

1 Household Support Fund, 2021-22

- 1.1 The government provided £2.140m new funding to Brighton & Hove City Council in the form of the Household Support Fund (HSF) for 2021/22. The fund was part of the government's Covid response and was intended to provide support for food, fuel and other essential costs over the winter and up to the end of March 2022. The fund could not be carried forward.
- 1.2 There was a broad discretion conferred on local authorities in spending this fund but with the following limitations. At least 50% of the grant must be used for supporting households with children. Up to 50% of the grant could be used to assist other households.
- 1.3 On 4 November 2021, Policy & Resources (Recovery) Sub-Committee approved the allocation of the fund, including covering Free School Meals (FSM) allocation for holiday periods through to, and including, Easter 2022. The cost of this was £0.810m, equating to 38% of the overall fund, or 76% of the required allocation for families with children.

2 Household Support Fund 2022

- 2.1 The government has announced an extension of this fund to cover the Household Support Fund for a further 6 months until September 2022. The new fund is now positioned as supporting people with the cost of living increase. The allocation will be the same at £2.140m.
- 2.2 The biggest challenge with the new fund is that the government requires one third of the fund to be spent on pensioners. Pensioners are a group that will be detrimentally impacted by rising living costs because the majority of them are on fixed incomes with limited capacity to mitigate the impact. They may also spend a higher proportion of their income on fuel costs and have a higher reliance on heating as an essential beneficiary to their health. However, pensioners only represent 14% of the city's population and the existing HSF design provides sufficient recognition of the needs of this group. The government's approach to require a 33% spend on this group hinders the council's ability to respond proportionately and target those most in need of support.
- 2.3 BHCC officers, and those from other Local Authorities around the country with similar demographic challenges, have been lobbying to reduce the proportion focused on pensioners to better align allocations with local demographic needs or to enable local discretion with regard to the split, but the final grant determination and guidance has now been released with no change to the allocation breakdown.
- 2.4 The fund also requires at least one third to be spent on families with children, whilst the remaining third can be spent on other households genuinely in need of support.
- 2.5 As such, the fund requirements break down as follows:
 - At least one third or £0.713m to be spent on families with children;
 - At least one third or £0.713m to be spent on pensioners;
 - The remaining sum to be spend on households in need.
- 2.6 The guidance also requires that Households with both pensioners and children are counted in the Families with Children allocation. This will mean that multi-

generational households may be required to access a smaller proportion of the overall fund than if they were able to access the pensioner pot.

- 2.7 The cost of helping families with Free School Meal (FSM) provision through the May Half Term and Summer Holiday 2022 period would be £0.945m if voucher values remain at £15 per child as with the previous HSF. This is £0.232m above the minimum one third allocation required for families with children.
- 2.8 Due to the fact that £0.713m must be ringfenced for Pensioners, this will mean the amount left to spend on all other households for crisis provision for the 6 month period between April to September 2022 would be reduced down to £0.482m or 22.5% of HSF.

3 Household Support Fund Demand, October - March 2021/22

- 3.1 The proposed allocation of the 2021/22 HSF agreed at November Policy & Resources (Recovery) Sub-Committee was based on the best estimate of likely demands, and funds were largely deployed as expected. However, there have been higher demands on the Local Discretionary Social Fund (LDSF) than estimated, while some other allocations and requirements were slightly lower than expected. Overall, the 2021/22 HSF has been spent in full and in some areas has been over-subscribed (see 2022 HSF below).
- 3.2 The tables below analyse 2021/22 Household Support Fund spending on support excluding FSM vouchers for October 2021 to March 2022.

HSF Area of Spend	Amount
LDSF – those on benefits and those waiting for benefits crisis support	£469,307
Community Hub	£128,302
Community Projects, supporting targeted, at risk, and marginalized groups	£239,070
Other targeted initiatives, e.g. Council Tax debt and Winter Grants	£624,768
Total non-FSM HSF Spend	£1,461,447

- 3.3 The above spend can be analysed alternatively by category of support as follows:

HSF Category of Spend	Amount
Food (excluding FSM):	£577,023
Fuel:	£232,122
Essentials Linked:	£96,290
Wider essentials:	£553,536
Housing:	£2,476
Total non-FSM HSF Spend	£1,461,447

- 3.4 The Local Discretionary Social Fund (LDSF) has been over-subscribed compared to the funding made available under the previous 2021/22 Household Support Fund and there is therefore pent-up demand for support which continues to present week-on-week. The LDSF is a key resource for crisis and emergency help in the city for low-income households on benefits, or those waiting for benefits.
- 3.5 Potential breakdown of spend on reduced amount for crisis provision

- 3.6 In order to offer Free School Meal provision at the previous voucher rate throughout the school holidays, the ability to support other households with crisis provision throughout the next 6 months would be greatly reduced due to high demands. Examples of households who need support from this element of the HSF include:
- Low income, working households unable to afford essential food, fuel and energy needs;
 - Households in receipt of welfare benefits in financial crisis, needing support outside of the school holidays;
 - Disabled people who may experience disproportionate energy and other costs;
 - Carers;
 - Households open to Social Services in crisis need;
 - Households with No Recourse to Public Funds;
 - Third sector projects that direct urgent support into the heart of our community to those most in need, including those marginalised from mainstream financial support;
 - Single, working-age households living on lower value benefit income;
 - Young people under the age of 25 and in receipt of welfare benefits, who subsist on the lowest level of supported income;
 - Multi-generational households.
- 3.7 Due to the unprecedented demand on the LDSF and other community organisations providing support throughout the first phase of HSF (October to March), the reduced funding amount of £0.482m for this element of HSF together with council's core LDSF funding (£0.180m) will not be sufficient to meet the expected increase in demand caused by the cost of living impact.
- 3.8 However, the provision of Free School Meals in the holidays may now have a degree of community expectation and does enable key support to an important cohort of households needing support. A solution to this difficulty can be provided through re-allocation of Contain Outbreak Management Fund (COMF) underspending which is set out in the following section.

4 Re-allocation of Contain Outbreak Management Fund (COMF) underspend

- 4.1 The final reporting of COMF spend has now been submitted and shows a provisional outturn underspend of £0.309m.
- 4.2 To fulfil the FSM provision and satisfy the government requirement to spend one third on pensioners requires £1.658m leaving only £0.482m, or 22.5%, available to fund the Local Discretionary Social Fund, targeted Community Organisations, and other initiatives that will be essential to support other households and specific vulnerable groups.
- 4.3 To alleviate this position and improve the proportional support to other households and groups to at least one third of the value of the HSF, it is proposed to re-allocate £0.231m from the COMF underspending to provide match funding and bring the support to other households and groups up to £0.713m, equivalent to one third of HSF. This will enable the council to support other households and groups through LDSF, projects and community help to a higher level and nearer to the amount spent on the first phase of HSF.

5 Proposed Household Support Fund Allocation

- 5.1 The proposed allocation of HSF below assumes re-allocation of £0.231m COMF as recommended above. Together with the Household Support Fund of £2.140m, this provides £2.371m for allocation as proposed in the table below:

Scheme	Families with Children (Free School Meal Provision)	Households with children and Households with no children	Pensioners
7 Weeks FSM Vouchers (Spring Half-term and Summer Holidays)	£0.945m		
LDSF		£0.273m	£0.075m
Community organisations		£0.075m	£0.050m
Warmth for Wellbeing		£0.050m	£0.050m
Council Tax debt and DCTR		£0.100m	£0.150m
Administration costs		£0.060m	£0.035m
Local Lift-Up Scheme (non-benefit receiving households)		£0.040m	£0.010m
B&H Food Partnership (BHFP)		£0.050m	£0.020m
Carers		£0.045m	£0.045m
Lunch Clubs and Hot Meal Delivery		£0.020m	£0.045m
Impact Initiative/ Ageing well / Age UK			£0.150m
Additional pensioner discretion			£0.083m
Total HSF (incl. re-allocated COMF)	£0.945	£0.713m	£0.713m

- 5.2 Many of the allocations follow the success of the first HSF. For example, allocations for community organisations and the B&H Food Partnership (BHFP) allow for vouchers, essential items, food and fuel help to be delivered directly into the community. It was a successful strategy to have many open doors for accessing help and to trust the Community and Voluntary Sector to reach families and individuals in need. However, the LDSF was also in very high demand, so all of these needs are reflected within the more limited means of the new government requirements. There is also some in-built flexibility to respond to growing areas of demand where funding may have reduced, for example, food clubs and organisations providing delivered food.
- 5.3 In the first HSF, providing help with Council Tax arrears debt was effective in reducing debt burdens for financially vulnerable households. This enables reduced ongoing repayments and therefore allows for a more sustained chance of a family managing their finances more effectively, so that they can meet the challenge of the rising cost of living.
- 5.4 The “Local Lift-Up fund” is an existing initiative, being run in partnership with Money Advice Plus (MAP), designed to help households that are just-about-managing on low incomes, perhaps with increasing debt, but do not quite qualify for benefits. These households are known to be struggling and due to the economic circumstances, we anticipate an increasing number of households will fall into this category. The Lift-Up fund provides practical items, vouchers and fuel support, whilst also linking households into financial advice (although the advice element is

not funded by HSF). The allocation from the new HSF will add a further £0.040m of funds to the existing £0.100m.

- 5.5 Research undertaken by Carers UK in March 2022 has highlighted the impact that recent rises in the cost of living have had on carers and their families. Caring comes with additional costs that can significantly impact their financial situation, such as additional services, equipment or higher cost food items. Carers already have lower financial resilience as caring is often unpredictable and can be difficult to plan for financially. This report revealed that two thirds of carers in receipt of carer related benefits (67%) say they are unable to meet their monthly expenses, whilst the number of unpaid carers who feel they will be unable to manage their monthly expenses in the next 6 months has more than doubled from 21% in September 2021 to 55% and 45% of unpaid carers say they are unable to manage their monthly expenses already. The council therefore recognises the importance of allocating a specific pot of money from the HSF fund to support this household demographic.
- 5.6 In the first phase of HSF, BHFP were a vital partner in addressing fuel poverty across the city, coordinating the smaller food banks into a shared response, and undertaking the reporting requirements to the Department for Work and Pensions on their behalf. The allocation for lunch clubs and Hot Meal delivery will be meeting a continued demand for food provision out in the community to residents who rely on access to hot meals and may be unable to provide for themselves otherwise.
- 5.7 The Household Support Fund guidance allows for an amount to be allocated for administration and staffing. Whilst it is not specified how much can be allocated, the experience of running the HSF the first time around was that there was an intense pressure on the officers delivering the front-line service aspect of this scheme. In the first round, £11,000 LDSF administration costs were built in, but this was not sufficient resulting in backlogs and slower response times. During March, at the time of attempting to close down the HSF, there were over 300 outstanding claims. For most of the duration of the scheme, demand was quadruple what it usually is for standard LDSF work in any other year, but there was only a part-time extra resource to assist. To deliver the 2022 HSF, more resources will be required, hence forward planning an allocation for administration and support of £0.095m, which includes a £0.035m contribution from the pensioner budget. This will enable more effective support to external organisations as well as a more responsive and assistive service for people who often have a multitude of needs and issues that need advice and support.
- 5.8 The allocations for the pensioner element of HSF reflect service and voluntary sector knowledge of the proportions of pensioners accessing help and how they might best be reached. Many of the strands are part of a linked allocation with the other elements of the proposed allocations, for example, Warmth for Wellbeing applies across all of the cohorts. In many areas, such as LDSF, the historical demand from pensioners is much lower than for working-age households. This creates a challenge in terms of how individual schemes and organisations may spend their allocation. To manage this, there is an allocation of £0.083m for a discretionary element to the pensioner budget. This allocation will enable officers to work with other services inside and outside of the council during the period of the HSF to identify new means of supporting the pensioner group. For example, it may be possible to target existing schemes and organisations such as Carelink and social housing providers.

- 5.9 Ageing Well will be delivering support out into the community, including food vouchers, essential items and further support and advice. Using their existing relationship with older people, they are best placed to target support where it is needed directly out into the community. They will also be best placed to remove barriers for those who may not wish to turn to the council or other official bodies for support.
- 5.10 As with the previous Household Support Fund, management of the fund through the coming months will require flexibility and monitoring. There are many strands to manage and co-ordinate, and new cost of living pressures and demands could emerge. Services will need to respond swiftly to changes during the lifetime of the fund, especially since there could be underspends or overspends in any area and the funding may be lost if it is not spent by the end of March 2022. To this end, and as for the previous Household Support Fund, it is recommended that officers are authorised to make decisions about reallocation of funds, either between the strands, or to allocate against appropriate new initiatives or external organisations, within the terms of the scheme guidance and in accordance with the council's scheme for virement under Financial Regulations. A delegation to the Chief Finance Officer following consultation with the Chair of Policy & Resources and Opposition Spokespersons is sought in order to effect this flexibility.

6 Beyond HSF 2022

- 6.1 The Household Support Fund is an important resource to support low income households and families alongside the Council Tax Energy Payment, National Insurance threshold increases and the council's core discretionary funds. However, as HSF 2022 will only be available for the first 6 months of the 2022/23 financial year, there is real concern about the potential 'drop off' of support for autumn/winter when further energy price rises are likely to be incurred and energy usage typically increases. There is a strong expectation that the government will repeat the HSF for the second 6 months of the financial year, covering October 2022 to March 2023 but this is not certain at this time. The council's TBM outturn position, subject to an increased underspend, may provide the council with an opportunity to underwrite continuation of LDSF and other support but in the hope that this funding will be replaced by further government funding announcements later in the year. The TBM outturn will be reported to July Policy & Resources Committee at which time a decision can be made if desired.