

# Birmingham City Council

## Report to Cabinet

7<sup>th</sup> June 2022



**Subject:** USE OF HOUSEHOLD SUPPORT FUND

**Report of:** Sue Harrison  
Director for Children & Families

**Relevant Cabinet Members:** Cllr Karen McCarthy - Children, Young People & Families  
Cllr Mariam Khan - Health & Social Care  
Cllr Yvonne Mosquito - Finance & Resources

**Relevant O&S Chairs:** Cllr Kerry Jenkins - Education & Children's Social Care  
Cllr Mick Brown - Health & Social Care  
Cllr Akhlaq Ahmed - Resources

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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: 010200/2022		
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 This report sets out Birmingham's allocation under the government's Household Support Fund.
- 1.2 It seeks approval for the proposed use of Birmingham's second allocation.

## **2 Recommendations**

- 2.1 That Cabinet; -
  - 2.1.1 Approves the use of the Household Support Fund as set out in 3.5 - 4.5 below.
  - 2.1.2 Delegates the management of the distribution to the Director Children & Families and the Director Adult Social Care.
  - 2.1.3 Approves the direct award of contract to BVSC via a Single Contractor Negotiation for the management and administration of the localities funds (worth £9.102m) to provide financial assistance to vulnerable households in crisis, at cost of £0.350m, until 30<sup>th</sup> September 2022 for 5 months.
  - 2.1.4 Authorises the Interim City Solicitor (or delegates) to execute and complete all necessary legal documents to give effect to the above.
  - 2.1.5 Approves the transfer of £1.880m to Birmingham Children's Trust to provide financial assistance to vulnerable families with children until 30<sup>th</sup> September 2022.

## **3 Background**

- 3.1 In the Spring Statement 2022, The Chancellor of the Exchequer announced an additional £500m for the Household support fund (HSF). Birmingham City Council was allocated a further £12.791m from the Department for Work and Pensions, (which was the same amount awarded in the first round) in respect of the government's Household Support Fund.
- 3.2 The only change to the allocation this time is with regards to how the money must be spent. The amount available specifically for families with children has been reduced, although the overall allocation remains the same.
- 3.3 The Household Support Fund seeks to help vulnerable households with essentials over the coming months as the country continues its recovery from the pandemic.
- 3.4 The government's guidance on use of the fund states that Councils have the flexibility to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility.
- 3.5 The grant must be spent in full between 1<sup>st</sup> April 2022 and 30<sup>th</sup> September 2022.
- 3.6 The focus of the spend is the same as the last allocation; essential goods and supplies, food, energy, water and crisis arrears support.
- 3.7 This report seeks approval for the use of the of the fund, as set out below.

## Household Support Grant: 01 April 2022 to 30 September 2022 Delivery Plan

Area of Funding	Planned Activities	2022/23	2022/23
		allocation (£)	% 's
<b>Support for all age:</b>			
Hardship Grant Scheme (All Age Household Groups)	Will include households with children and pensioners. Hardship Grants up of £200 per household - delivered across Birmingham's ten localities available to all household groups	2,732,000	21.36%
Local Welfare Provision Top Up (All Household Groups)	Enhancement of LWP for all groups to assist with crisis payments housing and other living costs	500,000	3.91%
Discretionary Housing Payments	Top Up Top up DHP funding	100,000	0.78%
<b>Support for vulnerable children &amp; families:</b>			
Hardship Grant Scheme for Families with children in receipt of Free School Meals	Assistance for food and essentials targeted at households with FSM children and vulnerable children- option to incorporate alongside the BVSC all age grant scheme	2,120,000	16.57%
Support for Essentials for Vulnerable Children	Emergency one off payments to support vulnerable families	1,580,000	12.35%
	Early Help Funding to meet increased demand through HSF	300,000	2.35%
<b>Support for vulnerable pensionable age:</b>			
Pensioner Household Hardship Grants	Develop a scheme modelled on round 1 of HSF targeted older adults known to social work teams	3,250,000	25.41%
<b>Assessment and enabling Costs</b>			
Localities Handling and processing	Localities Support, advice and processing via trustee partner organisations	1,000,000	7.82%
NNS and Early Help enabling and mobilisation for central support BVSC and BCC	Administrative costs for Hardship Grant Schemes BVSC and BCC for handling and processing hardship grant applications	1,209,000	9.45%
<b>Overall</b>	<b>TOTAL</b>	<b>12,791,000</b>	<b>100%</b>

Note - Highlighted items within the table identify those items that make up the £9.102m to BVSC

- 4 £9.102m to Birmingham Voluntary Service Council (BVSC) as a package of grant assessment, distribution, processing and payments, across Birmingham's ten districts available to all age groups and households utilising existing welfare support channels.
  - 4.1.1 BVSC's Housing Support Fund will cover small crisis grant and voucher based financial assistance to citizen's faced with financial hardship.
  - 4.1.2 This will deliver financial payments in the region of up to a maximum of £200 payment, reaching a minimum of 40,000 households across the city.
  - 4.1.3 The hardship payments will be delivered through existing locality-based arrangements providing outreach-based welfare support, advice and assistance to vulnerable communities across the city.
- 4.2 £0.600m to be distributed by Adult Social Care as follows:
  - 4.2.1 £0.500m Top up to Local Welfare Provision (LWP)
  - 4.2.2 £0.100m Top up to Discretionary Housing Provision (DHP)
- 4.3 £1.880m to Birmingham Children's Trust to distribute as follows:
  - 4.3.1 To distribute as hardship payments to families with children across the early help networks, families with no recourse to public funds, care leavers, section 17 (children in need) activities, independent living grants and personal allowance payments

- 4.4 £1.209m for administration/management costs incurred by BVSC, Birmingham Children's Trust and Birmingham City Council related to the distribution of the fund.
- 4.5 £1m to trusted voluntary sector partner organisations for the assessment, support and completion of grant applications. Which forms part of the £9.102m outlined in 4.0.

## **5 Options considered and Recommended Proposal**

- 5.1 Do nothing now. The impact of this will be a delay in the use of Birmingham's Household Support Fund allocation to support vulnerable households will possibly mean not all of the allocation is used. The government's guidance to Council's states that funds should be spent or committed before 30 September 2022 and cannot be held over for future usage.
- 5.2 Competitively tender for the services: this is not the preferred option as BVSC are the only organisation with the experience and the networks in place to deliver the project in the time available and already have the skills and capacity to deliver in short timescales due to their successful distribution of a large proportion of the original funding. This Fund is available until 30 September 2022 and it is anticipated that most of the funding will be distributed during June and July.
- 5.3 Preferred option – approve the use of the Fund as set out above. This will ensure that Birmingham's allocation is used to support vulnerable households over the summer months in accordance with the government's guidance on the use of the fund.
- 5.4 Justification for preferred option: At the time we were aware of significant pressure on residents that would be eligible for the HSF scheme, so could not delay in the implementation and distribution of the latest round of funding which started on 1<sup>st</sup> April 2022. It is for this reason we sought delegated authority for Chief Financial Officer approval (Birmingham City Council Constitution PART D: Financial, Contract & Procurement Regulations May 2021 para 1.9 p12) to agree grant fund spend as described here. Please note the proposed funding distribution is shown in Annex A. The last (autumn 2021) HSF funding allocation is shown in Appendix B.
- 5.5 We have built up expertise in the distribution of this funding now and plan to continue with the mechanism used previously e.g. via BVSC the locality approach and specific voucher schemes.
- 5.6 We have the payment and grant funding arrangements from earlier iterations of the fund to make these payments.
- 5.7 We have set up a 'Household Support Fund Oversight Group' (HSFOG) and allocated a lead to each strand of the funding.in '2'. The group will provide a 'Lessons Learned' report with recommendations for future funding exercises

- 5.8 Administrative resources have been identified for the completion of the necessary returns and for data analysis purposes
- 5.9 Leads have explored and agreed the processes for citizens to access funds to ensure maximum coverage including grant applications and targeted payment via Council Tax records.
- 5.10 We have agreed to a briefing of new elected members by end of May 2022.
- 5.11 Agreement to formalise arrangements with this Cabinet Paper to be submitted in May 2022 to meet deadline for June Cabinet.

## **6 Consultation**

- 6.1 Each of the (3) strands of the funding have a lead assigned to them who is responsible for the agreement on the 'how' they propose to distribute the funding allocated to their beneficiaries. All leads have responded to feedback from the previous round of funding. So, whilst formal consultation has not been undertaken, changes to the disbursement of the funding (such as moving away from the FSM voucher scheme) has been as a result of feedback received. The grant itself comes with specific terms and conditions that must be adhered to, so the scope of our changes from feedback is limited to how we distribute the funding.
- 6.2 We have worked closely across children's and adult services and with voluntary and community sector colleagues to ensure the funding can be distributed quickly and effectively to those who are assessed as in most need.
- 6.3 The funding will be monitored centrally by the administrative resource in the Children's and Families directorate. We work through nominated leads these will cover each of the 3 areas: Adults, Children, and families, LWP/DHP to ensure their support within each area of this project. We will establish an Oversight Group to allocate plan and communicate the programme of work.

## **7 Risk Management**

- 7.1 The main risk is that we delay our decision to distribute funding for beneficiaries of this funding at a time of critical need. We have considered the risks of the proposal for immediate distribution of funding in this way. We have the experience and expertise (and controls in place) to meet DWP guidance and expectations. We do not plan to use FSM Vouchers for this April -Sept 2022 unless there is an issue with distribution of funds through BVSC. We are heavily reliant on the BVSC support to distribute money within scope of the fund. We have confirmed with BVSC that is possible to achieve the distribution of fund for April -September 2022 as we require. BCT will process their own arrangement as they did last iteration of the fund with support from the BCT Commissioner.
- 7.2 If funding is not distributed, we risk having return this to DWP unspent and Birmingham families missing out on much needed support.

## **8 Compliance Issues:**

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

- 8.1.1 Outcome 2, Priority 1: We will improve protection of vulnerable children and young people (including those with Special Educational Needs and Disability).
- 8.1.2 The distribution of Birmingham's allocation of the fund proposed in this report takes account of the guidance issued by the government for use of the Household Support Fund.

### **8.2 Legal Implications**

- 8.2.1 Under S 1 Localism Act 2011, a Local Authority has a general power to do anything that individuals generally may do"
- 8.2.2 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.
- 8.2.3 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.

### **8.3 Financial Implications**

- 8.3.1 Birmingham City Council has been allocated a further £12.791m HSF for the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022.
- 8.3.2 The amount is the same as the allocated for 1<sup>st</sup> October 2021 to 31<sup>st</sup> March 2022. The change to the allocation this time is with regards to how the money must be spent.
  - 8.3.2.1. In the first allocation at least 50% of the total funding was to be ring-fenced to support households with children, with up to 50% of the total funding to other households genuinely in need of support during the winter.
  - 8.3.2.2. In this allocation at least one third of the total funding will be ring-fenced to support households with children, at least one third of the total funding will be ring fenced to support pensioners with up to one third of the total funding to other households genuinely in need of support.
- 8.3.3 Section 3.7 outlines the proposed distribution of this grant in full. This report seeks formal approval for this distribution.

### **8.4 Procurement Implications**

- 8.4.1 A Single Contractor Negotiation under Standing Order 2.5 is the recommended route for these services as market investigation demonstrates that there is only

one contractor that can meet the Council's requirements due to the reasons set out in 5.2 above.

8.4.2 This contract falls under services covered by the Light Touch Regime (LTR) for the purposes of public procurement and, due to their value being below the threshold for LTR, are not subject to the full Public Procurement Regulations.

## 8.5 Human Resources Implications

8.5.1 The distribution of the fund set out in this report will be overseen by the Director Children & Families and the Director Adult Social Care.

8.5.2 There are no other HR implications.

## 8.6 Public Sector Equality Duty

8.6.1 The funding will be distributed in line with the terms and conditions outlined in the grant allocation documentation from DWP. There are no adverse impacts.

## 9 Appendices

### 9.1 Funding allocations Round 1 and 2 Comparison.

#### Household Support Grant: 01 April 2022 to 30 September 2022 Delivery Plan comparison with 2021/22 allocation

Area of Funding	Planned Activities	Area	2021/22	2022/23	2022/23
			Total	Total	%s
<b>Support for all age:</b>					
Hardship Grant Scheme (All Age Household Groups)	Will include households with children and pensioners. Hardship Grants up of £200 per household - delivered across Birmingham's ten localities available to all household groups	BVSC	4,000,000	2,732,000	21.36%
	£250,000 energy and Water £150,000 wider essentials	Adults	400,000		
Local Welfare Provision Top Up (All Household Groups)	Enhancement of LWP for all groups to assist with crisis payments housing and other living costs	Adults	450,000	500,000	3.91%
Discretionary Housing Payments	Top Up Top up DHP funding	Adults		100,000	0.78%
<b>Support for vulnerable children &amp; families:</b>					
Hardship Grant Scheme for Families with children in receipt of Free School Meals	Assistance for food and essentials targeted at households with FSM children and vulnerable children- option to incorporate alongside the BVSC all age grant scheme	Children's - BVSC	3,220,000	2,120,000	16.57%
Support for Essentials for Vulnerable Children	Emergency one off payments to support vulnerable families	BCT	3,262,000	1,580,000	12.35%
	Early Help Funding to meet increased demand through HSF	BCT/VIA BCC		300,000	2.35%
<b>Support for vulnerable pensionable age:</b>					
Pensioner Household Hardship Grants	Develop a scheme modelled on round 1 of HSF targeted older adults known to social work teams	Adults		3,250,000	25.41%
<b>Admin and Management fee:</b>					
NNS enabling and mobilisation	Administrative costs for Hardship Grant Schemes with trusted partner agencies costs for handling and processing hardship grant applications	BVSC £250,000 Localities £500,000		500,000	3.91%
Early Help enabling and mobilisation	Administrative costs for FSM targeted Schemes BVSC and trusted partner agencies costs for handling and processing hardship grant applications	BVSC £250,000 Localities £500,000	500,000	500,000	3.91%
BVSC admin management and reporting			250,000	350,000	2.74%
Admin and Management fee	Administrative costs for Hardship Grant Schemes BVSC and trusted partner agencies costs for handling and processing hardship grant applications	BCC	709,000	859,000	6.72%
<b>Overall</b>	<b>TOTAL</b>		<b>12,791,000</b>	<b>12,791,000</b>	<b>100%</b>

## 10 Background Documents

10.1 <https://www.gov.uk/government/publications/spring-statement-2022-documents>