

## BARNSELY METROPOLITAN BOROUGH COUNCIL

REPORT OF: EXECUTIVE DIRECTOR CORE SERVICES

TITLE: HOUSEHOLD SUPPORT FUND GRANT APRIL 23 TO MARCH 24

REPORT TO:	CABINET
Date of Meeting	31 <sup>st</sup> May 2023
Cabinet Member Portfolio	Core Services
Key Decision	No
Public or Private	Public

### **Purpose of report**

To provide an overview of the conditions for use of the 4th iteration of the Household Support Fund grant (HSF), and proposed spending plans covering the period April 23 to March 24 to support those in most need with essential household costs.

### **Council Plan priority**

The proposals in this report will contribute towards:

**Healthy Barnsley** – reducing inequalities in health and income across the borough, by providing targeted support to those in most need with the cost-of-living crisis.

**Growing Barnsley** – supporting people to have safe, warm and sustainable homes through provision of energy grants and the affordable warm homes programme.

**Sustainable Barnsley** – provision of more energy efficient and sustainable methods of heating.

### **Recommendations**

That Cabinet:-

- 1. Note the grant conditions associated with the use of the Household Support Grant, as set out in section 2.1 to 2.4.**
- 2. Agree to the proposed spending plan set out in section 2.5.**
- 3. Agree to proceed with the priority schemes as outlined in 2.5.3**

**4. Authorise that the Director of Finance S151 Officer make any necessary amendments to the scheme following receipt of any changes to the guidance and funding allocation and approve the redistribution of underspends to ensure funding is maximised to support the borough within the period of the grant.**

## **1.0 BACKGROUND**

- 1.1 In September 2021 the Government announced a funding package of £500M to help vulnerable households fund essential costs over the winter period covering October 21 to March 22. In March 22 the fund was extended by a further £500M to cover the period April to September 22, and further extension to cover the period October 22 to March 23. To date Barnsley has received and supported the borough with £7M investment.
- 1.2 In November 2022 the Chancellor announced in his Autumn Statement this fund would be extended for another 12 months covering the period April 2023 to March 2024, Barnsley will receive £4.7M for this period, taking the total funding investment for the borough to £11.7M. This paper is to provide an overview of the spending plans for use of this funding allocation.

## **2.0 PROPOSAL**

### **2.1 Conditions of Grant**

- 2.1.1 Guidance has been released by the Department for Work and Pensions (DWP), which adopts the same grant conditions as previous rounds, with some additional flexibility in the use of funding.
- 2.1.2 The funding allocation for Barnsley is £4.7M. Funding is to cover the period April 23 to March 24. No funding can be carried over from this or previous periods.
- 2.1.3 Local Authority spending plans must be submitted to the DWP by 17<sup>th</sup> May 2023.
- 2.1.4 LA's have the discretion on how the funding can be used, within the scope of DWP guidance.
- Funding should be used to support those that are not eligible for other government support:
    - Those not eligible for the amended Energy Price Guarantee from April 23
    - Those ineligible for the Government cost of living payments or may have become eligible after the qualifying date
    - Those claiming Housing Benefit only

- Those eligible for benefits but had a nil award in the qualifying period due to, for example, a fluctuation in income
- The Fund is intended to cover a wide range of low-income households including families with children of all ages, pensioners, unpaid carers, care leavers, and people with disabilities.
- Local Authorities should prioritise supporting households with costs associated with:
  - *Energy* – primarily to support energy bills and providing support that can make a quick but sustainable immediate and long-term impact to energy costs.
  - *Food & Water* – support with the cost of food and water bills
  - *Essentials linked to energy & water* – support with other household bills linked to energy and water, in particular repair / replacement of white goods and appliances
  - *Wider Essentials* – essential items not linked to energy and water
  - *Advice Services* – provision of supplementary advice including debt and benefits.
  - *Housing Costs* – in exceptional circumstances where other support schemes are not available and there is a genuine emergency.
- LA's can deliver the scheme through a variety of routes including providing cash or vouchers to households, making direct provision of food or goods, or issuing grants to third parties.
- At least part of the scheme should be on an application basis.
- LA's must have a clear rationale or documented policy/framework outlining their approach including how they are defining eligibility and how households access the fund.

## 2.2 Reporting Requirements

2.2.1 4 returns are required to be submitted to the DWP setting out actual delivery for each quarter.

2.2.2 Additional management information is required than in previous rounds to allow DWP to assess how LAs are using the fund to support households. We will work with the Council's Internal Audit colleagues to ensure robust controls are in place for spending and reporting arrangements.

## 2.3 Funding Allocations

2.3.1 The funding allocations for Barnsley covering the period April 2023 to March 2024 is £4.7M.

2.3.2 Funding allocations will be paid in arrears following receipt of data returns in July, October 2023, January 2024 and at the end of the funding period April 2024 following DWP verification of data returns.

## 2.4 Communications

2.4.1 DWP guidance stipulates the following:

- *It is mandatory for Authorities to reference that the grant is funded by the Department for Work and Pensions or the UK Government in any publicity material, including online channels and media releases.*
- *Authorities should publicise the Fund through a webpage dedicated to the Fund headed 'Household Support Fund' on their Authority website.*

## 2.5 Spending Plan

2.5.1 Sections 2.5.3 – 2.5.4 below set out the proposed spending plans for use of the Fund.

2.5.2 The proposals have been split between priority schemes that are required to be progressed in accordance with DWP guidance and other schemes that have more flexibility, whilst still being restricted to tight delivery timescales.

### 2.5.3 Priority Schemes

- **Energy Support:** To provide £80 energy support via a Post Office Voucher, to working age LCTS claimants, to provide ongoing energy support to vulnerable households following the termination of the Governments Energy Bill Support Scheme in March 23. To provide 2 instalments of £40, 1 in May and November. This will be provided on an auto award basis.
- **Cost of Living Payment (HB Only):** To provide £900 cost of living payment (Post Office Vouchers) to those in receipt of Housing Benefit only and do not qualify for the Government cost of living payment. This payment would be made via automatic award. Proposed to make this payment in 3 instalments of £301, £300, £299, similar to the Government scheme, Spring 2023, Autumn 2023, Spring 2024.
- **Cost of Living Payment (Disability):** To provide £150 cost of living payment (bank transfer) to those in receipt of a disability benefit that are not eligible for the Government scheme due to becoming eligible after the qualifying date. This scheme would be delivered on an application basis.
- **Cost of Living Payment (part a):** To provide £301 cost of living payment (bank transfer) to those in receipt of qualifying benefits who were not eligible for the first Government cost of living payment due to becoming eligible after the qualifying date. This scheme would be delivered on an application basis.

- **Cost of Living Payment (part b):** To provide £300 cost of living payment (bank transfer) to those in receipt of qualifying benefits who were not eligible for the first Government cost of living payment due to becoming eligible after the qualifying date. This scheme would be delivered on an application basis.
- **Cost of Living Payment (part c):** To provide £299 cost of living payment (bank transfer) to those in receipt of qualifying benefits who were not eligible for the first Government cost of living payment due to becoming eligible after the qualifying date. This scheme would be delivered on an application basis.

#### 2.5.4 Discretionary Schemes

- **Support to residents:** This would be delivered by community groups who would be required to bid for grant funding setting out how they would help people in the community over the grant funding period in line with the grant conditions. For this round we will be looking at how the funding can support people with similar schemes to the previous rounds such as food and hygiene aid, however we will also be looking at how schemes can show sustainability. For example, with the expansion of community pantries. We will also be encouraging community groups to work much more closely together.
- **Community Shop:** To further enhance the support to residents it is proposed to provide grant funding to a third-party provider the Company Shop, who have identified a property in Hoyland (the old Co-op building), to create a community shop for the provision of a dignified customer focused food model to residents who can demonstrate they are in receipt of a means tested benefit. The grant will fund the fit-out costs of the shop and could support around 700 residents within the locality, this will make a long-lasting impact to the community that will continue long after the funding of the HSG has ceased.
- **Local Welfare Assistance:** Funding to ensure the continuation of the local welfare assistance scheme. Providing support to those in financial crisis with the cost of essential household bills and white goods.
- **Free School Meals:** The Healthy Holiday government funded scheme only provides provision during Easter, Summer, and Christmas school holidays. To ensure vulnerable children are supported across all non-term time periods it is proposed to provide a £15 voucher to families during the October 23 and February 24 holidays to cover the cost of food, this would be a continuation of the support provided to families over the last 2 years.
- **Affordable Warmth Programme:** To contribute towards the overall Affordable Warmth Programme 2022-26 (a 3-year programme approved by Cabinet Cab.14.12.2022/11 in December 2022). The programme provides residents with financial support to help with energy debts and sustainable solutions that help to reduce energy consumption linked to heating; therefore, reducing energy bills. The programme makes an immediate and long-lasting sustainable impact to addressing fuel poverty.

- **Affordable Warm Homes Officers x2:** Appendix B details the proposal to support 2x Warm Homes Officer roles (grade 6) to both administer the new fuel pre-payment support initiative and provide additional resource to the Warm Homes Team in promoting and supporting the wider warm homes pathway.
- **CAB Advisor:** To provide funding to Citizens Advice Barnsley to fund an additional Debt and Financial Capability Advisor for a period of 12 months. This will enable the scope for referrals to be made through the Council's financial vulnerability index to be widened, supporting more people who need it the most. This will enable early intervention and advice around debt, budgeting, income maximisation and money management.

2.5.5 The funding allocation allows for reasonable administration costs to enable Authorities to deliver The Fund. 6% of the fund has specifically been allocated to fund additional resource to deliver the projects arising from this scheme, an allocation will be made to fund existing officer time to reduce reliance on Council budget.

2.5.6 Due to the tight timescale to deliver the above schemes, and support residents with the ongoing cost of living crisis, necessary arrangements have been made to deliver priority schemes in anticipation of approval whilst this report has been progressed through the governance system.

### **3.0 IMPLICATIONS**

#### **3.1 Financial**

3.1.1 Consultations have taken place with the Council's Director of Finance (Section 151 Officer).

3.1.2 The Household Support Fund is a ring-fenced grant which the Council administers on behalf of the Department for Work and Pensions, the grant must be spent in line with the guidance and grant determination letter provided by DWP (summary details set out in section 2.1). There are no implications to the Council's medium term financial strategy.

3.1.3 Spending plans and data returns are required to be submitted to DWP as set out in section 2.2, which require Section 151 Officer and Cabinet approval.

3.1.4 Grant allocations will be received in arrears following satisfactory submission of data returns as referred to in section 2.3.

3.1.5 Any underspend of funding allocations will be returned to the DWP and cannot be used for other purposes or carried over into periods past March 24.

3.1.6 The Councils Internal Audit function will be consulted on the arrangements for processing and monitoring spend and outputs to ensure robust controls are in place to meet the requirements of DWP and mitigate the risk of fraud.

3.1.7 The table below summarises the financial implications associated with this scheme.

Scheme	Provider	Lead Directorate	Application	Funding
Energy Support £40 payment to LCTS claimants (15,000 working age households)	Council - Finance	Core	No	£1,200,000
Cost of Living Payment (HB Only) £900 payment to those who did not qualify for the Gov't COL payment (Paid in 3 instalments 1,000 households)	Council – Finance	Core	No	£900,000
Cost of Living Payment (Disability) £150 to those who did not qualify for the Gov't COL payment	Council - Finance	Core	Yes	£5,000
Cost of Living Payment (a) £301 to those who did not qualify for the Gov't first COL payment (Spring 23)	Council - Finance	Core	Yes	£20,000
Cost of Living Payment (b) £300 to those who did not qualify for the Gov't second COL payment (Autumn 23)	Council - Finance	Core	Yes	£20,000
Cost of Living Payment (c) £299 to those who did not qualify for the Gov't third COL payment (Spring 24)	Council - Finance	Core	Yes	£20,000
<b>Total Priority Schemes</b>				<b>£2,165,000</b>
Supporting residents with help towards food, fuel, clothing, white good, household goods.	Community Groups	Public Health & Communities	Yes	£800,000
Local Welfare Assistance	Council – Finance	Core	Yes	£300,000
Free School Meal vouchers (October 23 & Feb 24) £15 Voucher to 10,532 children	Council - Finance	Core	No	£315,960
Community Shop (Hoyland)	Council – Healthier Communities	Communities	Yes	£300,000
Affordable Warmer Homes	Council / BH	Growth & Sustainability	Yes	£500,000
Affordable Warm Homes Officer X2 (Admin cost)	Council – Cross Cutting		n/a	£87,908
CAB Advisor	Council – Cross Cutting	Core	Referral	£42,116
<b>Total Discretionary Schemes</b>				<b>£2,345,984</b>
Admin balance				<b>£191,544</b>
<b>TOTAL SPEND</b>				<b>£4,702,528</b>

## 3.2 Legal

- 3.2.1 In addition to ensuring compliance with terms imposed by the Department for Work and Pensions, the Statutory Guidance for the United Kingdom Subsidy Control Regime document prohibits giving out subsidies unless a view has been taken that the grant of the subsidy is consistent with the subsidy control principles.
- 3.2.2 BMBC therefore has a legal obligation to ensure that any grants given under the scheme set out in this report will be compliant with the subsidy control principles and other requirements.
- 3.2.3 Given that the subsidy control regime does not automatically apply to all types of financial assistance given by public authorities, it is essential to assess whether the grants to be awarded falls under the definition of a subsidy as outlined in the Subsidy Control Act 2022 (the Act).
- 3.2.4 The grant awards contemplated under this report will be considered a subsidy where it satisfies all four of the following 'limbs' of the test contained in section 2 of Act (financial assistance that satisfies one or more limbs, but not all four –are not subsidies).
- 3.2.5 Limb A of the test as set out in section 2 (1) (a) of Act is satisfied as the financial assistance is given, directly or indirectly, from public resources by a public authority.
- 3.2.6 However, it does not appear that Limb B of the test detailed in section 2 (1) (b) which requires that the financial assistance confers an economic advantage on the enterprise is satisfied, because, in order to satisfy this requirement, the recipient must be an enterprise – i.e an entity engaged in an economic activity, which means offering goods and services on a market. Where the recipient is engaged in both economic and non-economic activity, the enterprise will be considered only in relation to its economic activity.
- 3.2.7 Therefore even if the providers listed at paragraph 3.1.7 of this report also provide goods or services on the market, in so far as the grant is ringfenced for non-economic activities as detailed in the spending plan at paragraph 2.5 of this report the spending would be outside the scope contemplated by limb B of the test (section 2 (1) (b) of the Act) since they are to be used to supporting residents with help towards food, fuel, clothing, white good, household goods, free school meal vouchers, community shop etc.
- 3.2.8 The service is therefore advised to liaise with legal to ensure that proper legally binding arrangements are put into place with the recipients that clearly set out which activities or projects the grant can be used for and which also oblige them to implement adequate ringfencing measures to prevent funds being used to cross-subsidise other areas of their operations



3.2.9 As most of the entities listed at paragraph 2.5 and 3.1.7 of this report are charities and community organizations, additional comfort is available because limb B of the test would not bite where their economic activities represent a very small proportion of the use of their overall capacity (e.g. less than 20%)

3.2.10 In light of the above, at least one limb of the four limbed test will not be satisfied, and as confirmed by paragraph 2.13 of the Statutory Guidance for the United Kingdom Subsidy Control Regime, the proposed award of the financial assistance would therefore be outside the scope of the subsidy control regime.

### 3.3 Equality

3.3.1 The proposals set out in this report for maximisation of the Household Support Fund grant are determined within the parameters set out by the DWP, therefore are in line with the Public Sector Equality Duty and no concerns over unlawful discrimination.

### 3.4 Sustainability

3.4.1 The sustainability decision-making wheel has been produced for this project and the overall impacts are positive, particularly around reducing carbon emissions, reducing poverty and improving health and well-being of residents.



3.4.2 Pollution from the insulation manufacturing process along with embedded carbon in the supply chain are highlighted as areas of negative impact. However, work is ongoing with the procurement team to address how we can build a more sustainable supply chain going forwards.

### 3.5 Employee

3.5.1 There are no employee implications associated with this report, schemes will be administered within existing resources.

### 3.6 Communications

- 3.6.1 Timely and accurate information will be communicated to residents via the appropriate channels, press releases, social media, council websites and direct engagement with key stakeholders to ensure maximum reach and an inclusive approach to all.
- 3.6.2 As set out in section 2.4, the Authority must, reference that the grant is funded by the Department for Work and Pensions or the UK Government in any communications and must have a dedicated webpage.

### 4.0 CONSULTATION

- 4.1 Consultations have taken place with representatives of Finance, Communities, Housing and Sustainability Business Units when forming spending plan proposals to ensure schemes are developed and targeted at that support those in most need, within the scope of the DWP guidance.

### 5.0 ALTERNATIVE OPTIONS

- 5.1 There are no other options due to the Household Support Fund grant being a ring-fenced government fund. LAs are best placed to administer this fund on behalf of central government.
- 5.2 Alternative spending plans could be explored; however, these would take time to develop and implement and we are bound by time restrictions to have plans developed and in place to support the borough through 2023-2024.
- 5.3 Should any of the proposals outlined in this report not be delivered or realise any underspend on the grant funding, alternative options will be explored through the provision of direct payments and/or additional cash vouchers, targeted at those in most need to ensure funding is maximised to support borough and not returned to central government. Approval to re-distribute underspends will be sought via the Finance Director, S151 Officer in consultation with the Senior Management Team.

### 6.0 REASON FOR RECOMMENDATIONS

- 6.1 The recommendations associated with this report are intended to ensure that the Council and partners are positioned to be able to effectively administer and deliver the requirements of DWP and maximisation of the HSF to support residents of the borough.

### 7.0 GLOSSARY

HSF – Household Support Fund

DWP – Department for Work and Pensions

## 8.0 **APPENDICIES**

Appendix A – Financial Implications

Appendix B – Pre-Payment Fuel proposal

## 9.0 **REPORT SIGN OFF**

<b>Legal consultation &amp; sign off</b>	Legal Services officer consulted and date Pamela Nsofor, 06.04.2023
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