

Name of meeting: Cabinet

Date: 05/07/2022

Title of report: Proposals for additional Household Support in 2022/23

Purpose of report: To set out proposals to provide support for households in 2022/23 in accordance with funding and associated guidance issued by Government.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u> ?	Key Decision – No Private Report/Private Appendix – No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	Rachel Spencer-Henshall – 27 June 2022 Eamonn Croston – 27 June 2022 Julie Muscroft – 27 June 2022
Cabinet member portfolio	Cllr Paul Davies

Electoral wards affected: All Ward councillors consulted: None

Public or private: Public

Has GDPR been considered? Yes

1. Summary

- 1.1 On 23 March 2022, the Chancellor announced further measures to households as part of the Government's Spring Statement. This included a further £500m national Household Support funding allocation to Councils for 2022/23. This follows on from a £500m national funding allocation which covered the period October 2021 to March 2022; this Council's share £3.702m. This Fund is intended to support vulnerable people with payments and grants such as vouchers to help meet daily needs such as food, clothing, and utilities.
- 1.2 The announcement was made 8 days before the start of the funding period and at a time when Kirklees was preparing to implement a scheme to provide the Council Tax Energy Rebate payments, which itself was announced on 3rd February 2022. Both initiatives were brought before cabinet for decision on 5th April 2022.
- 1.3 Notwithstanding the two support packages referred to at 1.1 and 1.2 Kirklees took a decision at the 16th February 2022 Budget Council to continue providing additional targeted support to the borough's lowest income households eligible for the Council's Council Tax Reduction (CTR) scheme at up to £150 for 2022/23 which effectively further reduced council tax bills for around 18,000 households at a cost of £2.6m.
- 1.4 Since that decision was made officers have been working to distribute the Council Tax Energy Rebates and have continued to provide Local Welfare Provision support by way of payments and in-kind support to assist with food, essential supplies and energy costs.
- 1.5 On 26th May 2022 the chancellor announced further support to be delivered through the benefit system and through energy suppliers that, he also announced a further Household Support Fund to take effect in October 2022. That announcement is summarised here for information and context.
 - Direct Support - £650 for each household in receipt of a welfare benefit; £300 for those pensioners eligible for a Winter Fuel Payment; £150 to those receiving non-means tested disability benefits. That will be delivered over the coming summer and autumn months by government departments.
 - Electric accounts - £400 credit (instead of £200) no longer a loan.
 - Household Support Fund – further £3.7m for October 2022 to March 2023 which also includes providing £650 to a very small cohort of Housing Benefit recipients that do not qualify for the Direct Support payment. This fund will not be aggregated with the 6 month fund to which this paper refers.
- 1.6 This report sets out proposals for targeted support for the £3.702m Household Support Fund allocation from April to September 2022, that will supplement the support already provided by Kirklees directly and the measures announced by the Government which are already in train. The landscape of support has changed significantly since the 23 March 2022 Chancellor announcements; some targeting those in greatest need and on the lowest income, some like the £400 electric account credit is universal, with some recipients entitled to more than one payment if they have more than one domestic electricity account. The impact of these measures to date are also set out in the remainder of this report.

2. Information required to take a decision

- 2.1 The Chancellor announced on 23 March 2022 as part of the Spring Statement, an extension of the 2021/22 Household Support Fund with a further £500m national funding allocation for 2022/23. This funding allocation follows the same Government grant guidance as the 2021/22 Household Support Fund; namely supporting vulnerable people with payments and grants such as vouchers to help meet daily needs such as food, clothing, and utilities.
- 2.2 The Council's share of the £500m allocation is £3.702m This needs to be allocated and spent by end of September 2022.
- 2.3 A decision was made by Cabinet on 5th April 2022 in the following terms :
- “That it be noted that the Government extended the Household Support Funding support to Councils for 2022/23, and the Council's anticipated share was £3.702m.
- “That authority be delegated to the Strategic Director for Corporate Strategy, Commissioning and Public Health and Service Director for Children's Services, in consultation with the Corporate portfolio holder, Learning, Aspiration and Communities portfolio holder, and Service Director-Finance; to direct the Council's newly announced 2022/23 Household Support Fund allocation to appropriate interventions within the range of anticipated eligibility criteria as detailed in the report, through the Local Welfare Provision scheme.”
- 2.4 Work has been done with delegees to look at the options with the portfolio holder and the outcome is set out in the recommendations and having regard to later funding announcements described below. The shape of the funding restricts our opportunity to be flexible given that 1/3 of the fund is to be directed at those of Pension age.
- 2.5 The remaining funding is insufficient to both meet an equivalent provision for Free School Meal support for those entitled and provide crisis support for those that are not when they are in need. Free School meal support was provided at Easter 2022 meaning that approximately £540,000 of the £3.702m has already been allocated to primarily those of working age with children. The recommendations seek to address those features of the funding requirements and guidance.
- 2.6 The Landscape of support has also changed significantly since the original announcement and decision was made meaning that the overall package of support available to citizens and the timing of that support is much clearer.
- 2.7 In the period since the announcement was made efforts have been directed towards distributing the Council Tax Energy Rebate as that is a significant sum of money and touches most households. In addition to that support Discretionary crisis support has been provided through the Local Welfare Provision scheme to over 500 households since the beginning of April this year.

As it stands today the support already provided directly and indirectly by Kirklees is as follows:

	Kirklees Citizens	Total
Additional local council tax support	18,000	£2.6m
Energy Rebate payments already made	116,620	£17.493m
Local Welfare Provision support already provided	600	£106,452
to households through the Kirklees local council tax reduction scheme	35,561	£34.2m
Equivalent Free School Meal support at Easter holidays 2022	18,000	£540,000
mainstream Local Welfare provision support through partners in the form food and clothing	c3500 food packs per month	£164,000
Total		£55m

A total of around £55m with a further £7.5m to be paid out in Energy Rebate payments over the coming two months.

2.8 The tables below set out the support destined for Kirklees citizens based upon the latest data arising from the Chancellors announcements on 26th May:

£326 to all citizens entitled to one of the following benefits to be paid between the 14th July and the end of July 22 – The remaining £324 to be paid in the Autumn :

	Kirklees Citizens	Total
Universal Credit	34,658	£11,298,508
income-based Jobseeker's Allowance (JSA)	778	£253,628
income-related Employment and Support Allowance (ESA)	12,115	£3,949,490
Income Support	1,375	£448,250
Pension Credit	9,043	£2,948,018
Total	57,268	£18,669,368

It is unclear as to how many Tax Credit recipients will receive the two payments in Kirklees as some citizens receive both tax credit and one of the qualifying benefits above meaning they would only qualify for one payment.

£150 to all citizens entitled to one of the following benefits:

	Kirklees Citizens	Total
Personal Independence Payment	22,072	£3,310,800
Attendance Allowance	7,830	£1,174,500
Disability Living Allowance	7,557	£1,133,550
Total	37,459	£5,618,850

A number of other lesser known disability benefits also produce an entitlement but the numbers in receipt in the borough are unknown with the numbers being very small in comparison.

£400 to all Domestic Electricity account holders to be credited to accounts in October 2022 :

	Kirklees Citizens	Total
Domestic properties	c190,000	£76m

- 2.9 The recommendations for use of the money announced in March seek to provide or supplement support for those most in need having regard to later funding packages described above and existing support mechanisms. Following later Government funding announcement in May and the discussion with Strategic Directors Cabinet requested that the decision come back to Cabinet for a discussion and decision.

3. Implications for the Council

3.1 Working with People

The payments will provide financial assistance to residents that qualify.

The Council will continue to ensure that households and individuals are aware of what the Council can do to provide advice, guidance and support at this time with the resources it has available.

To seek opportunities to work with people, partners and in places, to find alternative solutions and to provide resilience in communities with initiatives like “The Bread and Butter Thing” which has started in Chickenley, is to start in Dalton and will start in three other areas yet to be determined.

3.2 Working with Partners

Partners in the third sector will be critical in ensuring that those most vulnerable are aware of how they access this funding. We will ensure that partners are equipped to provide appropriate advice guidance and support

3.3 Place Based Working

There will be a need to directly engage with some residents that are hard to reach. We will continue to work with partners to maximise our community reach.

3.4 Climate Change and Air Quality

Not applicable

3.5 Improving outcomes for children

Increases available household income so potentially reducing poverty as well as help towards food and fuel costs, and warm clothing.

3.6 Financial impact on people living and working in Kirklees

Key issues are picked up in “Human Resources” and “Working with People “ above.

3.7 Other (e.g. Legal/Financial or Human Resources)

Financial

Government has provided Household Support Grant Funding of £3.702m to the Council for the April to September period, and the proposals set out in this report are for its use over the period, in line with relevant Government guidance on grant use. The further announced £3.7m from October 2022 to March 2023 will be subject of further consideration by Cabinet, and subject to more detailed guidance by Government in due course.

Legal

The funding is a one-off contribution. It is to be treated as Local Welfare Provision for the purposes of any other decision though it is not itself a Local Welfare Provision payment.

It is important to note that any payments made out of this grant fund do not amount to payments made under section 1 of the Localism Act 2011. Ordinarily Local Welfare Provision payments are made under that section and then count as “public funds” for the purposes of immigration and would not therefore be available to those with no recourse to public funds. Payments made here will be made in accordance with the Grant Determination and are subject to the conditions set out by the Secretary of State in that determination.

Human Resources

We will use the Local welfare Provision team to deliver these interventions we will also work with schools to purchase and distribute the vouchers

4 Consultees and their opinions

For the most part payments are to be made in accordance with the scheme as set out by government and are not subject to consultation.

5 Next steps and timeline.

To commence payment activity as soon as is reasonably practicable.

6 Officer recommendations and reasons

It is recommended that :

Pensioners:

At least one third of the funding must be used to support pensioners. One third of the available funding is to be used to target those pensioners in receipt of a Council Tax Reduction for the whole allocation of £1.23m. This is approx. 11,350 households and would be approx. £100 per household.

Officers will have established a method of payment for this cohort as part of the £150 energy rebate, and can identify them and use the same mechanism meaning that it is relatively simple to administer.

Households with Children:

To award those families entitled to Free School Meals a one-off Cost of Living Payment of £70 per child. This will be badged as a one off cost of living payment rather than free school meal support. Whilst this increases support only for families with children of school age, those families will experience additional costs when children are not in school. Other households can receive support through the scheme available to all households.

This will result in total spend on Households with Children of £1.8m because of the £540,000 already allocated at Easter 2022.

All Households:

Remaining balance of £650,000 to be utilised by:

- working with relevant partners/stakeholders/3rd sector organisations
- applications for support via Local Welfare Provision which will be assessed on a case-by-case basis to support families and individuals in need.

It is proposed that authority be delegated to the Strategic Director for Corporate Strategy, Commissioning and Public Health and Service Director for Children's Services, in consultation with the Corporate portfolio holder, Learning, Aspiration and Communities portfolio holder, and Service Director-Finance agree the mechanism for how the remaining £650,000 be used working with those relevant partners/stakeholders/3rd sector organisations

7. Portfolio Holder Comments:

The Portfolio Holders agrees with the proposals as set out in this report.

8. Contact officer

Julian Hobson – Senior Manager, Welfare and Exchequer Services

9. Background Papers and History of Decisions

Cabinet HSF paper 5th April 2022

[https://democracy.kirklees.gov.uk/documents/s45861/Household Support 2022-23.pdf](https://democracy.kirklees.gov.uk/documents/s45861/Household%20Support%202022-23.pdf)

Cabinet decision

16th February budget papers – page 20 paragraph 2.11.7

<https://democracy.kirklees.gov.uk/documents/s45204/Budget%20Motion%20-%20Feb%2022.pdf>

10. Service Director responsible

Eamonn Croston – Service Director - Finance