

Birmingham City Council

Report to Cabinet

13th December 2022



Subject: USE OF HOUSEHOLD SUPPORT FUND

Report of: Professor Graeme Betts, CBE
Director for Adult Social Care

Relevant Cabinet Members: Cllr Mariam Khan - Health & Social Care
Cllr Karen McCarthy - Children, Young People & Families
Cllr Yvonne Mosquito - Finance & Resources
Cllr John Cotton - Social Justice, Community Safety and Equalities

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:		
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" 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 (HSF).
- 1.2 It seeks approval for the proposed use of Birmingham's third allocation of £12.971m. Of this total £11,949,000 will be targeted towards citizens, with direct delivery costs totalling £842,000, or 6.6% of the total available allocation.
- 1.3 A report setting out the plans for this allocation was planned for Cabinet in January 2023. A decision in January, however, would mean a key part of the overall HSF package, which is for families with children to receive financial assistance through their schools, not being in place immediately before and after the Christmas period. In addition to the urgent Cabinet decision, due consideration is being requested to approve immediate implementation, to enable the Council to allocate funds before the end of the school term in December 2022.

2 Recommendations

- 2.1 That Cabinet; -
 - 2.1.1 Approves the use of the Household Support Fund as set out in 3.12.
 - 2.1.2 Delegates the management of the distribution to the Director Adult Social Care (or their delegate) in conjunction with the Director of Strategy, Commissioning and Transformation Children and Families (or their delegate) and Strategic Director of Council Management (or their delegate).
 - 2.1.3 Approves the transfer of £5.1m claimed from DWP to Birmingham Children's Trust to provide £4.8m in direct financial assistance to vulnerable families with children until 31st March 2023. This includes a £1m overspend allocation to flexibly respond to demand across the specified areas of spend on vulnerable children including those in low income families, over the course of this winter in line with DWP guidance. This includes delivery costs of the BCT' overall package of HSF assistance which totals £300K. This will be set out in a conditions of grant aid agreement.
 - 2.1.4 Noting a requirement for waiver procedure required in order to establish a contract with the Post Office for delivery of cash pay-out voucher schemes at cost of £135,000 required for £2m to low income All Age Households and £2m to Pension Age households in receipt of Council Tax Support (CTS) voucher scheme. This will be carried out in accordance with the Public Contract Regulations (PCR) 2015.
 - 2.1.5 Approval of delegated authority to grant award to a suitable third sector organisation, the delivery of two Targeted Hardship Grant Schemes for All Age Households and the distribution of payments to families with children that are referred by Birmingham Children's Trust partners. The estimated cost to run this is £300,000, until 31st March 2023. This provider will be selected through a grant application process with associated risk assessments.

- 2.1.5 Approval of £500K top up to Local Welfare Provision funding and £87K additional staffing costs associated with direct delivery.
- 2.1.6 Authorises the City Solicitor (or delegates) to execute and complete all necessary legal documents to give effect to the above.

3 Background

- 3.1 The Household Support Fund seeks to help vulnerable households with essentials. As the country continues its recovery from the pandemic the Cost of Living Crisis has become part of everyday life. The HSF has had a positive impact on many citizens' lives, although given the magnitude of the financial challenges that Birmingham's citizens face, its direct financial impact is likely to be limited to providing crisis relief support. Community organisations have suggested that administering the HSF has helped them engage with deprived communities and link with wider systems of support. However, demand has continued to rise.
- 3.2 Delivery of previous rounds of HSF has meant that the most deprived neighbourhoods have received the most money, and although there is substantial local variation, this trend is shown for the city as a whole and every constituency.
- 3.3 In the Spring Statement 2022, The Chancellor of the Exchequer announced an additional £500m for the Household support fund (HSF) and further two rounds in the Autumn Statement in November. Birmingham City Council has been allocated £12.791m from the Department for Work and Pensions (was the same amount awarded in the first and second rounds).
- 3.4 Accompanying DWP guidance to amended in each round the Household Support Fund maintains that it should be used to support households in the most need; including those who may not be eligible for other Government support.
- 3.5 As with previous rounds, the Fund can be used to support households a broad range of essentials related to the Cost of Living. These include costs relating to energy, food and water, and wider essentials. These is also scope, in exceptional cases of genuine emergency, to support housing costs where existing housing support schemes do not meet exceptional need.
- 3.6 Round 3 includes a requirement to capture metrics on disabled persons across the three household groups (all age, pension age and families with children) assisted by the fund, setting out acute challenges that are presented such as the disproportionate impact that rising costs bring for the additional services they need. For example, managing their conditions to remain independent and avoid becoming socially isolated.
- 3.7 Unlike previous rounds of HSF there is no specific percentage spend quota under round 3 by household type. The revised Government guidance (October 2022) therefore allows Council's greater flexibility and discretion to identify vulnerable households in accordance with their local household profiles.

- 3.8 The grant must be spent in full between 1st October 2022 and 31st March 2023 and will be paid in arrears in 2 instalments in accordance with submitted Management Information reports to DWP. The focus of the spend is the same as the last allocation, essential goods and supplies, food, energy, water and crisis arrears support.
- 3.9 Data gather on rounds 1 and 2 in Birmingham suggests hardship grant schemes have been highly effective at targeting households at city level as well as deprived areas at a local level. The application-based delivery models using third sector specialist support can also help signpost vulnerable people into wider support networks. Cash based grants alone achieves little in making a long-term impact to people experiencing hardship in Birmingham. To manage programme expectations and effectiveness it is important to achieve a balanced approach between application-based grants and targeted voucher based support.
- 3.10 Birmingham locality-based model deployed in rounds 1 and 2 of HSF signposted citizens to other help and support available in their area. This was achieved through access to a network of over 400 statutory and Voluntary Community Faith and Social Enterprise partners across Birmingham. Over 4500 new referrals/signposting were made over the course of HSF2 by partners to support offerings included:
- Food banks;
 - Debt and financial advice;
 - Benefits and council tax support;
 - Addiction services;
 - Careers and job support;
 - Domestic abuse support;
 - Child support;
 - Mental health services;
 - Disability services;
 - Family Support;
 - GP, Occupational Health and Physiotherapy referrals;
 - Homelessness services;
 - Housing support;
 - School support;
 - Community centres and support group referrals
- 3.11. In Round 3, the programme is deploying greater proactive targeting of support alongside scaled down application based delivery, focussed on citizens with greatest need utilising the Financial Resilience Toolkit, designed by the City Observatory, to underpin Birmingham's approach.

3.12 This report seeks approval for the use of the of the fund which is claimed from DWP (in arrears), as set out below

Household Group Type	Funding Allocations	Allocation	Estimate Volume of Awards	Cost Group Total
All Age	Enhancement to Local Welfare Provision (LWP) Budget	£500,000	TBC	£5,149,000
	Cash Pay-out Voucher scheme (targeted at CTS customers)	£2,000,000	40,000-41,000	
	Targeted Hardship Grant Application Based Scheme - third sector local delivery	£2,000,000	20,000	
	Targeted Hardship Grant Application Based Scheme (Demand contingency)	£649,000	6,500	
Pension Age	Cash Pay-out Voucher scheme (targeted at CTS customers)	£2,000,000	33,000-34,000	£2,000,000
Children & Families	Referral Based Hardship - £250 per household or £100 per child/household members	£1,000,000	10,000	£4,800,000
	Targeted (IDACI Based) Flexible Funds to 318 schools & Nurseries	£600,000	NA	
	Rent arrear support (social and private landlords)	£500,000	NA	
	Supplement Section 17 (Children in Need) Payments	£400,000	NA	
	Care Leavers - Digital Poverty Support (12-18 month MyFi & Sim Cards)	£500,000	984	
	Care Leavers - household essentials support	£500,000		
	NRPF Warm Packs & food vouchers/cash	£100,000	163	
	Unaccompanied Asylum Seeking Children - Warm Packs & Food Vouchers/cash	£200,000	129	
HSF Delivery Costs	To be used flexibly for the referral-based hardship, section 17 and targeted flexible fund to relieve anticipated pressures in these funds (Demand contingency)	£1,000,000	NA	£842,000
	BCT & Early Help Sector Delivery, PSS Admin, & Finance Costs	£300,000		
	BCC Infrastructure (Whole of HSF) staff resource, FOIs, Complaints, Comms, Admin	£15,000		
	Post Office Voucher Scheme - Delivery, Admin, Letters, Data Storage & Processing	£135,000		
	Targeted Hardship Grant Application Based Schemes - third sector local delivery	£300,000		
	LWP additional admin costs	£87,000		
	TOTAL	£12,791,000	83,650 - 87,000	

4 Delivery Arrangement for Household Support Fund 3

4.1 It has to be recognised that £12.79M will hardly scratch the surface estimated to help around 85,000 to 100,00 households given over 300,000 households are in absolute poverty and 200,000 households are at the margins of poverty in Birmingham. Previous rounds resulted in available HSF funds being exhausted before the end of each six month round. To focus and ensure best use of limited resources can be achieved round 3 is based on the following: -

- Delaying most expenditure until January 2023 to pick up need at its most critical.
- Avoiding a first come first serve approach through total application process.
- Ensuring the majority of those in need receive a payment.
- Reducing the amount of money from the fund used on administration which overall comprises of 6.6% of the overall allocation.
- Targeting other support to those in need through communications and linking this with the broader City Council led funding £5m earmarked as result of the Cost Living Emergency workstreams.
- Retaining contingency funds for applications/contacting and referring those in need not accessing support through other means.

4.1.1 Recognising that not every citizen struggling with household expenses will apply through application based support, an expansion of cash pay-out voucher schemes is being included in Round 3. This will be in the form of a £50 voucher scheme targeted pensioners and all age households in receipt of Council Tax Support. A suitable vehicle will be procured within short timescales to enable citizens to redeem the vouchers to provide them with funds to spend on essential household expenses.

4.2.2 Families with children are amongst the largest numbers of households that have approached HSF schemes for assistance under rounds 1 and 2. October 2022 Council Tax Support caseload highlights that 41,210 households with dependent children.

4.2.3 The City's existing Early Help network has sufficient insight and intelligence to direct payments using trusted professional for families most in the need across the 10 constituencies of the city. This fund will be accessible to any family known to Birmingham children's Trust or trusted community organisations. To help households with payments of £250 per household or £100 per child or household member. Additionally, Birmingham Children's Trust will provide direct support to the most vulnerable children and families, including care leavers who are more likely to experience poverty than their peers.

4.2.4 Schools often offer the first line of support to vulnerable children young people and families. Their support at an early stage can prevent more enduring and serious issues for families. A one off support payment will be made to schools drawn from

the most deprived communities using the Income Deprivation Affecting Children Index – IDACI, which looks at out of work and low-income households. Schools can use this fund to directly support children, young people and families who are experiencing hardship.

4.3 A Targeted Hardship Grant Application Based Scheme for All-Age Household groups will be deployed at those areas of the city that are the least financially resilient using the Financial Toolkit developed through the City Observatory. Households will be able to apply for a grant of £100 via a recognised lead within their locality and signposted to appropriate support to reduce debt, maximise income and other relevant Information, Advice and Guidance to support them through this crisis.

4.3.1 To deliver an effective application and payment process it is recognised that a third sector/voluntary sector partner who understands the varied needs of communities across Birmingham is best placed to undertake this work. As such, a grant will be awarded to a suitable organisation following a robust and transparent competitive tender process being undertaken.

4.4 Local welfare provision enhancements

4.4.1 Demand for local welfare provision continues to increase year on year and a further £500k will be directed to the local welfare provision budget. Additional administrative costs of have been allocated to deliver this within HSF timescales and guidelines.

4.5 Administration and delivery costs

4.5.1 There are always costs associated with short term blocks of funding that lead to pressures on the council and organisations required to deliver within short timescales and at volume for a city the size of Birmingham. Administrative costs will be kept to no more than 10% currently programmed at 6.6% of the overall budget and include: -

- Officer resource to administer the increase in demand in local welfare provision
- Officer to provide oversight on programme as a whole
- Contract for provision of voucher system (see above)
- Grant for third sector/voluntary sector organisation to coordinate the application-based programme and infrastructure.

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 available allocation to support vulnerable households facing severe cost of living pressures. The government's guidance to Council's states that funds should be spent or committed before 31st March 2023 and cannot be held over for future usage.

5.2 Preferred option – approve the use of the Fund as set out in the report. This will ensure that Birmingham's available allocation is used to support vulnerable

households over the winter months in accordance with the Government's guidance on the use of the fund.

5.3 Justification for preferred option:

- 5.3.1 At a time when we are acutely aware of significant pressure on citizens in a cost of living emergency, delaying implementation and distribution of available HSF resources present risks in the delivery of the council's action on this critical agenda. 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 paragraph 3.12.
- 5.3.2 We already have in place the payment and grant funding arrangements from earlier iterations of the fund to make these payments. BCC officers clearly understand the HSF grant funding conditions and will ensure these are adhered to in distribution of the grant.
- 5.3.3 We have continued to operate a 'Household Support Fund Oversight Group' (HSFOG) which meets weekly. In addition to reviewing 'Lessons Learned' from previous rounds of HSF delivery, the group will be repurposed with leads covering HSF 3 delivery and include input from the Council's associated Cost of Living workstreams including its Tactical and Strategic Response groups.

5 Consultation

- 6.1 We have worked closely internally with officers across all directorates and relevant Cabinet Members will be briefed. Further engagement and briefings over the course of mobilisation of HSF funded support will be provided, both internally across Council directorates and to elected members.

6 Risk Management

- 7.1 The overriding 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. BCT will also have processes in place as they did last iteration of the fund with support from the BCT Commissioners.
- 7.2 If funding is not distributed, we run the risk of not spending the available DWP allocation of £12.791m and Birmingham households in severe financial hardship and distress will miss out on much needed support.

7 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.

8.1.3 Healthy living

This funding supports the core themes of the Birmingham Joint Health and Wellbeing Strategy, Creating a Bolder, Healthier City 2022-2030 encompassing the life course themes:

Getting the Best Start in Life.

- 28.1% of Birmingham children live in low-income families, compared with 17.0% nationally (2016)

Ageing Well and Dying Well

- Women at 65 years old in Birmingham are expected to spend 8.5 years of their life in good health. This is 2.6 years less than the England average (11.1 years).
- Men at 65 years old in Birmingham are expected to spend 6.9 years of their life in good health. This is 3.7 years less than the England average (10.6 years).

8.1.4 Distribution of grants to citizens in greatest need supports activity undertaken to address citizens needs during the Cost-of- Living Crisis.

8.2 Legal Implications

8.2.1 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.

8.2.2. 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.

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.

8.2.4 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.”

8.3 Financial Implications

- 8.3.1 Birmingham City Council has been allocated a further £12.791m HSF for the period 1st October 2022 to 31st March 2023. This is paid in arrears on claim of activity. Based on experience of managing previous rounds of HSF we are confident that the full allocation will be claimed for Birmingham.
- 8.3.2 Section 3.12 outlines the proposed distribution of this grant in full. This report seeks formal approval for this distribution.
- 8.3.3 The purpose of HSF is to support citizens who are struggling due to the cost-of-living crisis. The council is undertaking a similar and overlapping programme in Council management directorate with a £5m cost of living fund. Work to harmonise and maximise the collective impact of these financial resources, in the most efficient and cost effective manner is underway. This will need to be continuously and regularly optimised with two further HSF rounds for the 2023/24 financial year commencing in April and October 2023.

8.4 Procurement Implications

- 8.4.1 Third party expenditure to be incurred using the grant funding, will be procured in accordance with the Council's Standing Orders and the Public Contract Regulations 2015 (where applicable).

8.5 Human Resources Implications

- 8.5.1 The distribution of the fund set out in this report will be overseen by the Strategic Director of Adult Social Care in conjunction with Director of Strategy, Commissioning and Transformation Children and Families.
- 8.5.2 There are no other HR implications due to the short life of the funding staffing resource will be sourced through agency resources in line with current process.

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 set out in Household Support Fund (HSF) Guidance (Background Document). In accordance with the public sector equality duty, DWP has had due regard for the potential equalities impacts of this grant. A range of delivery both proactive and application based methods have been carefully devised to ensure groups with protected characteristics are not adversely affected. Any Third party providers will be required to demonstrate diversity competencies as a minimum requirement to deliver services directly funded from HSF. There are no adverse impacts.

8.7 Environmental and Sustainability Implications

8.7.1 None - Financial report with no sustainability/environmental implications.

9. Appendices

9.1 None

10. Background Documents:

[Guidance: Household Support Fund \(1 October 2022 to 31 March 2023\): final guidance for county councils and unitary authorities in England, Updated 24 October 2022](#)