

Household Support Fund Update

To: Communities, Social Mobility and Inclusion Committee

Meeting Date: 22 September 2022

From: Interim Deputy Director for Communities, Employment and Skills, Paul Fox

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/103

Outcome: This report outlines a plan to ensure that the pensioner element of the Household Support Fund is fully spent and therefore drawn down to support vulnerable pensioner households in Cambridgeshire. It also gives some indications of the direction of travel for the third tranche of the Household Support Fund.

Recommendation: The Committee is recommended to:

- a) Spend the available balance of funds within the pensioner element of the second tranche of Household Support Fund with Anglian Water (and potentially Cambridge Water) to support customers of pensionable age who are in arrears on their water bills;
- b) Delegate authority to the Interim Deputy Director: Communities, Employment and Skills to make decisions regarding the practical distribution of the balance of funds; and
- c) Delegate authority to the Interim Deputy Director: Communities, Employment and Skills to respond to the demands of the final guidance for the third tranche of the Household Support Fund until formal decisions can be taken at the CoSMIC meeting on 1 November 2022.

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1. Background

- 1.1 The second tranche of the Household Support Fund covers the period 1 April 2022 to 30 September 2022 inclusive.
- 1.2 Cambridgeshire has been allocated £3,581,424 to spend to support vulnerable households in most need of support to help with significantly rising living costs. Payment is made from the Department for Work and Pensions (DWP) following receipt of a Statement of Grant Usage.
- 1.3 Full guidance for the fund is available on the Government's website (Household Support Fund ([1 April 2022 to 30 September 2022](#)): [Final Guidance for County Councils and Unitary Authorities in England](#)). The following two aspects of the guidance are particularly relevant to this report:
 - (i) At least one third of the total funding will be ring fenced to support pensioners; and
 - (ii) Funds should be spent or committed before 30 September 2022 and cannot be held over for future usage.
- 1.4 In July 2022, a report was presented to the Committee outlining the Council's approach taken to distributing the second tranche of the Household Support Fund. For the pensioner element, the Council has partnered with Age UK Cambridgeshire and Peterborough (Age UK CAP). Age UK CAP have a dedicated team processing applications to the Fund, both as direct applications and referrals from other partners. As part of the application, the team also assess for and offer other support that is available. Once the Age UK CAP team have identified that an award is appropriate, the details are passed to the Council's Anti-Poverty Hub team, who process the award.
- 1.5 While this offer was widely publicised with partners and directly to the public through print materials, social media and local media coverage, take up was slow. Several factors may have contributed to this, including:
 - (i) The pensioner cohort are less likely to consume online media which means communications campaigns take more time to gain traction.
 - (ii) The pensioner cohort are less likely to apply for support.
 - (iii) The pensioner cohort have been inundated with anti-scams and anti-fraud messaging over a long period. This has been successful in reducing the number of pensioners who are victims of such crime, but this also means that legitimate offers of support can be viewed with distrust.
- 1.6 More recently, the Council has been able to access and use data from DWP to identify pensioners in receipt of pension credit. Direct invitations to apply have been sent to this group and some district councils have sent similar invitations to pensioners in receipt of council tax reductions, but not pension credit. This direct marketing has significantly increased the number of people seeking support.
- 1.7 Despite the increased number of people coming forward, projections at the time of writing indicate that the Council will not spend the full allocation for pensioners of approximately £1.2m, and therefore contingency plans are required to enable the full allocated amount to be spent to support vulnerable households in Cambridgeshire.

2 Main Issues

- 2.1 Any contingency plan to ensure maximum spend in this cohort needs to:
- (i) Provide support to individuals that meet the scheme criteria;
 - (ii) Target support to individuals that are most in need;
 - (iii) Recognise the challenges regarding getting pensioners to apply for support;
 - (iv) Use a mechanism that is as minimally burdensome as possible for beneficiaries;
 - (v) Use a mechanism that is as minimally burdensome as possible administratively; and
 - (vi) Be as flexible as possible (to reflect the fact that the demand-led nature of the scheme means that accurate predictions on final expenditure are difficult)
- 2.2 Some authorities have taken the approach of issuing vouchers by letter to large numbers of individuals. There are a number of downsides and risks to this approach:
- (i) A significant cohort will not redeem the voucher at all, either through fear of being scammed or belief that it is marketing material.
 - (ii) Where cash out vouchers have previously been used in large numbers over a short period of time, there have been reports of shops and post offices refusing to redeem the voucher.
 - (iii) For some in this cohort, there are mobility and/or transport challenges involved in accessing a shop or post office with a cash out facility to redeem the voucher.
 - (iv) Most voucher schemes cannot be personalised, and vouchers could be at risk of misappropriation.
 - (v) The major cohort of pensioners that the Council holds contact details for are those in receipt of pension credit. Pensioner households in receipt of this benefit will already be receiving around £1500 of support directly from the Government. This is not to say that this group are not in need, rather that the HSF should also support those in need but not in receipt of pension credit.
- 2.3 Given the challenges around delivery and redemption of vouchers, the Council has been seeking ways to put support directly towards people's bills. It maintains a good partnership relationship with Anglian Water, and the limited and stable number of companies (Anglian Water and Cambridge Water) operating locally makes water the most straightforward bill to target.
- 2.4 The contingency proposal therefore is to use the unspent and unallocated funding from the pensioner element of the HSF to make direct contributions to water bills for pensioner households who are in arrears on their water bills. Targeting those pensioner households who are in arrears on their water bill would mean that the Council is supporting those who are starting to struggle with their bills (water bill arrears are often an early indicator of financial distress), as well as those who have been struggling for some time.
- 2.5 The contributions would be used to deliver a 'payment holiday', where upcoming bills would be reduced (rather than removing amounts from the arrears accrued). This means that money would remain in pensioner household budgets and can be used to meet the increasing cost of living rather than paying their water bills.

- 2.6 At the time of writing this report, some details are yet to be finalised with this arrangement:
- (i) The Council is seeking equity of support across Anglian Water and Cambridge Water. Anglian Water are in principle in agreement, but the Council is yet to receive confirmation from Cambridge Water whether they are amenable to this approach.
 - (ii) The number of households who would be supported - Anglian Water indicate there are approximately 2,800 customers of pensionable age in Cambridgeshire who are in arrears on their water bills. The Council does not currently have similar data for Cambridge Water customers.
 - (iii) Exactly how much each household in arrears would receive - this is dependent on whether both water companies or just one agree to participate. The Council would prioritise spending through the existing scheme with Age UK CAP, as it provides additional benefits in the form of wider referrals and wrap around support. The amount each household in arrears receives would be based on the amount of funding remaining in the pensioner allocation divided by the total number of customers of pensionable age who are in arrears.
- 2.7 At the time of writing this report, the anticipated balance of funds remaining in the pensioner allocation is approximately £800,000. As with the previous tranche of the HSF, the demanded nature of the scheme means that estimations on the precise amount available are difficult, and the total amount available for utilisation will only become clear in the final days of September 2022.

Household Support Fund 3.0

- 2.8 Draft guidance concerning the third tranche of the Household Support Fund, to run from 1 October 2022 to 31 March 2023, was issued on 26 August 2022.
- 2.9 Grant determinations for each authority are not yet available, pending agreement from the Treasury. The Council's DWP Engagement Lead has suggested that allocations for each authority are likely to be available sometime in the middle of September.
- 2.10 There are a few key changes to the guidance for this tranche of funding:
- (i) There is no ringfence of any proportion of the funding for any particular cohort of people.
 - (ii) There is now a requirement for all authorities to operate at least part of their scheme on an application basis.
 - (iii) There is an expectation for authorities to particularly consider those groups who may not have benefited from any of the recent cost of living support schemes.
 - (iv) Restrictions on the type of support offered remain in place - funding is focused on energy and water, food, essentials linked to energy and water. The Council remains forbidden from funding advice and guidance using this funding.
 - (v) Funding for this grant is likely to be allocated to authorities using the population of each authority weighted by a function of the English Index of Multiple Deprivation - if finalised, this may mean the allocation for Cambridgeshire could be lower than previous tranches.
 - (vi) Management Information reporting requirements for the third tranche of funding have significantly increased with information required concerning particular cohorts of individuals, category of spend and type of support, as well as the number of individual awards and the number of households supported.

- 2.11 None of the changes outlined in the draft guidance necessitate a major change in the way the Council will approach the delivery of the third tranche of the HSF. Some adjustments will be needed to ensure that it is able to meet the increased ask for management information.
- 2.12 While major changes are not anticipated in the final guidance for this tranche of funding, a delegation of authority has been sought in this paper to ensure that the Council is able to respond in a timely manner ahead of the next Committee meeting.

3. Alignment with corporate priorities

The Council's approach to Household Support Fund 3.0 is likely to mirror the approach it took to Household Support Fund 2.0, the implications of which were outlined in the reports brought to the Committee in April and July 2022. The below implications therefore focus on the contingency arrangement outlined in the paper.

3.1 Environment and Sustainability

There are no significant implications for this priority from the contingency arrangement proposed.

3.2 Health and Care

The contingency outlined in the report would allow funding to be spent to support vulnerable pensioner households in Cambridgeshire and free up much needed funds to meet other costs such as increased fuel costs.

3.3 Places and Communities

The contingency outlined in the report would allow funding to be spent to support vulnerable pensioner households in Cambridgeshire and free up much needed funds to meet other costs, such as increased fuel costs.

3.4 Children and Young People

There are no significant implications for this priority from the contingency arrangement proposed.

3.5 Transport

There are no significant implications for this priority from the contingency arrangement proposed.

4. Significant Implications

4.1 Resource Implications

The funding allocation for the second tranche of the Household Support Fund is only available between 1 April 2022 and 30 September 2022, must be used in accordance with the published guidance and cannot be carried forward. Unless contingency arrangements are agreed, the funding will not be drawn down and will therefore be lost to the people of Cambridgeshire. There are no longer term resource expectations or impacts.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Anglian Water (and Cambridge Water) are classed as public sector organisations and the Council is able to contract with fellow public sector organisations outside procurement regulations.

4.3 Statutory, Legal and Risk Implications

There are no significant implications for this priority.

4.4 Equality and Diversity Implications

There are no significant implications for this priority.

4.5 Engagement and Communications Implications

There are no significant implications for this priority - eligible customers would be proactively identified and informed of the support.

4.6 Localism and Local Member Involvement

There are no significant implications for this priority.

4.7 Public Health Implications

There are no significant implications for this priority.

4.8 Environment and Climate Change Implications on Priority Areas:

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: neutral

Explanation: The contingency proposal is about ensuring water customers of pensionable age who are in arrears are able to use money they would otherwise spend on water bills to meet increased costs elsewhere. There are therefore no significant environmental and climate change implications.

4.8.2 Implication 2: Low carbon transport.

Status: neutral

Explanation: As above

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Status: neutral

Explanation: As above

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: neutral

Explanation: As above

4.8.5 Implication 5: Water use, availability and management:

Status: neutral

Explanation: As above

4.8.6 Implication 6: Air Pollution.

Status: neutral

Explanation: As above

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Status: neutral

Explanation: As above

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Martin Wade

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Yes

Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes

Name of Legal Officer: Amy Brown

Have any engagement and communication implications been cleared by Communications? Yes

Name of Officer: Amanda Rose

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Paul Fox

Have any Public Health implications been cleared by Public Health?

No

Name of Officer:

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

5. Source Documents

5.1 [Agenda Item 5 - Household Support Fund \(Committee meeting on 14th April 2022\).](#)

5.2 [Agenda Item 5 - Household Support Fund Committee meeting on 21st July 2022\).](#)