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Title of meeting:	Cabinet
Subject:	Cost of living support; Household Support Fund
Date of meeting:	27 June 2023
Report by:	James Hill, Director of Housing, Neighbourhood and Building Services
Author:	Mark Sage, Tackling Poverty Coordinator
Wards affected:	All

1. Requested by Cabinet

1.1. Cabinet requested a report to provide the updates shown below, recognising that the latest tranche of Household Support Fund was received during the pre-election period.

2. Purpose

- 2.1. To outline the assistance being provided to residents of Portsmouth in financial hardship, through the administration of the Household Support Fund made available by the Department for Work and Pensions (DWP) for the year April 2023 to 31 March 2024.
- 2.2. To provide an update on the support the council is providing to residents to help with the rising cost of living.
- 2.3. To outline the plan to align the tackling poverty work and cost of living work, including the administration of the Household Support Fund.

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.

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- 3.1.2. In March 2022, a second round of funding extended HSF for the period April to September 2022, and a further round of funding later extended this to March 2023. Appendix 1 includes a breakdown of how the funds were used to support Portsmouth residents over this period.
- 3.1.3. Local authorities have now been allocated funding to extend HSF to 31 March 2024, with Portsmouth entitled to a maximum allocation of £3,776,429 for the 12-month period. This is the same amount per month as in each previous round, so there has been no increase with inflation or with the rising demand for support with the cost of living.
- 3.1.4. Appendix 2 provides a breakdown of the delivery plan for HSF provision April 2023 to March 2024. Please note that this expenditure is estimated based on expected demand, but is likely to change through the year, responding to the needs of residents. Updates on expenditure and budget forecasts will be provided through the year to Cabinet.
- 3.1.5. 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.
- 3.1.6. In each round, DWP have amended the guidance on how HSF can be used, and who it should support¹.
- 3.1.7. The focus in this round is on providing support that people can apply for. In previous rounds, the majority of funds have been used to provide pro-active support, by identifying people in need, either against particular criteria, or through partner agencies working with people in need, and providing support through those channels.
- 3.1.8. Application-based support provides additional opportunities to encourage residents who are struggling financially to come forward and request assistance, but it does create some additional risks in terms of managing expectations, and staffing capacity.
- 3.1.9. While £3.8m is a significant budget for local welfare assistance this year, Cabinet have asked officers to compare that with the previous uplift in Universal Credit. There are currently around 16,500 households in Portsmouth receiving Universal Credit. To restore the £20 per week uplift to Universal Credit that was removed in October 2021 would cost £17.2m, four and a half times our HSF budget.

¹ [1 April 2023 to 31 March 2024: Household Support Fund guidance for county councils and unitary authorities in England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/1_April_2023_to_31_March_2024_Household_Support_Fund_guidance_for_county_councils_and_unitary_authorities_in_England.pdf)

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3.1.10. In addition, there are many other low-income households in Portsmouth, receiving one or more of the six 'legacy benefits' that Universal Credit will eventually replace, receiving Pension Credit, or who have no benefit entitlement.

3.1.11. HSF is therefore unlikely to meet all of the potential need for financial assistance, and requires a joined-up approach to providing advice for residents on how to manage some of the impacts of the rising the cost of living, as well as on income maximisation and debt advice, alongside the allocation of HSF grants.

3.1.12. Application-based schemes will require a dedicated small team delivering HSF support across the year, and we are recruiting a project lead and two specialist assessors along with a business support administrator, to complete assessments and payments, funded by HSF. This dedicated support will be supplemented by business-as-usual resources from across the council, for example from the digital customer team.

3.1.13. Across a number of schemes, support will be distributed in two rounds, one in the summer and one in the autumn or winter, to ensure that households receive support soon, and that support is available over the colder winter months when energy bills and other costs will rise for many households.

3.1.14. HSF will be used to continue and extend capacity on the cost of living helpline to provide information and advice on HSF, and to support customers to make applications. It will also fund cost of living support work to assist vulnerable residents who need additional support to manage their rising cost of living, and ensure they can access HSF assistance. This provision will be extended to the end of March 2024.

3.2. Application-based provision

3.2.1. We will focus our provision on households who are 'just missing out' on other forms of support:

3.2.1.1 Family vouchers, for low-income families whose children do not qualify for free school meals, for example because they are below school age, or the family's earnings are just above the threshold;

3.2.1.2 HAF Fun Pompey places for children from low-income families who do not qualify for free school meals;

3.2.1.3 HSF cost of living payments, for households missing out on the DWP's cost of living payments, for example because they are receiving Housing Benefit but no other means-tested benefit;

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3.2.1.4 HSF warm home payments for disabled people, who are not automatically eligible for the government warm home payment scheme.

3.2.2. In addition, we will develop a new exceptional hardship grant, which will be provided within a holistic offer of support to understand a customer's financial situation, maximise their income and reduce their costs, and help them find the right solution to deal with problem debt.

3.2.3. Central to developing this will be the voice of residents in need, to understand what support they require, and how it should be provided, and therefore the offer will be developed further as the scheme progresses.

3.2.4. This builds on our offer of support through the cost of living hub, and the partnerships we have developed in delivering HSF support since October 2021.

3.3. Extending HAF Fun Pompey provision

3.3.1. HAF Fun Pompey provides a wide range of free, enriching holiday activities for children with nutritious food. It is open to any child aged 5-16 who is eligible for benefits-related free school meals.

3.3.2. HSF funding will extend the HAF Fun Pompey offer to other low-income families who apply for places but do not qualify for free school meals.

3.4. Innovative provision

3.4.1. As we continue to develop our offer to residents of support with the cost of living, we will explore new ways to target those in need and provide support. This includes our Warmth on Prescription pilot scheme. The HSF team are working with Public Health, Switched On Portsmouth and colleagues from Health and Care Portsmouth to identify older people at greater risk from living in cold homes, to proactively target them with financial support and other assistance to make their home warmer, using HSF funding to meet any gaps in current provision.

3.5. Advertising and promotion

3.5.1. Updates on provision and access routes will be published on the council's website, and a range of marketing and promotional activity will be undertaken for HSF, alongside the wider offer of support on the cost of living, to ensure residents are aware of the help available from the council and other local services.

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3.5.2. This will include continuing outreach money advice activity, to reach people in need who may not come forward to request support.

3.5.3. The scheme does not specify any minimum or maximum amount of funding to any demographic group, to ensure it can respond flexibly to demand. Awards will be monitored to understand whether recipient households are families with children, people over pension age, disabled people or other households, and their ethnic origin. Additional targeting activity will be undertaken for any groups who are under-represented in application-based schemes.

3.6. Portsmouth Cost of Living Hardship Fund

3.6.1. The council has allocated £77,500 from this year's budget for a local cost of living hardship fund, to complement the HSF. This will enable us to fund provision that cannot be funded under the regulations for HSF.

3.7. Support from April 2024

3.7.1. At present, HSF is only funded until 31 March 2024. It is likely that the government will announce in the Autumn budget statement in November whether HSF will be extended for any further period.

3.7.2. Once there is confirmation of whether or not HSF will be extended, action can be taken to ensure we continue to have the right local welfare offer to meet the needs of residents, within the scope of the available resources, and this development will be led by the HSF delivery team, in partnership with HIVE, teams from across the council and other stakeholders.

3.8. Update on support with the cost of living

3.8.1. Running in parallel to the HSF is the council's approach to the cost of living crisis, identified as a key priority by the administration and included in the council plan for 2023/24.

3.8.2. The initial strategy had three clear elements: to understand the existing work happening at the council and through existing networks to build on relationships and good practice; to put together an immediate response to help people; and to use data and insight to support the development of a longer-term approach.

3.8.3. The work is overseen by a steering group made up of representatives from all council directorates, ensuring coordinated work across the council around the cost of living.

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- 3.8.4. The cost of living project was launched in November 2022, and provides dedicated cost of living support for residents through an online hub, a telephone helpline, and a support worker who deals with complex cases and undertakes outreach work. The activity is supported by a range of marketing to ensure residents are aware of the available support.
- 3.8.5. The project uses data and insight to understand the impact of the rising cost of living on people in Portsmouth. That data and insight, including results from the council's most recent resident survey, suggests an ongoing need for support with the impacts of the rising cost of living.
- 3.8.6. The cost of living pressures are expected to continue; while the energy price cap has come down, it remains above the level of the government's Energy Price Guarantee. On 15 March, the government announced an extension of the Energy Price Guarantee at £2,500 until the end of June 2023.
- 3.8.7. Ofgem has announced that the energy price cap for the period 1 July to 30 September will be £2,074 per annum for the average household². This means that households will see a reduction in the amount they pay for gas and electricity, however this remains almost double the price of energy during winter 2020/21³.
- 3.8.8. The prices of food and non-alcoholic drinks rose at the fastest rate since August 1977 in the 12 months to March 2023 with an annual inflation rate of 19.2%, reducing very slightly to 19.1% in April⁴.
- 3.8.9. While inflation is forecast to reduce in 2023, the Consumer Price Index reached a peak of 11.1% in October 2022⁵. This reduced to 8.7% by April 2023, however this does not mean that prices are reducing, just that they are increasing at a slightly slower rate. Even if inflation falls further as expected, increases in prices over the last year are effectively baked in.
- 3.8.10. In response to these pressures, cost of living support from the council is currently delivered by the city helpdesk, the digital customer team and public health, using a mixture of existing and additional resources, supported by colleagues on marketing and communications, and other council services that provide advice and support to residents.
- 3.8.11. The additional resources were initially funded using the Public Health Transformation Fund, and will continue until the end of March 2024 using additional funding from Household Support Fund.

² <https://www.ofgem.gov.uk/publications/customers-pay-less-energy-bills-summer>

³ <https://www.statista.com/chart/28131/uk-energy-price-cap-timeline/>

⁴ <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costoflivinginsights/food>

⁵ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/april2023>

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3.8.12. Between November 2022 and April 2023, the helpline spoke to more than 900 customers, the online information hub was visited almost 24,000 times and support work has assisted around 70 residents with more complex needs.

3.9. Tackling poverty and the Health and Wellbeing Board

3.9.1. Recognising the impact of economic deprivation on public health, the Health and Wellbeing Board (HWB) has included 'tackling poverty' as one of the five priority 'causes of the causes' in the refresh of its strategy, and a development session has been facilitated for the Board on that theme.

3.9.2. The tackling poverty coordinator chairs a tackling poverty group, which brings together representatives from the council and other public sector and voluntary sector organisations that are supporting people in financial hardship, and this work has been running in parallel with HSF delivery.

3.9.3. This group operates as a partnership board to oversee and promote work to tackle poverty in the city, including action to tackle the causes of poverty. While retaining this focus, the group has suggested creating a more formal link to the HWB, by becoming a sub-group, to give more prominence to the work and to refresh and strengthen the group.

3.9.4. The tackling poverty group is in the process of being connected more formally to the Health and Wellbeing Board (HWB), with a view to looking at how the HWB could support the work in terms of people, resources, and a collective offer.

3.10. Future direction of work to tackle poverty and support residents with the cost of living

3.10.1. To date, HSF provision has been delivered with existing resources, led by the tackling poverty coordinator with support from corporate services.

3.10.2. In 2023/24, the HSF grant funding has more complex requirements, as outlined at 3.1 above. These mean that a new approach and additional dedicated resources will be required to deliver the scheme. Part of the HSF grant allocation can be used to administer the scheme, including providing advice and guidance, with other local authorities reporting administration costs of around 10% of their HSF grants.

3.10.3. The approach moving forwards is:

3.10.3.1. The work outlined above with the HWB to develop a more coordinated and sustainable partnership approach to tackling poverty



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will continue, retaining a focus on tackling the underlying causes of poverty.

- 3.10.3.2. The cost of living work, including the brand and focus, will be maintained to meet current and future demand from residents for support managing the immediate impacts of the rising cost of living, and should be coordinated with the administration of the HSF.
 - 3.10.3.3. The tackling poverty coordinator will provide the overall strategic lead for a coordinated approach to the cost of living and HSF work.
 - 3.10.3.4. A portion of the HSF grant will be utilised to enable administration of the fund, and to provide associated information and advice to residents,
- 3.10.4. This approach will ensure that the council and partners can provide a holistic offer of support to residents who are affected by the rising cost of living and experiencing financial hardship, and strengthen the work to provide a strategic partnership response to tackle the underlying causes of poverty in the city.

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

Appendices:

- Appendix 1 - Household Support Fund provision October 2021 to March 2023
- Appendix 2 - Household Support Fund delivery plan April 2023 to March 2024

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
Household Support Fund guidance for county councils and unitary authorities in England	1 April 2023 to 31 March 2024: Household Support Fund guidance for county councils and unitary authorities in England - GOV.UK (www.gov.uk)
Portsmouth Health and Wellbeing Strategy 2022-2030	health-and-wellbeing-strategy-january-2022-accessible.pdf (portsmouth.gov.uk)