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Title of meeting: Cabinet

Subject: Support for people in financial hardship

Date of meeting: 30 November 2021

Report by: James Hill, Director of Housing, Neighbourhood and Building Services

Report Author: Mark Sage, Tackling Poverty Coordinator

Wards affected: All

1. Requested by Councillor Chris Attwell, Cabinet Member for Communities and Central Services.

2. Purpose

2.1. To outline support provided to people in financial hardship in Portsmouth following the provision of funds from the Department for Work and Pensions (DWP) under the Covid Winter Grant and Local Support Grant schemes.

2.2. To outline the initial plans to utilise the new Household Support Fund from DWP.

2.3. To note the contribution of teams across the council, and the collaboration with voluntary sector partners to tackle poverty in the city.

3. Information Requested

3.1. In November 2021, the DWP notified Portsmouth City Council of a maximum of £765,635.46 funding under the Covid Winter Grant Scheme (CWGS), to support households struggling with the cost of food, energy and other essentials.

3.2. In March 2022, CWGS was extended to 16 April, with an additional £266,171 funding.

3.3. On 14 April, DWP notified local authorities that they would be funding a new scheme, the COVID Local Support Grant (CLSG), which would run from 17 April to 20 June, with maximum funding available to the council of £180,150.

3.4. On 21 June, DWP notified local authorities that they would be funding an extension of CLSG, which would run from 21 June to 30 September, with maximum funding

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available to the council of £720,598, and that this would be the final allocation of funding from DWP.

- 3.5. The total maximum funding available under these schemes was £1,932,554.46. The council used its full allocation of funding to support households in financial hardship between December 2020 and September 2021.
- 3.6. Subsequently, on 6 October DWP notified local authorities that there would be a new scheme, the Household Support Fund, which would provide similar support to households in financial hardship until 31 March 2022, with a maximum available to Portsmouth of £1,888,214.70. This is a ring-fenced grant that is paid to local authorities on submission of monitoring returns recording eligible spend, and the budget holder is the Deputy Director for Education.
- 3.7. Following the £20 per week reduction in Universal Credit entitlements from October 2021, around 17,000 households in Portsmouth will lose £86.67 a month, a total reduction of income of around £1.47 million each month, and the Household Support Fund does not fully address that loss of income.
- 3.8. The reduction in Universal Credit entitlements will be partly mitigated for working households by the increase in Universal Credit work allowances, and the reduction of the taper rate, which will take effect from December 2021, but as yet there have been no changes to support those who are unable to work, or who are receiving other means-tested income benefits.

4. Support for people in financial hardship

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4.1. The CWGS and CLSG funds were distributed as follows:

Provision	Total spend
School holiday supermarket vouchers for children eligible for free school meals	£1,325,933
School holiday funding for college students from low income households	£37,455
Vouchers for children in early years childcare from low income households	£172,065
Discretionary grants	£254,108
<i>Comprised of</i>	<i>White goods</i>
	<i>Food</i>
	<i>Carpets</i>
	<i>Clothing</i>
	<i>Other household essentials</i>
Gas and electricity meter top-up vouchers	£40,278
Funding for foodbanks and community meals	£15,610
Food and other essentials for vulnerable families	£21,698
Food vouchers for people in emergency accommodation	£1,230
Children's social care support for families to buy food	£7,532
Administration costs	£56,645
Total	£1,932,554

4.2. 93% (1,789,257.89) of the funding available was provided to households with dependent children. 88% (£1,698,418.38) was spent on food or energy costs, with

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9% (£164,339.53) spent on other essential items, and 3% (£56,645.63) spent on administration costs.

4.3. To deliver this support, the council developed schemes in partnership with a range of agencies in the city, including HIVE Portsmouth, schools, colleges, early years childcare providers, housing associations, foodbanks, community meal providers, and other voluntary and community sector organisations working with people in financial hardship.

5. Universal and targeted support

5.1. 79% of the spend listed in the table at 3.1 was universal support (£1,535,453), provided to every household meeting certain criteria (eligibility for benefits related free school meals, early years pupil premium or 2 year old childcare funding).

5.2. 21% (£397,101) was targeted support, based on an assessment of the household's specific needs.

5.3. This reflects the much higher costs associated with providing universal support. Universal provision ensures that no one is left out, and that people do not need to make an application or be assessed to receive help. Targeted provision can use limited funds to have a bigger impact on the specific needs of a smaller number of households, at the point of greatest hardship or most urgent need.

6. Discretionary grants

6.1. Sixteen partner agencies (PCC teams and external) completed assessments for discretionary grants and referred to HIVE Portsmouth for fulfilment.

6.2. In total, 575 households received a discretionary grant (471 in the first grant period January to March, 104 in the second period May to June).

6.3. Almost half (48%) of the total spend was on white goods, with the greatest demand being for cookers and fridge freezers, followed by washing machines and washer-dryers / tumble dryers. All of these items can have a long term impact to reduce household bills and improve quality of life.

6.4. Of the 104 discretionary grant recipients during May and June, just over half lived in three wards in the city; 23% in Charles Dickens ward, 15% in St Thomas, and 14% in Paulsgrove.

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7. Gas and electricity meter top up vouchers

- 7.1. The council has delivered schemes for several years to provide top up vouchers for residents with pre-payment meters who are in fuel poverty during the winter months. However, this has depended on finding new funding each year.
- 7.2. Previous years have been funded through DWP Local Welfare Assistance funds, Public Health grant, Housing Revenue Account funding for city council tenants, and income from Switch On Portsmouth.
- 7.3. In 2020, PCC's Switched On Portsmouth partner agency The Environment Centre (tEC) was able to secure around £20,000 Ofgem Redress Scheme funding for emergency pre-payment meter vouchers for households in financial hardship during the pandemic. CWGS funding enabled this offer to be increased and extended.
- 7.4. In total, between April 2020 and April 2021, tEC provided vouchers totalling almost £58,000, to 733 households.
- 7.5. Recent sharp increases in gas prices, and the related failure of a number of small energy suppliers, mean that the cost of energy will increase pressure on household budgets this winter.

8. Household Support Fund

- 8.1. PCC can receive a maximum of £1,888,214.70 from the DWP's Household Support Fund, to assist households in financial hardship until 31 March 2022.
- 8.2. A range of schemes will be delivered, based on the learning from previous schemes outlined above. 83% of the available funds have been allocated to the schemes listed below, with the remainder being available to respond flexibly to emerging needs and demands over the winter.
- 8.3. Initial funding allocations:

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	Scheme	Description	Estimated cost
1	School holiday vouchers for early years, schools and colleges	£15 per week for each eligible child for October half term, Christmas and February half term	£553,200
2	School holiday vouchers for early years, schools and colleges	£15 per week for each eligible child for Easter 2022	£276,600
3	Discretionary grants scheme	Referral scheme, fulfilment provided by HIVE	£600,000 (including admin costs)
4	Energy voucher scheme	Referral scheme, fulfilment provided by The Environment Centre	£70,000 (including admin costs)
5	Grants for foodbanks and community meals	Funding to support increased demand for food aid	£40,000
6	Food and other essentials for families in need	Provided by PCC's Play and Youth services	£15,000
7	Transport costs for children of low income families	To support eligible parents with the cost of transport for young people	£9,570
8	PCC administration costs	Children and Families Finance team and Tackling Poverty Coordinator	£10,000
	Total		£1,574,370
	Unallocated funds	To allow for the development of additional schemes, or add funding to existing schemes if demand is higher than currently anticipated	£313,844

8.4. Council teams have already received some enquiries from residents requesting a Household Support Fund payment. A money advice queries pathway has been developed for City Helpdesk and others, to direct people to the most appropriate sources of information and support. This will help to ensure that the grant schemes listed above are just one aspect of holistic support for people in financial hardship.

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9. Additional advice and support

- 9.1. The Household Support Fund is a very significant grant, but cannot cover the full cost of the reduction in Universal Credit entitlements and the increase in energy and other household costs this winter.
- 9.2. Some of the support provided under these schemes, such as supermarket vouchers and home energy top-up vouchers, will only provide temporary relief to a family in need. It is therefore essential that the opportunity is also used to understand the specific causes of financial hardship for a family, and provide help to address these.
- 9.3. Alongside the practical assistance provided using DWP funding, the council and its partners continue to provide advice and support to maximise residents' income, focussed on three key outcomes:
 - 9.3.1. Ensuring people receive all the income they are entitled to;
 - 9.3.2. Reducing household expenditure;
 - 9.3.3. Finding solutions to unmanageable debt.
- 9.4. Specialist advice is provided through the council-funded service delivered by Advice Portsmouth, housing money advisers, and the Switched On Portsmouth offer (delivered in partnership with The Environment Centre and Agility Eco), as well as other partner agencies including Citizens Advice Portsmouth and housing association tenancy support teams.
- 9.5. General advice and signposting are provided by all of the partner agencies who have been involved in providing financial support. The council ensures that agencies have access to up to date information on the Money Advice pages on our website, which can be used in conjunction with the HIVE Directory to identify the financial issues the household would like to address, and which local agencies can offer assistance.

10. Conclusion

- 10.1. Portsmouth City Council has ensured that all funds available from the DWP have been used to support people in financial hardship in Portsmouth, and will continue to do so with any future funding streams that are available.
- 10.2. Schemes have included both universal support, where a large number of households receive a standard amount of assistance, and targeted support, where a small number of households in the greatest need, receive larger grants.

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10.3. Reductions in income for many households, along with increases in the cost of energy and other essential household expenditure, will increase the pressure on household budgets over the coming months. This can be mitigated by the assistance the council provides to ensure people receive all the income they are entitled to, reduce household expenditure, and find solutions to unmanageable debt.

10.4. Identifying households in need and providing appropriate forms of support to meet immediate needs and address underlying issues depends on working in partnership with a wide range of agencies and stakeholders, and the council will continue to strengthen and develop these partnerships to make best use of the available resources and ensure that people have access to local welfare support.

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Signed by James Hill - Director of Housing, Neighbourhood and Building Services

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Covid Winter Grant Scheme: guidance for local authorities	https://www.gov.uk/government/publications/covid-winter-grant-scheme
Covid local support grant: guidance for local authorities	https://www.gov.uk/government/publications/covid-local-support-grant-guidance-for-local-councils
Household Support Fund: guidance for local authorities	https://www.gov.uk/government/publications/household-support-fund-guidance-for-local-councils/household-support-fund-final-guidance-for-county-councils-and-unitary-authorities-in-england