding from HSF to local voluntary and community-based organisations who are providing direct cost-of-living support to residents within the borough.

3.21 The distribution of this funding was determined by Public Health and included the following organisations:

- Readifood
- Reading Children’s Centres
- St Matthews PCC
- Whitley Community Development Association
- Sadaka
- CIRDIC
- The Cowshed
- Weller Centre
- New Beginnings
- Together for Mental Health

3.22 Below is a summary of the types of support and take-up for each organisation:

Organisation	Items Provided	Take-Up
ReadiFood	Food & Groceries, Oral hygiene products, Toiletries, Nappies, Ladies Sanitary ware	Approx. 300 people
Reading Children’s Centres	900 Toothbrush and Toothpaste packs and resources for age groups Baby to 3 years plus.	Approx 900 - 0–5-year-olds
St Matthews PCC	Baby Formula, Oral hygiene products, Toiletries, Nappies, & Cleaning products	111 people
Whitley Community Development Association	Food & Groceries, Oral hygiene products (adults and children’s), Toiletries, Sanitary products, cleaning products	Approx. 100 people benefited.
Sadaka	Toiletries, Laundry pods, Dishwashing products, Toilet tissues, Oral hygiene products (toothpaste and toothbrushes).	Approx. 160 people

CIRDIC	Men's and women's deodorants, body spray, body cream, razors; Men's and women's underwear and socks; kitchen resources (used for the homeless guests who have showers, baths and haircuts through the organisation).	366 people
The Cowshed	Prams (double buggies and strollers), Cars seats (from Birth to 4 years), Steam Sterilisers, feeding bottle starter sets, Changing mats, Audio monitors, Packs of Muslin, Moses baskets	Approx. 40 people
Weller Centre & ACRE	Public Health Oral Health resource provision	Approx. 300 people
New Beginnings	Food & Groceries, Oral hygiene products, Toiletries, Sanitary pads, other (Thermal socks).	Approx. 220 people
Together for Mental Health	Food & Groceries, Oral hygiene products, Toiletries,	Approx. 40 people
TOTAL NUMBER OF PEOPLE SUPPORTED		Approx. 2537

Household Support Fund 5 (HSF5) Summary & Delivery

- 3.23 On 6th March 2024, as part of the Spring Budget it was announced that the Household Support Fund is to be extended for a further six months to October 2024.
- 3.24 Guidance for the current round of the Household Support Fund beginning on 1st April 2024 was issued on 26th March 2024 and confirmed that Reading Borough Council will receive £1,130,648.94 to deliver support between 1st April and 30th September 2024.
- 3.25 The guidance from DWP states that this Household Support Fund allocation is considered an extension to the previous four Household Support Fund schemes. Therefore, the same principles as laid down for the delivery of HSF 4 have been followed for HSF 5. Any underspends from the previous scheme cannot be carried forward.
- 3.26 Therefore, the Reading HSF5 scheme includes the following Cost of Living support, which is in accordance with the DWP guidance:
- Vouchers for Pupil Premium Free School Meal households
 - Vouchers for Care Leavers
 - Funding to local VCS organisations directed by Public Health
 - An application element focused on local priority residents
- 3.26 There is one change to the scheme compared to 2023/24, when the Council's HSF scheme included an element for residents above state pension age in receipt of Housing Benefit, but who were not eligible for the Government's direct cost of living support. This was intended to mitigate the exclusion of circa 900 residents from the national support.
- 3.27 The Government, however, is not providing direct financial cost of living support to residents as it did in 2023/24. The local HSF 5 allocation is not sufficient to mitigate the total financial loss of the national support to all residents and it would not be fair to continue supporting only some residents in this group. Instead, provision has been made for these residents to apply for the application-based element, and residents above state pension age will be added to the priority groups for support.
- 3.29 As with the previous Household Support Fund scheme, up to 10% of the funding will be available for contingency and administration costs.

Household Support Fund 5 – Estimated Funding Allocations

3.30 The table below shows the estimates for funding that will be utilised within each element of HSF5.

	Support	Cohort Numbers / Estimate	Cost
Pupil Premium FSM Households	One Voucher of £125	3841*	£480,125
Care Leavers	One Voucher of £125	261*	£32,625
Public Health	£70,000 allocation	NA	£70,000
Application Element	One application for £125	3,471 applications**	£433,875
Admin	Staffing Costs	Six Months	£74,000
Contingency			£40,023
TOTAL			£1,130,648

(* based on previous HSF4 cohort size / ** increased capacity to mitigate loss of Gov COL support – 2651 application payments made in HSF4)

Household Support Fund 5 - Delivery Timescale

3.31 Below is an overview of the delivery times for different elements of activity and support for residents from HSF5:

HSF5	Apr	May	June	July	Aug	Sept	Oct
Set Up							
Vouchers							
Applications							
Public Health							
Closedown							

(*** includes funding to VCS orgs providing support for school uniforms)

Household Support Fund 5 – Application Element Priority Groups

3.32 Below are the groups of residents who will be prioritised for support from HSF5:

<ul style="list-style-type: none"> • Low-income households • Residents above state pension age* • 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 	<ul style="list-style-type: none"> • 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
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(*only addition from HSF4 priority groups)

Household Support Fund 5 – Public Health Element

3.33 The allocation made through Public Health will be used to provide funding to local Voluntary and Community Sector organisations that support those affected by the cost-of-living crisis who are also from low-income backgrounds. It will also be used to provide specific funding to VCS organisations who provide residents from low-income households with support for school uniforms before the start of the school year in Aug/Sept 2024.

Household Support Fund 5 – Decision Making

3.34 As set out above, the HSF 5 allocation must be spent between April and September 2024. However, the guidance was only released in late March and within the pre-election period for the local elections. In order to avoid delay and risk not utilising the allocated funds in full within the required timescales, an Officer Decision Notice for the delivery HSF5 was taken on 19th April 2024. Specifically, this included the following Cost of Living support:

- Vouchers for Pupil Premium Free School Meal households
- Vouchers for Care Leavers
- Funding to local VCS organisations directed by Public Health
- An application element focused on local priority residents

As with the previous Household Support Fund scheme, up to 10% of the funding will be available for contingency and administration costs.

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 are 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 £1,130,648 for the first six months of financial year 2024/25. All costs for this Household Support Fund scheme within Reading Borough will be met from this grant.

Revenue Implications:

	2023/24 £000	2024/25 £000	2025/26 £000
Employee costs (see note1)			
Other running costs			
Capital financings costs			
Expenditure	2,261.298	1,130.648	NA
Income from:			
Fees and charges (see note2)	2,261.298	1,130.648	NA
Grant funding (specify)			
Other income			
Total Income	2,261.298	1,130.648	NA
Net Cost(+)/saving (-)	0	0	NA

- 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.

10.5 Capital Implications: Not Applicable

10.6 Value for Money (VFM): The utilisation of HSF5 follows the same approach as for HSF4. The management information return for HSF4 has been accepted by DWP, including the costs of administering the Fund.

10.7 Risk Assessment: A risk assessment is in place and is reviewed fortnightly.

11. Timetable for Implementation

11.1. The delivery of HSF4 took place between April 2023 and March 2024. The delivery of HSF5 is taking place between April 2024 and September 2024.

11.2. At this time there is no indication of HSF money being made available to local authorities beyond September 2024.

12. Background Papers

12.1. There are none.