

**THIS ITEM IS FOR INFORMATION ONLY**

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

<b>Title of meeting:</b>	Cabinet
<b>Subject:</b>	Cost of living support; Household Support Fund
<b>Date of meeting:</b>	13 December 2022
<b>Report by:</b>	James Hill, Director of Housing, Neighbourhood and Building Services
<b>Report Author:</b>	Mark Sage, Tackling Poverty Coordinator
<b>Wards affected:</b>	All

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

**2. Purpose**

2.1. To outline the assistance being provided to residents of Portsmouth in financial hardship, making use of the Household Support Fund made available by the Department for Work and Pensions (DWP).

**3. Information Requested**

3.1. Background

3.1.1 On 6 October 2021, the DWP announced a new £500m Household Support Fund (HSF) for County Councils and Unitary Authorities in England, to support those most in need due to financial hardship over the winter.

3.1.2 In March 2022, a second round of funding extended HSF for the period April to September 2022.

3.1.3 Portsmouth City Council (PCC) used the full allocation available during the first two rounds of HSF, between October 2021 and September 2022 of £3,776,428 to support households in the most need with food, energy and water bills, by paying for those items or 'wider essential costs'.

3.1.4 Appendix 1 includes a breakdown of how the funds were used to support residents over this period.

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- 3.1.5 On 30 September, DWP published guidance for local authorities for the third round of HSF, for the period October 2022 to March 2023.
- 3.1.6 The objective of HSF remains the same as in the previous rounds; to provide support to vulnerable households in most need of support to help with significantly rising living costs.
- 3.1.7 In the first round of HSF, at least half of the funds had to be used to support families with children. 86% of Portsmouth's total spend for that period went to families with children.
- 3.1.8 In the second round, at least a third had to be used to support families with children, and at least a third to support people over the state pension age. 57% of Portsmouth's total spend for that period went to families with children, and 35% to pensioner households.
- 3.1.9 In the third round, there is no stipulation on the proportion of the funds that must be distributed to any specific demographic group. However, a new requirement means that all authorities must operate at least part of their scheme on an application basis<sup>1</sup>. Under this requirement, residents must have the opportunity to come forward to ask for support, and authorities must establish eligibility criteria for their application service and should communicate with residents to ensure that their scheme and the mechanism for applying is clear and accessible.
- 3.1.10 HSF provides significant short-term funding to support residents in financial hardship. However, to put it in context, following the £20 per week reduction in Universal Credit entitlements from October 2021, around 17,000 households in Portsmouth lost £86.67 a month, a total reduction of income of around £1.47 million each month.
- 3.1.11 The funding available for six months under HSF therefore equates to around six weeks of the reduction in Universal Credit last October.
- 3.1.12 In addition, the impact of inflation rising much faster than the value of wages and benefit entitlements means that HSF alone cannot meet the level of need.

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<sup>1</sup> <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>

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3.1.13 In April 2022, Universal Credit and other working age means-tested benefits were uprated by 3.1%<sup>2</sup>, while the Consumer Price Index rose by 9.0% in the 12 months to April 2022<sup>3</sup>.

3.1.14 In this context, it is essential that we make full use of the HSF to benefit residents, alongside other advice and support for residents in financial hardship.

3.1.15 PCC has recently launched a Cost of Living Hub and helpline to support residents who are struggling financially, providing advice on a variety of topics:

3.1.15.1 Food and essentials;

3.1.15.2 Energy and bills;

3.1.15.3 Money and debt;

3.1.15.4 Health and wellbeing;

3.1.15.5 Skills and employment;

3.1.15.6 Low-cost travel in and out of the city, and budget-friendly activities in Portsmouth.

3.1.16 PCC provides a range of support to low income households, including funding independent money advice focussed on three key outcomes:

3.1.16.1 Ensuring people receive all the income they are entitled to;

3.1.16.2 Reducing household expenditure;

3.1.16.3 Finding solutions to unmanageable debt.

3.1.17 Delivery of HSF aims to strengthen and support the wider work around the cost of living, money advice and income maximisation.

### 3.2 Delivering assistance to residents

3.2.1 PCC has set out plans for the use of this round of HSF, outlined at Appendix 2.

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<sup>2</sup> <https://www.gov.uk/government/publications/benefit-and-pension-rates-2022-to-2023/proposed-benefit-and-pension-rates-2022-to-2023>

<sup>3</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/april2022#>

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3.2.2 The main principles informing our approach are to deliver:

3.2.2.1 A large, targeted scheme for low income families with children to quickly reach a large number of residents and provide support to families in the greatest need.

3.2.2.2 Additional funding for existing services in the city that are providing essential support to residents at risk of fuel or food poverty, to enable them to meet the increased level of demand this winter.

3.2.2.3 A range of other schemes that aim to reach those who are missing out either because their income is just over the other eligibility thresholds, or because the criteria for the national cost of living schemes excludes them.

3.2.3 From December 2020, Portsmouth City Council worked with schools to provide vouchers for children eligible for benefits-related free school meals during the school holidays. However, with no long term funding available to continue this, families and schools were informed that Easter 2022 would be the last school holiday period when these vouchers could be provided.

3.2.4 A voucher was provided via schools to families of children eligible for free school meals in July. Families and schools were notified that this was one-off support to assist with the cost of living, and advised to access HAF Fun Pompey, the holiday activities and food programme, for support during the summer holiday.

3.2.5 During the new round of HSF funding, we will use our relationship with schools to provide a voucher for every child eligible for benefits-related free school meals during the winter term, and use that opportunity to promote uptake of HAF Fun Pompey, the holiday activities and food programme for the Christmas holiday period.

3.2.6 The same level of support will be provided to qualifying low income families with children in early years childcare, in partnership with childcare providers, and to sixth form college students in Portsmouth who are eligible for benefits-related free school meals.

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- 3.2.7 The HSF schemes we are delivering build on our relationships with local partner organisations, including HIVE Portsmouth and the wider voluntary and community sector.
- 3.2.8 £122,000.00 has been allocated to extend the advice and support provided by Switched On Portsmouth<sup>4</sup> to residents at risk of fuel poverty.
- 3.2.9 £130,000.00 has been allocated to support the work of community larders and pantries, foodbanks and community meals, which all serve people in need of support with the cost of food, offering a range of local provision that can respond flexibly to local needs.
- 3.2.10 £6,000.00 will be provided to community cooking projects helping people to cook healthy meals on a budget.
- 3.2.11 £239,000.00 has been allocated to discretionary grant schemes for food, energy and other essential costs. The discretionary grant scheme will be a referral scheme, ensuring that we work with partners who understand the needs of their service users, and that grant support is not a one-off, but part of a wider offer of support, focussing on money advice and income maximisation.
- 3.2.12 The allocation also includes £20,000 for voluntary sector organisations supporting people in need. This will provide some resilience in prioritising support for people not receiving support through other HSF schemes. The allocation here could be used to provide additional support to food support services, if that is where the greatest need is identified.
- 3.2.13 £8,000.00 will be used to fund the fees for debt relief orders or bankruptcy, for people working with specialist debt advisers who require those debt solutions but are unable to pay the fee themselves.
- 3.2.14 £177,660.00 has been allocated to an application-based scheme for families with children who miss out on the free school meals or early years voucher schemes.
- 3.2.15 £384,000.00 has been allocated to application-based schemes for households who are missing out on the national cost of living payment

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<sup>4</sup> <https://switchedonportsmouth.co.uk/>

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scheme for people on means-tested benefit, which made payments of £324 to people on qualifying benefits during November<sup>5</sup>.

3.2.16 £30,000.00 has been allocated to an application-based scheme for people with disabilities who do not meet the criteria for the new 'core group 2' under the Warm Homes Discount scheme<sup>6</sup>.

3.2.17 These application-based schemes will be launched and promoted to residents in the new year once the application and assessment system has been developed and tested.

### 3.3 Support from April 2023

3.3.1 The Autumn Budget Statement included an announcement of an additional £1 billion in funding for HSF in 2023-24. This is the same total amount that was available in 2022-23, so it is likely that Portsmouth will receive £3.78m over the 12 month period.

3.3.2 No further information has been provided since this announcement, so we are awaiting clarification from DWP, including:

3.3.2.1 Total funding allocation for Portsmouth;

3.3.2.2 Whether this will now be one 12 month scheme, or two separate six month schemes again;

3.3.2.3 Whether there will be any changes to the criteria and guidance, including any ring-fencing for specific demographic groups, the amount that must be available for application-based schemes etc.

3.3.3 This final guidance is essential to enable us to make decisions on how best to deliver support to residents within the terms of the DWP grant.

3.3.4 It is welcome news that funding for local welfare support will continue in 2023-24, but it should be noted that the annual amount available to local authorities has remained the same since the introduction of the Covid Winter Grant Scheme in December 2020, while the costs of food and energy have risen steeply, and the number of people facing hardship has increased.

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<sup>5</sup> <https://www.gov.uk/guidance/cost-of-living-payment>

<sup>6</sup> <https://www.gov.uk/the-warm-home-discount-scheme/low-income>

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3.3.5 We will continue to work closely with DWP and local partners to understand how we can make best use of our allocation for 2023-24, building on our experience of delivering previous grants, and our learning from customers who are accessing support via the Cost of Living Hub.

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

**Appendices:**

**Appendix 1: Household Support Fund expenditure plan October 2022 to March 2023**

**Appendix 2: Household Support Fund spend summary October 2021 to September 2022**

**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:

<b>Title of document</b>	<b>Location</b>
Household Support Fund (1 October 2022 to 31 March 2022): final guidance for county councils and unitary authorities in England	<a href="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">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</a>
Department for Work and Pensions cost of living support	<a href="https://www.gov.uk/guidance/cost-of-living-payment">https://www.gov.uk/guidance/cost-of-living-payment</a>