

Birmingham City Council

Report to Cabinet

4th April 2024



Subject: HOUSEHOLD SUPPORT FUND

Report of: Richard Brooks,
Director of Strategy, Equality and Partnerships

Relevant Cabinet Member: Councillor Sharon Thompson, Deputy Leader

Relevant O &S Chair(s): Councillor Sir Albert Bore – Co-ordinating

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: N/A		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

1.1 On 6th March 2024, the Chancellor announced the continuation of the Household Support Fund (HSF) for an additional six months. This announcement was not

anticipated and, combined with the short period allowed for spending, this is the reason that this Cabinet paper is submitted as an urgent report.

- 1.2 The Household Support Fund is a UK Government grant administered through UK local authorities and is designed to assist vulnerable people to cope with the rising cost of living. Since 2021, a cumulative amount of £63,955,675 has been awarded to Birmingham City Council.
- 1.3 The details of the new fund and the amount to be awarded to Birmingham has just been released by the DWP. In this fifth round, the sum allocated to the Council is £12,791,135.04 and covering only the first six months of 2024/25.
- 1.4 All the funding is to be spent by the 30th of September 2024. This is extremely challenging as a time limit.
- 1.5 The Cabinet is therefore asked to approve the following recommendations.

2 Recommendations

2.1 The Cabinet is asked to:

- Accept the 2024 allocation of Household Support Funding which is £12,791,135.04 (for the sake of brevity, the sum reported in the rest of this paper will be rounded to £12.791m).
- Approve that the fund be delivered by the Cost-of-Living programme through the established Strategic Response Group. This would be in consultation with the Deputy Leader, who is the Cabinet Member responsible for the Cost-of-Living programme.
- Reconfirm that the Chair of the Strategic Response Group for the next six months, as well as being the Senior Responsible Officer, will be Richard Brooks, the Director of Strategy, Equality and Partnerships.
- Approve the indicative spend on disbursements set out in **Appendix 1**.
- Delegate relevant decisions, including detailed decisions on spending, to the Strategic Response Group in consultation with the Deputy Leader including any decisions required if the fund is subsequently extended from six months to the full 2024/25 financial year.
- Note these decisions will continue to be formally recorded and shared on CMIS through an established Officer Delegated Decision form. This form is signed off by the SRO in consultation with the Council's business partners including the S151 officer.
- Delegate procurement decisions to the Director of Strategy, Equality and Partnerships and the Section 151 officer, in consultation with the Assistant Director of Corporate Procurement and the appropriate Cabinet Members.

3 Background

- 3.1 The DWP first announced the Household Support Fund following the ending of Covid Lockdowns in October 2021. Originally intended as a one-off six-month fund to enable discretionary financial support to be directed to the most affected low-income households, there have been several extensions over the years. This is now round five.
- 3.2 All allocations to local authorities are based on the same funding formulas applied since October 2021. For English Councils, the formula is determined by the DWP weighting both population and income deprivation. This calculation applies to the recent six-month funding extension of £12.791m announced on 6th March 2024.
- 3.3 Recent DWP guidance confirms previous stipulations that the HSF should be used to support households in the most need, particularly those who may not be eligible for other Government support.
- 3.4 As with previous rounds, the fund can be used to assist households across a broad range of thematic areas such as energy, food, everyday wider essentials, and limited help with housing costs. Support can include cash, vouchers, tangible items, and advice services such as benefits maximisation, as well as signposting to employment services.
- 3.5 Round five also retains similar reporting requirements to the fourth round which included capturing additional metrics on the overall household groups (all age, pension age and families with children) and households with a disabled person. New in the guidance is the ability to set aside small sums of the fund for data gathering, analysis and evaluation.
- 3.6 The grant must be spent in full between 1st April and 30th September 2024. Councils are paid the grant in arrears and must submit two Management Information reports to DWP over the next six months.
- 3.7 The outline financial allocations set out in **Appendix 1** are based on the following: -
 - Conformity with HSF guidance and requirements; both application based, and cost of living support via advice services.
 - Targeted thematic support coverage; 1) energy, food, advice, and 2) vulnerable household groups.
 - Maintaining existing HSF Round 4 support programmes.
 - Scope to respond to emerging new areas and pressures, for example furniture packs for households in temporary accommodation.
- 3.8 Birmingham's application-based support has been developed and refined through third sector Early Help organisations across all ten Parliamentary Constituencies. Alongside direct financial assistance, residents have been

signposted and referred into wider support networks for other forms of help in the local neighbourhood. These referrals include for benefits and income maximisation, Warm Welcome spaces, foodbanks, debt advice, and disability services.

The Council's own Cost of Living Programme

- 3.9 Since October 2022, as a subset of the wider HSF programme, the Council has provided a range of Cost-of-Living interventions. These included working with partners to support the establishment of over 300 Warm Welcome spaces in the City. These spaces collaborate as a city-wide network, the largest of its kind in the UK, and amplify the effect of community organisations across Birmingham.
- 3.10 In addition, through a previous allocation of the Council's financial reserves, and through the Household Support Fund, there has been cash provision for 169 foodbanks and other food projects to help them survive over the past two winters; other measures to support sustainability of food banks and other food projects; and also, additional benefits maximisation generating over £4m in new income for vulnerable households.
- 3.11 The Council's dedicated Cost-of- Living scheme means that the Warm Welcome Network can now cater for 60,000 citizens a week, the foodbanks can provide for 24,000 households per week and, over the February school break, at least 130,000 school children received a food voucher worth £20.
- 3.12 This new round of funding is to be welcomed. However, as stated above, there is a very tight deadline for spend which, when combined with uncertainty over future funding, particularly in the winter months, means vulnerable families will still risk hardship in the longer term. Therefore, it is important to build as much sustainability from this round of funding as possible to create greater long-term impact, and to mitigate the risk of the fund not being renewed for the winter of 2024/25.
- 3.13 For this reason, it is proposed that the new round of HSF be used to invest further in the Warm Welcome network, making it as sustainable as possible in the longer term. This will mean targeted allocations for digital connectivity and premiss retrofit. It is anticipated that the food provision allocation will emphasise equipment for generating further food supply beyond the summer. Online benefits advice, coupled with digital upskilling will be expanded and linked to an approved £1.2m grant (from Public Health) for employment support. There will also be intensive efforts to support employment signposting for those who wish to find work. The aim is to create longer term household income streams. An important new strand of our activity will be a focus on financial planning skills to help prevent people falling into financial distress.
- 3.14 The Council's longer-term ambition is to create greater economic inclusion by linking HSF measures to employment opportunities, reducing poverty rates, and reducing the number of households in crisis. An important imperative is to create

ever more opportunity to collaborate and leverage support from partners, making the most efficient overall use of resources.

Wider delivery plan priorities for Household Support Fund Tranche 5

- 3.15 **Appendix 1** is not a finalised allocation for each intervention, but a statement of intent based upon the specific needs of vulnerable communities, low-income households and those with additional care or support needs.
- 3.16 An overall HSF package of measures for the £12.791M available allocation has been identified through scoping discussions held across Council directorates, including with Birmingham Children's Trust. Input has also been provided by officers overseeing the Cost-of-Living programme, and by third sector partners who have been an integral part of the delivery since the initiation of the fund. The overall pattern is similar to the previous rounds, but with a greater emphasis on sustainability of impact.
- 3.17 To meet both local needs and demands due to energy and food costs, as well as complying with stipulated requirements in the HSF guidance, application-based assistance remains a key element. The current value of this comes to £4.2M. This figure is based on previous experience of demand, deliverability, and HSF funding guidance.
- 3.18 The overall package set out in **Appendix 1** also includes a continuation of support delivered in the current 2023/24 round. This includes six months of funding (£660K) directed via schools and early help organisations in areas with highest the levels of income deprivation affecting children (IDACI), to be allocated to provide targeted assistance directly working with those schools. This will provide discretionary referral-based help with clothing, and other household essentials. Supplementing this, there is a funding allocation of £1,560,000 to Birmingham Children's Trust, to support those young people with additional care and support needs. This is based on previous rounds and support interventions.
- 3.19 Administration and delivery costs have been minimised and include onward signposting, referrals to local support, alongside the assessment and eligibility checks as well as monitoring for any potentially fraudulent activity.

4 Options considered - and recommended proposal.

- 4.1 **Do nothing:** The impact would be a delay or even forfeit of Birmingham's HSF allocation to support vulnerable households facing severe cost-of-living pressures.
- 4.2 **Preferred option: Approve the overall HSF package in Appendix 1. subject to oversight by the Cost-of-Living Strategic Response Group.** This will ensure that Birmingham's available allocation is used to support vulnerable households and build sustainability and minimises risks to delivery for citizens.

5 Consultation

- 5.1 Officers delivering HSF have worked closely internally and externally with frontline teams across all directorates and third sector providers. Lead Cabinet Members have also been briefed. The Household Support Fund has also allowed the Council to form many deep new relationships with partners across the city.
- 5.2 As previously agreed for past rounds of HSF, and as stated above, it is recommended that the delegation of expenditure is to the Director of Strategy, Equality and Partnerships and the Section 151 officer, in consultation with the appropriate Cabinet Members.
- 5.3 The Lead Cabinet Member (the Deputy Leader) and the Leader of the Council have been consulted and will be also kept apprised of all subsequent material decisions at officer level.
- 5.4 All relevant business partners have been consulted (see below) and are also kept apprised of activity at delivery level.
- 5.5 Through the Director of SEP, the Chief Executive, CLT and the Cabinet will also receive regular reports on the programme. Furthermore, a detailed progress report on the Cost-of-Living programme was submitted to Cabinet in April 2023. A further evaluation exercise and report will be produced at the end of the current HSF round in the Autumn of 2024. The Cost-of-Living programme will also report to a Scrutiny Task and Finish Group in the Spring of 2024. This is to inform on recommendations for improvements that this scrutiny group made last year.
- 5.6 Finally, there are wider ad hoc consultations through conferences and forums such as the regular Warm Welcome seminars and the Food Justice Network.

6 Risk Management

- 6.1 The inability to respond at the required scale and pace.
Mitigation: This risk will be mitigated by a Cabinet decision to continue the Council's Cost-of-Living Emergency Programme, with its dedicated interim management team (resourced entirely out of the administrative element of HSF), and by close governance by the Strategic Response Group.
- 6.2 A lack of a coordinated response across the city. Given the urgency, partners as well as the Council may start putting into place actions that duplicate or do not align thus reducing the impact and causing confusion.
Mitigation: The Strategic Response Group mentioned above sets direction and agrees key priorities. Chaired by the Director of Strategy, Equality and Partnerships, membership includes all the council's appropriate senior departmental leads. The NHS, the Birmingham Voluntary Service Council and the Birmingham Children's Trust are also part of the group in order to be consulted and to provide an expert, external perspective. The group is to be broadened to include representation from the Further and Higher Education Sectors, private enterprise (non-supplier) and other interested parties. The Warm Welcome

network will continue to share resources, and best practice, as well as to generate innovation.

6.3 The Lack of sustainability.

Mitigation: As stated above, while HSF is intended only to support households in crisis, the programme will increasingly be linked to inclusive growth. This is closely aligned with the Early Intervention and Prevention programme, and the wider City Help and Support Directorate will be the home for much of the substantial activity developed and accelerated through round 5 of the HSF. The team administering the new round of funding will work hard to leverage in support from the council's employment, digital inclusion, and benefits teams so as to create a pipeline of potential employment opportunities for those who are economically vulnerable and who might be interested in longer term employment opportunities.

6.4 The short time scale for delivery

Mitigation: the six-month window for delivery is a significant risk, particularly as HSF funding will cease just before the winter months. Representations will be made to the DWP to investigate whether some flexibility in delivery is possible. A key pillar of investment will be in areas that support vulnerable people in the longer term. Tight programme management and regular oversight by the Strategic Response Group will support successful delivery.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.2 The original Cabinet Paper of the 11th October 2022 stated that our Cost-of-Living response should align with and accelerate our longer-term strategic work; for example, Early Intervention and Prevention, and Net Zero.

7.1.3 The Strategic Response Group provides a forum for ensuring this principle is respected, and key officers who are leading strategic programmes also lead or are closely involved in the relevant Cost of Living operational delivery work strands.

7.1.4 This principle was accepted by Cabinet. It was further recommended (and accepted by Cabinet) that our programme of Cost-of-Living work focus on four broad themes:

Theme

- People - Increase income and reduce costs.
- Public Sector and VCS – collaborate, rally, and support our partners.
- Business – Promote employment and economic inclusion.
- Places – Increase energy efficiency.

7.1.5 Within these themes, mapping of current and planned activity has informed a view of what actions are required. This exercise identified the following areas as priorities:

Actions

1. Ensuring the provision of a network of warm spaces across the city which we now call **Warm Welcome**.
2. Improving the availability of **advice to residents**, with a focus on maximising benefits take up. Aligning with the latest DWP guidance, this is increasingly linked to signposting to employment support.
3. Increasing **energy efficiency**, with a focus on reducing costs.
4. Increasing the **supply of food** across the city.

7.1.6 We will also seek to improve **protection of vulnerable children and young people** (including those with Special Educational Needs and Disabilities).

7.1.7 This funding also supports the core themes of the **Birmingham Joint Health and Wellbeing Strategy 2022-2030**.

7.2 Legal Implications

7.2.1 Under the general power of competence per Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report and they are within the boundaries and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

7.2.2 S.17 of the Children's Act 1989 requires the Council to safeguard and promote the welfare of children within their area. The Act also requires the Council to facilitate the provision by others of services and to make such arrangements as it sees fit for any person to act on their behalf in the provision of any such service.

7.2.3 Under S.111 Local Government Act 1972, the Council has power to do anything (whether or not involving the expenditure, borrowing, or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

7.2.4 Part B, B6.9, Council's Constitution states that "If the interests of the Council are jeopardised unless an executive decision is implemented immediately then the Chief Executive in consultation with the Leader (or Deputy Leader in his/her absence) may designate such executive decision as so urgent that its implementation cannot wait until the expiry of the call-in period."

7.3 Financial Implications

7.3.1 Birmingham City Council has been allocated £12.791m for the period 1st April to 30th September 2024. This is paid in arrears on claim of activity.

- 7.3.2 In the upcoming six months, the DWP retains the right to reclaim any funds left unspent.
- 7.3.3 **Appendix 1** outlines the proposed distribution of this grant in full, pending oversight from the Strategic Response Group.

7.4 Procurement Implications

- 7.4.2 Any associated third-party expenditure which is not anticipated, will be procured in accordance with the Council's Standing Orders and the Public Contract Regulations 2015.

7.5 Human Resources Implications

- 7.5.1 There are no HR implications due to the short and interim life of the funding, third party staffing resources are already in place for delivery and these resources are fully covered by the HSF. There is no draw on the Council's own resources.

7.6 Public Sector Equality Duty

- 7.6.1 The funding will be distributed in line with the terms and conditions outlined in the grant allocation documentation from DWP set out in Household Support Fund (HSF) Guidance.
- 7.6.2 A full Equality Impact Assessment has been carried out and the reference number is EIA000402 (**see Appendix 2**).
- 7.6.3 An Environmental Impact Assessment has been produced. The assessment is based on a past agreed submission (**see Appendix 3**).

8 Appendices

- 8.1 **Appendix 1:** The draft distribution of allocations.
- 8.2 **Appendix 2:** Equality Impact Assessment (Ref. EIA000402) - Cost of Living Programme - Household Support Fund (HSF) Round 5.
- 8.3 **Appendix 3:** Environmental Impact Assessment

9. Background Documents

- 9.1 Cabinet Decision 11 October 2022 - Cost of Living Emergency Programme