

Report title: Extension to the Household Support Fund: Funding to Support Families and Vulnerable Adults	
Report to: Councillor Louise McKinlay – Deputy Leader and Cabinet Member for Community, Equality, Partnerships and Performance	
Report author: Helen Lincoln, Executive Director for Children and Families	
Date: 28 October 2022	For: Decision
Enquiries to: Andrew Page, Head of Finance, Children and Families; email andrew.page@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 To agree that £8.687m of the Household Support Fund grant from the Department for Work and Pensions will be used to support households, who would otherwise struggle with the cost of energy, to buy food or pay essential utility bills or meet other essential living costs or housing costs (in exceptional cases of genuine emergency), to help them with significantly rising living costs.
- 1.2 This decision aligns with the Everyone's Essex Strategy, in particular the strategic aim to create a good place for children and families to grow in and the commitment to Family Resilience and Stability, Levelling Up Outcomes for Children and promoting health, care and wellbeing for all parts of the population that need our help because this decision will provide access to support those in most need.
- 1.3 To agree the allocation of support to Essex residents for those most in need with the cost of energy, food, water bills and other essentials in respect of the funding paid to the Council from the Department of Work and Pensions as per the conditions of the grant.

2. Recommendations

- 2.1 Agree that £8.687m of the Household Support Fund grant from the Department for Work and Pensions will be used to support those in most need to help with significantly rising living costs as set out in paragraph 3.3 of the report.
- 2.2 Allocate £3.84m as follows:
 - 2.2.1 £3.75m for the provision of food vouchers with a value of £15.00 per child per week, for the December 2022, February and Easter 2023 school holidays and those 2 years olds who are in receipt of free entitlement for early education and those 3 and 4 years olds entitled to pupil premium.

- 2.2.2 £90,000 for the provision of vouchers with varying values from October 2022 to March 2023 to support those Young Carer households with the most need for fuel, food and essential items
- 2.3 Agree to enter into a new call off agreement with Wonde Limited through the Crown Commercial Services (CCS) framework for the distribution of the food vouchers mentioned in paragraph 2.2.
- 2.4 Allocate £1m to support households where those with disabilities use assistive equipment to maintain their health and wellbeing and that requires extensive use of electricity. These households are identified through the council's own records and determined by need and type of equipment used, and those households will be invited to apply for financial support for their electric bills. This will be at a forecast cost of £100,000, which will be funded by the grant, in accordance with the conditions.
- 2.5 Allocate the remaining £3.5m to support those in most need who would otherwise struggle with the cost of energy, food and water and wider essentials or housing costs (in exceptional cases of genuine emergency) to help them with significantly rising living costs and £347,000 on administration costs of the overall grant. The full analysis of the £8.687m spending plan can be found in paragraph 3.3.
- 2.6 Agree that the Deputy Leader and Cabinet Member for Community, Equality, Partnerships and Performance in consultation with the S151 Officer will keep the allocation and spend plan under review and if required, to adjust if needed.

3. Summary of issue

- 3.1 On 26 May 2022, the Government announced a third extension to the Household Support Fund (HSF) which will again be made available to County Councils and Unitary Authorities in England to support those most in need. Final grant conditions were received from DWP on 30 September 2022, which will run from 1 October 2022 to 31 March 2023 and totals £500m, supporting those most in need. The last Household Support Fund required that funding is ringfenced to specific cohorts of people and category of spend. This is no longer required but that the fund is targeted to those in most need, particularly those who may not be eligible of other support central government has recently made but who are nevertheless in need.
- 3.2 Of this, the Council has again been allocated £9.437m by the Department for Work and Pensions. In terms of type of support energy bills may be of particular concern to low-income households during the period of the scheme, and Authorities should prioritise supporting households with the cost of energy. The fund can also be used to provide support with food, essentials linked to energy and water, wider essentials. It can also be used to support housing costs in exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need

Of the total grant, £750,000 has been allocated through a previous decision (FP-522-10-22). This decision sets out the proposals to allocate the remaining £8.687m of grant as follows:

- Allocate £3.75m for the provision of Wonde food vouchers to those eligible for free school meals, those 2 years olds who are in receipt of free entitlement for early education and those 3 and 4 years olds entitled to either early years pupil premium and / or live in one of the lowest 10%, 20% or 30% geographical wards of disadvantage in Essex that attracts an additional free entitlement funding supplement for the December 2022, February 2023 and Easter 2023 school holidays, five weeks in total. Although the grant has to be spent by 31 March 2023, it has been confirmed that we can fund vouchers which can be redeemed in April 2023.
- Allocate £1m to support households where those with disabilities use electrical assistive equipment to maintain their health and wellbeing and that requires extensive use of electricity. These households will receive up to £100 and are identified through the Essex Cares Limited records and determined by need and type of equipment used. Those households will be invited to apply for financial support for their electricity bills
- Allocate £1.8m for the Essential Living Fund, a scheme managed on behalf of the County Council by Southend City Council, where access to the fund is through an application process with evidence of need.
- Allocate £400,000 for Food Support Groups / Organisations and winter warmth fund. This will be managed through grant agreements, where funding will be made available through an application process. There will be specific reporting requirements.
- Allocate £400,000 to Early Years, Essex Schools and colleges. The funding will be allocated to schools and colleges based on their pupil numbers who will then distribute the funding to support families with essential items who are in crisis.
- Allocate £300,000 to a food programme managed by Active Essex through an application process, with grant agreements with partners. This is to build resilience with families, provision of food bags and appliances and education
- Allocate £280,000 to voluntary organisations through grant agreements to support families with essential items
- Allocate £135,000 for the provision of hampers to care leavers
- Allocate £100,000 to the Citizens Advice Bureau who will provide fuel, food vouchers and essential living items. The funding with the CAB will be managed through a grant agreement.
- Allocate £85,000 to a Community Winter Resilience Programme including Hospital Discharge providing emergency response measures to support residents during the winter.
- Allocate £90,000 Wonde vouchers to support young carers.
- Allocate £346,543 for administrative costs.

3.4 The provision of support to families entitled to free school meals within such a short deadline is logistically very challenging, since the Council has again been

given very short notice of this grant. Given there is not time to undertake a competitive procurement and whilst keeping the administrative strain low to schools, earlier investigations where comprehensive research was undertaken for previous distribution of grant to first determine the preferred delivery route, engaging 7 potential suppliers to identify the best provider to meet our requirements has been used. Therefore, this will ensure that no one misses out on being able to use the vouchers.

3.5 As with previous decisions we are proposing to award the contract to Wonde Limited because:

- They can distribute the money as vouchers which can be spent in Asda, Sainsbury's, Morrisons, Tesco, Aldi, Iceland and McColls at no cost to the Council as they have an arrangement with the supermarkets.
- All schools and early years settings in Essex use their services through distribution of previous grants making it easy for most schools and early years settings to co-operate with the scheme.
- Least intrusive as minimum data sharing is involved.

3.7 As stated in previous decisions where funding has been provided by the Department for Work and Pensions (FP/023/03/21, FP/062/04/21, FP/023/03/21, FP/181/10/21, FP/192/10/21, FP/212/11/21 and FP/382/04/22), the provision of support to families entitled to free school meals and early years and those experiencing poverty within such a short deadline is logistically very challenging. It is therefore proposed to direct award to our previous provider Wonde through the CCS framework, who have successfully delivered a voucher scheme with schools for since Christmas 2020. The contract with Wonde provides that 100% of the value of the money paid by ECC is passed to consumers as vouchers. ECC only makes payment to Wonde as required.

3.8 For the provision to support households where those with disabilities use electrical assistive equipment the distribution of this funding will be administered by Southend Borough Council through the allocation of All Pay cards, for the following reasons:

- We are able to use our existing Essential Living Fund contract with Southend Borough Council which uses the All Pay Scheme and this will enable the council to mobilise payment within the short grant timeline.
- Southend Borough Council have a robust process in place and the capacity to handle the volume. We are able to monitor spend and mitigate risk by running daily fraud reports
- Card validity can be set by ourselves and so any unspent balance held on an All Pay card after set weeks will be returned to the authority.

4 Options

4.1 For supply provision of food vouchers, the options are as follows:

4.1.2 Do Nothing

This option would not enable us to distribute the funding from Department of Work and Pensions and would mean that our residents would not benefit from central government funding.

4.1.3 Direct award to Wonde through the CCS framework and make the allocations as set out in 3.3 above – Recommended Option

Given the timing of the announcement, Wonde is the recommended option to provide support for those in need.

Wonde are able to deliver vouchers via email or SMS to the families within the timeline required at no charge to the Council. These vouchers can be used at the large chains of supermarkets. Given the late notice of this funding, this option has been recommended as it is the most efficient way of distributing the vouchers and would not have an administrative impact on schools. With Wonde having supplied vouchers to schools since December 2020, processes are well established.

4.2 For the provision of energy, the options are as follows:

4.2.1 Distribute via Allpay cards through Essential Living Fund – Recommended Option

Application based process for a prepaid card delivered by the Essential Living Fund and this allows residents to apply for a card loaded up to £100. We can utilise our existing contract ensuring this is a compliant means to distribute funding to residents. Whilst this cannot be locked for utility payments, we can monitor spend and mitigate risk by running daily fraud reports. We are confident the funding can be issued to those who most need it in the timeframe given. We can limit validity to 4 weeks and any unspent balances can be returned to the authority.

4.2.2 Distribute via a cashable voucher

There are various cash voucher schemes which can be issued via SMS, Email or letter. Residents take the voucher to either the Post Office or a Paypoint location to redeem. However, there is no ability to monitor spend and they cannot be locked for utility payments.

Previous contracts for cash vouchers resulted in issues for residents trying to redeem vouchers at local branches.

Up until 28 October 2022, there was no compliant procurement route without running a further competition under a framework or an open tender exercise, which would have required ECC to enter into a contract direct with a provider. This would have required time to implement and to ensure terms and conditions negotiated to mitigate risk to Council.

Between 28 October 2022 and 2 December 2022) to direct award to I-movo Limited under a CCS framework. This would not be a viable solution based on

our current and limited timetable to explore the fit of this option to meet our current requirements, however as this is primarily a cash voucher it is not ECC's preferred method of distribution.

4.2.3 Energy Prepaid Card

This is a new solution on the market for a prepaid card which is locked to energy suppliers. Currently only a few suppliers are able to offer this solution and there is no compliant procurement route (framework). Due to the time frame we are unable to run a tender. There is a potential option to enter into a direct contract with an energy card provider, however terms and conditions would have to be negotiated to mitigate risks to the Council and ensure compliant with regulations.

An application based process would need to be set up. Once contract awarded, the scheme set up could take up to 6 weeks, allowing limited time to issue funding. The ability to monitor spend however is unclear in respect of reporting data and frequency. Should any potential issues arise with distributing, there would be insufficient time to put in place another means to distribute funding.

We can only reclaim funds from cards which have not been activated and only after the card expiry, which ranges from 3 – 12 months depending on provider.

There is insufficient evidence to ascertain their ability to deliver the solution in the time frames given. The market is immature with new service providers likely to enter the market therefore we are unable to carry out appropriate market analysis before utilising this option so that evidence of efficacy and success of solution can be collated.

5 Financial implications

- 5.1 The Department for Work and Pensions has announced a third extension to the Household Support Fund grant for vulnerable families, pensioners and other households genuinely in need of support until 31 March 2023. In terms of type of support energy bills may be of particular concern to low-income households during the period of the scheme, and Authorities should prioritise supporting households with the cost of energy. The fund can also be used to provide support with food, essentials linked to energy and water, wider essentials. It can also be used to support housing costs in exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need
- 5.2 As per section 31 of the Local Government act, the grant will be paid subject to specific conditions being met and will span the period 1 October 2022 to 31 March 2023. The spending plan has been set out in 3.3 and there is no ringfence of any proportion of funding for any particular cohort of people or category of spend.

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- 5.3 A voucher scheme, where up to £3.84m of the funding has been allocated for the provision of food vouchers, is proposed for those eligible. Given the short notification of this funding it will be necessary to again direct award these funds with Wonde for food as the preferred options. The provider will enable quick distribution of vouchers. The Terms and Conditions of the CCS Framework allow for direct award.
- 5.4 Once again given the short timeline of this grant this decision is recommending £1m for the use of All Pay cards, administered by Southend Borough Council, a scheme which is already set up. This will allow for the distribution of funding to household to be used for energy. In addition spend on the card can be monitored and a time limit can be spent, where by 31 March 2023 any unspent balances can be returned to the authority.
- 5.5 The table below gives a summary of the funding:

	£'000
Total grant allocation	9,437
Funding allocated via decision FP-522-10-22	(750)
Balance	8,687
Allocation of balance	
Provision of Free School Meals	3,750
Essential Living Fund	1,800
Energy - electrical assistive equipment	1,000
Distribution to voluntary organisations, care leavers, young carers and citizens advice bureau	690
Food Support Groups / Organisations and Winter Warmth	400
Early Years, Schools and Colleges supporting those families in most need	400
Food Programme	300
Administration costs	347
Total	8,687

6. Legal implications

- 6.1 It is lawful to work in this way, but the Council will need a written contract with Wonde in order to safeguard personal data.
- 6.2 The value of the contract is very low given that the full spend will be distributed to families on a low income. On that basis the value is below the threshold in the Public Contracts Regulations 2015 and is not required to be tendered. Even if it were to be above the threshold, the requirement to spend quickly would be likely to be lawful under regulation 38.

7. Equality and Diversity implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 As with any grants programme it would be sensible to ensure that there is some monitoring and criteria to ensure that grants are targeted at need and do not disproportionately benefit particular groups in a way which cannot be justified. It is understood that no equality impact assessment has been undertaken as a result of the need to spend this money quickly.

8. List of appendices

None

9. List of Background papers

None

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Louise McKinlay - Deputy Leader and Cabinet Member for Community, Equality, Partnerships and Performance	07.11.22

In consultation with:

Role	Date
Cabinet Member for Finance, Resources and Corporate Affairs Councillor Chris Whitbread	07.11.22
Executive Director for Finance and Technology (S151 Officer) Stephanie Mitchener on behalf of Nicole Wood	04.11.2022
Director, Legal and Assurance (Monitoring Officer) Paul Turner	04.11.2022
Executive Director for Children and Families Helen Lincoln	03.11.2022