



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Officer Delegated Decision

31 May 2024

Richard Wyles, Deputy Chief Executive
and Section 151 Officer



Household Support Fund 5 (HSF) Grant – Financial Support

To provide an update with regard to matters relating to the Household Support Fund 5 (April to September 2024) and request authorisation to move forward with the voucher scheme.

Contact

Funmi Reilly (Cost of Living Co-ordinator)

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Decision made by:	Richard Wyles – Deputy Chief Executive and Section 151 Officer
Decision:	To continue with the current Charis voucher scheme for issuing of HSF funding to SK residents.
Public or Exempt:	Public
Reasons for exemption:	N/A
Conflicts of interest:	No
Policy compliant:	Yes
Details of delegation:	The Council's Contract Procedure Rules allow for contracts with a total value of up to £200,000 to be approved by the Director.

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 The cost of the preferred option is to use the £260,119 funding which has been allocated to South Kesteven District Council. Funding will be paid by Lincolnshire County Council (LCC) in arrears of spending. Payments and awards made by Districts are currently being submitted to LCC each month. Standard returns template will be submitted splitting the spend by household (children or non-children) and type of essential awarded. This will help track countywide spending to date and whether other options should be explored to ensure overall grant spent.
- 1.2 The funding will be distributed using a variety of methods, with no individual contract exceeding £200k, as detailed in paragraph 2.11 of this report.
- 1.3 Reimbursement of district spend will be made in arrears:
 - (a) July 2024 (for spend up to 30 June 2024);
 - (b) August 2024 (for spend up to 31 July 2024)
 - (c) September 2024 (for spend up to 31 August 2024)
 - (d) October 2024 (for spend up to 30 September 2024)

Completed by: Paul Sutton – Interim Head of Finance and Deputy 151 Officer

Legal and Governance

- 1.4 The full legal and governance implications have been reviewed by the Household Support Fund District and County Working group (SKDC representation by Claire Moses, Head of Service (Revenues, Benefits, Customer and Community)).
- 1.5 The District group have met with Lincolnshire Legal and received advice regarding the legal and procurement requirements for the use of Charis vouchers. Lincolnshire Legal do not foresee any concerns but have acknowledged Districts will be required to seek their own legal, data protection and procurement advice.
- 1.6 Charis are an approved provider of the vouchers by the Department for Work and Pension and are named as a supplier on Crown Commercial Services (CCS) Voucher Schemes Framework (RM6255)

- 1.7 The District group have considered other suppliers, and the use of Charis meets the needs in rural and digitally excluded areas. The District and County group have also taken into account the comparative costs for administration and third-party provider.
- 1.8 In comparison, the benefits of Charis are: -
- No lengthy lead in time for set up;
 - No set up fees;
 - No admin fees (on top of the per transaction fee);
 - No fixed term contracts;
 - Offers more than cash only support; and
 - No condition for those excluded i.e. some suppliers do not provide vouchers to be issued through the post.
- 1.9 Any changes to internal procedure and guidance will be undertaken in line with the regulations. In addition, communication of the changes will be efficient and effective.

Completed by: Graham Watts, Monitoring Officer

Equality and Safeguarding implications

- 1.10 The eligibility criteria is set out in national guidance from the Department for Work and Pensions.
- 1.11 The local scheme will support all residents who meet these criteria.
- 1.12 Information relating to the scheme will be provided in alternative formats on request to meet the needs of the individual

Completed by: Carol Drury, Community Engagement Manager

2. The Purpose of the Report

- 2.1 In the spring budget on 6 March 2024, Government confirmed the extension of the Household Support Fund from 1 April 2024 to 30 September 2024, with the distributing of £421m to Local Authorities in England to help households to meet their immediate needs and help those who are struggling to afford household essentials.
- 2.2 HSF is intended to support a wide range of low-income households including families with children of all ages, pensioners, unpaid carers, disabled people, larger families, single and couple households and those struggling with one off

financial shocks or unforeseen events and is not limited to those in receipt of benefits.

- 2.3 The scheme may be delivered through a variety of routes including proactive support, application-based support or by issuing grants to Third Party Organisations to provide support on their behalf. Every Authority must operate at least part of their scheme on an application basis throughout the duration of the HSF, either consciously over the period or at regular intervals throughout the scheme
- 2.4 Authorities have flexibility and can use discretion to identify and support those most in need. Individual awards can be whatever type and amount is deemed appropriate bearing in mind the overall scheme criteria. There is no requirement to undertake a means test or conduct a benefit check unless this specifically forms part of the Authority local eligibility criteria. However, in relation to Housing costs Authorities must establish whether other forms of support are available to the household such as Discretionary Housing Payments.
- 2.5 There must be a clear rationale or documented policy /framework outlining the approach including eligibility and how households access the HSF. The support must be clearly advertised, inclusive and accessible.

Distribution of funding across Lincolnshire

- 2.6 Lincolnshire's allocation of £5,464,685.20 is to support residents as set out within the guidance. The grant period is from 1st April 2024 to 30th September 2024.
- 2.7 Lincolnshire's approach to the distribution of the funding was as follows:
- 64% of the total funding will be utilised by Lincolnshire County Council (LCC) to proactively target children via schools and early years providers, based on the number of children eligible for Free School Meals (FSM) Early Years Pupil Premium', (EYPP) and families with a 2-year-old eligible for 'Early Years Entitlement' (EYE). It is anticipated that this will be transferred via a single payment to providers to be distributed in the best way to meet local needs, in most cases this will be a voucher or cash. LCC will work with strategic partners to direct.
 - 1% of the funding to care leavers in supported living accommodation. 1% will be utilised to cover administrative costs.
- 2.8 Based on the approach taken in previous rounds of the HSF it is estimated that over 32,000 children and young people will receive support via this mechanism. The exact number will be based on the number of eligible children when the data is extracted for payment to be made.
- 34% will be made available to the seven District Councils to distribute under local arrangements, providing broad support across the county. This must include an application-based process, in line with grant conditions, to meet the needs of local populations. Where an individual

District Council does not fully utilise its allocation, it is intended that any remainder be redistributed across The Fund.

- 2.9 To support the differing delivery mechanisms, districts may utilise a portion of their allocation to support associated administrative costs. In line with the guidance, these should be at a reasonable level and will be published by the DWP. Please note that where high level administration costs are reported the DWP may request supporting evidence.
- 2.10 The level of funding distributed to each District is detailed in the table below. This is currently an indicative level due to the distribution of Lincolnshire County Council (LCC) Free School Meals not yet being finalised. LCC have the level of funding indicated in the table below will not increase; any changes will result in a reduction. Once final figures are known, District allocations will be announced and the proposed delivery plan indicated in 2.11 will be adjusted for distribution methods 3 and 4.

District area	Proportionate allocation of funding to be utilised up to and including 1st April 2024 for application-based locally	Allocation
Boston	10%	£185,799
City of Lincoln	16%	£297,278
East Lindsey	24%	£445,918
North Kesteven	11%	£204,379
South Holland	12%	£222,959
South Kesteven	14%	£260,119
West Lindsey	13%	£241,539
Total	100%	£1,857,991

Proposed delivery plan for SKDC Residents

- 2.11 South Kesteven's share of the allocation is **£260,119** and this will be distributed as follows:

Method	Amount	Distribution	Purpose
1	£9,000	Lincolnshire Community Foundation (LCF)	Contribution towards Warm Packs – as part of county-wide 'Warm welcome' working group
	£13,000		

2		SKDC Administration	Various administration costs of the scheme – such as printing and posting of vouchers, admin costs associated with Charis vouchers and printing of resource material for staff and residents.
3	£80,000	HSF Vouchers – Lincolnshire Community Foundation (LCF)	Support for residents not in receipt of an income related Benefit that are struggling financially
4	£158,119	SKDC HSF Vouchers – Cost of Living referral Team	Support for those specifically in receipt of an income related benefit that are struggling

Distribution Plan for Household Support Fund 5

2.12 The plan for distributing funding to SK residents is as follows:

- The allocation of HSF 5 will be 100% application based. Residents can contact us directly by speaking to customer services or being referred by a 3rd party.
- 70% of our allocated funding will be distributed by in-house applications. These will be for residents in receipt of a benefit that will receive the added advantage of speaking to the cost-of-living team for additional support.
- 30% will be distributed on behalf of SKDC by Lincolnshire Community Foundation (LCF). They will be reaching households that are not in receipt of a benefit. This organization have assisted in past schemes we have struggled to reach this cohort. They must be struggling financially due to a crisis.
- The anticipated start date will be early June 2024.
- Supermarket values will be awarded at £200 for singles and couples and £300 for families.
- All support provided from applications processed “inhouse” will be provided in the form of supermarket vouchers Which will be purchased from Charis Grants.
- Lincolnshire Community Foundation will also be providing support by supermarket however they will be sourced directly from the supermarket.
- For reporting purposes our supermarket vouchers will be split between food and wider household essentials.
- Any household that is struggling financially within the district with a household income of less than £50k will be eligible to apply.
- Priority will be given to residents that are going through a crisis or are on a low income.
- We will cater for Families with children, households with disabilities, single households, couples and pensioners.

3. Available Options Considered

- 3.1 Option 1: Do nothing – however, funding has been provided, and the requirement of the funding will be to provide residents with support during times of crisis.
- Option 2: To distribute the funding as recommended in paragraph 2.11 and 2.12.

4. Preferred Option

- 4.1 Option 2 is the preferred option for immediate implementation.

5. Reasons for the Decision(s)

- 5.1 These are set out in the report.

6. Consultation

- 6.1 There has been consultation with Lincolnshire County Council (as funding is provided by them) and all other District Councils within Lincolnshire.

Signed: Richard Wyles

Dated: 19 June 2024