



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

REPORT TO LEADER OF THE COUNCIL

10 MAY 2023

Report of the Director - Public Health

**Household Support Fund Grant Extension - 1 April 2023 to 31 March
2024**

(Cabinet Member for Strategic Leadership, Culture, Tourism and Climate
Change)

1. Divisions Affected

Countywide

2. Key Decision

- 2.1 This is a key decision due to the budget for the function concerned (this is currently defined as £500,000) and it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

- 3.1 The Leader of the Council is asked to:
- a) Approve the outline spending plans for Derbyshire County Council's allocation of the Household Support Fund Grant Extension of £10.808m.
 - b) Agree to the continuation of the delegation of authority to the Director of Public Health in consultation with the Director of Finance & ICT and the Executive Director of Children's Services to allow the Council to respond flexibly and effectively to any challenges, risks and opportunities that occur during the grant

period and maintain the Council's ability to swiftly distribute funds to vulnerable residents.

4. Information and Analysis

- 4.1 In the autumn budget of 2022 the Chancellor announced, as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, that the Household Support Fund (HSF) would be extended from 1 April 2023 to 31 March 2024.
- 4.2 Notification of the guidance relating to the provision, and Derbyshire's allocation of the funds was received from the Department for Work and Pensions (DWP) on 21 February 2023, and an 'all Local Authorities call' was held by the DWP to further explain the requirements on 1st March 2023.

Council Officers have reviewed all previous provision under earlier HSF funding; engaged with stakeholders; compiled recommendations for the future period and updated the Equality Impact Assessment.

The Council is required to provide an indicative delivery plan to the DWP by Wednesday 17 May 2023 indicating how it will distribute the grant. Therefore, it has not been possible to give 28 days' notice for the making of this key decision. Also, it is important that the distribution plans covered in this report commence as soon as possible in order to alleviate hardship and prevent households in Derbyshire being put at a disadvantage. There would be delay in distributing the grant, should it be necessary to wait for the next Cabinet meeting. This could not be presented sooner for a decision due to the short period of time between notification of Derbyshire's allocation of funds and the requirement to provide the indicative delivery plan by 17 May 2023 to:

- a) Enable the authority to distribute the grant to households within the grant period,
- b) Avoid an underspend and alleviate hardship for households.

- 4.3 Derbyshire County Council's allocation is £10,808,162. Local authorities have discretion on exactly how this funding is used within the scope set out in the accompanying grant determination and guidance.
- 4.4 The DWP is providing funding to county councils and unitary authorities under Section 31 of the Local Government Act 2003, to administer the scheme and provide assistance to households most in need. It covers a wide range of low-income households in need, including families with children of all ages, pensioners, and other low-income households,

particularly those who cannot increase their income through work, to prevent escalation of problems.

- 4.5 Although this is an extension to the previous three issues of HSF grant funding, authorities are not allowed to carry forward any underspends from the previous HSF periods, the latest of which ended on 31 March 2023. The extension funding covers the period 1 April 2023 to 31 March 2024 and funds must be spent or committed before the end of the grant period and cannot be held over for future use.

Grant Eligibility and Usage

- 4.6 The Authority has to prioritise providing support to households with the costs of energy (for heating, lighting and cooking), food, water (for household purposes, including sewerage) and other essential living needs in accordance with the scheme guidance. The Authority may allocate grant funds to support with housing costs where existing housing support schemes do not meet this need, and as set out in the Scheme guidance.

Authorities are expected to offer support throughout the duration of the fund period and develop their delivery plans accordingly.

- 4.7 Guidance for previous HSF funding tranches have contained requirements in relation to ringfenced provisions eg 33% of the fund ringfenced for families with children and 33% of the fund ringfenced for pensioners.

The guidance for the new issue of funding states that there will be no ringfence of any proportion of funding for any particular cohort of people, however authorities are required to record how many pensioners, disabled households and households with children are awarded support from the fund and must operate at least a portion of the fund in a manner that households can apply to directly.

Authorities are encouraged to consider support to disabled people who may be facing challenges due to the rising costs, especially if they have equipment or aids which require energy usage. They are also encouraged to consider our those with caring responsibilities can be supported.

- 4.8 For the purpose of this grant,
- The definition of a household with a child is a household containing any person:

- who will be under the age of 19 at the time of award or;
- a person aged 19 or over in respect of whom a child-related benefit (for example, Child Benefit) is paid or free school meals are provided.
- Where an eligible child lives on his or her own, they are a household that includes a child covered in allocation for households with children.
- The definition of a household with a pensioner is any household containing any person:
 - who has reached state pension age at the time of award
- The definition of disability and disabled people aligns with the definition in the Equality Act 2010. Therefore, a disabled person is someone who has a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.
 - 'substantial' is more than minor or trivial, e.g. it takes much longer than it normally would to complete a daily task like getting dressed;
 - 'long-term' means 12 months or more, e.g. a breathing condition that develops as a result of a lung infection.

4.9 The guidance sets out that:

- Authorities can deliver the scheme through a variety of routes including providing vouchers to households, making direct provision of food or goods, or issuing grants to third parties (with the exception of grants for advice provision). Authorities have the local ties and knowledge, making them best placed to identify and help those most in need.
- County councils should consider working together with District/ Borough councils and other third sector organisations to ensure the funding meets its objectives by identifying those most in need.
- Authorities can allocate a reasonable amount of the funds for administration costs, incurred in administering the fund. These include staffing costs, advertising, and publicity to raise awareness of the scheme, web page design, printing of application forms and small IT changes to facilitate process design or reporting.
- Authorities are required to operate at least part of their scheme on an application basis i.e. residents should have the opportunity to come forward to ask for support.
- There is also an expectation of authorities to particularly consider those groups who may not have benefitted from any of the recent cost of living support.

Reporting Requirements

- 4.10 A delivery plan setting out the Council's intentions is required by the DWP by 17 May 2023. This plan must be signed off by the Section 151 Officer, and the responsible cabinet member before submission to the DWP.
- 4.11 Interim management information (MI) returns are required to be submitted to the DWP by:
- 21 July 2023 for the period 01 April 2023 to 30 June 2023;
 - 20 October 2023 for the period 01 April 2023 to 30 September 2023; and
 - 26 January 2024 for the period 01 April 2023 to 31 December 2023;

An interim grant payment will be made for each period when the information in the return has been verified.

- 4.12 A final MI return, showing total spend from 01 April 2023 to 31 March 2024, is required to be submitted to the DWP by 26 April 2024. The final MI return will be used to determine total eligible spend to 31 March 2024 and a final grant payment will be made for this period when the information in the return has been verified.
- 4.13 The full scheme guidance can be found in Appendix 2.

5. Proposed Use of Funds

- 5.1 It is recommended that the Council utilises a varied and mixed approach to distributing the grant to help ensure the funds reach a wide range of households needing financial support, including those who may not currently be claiming welfare benefits, and building on the learning from the previous schemes.

Overview – proposed allocation of funds breakdown

- 5.2 Figure 1 below sets out the proposed split of the fund via the distribution elements and household types. Detail of each proposed distribution element is set out below.

Figure 1 Summary of proposed distribution mechanisms.

	Amount £ (m)	Could include:			
		Families with children	Pensioners	Disabled People	Carers
Derbyshire Discretionary Fund	2.250	x	x	x	x
Children's Services – referrals by professionals	0.450	x			
Winter Food Support Voucher to eligible families (incl free school meal cohort)	2.356	x			
Cost of Living support to low income pensioners and specified adult social care clients	3.200		x	x	x
District & Borough Councils (Homelessness Prevention)	1.800	x	x	x	x
Vulnerable pensioners and unpaid carer support	0.400		x	x	x
Care Leavers Support	0.020				
Administration	0.080				
Contingency	0.252	(2.33%)			
TOTAL	10.808				

Distribution mechanisms

5.3 Derbyshire Discretionary Fund (DDF) Household Support Fund- £2.250m

The Derbyshire Discretionary Fund supports residents facing crisis and emergency situations. It operates on a 'direct application' basis for residents and on a supported application basis for professionals. Using the DDF to support delivery of the HSF meets the DWP criteria that at least some of the funds must be made available via a direct applications process.

5.4 DDF already has a robust system for receiving and processing claims in place and its eligibility criteria and scope closely match that of the HSF, in that eligibility may include households not currently in receipt of DWP welfare benefits. It is recommended that the existing DDF processes and eligibility criteria are utilised when claims are made to the HSF. The

DDF scheme has existing reporting mechanisms which can be used to meet DWP MI reporting requirements, including the breakdown between households with children and adult households. DDF also has established complaints and review processes in place. Utilising the DDF puts Derbyshire ahead of other council areas who have had to set up a direct application process specifically for use in relation to the HSF.

- 5.5 For the first, second and third allocations of HSF funding the DDF scheme was enhanced by:
- Increasing the value of an award to £64 for the main applicant and £20 for each affected household member for both HSF grants and standard Emergency Cash Payments (ECP). The amount of an ECP was increased from £54 to £64 when the first HSF distribution plans were agreed, with the amount awarded for each affected household member increased from £10 to £20.
 - Recognising financial pressures on applicants in addition to the “crisis, emergency and disaster” scope already set out by the DDF policy for the consideration of Emergency Cash Payments; and
 - Making up to two Household Support Fund grant payments per HSF period in addition to three Emergency Cash Payments in any twelve-month period enabled by the DDF policy.

- 5.6 Analysis shows that 78.4% of DDF applicants accessed 1,2 or 3 payments and were not awarded a further time.

Of the three enhancements to the DDF scheme previously delivered using HSF resources, the increased value of the awards, and the recognition of financial hardship have supported all of those who applied whereas the option of additional payments has supported 21.6% of applicants. These are more likely to be single male applicants in younger age groups. It is not proposed to offer ‘additional’ payments over the three already set out in the DDF policy during HSF4 operation.

- 5.7 There is a recognition that heightened service requests for support resulting from cost of living pressures, and from wider population awareness of council services of this nature, will create a challenge for the Council as HSF funding ends in March 2024. Council officers are engaged in preparatory planning in relation to managing this risk and will bring forward proposals to elected members in the coming months.
- 5.8 It is recommended that £2.250m is allocated to enhance the DDF provision of support to residents with costs of food, energy, and essential living costs through increasing the value of DDF awards and recognising financial pressure in addition to the “crisis, emergency and disaster” scope already set out by the DDF policy for the consideration

of Emergency Cash Payments. This figure would be added to the DDF's existing budget for the April 2023 – March 2024 period. If the volume of applications results in the extra funds being depleted before the 31 March 2024 the value of payments would revert to DDF policy level of £54 and £10 to ensure the council does not overspend on available funding.

5.9 Grants allocated via Children's Professionals - £0.450m and Support to Care Leavers £0.020m

The distribution plans for previous HSF schemes saw a route developed whereby Children's Services Early Help and Safeguarding staff and partner agencies who work predominately with families and children, such as schools and nurseries, were able to utilise their professional knowledge and relationships to identify families facing hardship and assess them for grant payments from the Fund. Feedback from professionals and families who have accessed funds via this route has been overwhelmingly positive, with many case examples shared to evidence how the support made a significant difference to families.

Eligibility for the grants was based on presenting financial need rather than benefit entitlement or a certain income level. This offered a route for families in work but on a low income and others who were not eligible for other support schemes to access financial help. The DWP HSF scheme guidance encourages authorities to consider those who may be over the threshold for other schemes but who still may be facing hardship due to the current economic climate.

5.10 In previous delivery of HSF two payments were available to families under this provision or that operated by DDF, but not both. Cross-referencing by staff ensured they did not overlap.

As the DDF provision under HSF4 is not proposed to offer "additional" payments, the payments under this 'Children's Professionals' route would be in addition to any Emergency Cash Payments awarded by DDF ensuring enhanced provision is retained for vulnerable families. A payment under this route would not be made if an Emergency Cash Payment had been awarded by DDF in the preceding 7 days, and vice versa.

5.11 As the duration of HSF4 is over a 12m period it is proposed to offer a maximum of three payments to families through this Children's Services referral provision over the year. The value of payments would align with support accessed via DDF: £64 for the first adult in the household and £20 for a partner and for each child in the household.

Systems and processes have already been developed so the route could be re-opened with little delay.

5.12 It is recommended that £0.450m is allocated to this provision for the period to March 2024. This amount is based on the total spend of the previous grants assessed by Children's Professionals and considers the rise in need and increased demand we have seen during the presentation of the fund. If the volume of applications results in the allocated funds being depleted before the 31 March 2024 this provision would be closed, to ensure the council does not overspend on available funding.

5.13 In addition, it is recommended that the Children's Services Care Leaver's Team be allocated £20,000 specifically to offer additional support to care leavers (up to age 25) who are living independently and who are facing hardship. The Team have mechanisms in place to distribute funds to care leavers via vouchers, bank transfers and, in exceptional circumstances, cash payments. The Care Leavers Team have been allocated funds from previous HSF schemes and reported that these additional funds enabled the Team to respond to the increased levels of hardship reported by the young people they support.

5.14 **Food Support Payments to eligible families – June 2023 and January 2024 - £2.536m**

The distribution plans for all previous HSF schemes included a grocery or food support voucher for eligible families as this was an initial DWP requirement.

5.15 Eligible families are those who have children who receive benefit-related free school meals (FSM) in schools and further educational colleges; care leavers up to age 21; and children in early years settings who qualify for the Early Years Pupil Premium with qualifying benefits for 3 & 4 year olds, and Early Years 2-Year-Old with qualifying benefits.

The number of children eligible to free school meals is growing, and Council promotional work around the Cost of Living has included referencing to eligibility and encouraged families to take up this entitlement. Although the government does not publish annual data until June, it is estimated that the number of children eligible to fall into this criteria may be 31,000 this year.

During the review it has become apparent that because we have previously relied on schools for the data, some children (approx. 50) who were educated other than at schools (EOTAS), or have been

excluded and a new placement has not yet been found, may not have been covered by previous vouchers offers. Teams working with these children have agreed to support the voucher offer under HSF4 for children who meet the low-income criteria.

5.16 In order to deliver this provision the Council used the HUGGS platform procured to support families with supermarket vouchers when children were not at school during the Covid-19 pandemic. The vouchers have proved a reliable and trusted mechanism for delivering support. Families can choose which supermarket they wish their voucher to be redeemable at. The vouchers cannot be used to purchase alcohol or cigarettes.

5.17 The issue of vouchers and take up over the span of HSF funding is shown in figure 2

Figure 2 – Number, take up and value of grocery vouchers to eligible families under HSF1,2, and 3.

HSF1 Cost of Living Voucher – value £80	Offered	Take Up	
	27,654	25,754	93%
HSF2 Cost of Living Voucher – value £50	Offered	Cashed	
	28,266	26,107	92%
HSF3 Cost of Living Voucher – value £40	Offered	Cashed	
	29,399	28,361	96%

The value of the first voucher was higher as more of the funds had to be directed to families under the DWP guidance (before pensioners were added to the criteria).

5.18 It is proposed to offer eligible families two payments over the year. In June and January.

Data and up-to-date parent contact details must be collected from schools and collecting and collating this takes about a month.

In order to make a payment to families before schools close for the long summer holidays this process will begin as soon as approval is given, with a view to making the payment in June if possible, so queries can be resolved before the holiday.

January is often a time that families can struggle the most, due to the costs of Christmas for many of our families, and the increased use of fuel during the colder months. Collating the data again in late November /early December will ensure schools are not burdened with this as they are working to close the school year in the final weeks of term.

- 5.19 Families and care leavers who receive grocery vouchers would still be able to access grant payments via Childrens Professionals or the DDF if they face financial hardship.
- 5.20 Recipients would also receive information signposting them to other sources of financial support that they could also access at other periods of financial hardship, including school holidays. The Holiday Activity and Food (HAF) programme will also be running over the summer, Christmas, and Easter holidays.
- 5.21 It is recommended that £2.536m is allocated to this provision for two further grocery vouchers, with a proposed value of between £40 and £45 depending on the final number of eligible children, to be offered to this cohort in June 2023 and January 2024 based on a 95% redemption rate.
- 5.22 **Cost of Living Support Payments to pensioners in receipt of Council Tax Support and Adult Social Care clients with a nil or tapered co-funding contribution - £3.200m**

Across Derbyshire there are approximately 23,700 households where at least one member is either a:

- Pensioner in receipt of full or partial Council Tax Support (CTS) due to a low income (which is claimed via their local District or Borough Council); or
- An Adult Social Care client who does not pay a contribution to their home care costs, or who pay a partial contribution, due to being on a low income.

- 5.23 Whilst not required by the first HSF funding allocation, the DWP guidance for the second HSF (April – September 2022) required the Council to develop a mechanism for supporting pensioners directly. This arrangement was continued in the distribution of the third allocation (October 22 – March 23)
- 5.24 In order to deliver this the Council set up a voucher issuing process via the Post Office and eligible pensioners and Adult Social care clients

received a letter offering them a cost of living payment, and also including topical health, wellbeing and safety advice.

Figure 3 – Number, take up and value of cost of living vouchers to eligible pensioners and Adult Social Care clients under HSF,2, and 3

HSF2 Cost of Living Voucher – value £100	Offered	Cashed	
	23,734	21,744	92%
HSF3 Cost of Living Voucher – value £70	Offered	Cashed	
	23,694	21,544	91%

The value of the first voucher was higher as take-up rates were not known, this approach having never been delivered by the Council previously. The expenditure above budgeted cost given the high take up (92%) was met from reserves.

- 5.25 District and borough councils supported the delivery of this provision through agreed data-sharing protocols, and the mechanism has proved effective, and to be a trusted way of delivering support to pensioner households. Feedback from recipients has been positive.
- 5.26 For the period that HSF4 will be operational the wider support from national government will include £900 of Cost of Living payment to those in receipt of Pension Credit, spread over three payments, and the Winter Fuel Payment paid to all pensioners in November 2023, of varying value according to circumstances.

Not all of the pensioner residents on Council Tax Support who are offered this proposed support from the Council will be in receipt of Pension Credit, and therefore may not get the £900, but all will be offered a Winter Fuel Payment in November 2023

- 5.27 It is recommended that £3.200m is allocated to offer further cost of living support, with a proposed value of £140 depending on the final number of eligible residents, to be offered to this cohort in February 2023 as a ‘winter cost of living payment’ and based on a 95% redemption rate.

5.28 Awarding funds to district and borough councils for homelessness prevention - £1.800m

The scope of the HSF extends to support with emergency housing and Council Tax Support, where households are not eligible for existing

housing support schemes and/or where residents are facing enforcement action. This can include emergency financial support to Derbyshire residents who don't qualify for Discretionary Housing Payments but who are facing exceptional housing related financial pressure and those facing enforcement action due to rent or Council Tax arrears.

- 5.29 Previous HSF distribution plans allocated funds to district and borough partners to enable them to address these issues. District and Borough partners each produced proposals on how they could utilise the funds within the scheme guidance, and this was confirmed by means of service level agreements. Feedback and case studies from district and borough partners demonstrated that they were able to utilise the funds to support those in crisis situations and facing enforcement action, including preventing residents from being made homeless.
- 5.30 It is proposed to divide an allocation between the councils using a methodology, based on both indices of multiple deprivation and population density, that was agreed with representatives of those councils as being equitable to needs across the district and boroughs for use within HSF3, following refinement of previous models and the release of revised census data.
- 5.31 It is recommended that £1.800m is allocated to be split between the eight district and borough Councils in Derbyshire to enable their housing teams to support those facing housing related financial difficulty between April 2023 and 31st March 2024.
- 5.32 **Age UK Derby and Derbyshire and Derbyshire Carers Association £0.400m**
- Public Health have strong partnerships with Derbyshire Carers Association and Age UK Derby and Derbyshire to identify vulnerable and hard to reach pensioners and unpaid carers who are facing financial and/or emotional hardship and, if eligible, awarding grant funding to them.
- 5.33 It is recommended that a further £0.200m each is directed to Age UK and Derbyshire Carers to enhance the level of support available by building on the partnerships in place, to reach vulnerable households who might otherwise not be connected to financial assistance to help with cost-of-living pressures.
- 5.34 This option would utilise the existing systems and eligibility criteria both organisations have in place to deliver this programme, which would

bring added benefits in terms of minimising the administration costs incurred as part of HSF distribution plans.

- 5.35 As part of this work, Age UK and Derbyshire Carers would also be encouraged to support eligible pensioners and any eligible carers/cared for to apply wider sources of support.

6 Administration costs £0.080m plus contributions from other Council resources

- 6.1 Whilst the Department for Work and Pensions guidance allows for administration costs to be met from the grant funding, councils are encouraged to keep these as low as possible.
- 6.2 In previous distributions of funding, the Council has supported delivery by utilising alternative funding options for some of the costs incurred which has enabled administrative costs to be kept to the absolute minimum to ensure as much of the grant as possible is distributed to vulnerable residents.
- 6.3 The DWP published data on the administrative costs allocated by each council from HSF1. The range was between 1-10% of the grant funding. Derbyshire was cited as 1%.
- 6.4 For this fourth HSF allocation it is proposed to:
- Continue to set the additional DDF staffing costs against Contain Outbreak Management Funds until 31 March 2024 – already agreed by Public Health Senior Management Team.
 - Allocate £0.060m Contain Outbreak Management Funds to support additional staffing at Call Derbyshire to support call centre response to HSF contacts until 31 March 2024
 - Allocate £0.080m for agency staff fees to HSF for the distribution of Grocery Food vouchers to eligible families, to deliver the Children's Services referrals from professional's provision, and support the Cost of Living voucher to pensioners distribution
 - Continue to hold the voucher transaction costs for the DDF provision and the pensioner cost of living voucher, within the allocated funding for these elements as set out above.
- 6.5 At the end of the administration period should there be marginal underspends in any of the other costed elements the Council will ensure it draws down the full amount from the Department of Work and Pensions by attributing incurred costs to this budget to the value of the DWP funding.

7 Contingency, managing the funds over the course of the period, and delegated decision making.

- 7.1 It is recognised that numbers of people eligible for the pensioner and adult social care clients, and grocery vouchers for families, may vary from current estimates.
- 7.2 The proposals include a small proportion (2.3%) set aside for contingencies and to enable fluctuations in numbers of eligible recipients to be managed.
- 7.3 The DWP have confirmed that after submitting the initial delivery plan authorities may review and make changes to these plans to respond to challenges and opportunities, they face during the grant period. It is therefore recommended that spending of the fund is kept under close review to enable the Council to take a flexible and pragmatic approach to administering the funds, taking into consideration factors such as demand, capacity, and budget.

The cross departmental officer steering group will continue to fulfil this role and it is recommended that the Director of Public Health, working in conjunction with the Executive Director of Children's Services and the Chief Finance Officer, continues to utilise the specific delegated powers previously agreed to enable them to sign off any changes to plans to enable Derbyshire to maximise the use of this one off funding from central Government. The changes to the constitution will be made in collaboration with Legal Services and this may require a further report to the Governance, Ethics and Standards Committee and Full Council.

- 7.4 In the eventuality of any small underspend at the end of the HSF period, this will be re-allocated under the oversight of the Director of Public Health and reported to the Cabinet Member for Health and Communities retrospectively.

8 Communications

- 8.1 The Council will make every effort to ensure people facing financial hardship are aware of the support available from the HSF whilst being clear on eligibility criteria to manage expectations.
- 8.2 It is mandatory for authorities to reference that the grant is funded by the DWP or the UK government in any publicity material. This is not a new requirement and has been met by the Council throughout.

- 8.3 Detailed HSF eligibility criteria based on the HSF grant guidance will be published on the Derbyshire County Council (DCC) website, and this will also aid officers when responding to Freedom of Information requests which are frequent on this topic. It is mandatory for authorities to create and maintain a website page dedicated to the HSF headed with 'Household Support Fund' on their website.
- 8.4 Promotion methods can include additional information on the Council's website and social media channels, internal and external newsletters and by utilising existing links with partner agencies and elected members. This approach can be kept under review and promotion stepped up if needed based on engagement by residents and capacity for teams to deliver, including capacity at Call Derbyshire.

9 Conclusion

- 9.1 A blended approach, as set out above, provides the best opportunity to reach a wide range of families and households in Derbyshire facing financial hardship arising from cost-of-living pressures and in line with the requirements of the DWP funding.
- 9.2 All the proposed elements align with the scope and criteria of the HSF; make the best use of existing systems such as DDF and district and borough housing teams; and build on learning from previous delivery. The delivery mechanisms established for previous HSF provision are well established and trusted by residents. They minimise the need for residents to share data with the Council, and in particular bank details.
- 9.3 The approach, which combines a direct application process as well as targeted support, will satisfy the directions of the DWP that people facing hardship should be able to apply to the fund. Distributing vouchers to those eligible benefit-related free school meals, care leavers aged under 21 and those in receipt of the Early Years Pupil Premium or Early Years 2-year-old with qualifying benefits, will help make sure funds are allocated to a cohort likely to be affected by the ongoing impact of the loss of the Universal Credit uplift and increases to the cost of living.
- 9.4 The proposed split between families with children, pensioners and other households is well balanced, however it is recommended that all elements of the scheme remain under close review and if significant demand, or lack of demand, is seen in particular areas then the costings can be adjusted accordingly. It is recommended that the cross departmental Household Support Fund Steering Group, made up of key officers and partners, continue to meet regularly to review how the fund

is being utilised in real time, ensure a timely response to presenting need of Derbyshire residents and address any challenges.

10 Consultation

- 10.1 In forming these proposals, significant consultation has been undertaken between departments: Children's Services, Public Health, and Corporate Services and Transformation (including Client Financial Services in relation to Adult Social Care clients). In addition, consultation has been undertaken with external partners such as district and borough councils and other third sector partners. Benchmarking and liaison with other Authorities has been undertaken to understand more about their approach to distribution of the fund.

11 Alternative Options Considered

- 11.1 Previous DWP grants have required authorities to allocate a set amount of the funds via vouchers to families and young people eligible for benefit-related free school meals over the school holidays. A number of other local authorities across the country are continuing this approach with plans to use the majority of their HSF allocation in this way.

However, as the fund covers a wider cohort of vulnerable households who would otherwise struggle to buy food, pay essential utility bills, or meet other essential living costs than previous grants, including those not eligible for welfare benefits, it is proposed that a blended range methods would be more effective, while maintaining a smaller element of vouchers to this group of vulnerable families in June 2023 and January 2024 as a 'summer / winter grocery support payment'.

- 11.2 The DDF provision under previous HSF funding has included scope for two payments in addition to the 'three Emergency Cash Payments in a twelve month period' set out by the DDF policy. Analysis of DDF data has shown that 78.4% of applicants are not awarded above 3 payments,

The increase in the value of the awards, and the recognition of financial hardship in the assessment process, have proven to be more significantly beneficial to a wider number of residents who are now approaching DDF for help.

The option to retain two additional payments would benefit a smaller proportion of residents, predominantly single younger males.

Enabling additional payments, in the context of the limited funding scope could risk the funds being depleted earlier in the period, across a smaller number of residents, and is therefore not being proposed.

- 11.3 As the HSF is paid in arrears on the submission of quarterly MI return to the DWP, there is the option for the Council not to take up the funds and opt out of the funding. However, this is not considered to be a viable option because it would be a disservice to vulnerable households and families in Derbyshire who are likely to be facing significant financial pressure. It may also put pressure on the Council's social care services further down the line if families with children, pensioner households, and other adult households reach crisis due to their financial circumstances. In addition, not utilising the funds would deny the Derbyshire economy and local businesses the funds.

12 Implications

- 12.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

13 Background Papers

- 13.1 [Urgent Decision taken by Managing Executive Director 11 November 2021 noted by Cabinet 13.1.2022](#)
- 13.2 [Household Support Fund – Grant Extension 1 April to 30 September 2022](#)
- 13.3 [Decision - Household Support Fund Grant Extension– 1 October 2022 to 31 March 2023 - Derbyshire County Council](#)

14 Appendices

- 14.1 Appendix 1- Implications.
- 14.2 Appendix 2 - Household Support Fund Extension April 23 – March 24 scheme guidance
- 14.3 Appendix 3 – Risk management assessment
- 14.4 Appendix 4 – Wider Support, national and local
- 14.5 Appendix 5 – HSF 3 data case examples and feedback
- 14.6 Appendix 6 – Agreement of the Chair of the I&S Committee for the decision to be made without giving 28 days' notice.

15 Recommendation(s)

That the Leader of the Council:

- 4.1.1 Approves the outline spending plans for Derbyshire County Council's allocation of the Household Support Fund Grant Extension of £10.800m.
- 4.1.2 Agrees the continuation of the delegation of authority to the Director of Public Health in consultation with the Director of Finance & ICT and the Executive Director of Children's Services to approve amendments and changes to plans for distributing the funding in line with the overall scheme eligibility requirements for the period of the grant, 1 April 2023 to 31 March 2024

16 Reasons for Recommendation(s)

- 16.1 Many Derbyshire households will face financial hardship over the coming year particularly those including children and pensioners, who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs. It is therefore important that the Council distributes the funds in a wide-reaching manner to support vulnerable households and takes the opportunity to boost the Derbyshire economy.
- 16.2 Failing to distribute the funds to vulnerable households facing financial pressure may cause residents to enter crisis, which may put pressure on Council services further down the line.
- 16.3 The blended approach proposed, which combines a direct application process as well as targeted support, will help reach a range of vulnerable people and make it less likely for people to fall through the gaps.
- 16.4 Delegating the authority to the Director of Public Health allows the Council to respond flexibly and effectively to any challenges, risks and opportunities that occur during the grant period and maintain our ability to swiftly distribute funds to vulnerable residents.

17 Is it necessary to waive the call in period?

- 17.1 Yes

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Implications

1. Financial

- 1.1 The Childrens Services and Adult Social Care and Health revenue budgets will be adjusted to reflect this new ring-fenced grant and it will be monitored through the usual financial monitoring process and in line with the grant conditions.
- 1.2 Grants awarded to third-party organisations will be awarded and monitored through the usual financial monitoring process and in line with the grant conditions.
- 1.3 The grant allocation of £10.800m to the Council has been issued as a ring-fenced Section 31 Grant. The grant determination notice states that the purpose of the grant is to provide support to certain local authorities in England for expenditure lawfully incurred or to be incurred by them in accordance with the Grant Conditions to provide support to households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs (in exceptional cases of genuine emergency) this winter as the economy recovers.
- 1.4 Details of the proposed use of the funds and the allocations for the proposed schemes are set out in the main body of the report above.
- 1.5 The exact value of the voucher payments for the Grocery Vouchers (eligible children and families) and the Cost of Living support Payments to pensioners and eligible Adult Social Care clients will be determined according to the number of eligible recipients when the data is collated.
- 1.6 Initial modelling for the two voucher payments will be undertaken with an assumed encashment rate of 95%, based on previous take up, but this will be monitored and refined throughout the year to ensure financial undertakings do not exceed the available budget.
- 1.7 The grant determination notice sets out eligible expenditure for the scheme and this includes reasonable administrative costs which include, for example, staff costs, advertising and publicity and IT changes. The estimated staffing costs have been set out in the main body of the report above.

2. Legal

- 2.1 The Council has power to provide grants under the general power of competence set out in section 1 of the Localism Act 2011. Grants awarded to third-party organisations will be awarded and monitored through the usual financial monitoring process and in line with the grant conditions.
- 2.2 The Council's Financial Regulations state that grants in excess of £0.100m require Cabinet authorisation. However, in cases of special urgency, where, by virtue of the date by which a key decision must be taken, the required notice cannot be given, the Constitution enables such decisions to be taken urgently if the decision maker obtains the agreement of the chairman of a relevant Improvement and Scrutiny Committee that the taking of the decision is urgent and cannot be reasonably deferred.
- 2.3 The decision affects the portfolio of more than one Cabinet Member and is deemed urgent and cannot be deferred until the next Cabinet meeting. For these reasons it is appropriate for the matter to be determined by the Leader in accordance with legislation and the Constitution.
- 2.5 In accordance with legislation and the Constitution, executive decisions can be delegated to an officer of the authority.

3. Human Resources

- 3.1 Redeployment of existing staff, recruitment of new agency staff as appropriate and the retention of existing agency and fixed term contract staff employed to deliver the HSF Phase 3 programme will be utilised to increase the capacity of the DDF Team, Call Derbyshire and Early Help Teams. Current DDF management will manage demand for the extended HSF scheme as part of business as usual.
- 3.2 The Council has an agreement with a broker – Comensura – which simplifies the way agency workers are hired. Instead of directly contacting numerous agencies we only need to contact one broker (Comensura) who will contact all relevant agencies on our behalf. To encourage maximum engagement from suppliers, orders should be placed on C-Net, by the recruiting manager. Roles and pay rates are usually aligned to Council roles (and JPPs) to ensure we engage agency workers with the appropriate skills and comply with agency worker regulations. The flexible resource team will support where

market rates demand a negotiation of pay rate to the worker and/or the type of worker is difficult to source.

4. Information Technology

- 4.1 No large-scale IT changes are required to administer the fund.
- 4.2 An online form for direct applications will be produced for the DDF/Household Support Fund as part of the system re-design to deliver DDF. This will create legacy benefits for the Council for the future operation of DDF.
- 4.3 Processes relating to connections between Children's Professionals HSF applications and DDF to award funds will be managed using existing programs such as Microsoft and Mosaic.
- 4.3 Processes already developed with district and borough partners, and the Council's Client Financial Services Team relating to delivering Cost of Living Vouchers for pensioners in receipt of Council Tax Support and ASCH Social Care clients will be continued.

5. Equalities Impact

- 5.1 The recommendations set out in this report have been fully considered in relation to equality. Given the changes in eligibility requirements, the HSF Equality Impact Assessment is being updated to ensure that due regard is given to the impact that the proposed arrangements might have on all protected groups of people in Derbyshire and will remain under ongoing review. This will enable the identification of any groups of people who may be adversely affected by the proposed distribution of HSF grant. In some cases, this has been mitigated through third sector grant awards.

6. Corporate objectives and priorities for change

- 6.1 One of the aims of Vision Derbyshire is to work collaboratively with district and borough councils. To do that well, it's important for the Council to have efficient and effective processes to both establish our lead role and to set up any collaborations with minimal disruption to efficiency.
- 6.2 The pandemic has had a significant impact on communities and key sectors of the economy. The Council is working with its partners to support community recovery across all areas of the county, ensuring equality of access to support.

6.3 This programme will address one of the Council's key priorities which is to provide effective early help for individuals and communities.