

**Forward Plan Reference:** FP/081/03/24

**Report title: Extension to the Household Support Fund: Funding to Support Families and Vulnerable Adults**

**Report to:** Louise McKinlay – Deputy Leader of the Council

**Report author:** Helen Lincoln, Executive Director for Children and Families

**Date:** 15 April 2024

**For:** Decision

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**County Divisions affected:** All Essex

## 1. Everyone's Essex

- 1.1 This report proposes that the £9,436,543 of Household Support Fund (HSF) grant from the Department for Work and Pensions will be used to support households in the most need, 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 Agreeing to the allocation of support to Essex residents for those most in need to help with the cost of energy, food, water, and other essentials as proposed in this report will improve the health and wellbeing and safety of the most vulnerable Essex residents.

## 2. Recommendations

- 2.1 Agree that £9,436,543 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 living costs as set out in paragraph 2.2 below.
- 2.2 Agree that the allocation of £9,436,543 will be distributed as follows:
  - a) £4,122,998 for the provision of supermarket vouchers for food and essential items for those families: (1) in receipt of free school meals; (2) who are in receipt of the disadvantaged funded entitlement for 2-year-olds (as determined by the financial criteria set out by the Department for Education); and (3) with 3 and 4 years olds entitled to early years pupil

premium funding. These vouchers will be distributed via schools in the form of a one-off voucher of £75 per eligible child before 30 September 2024.

- b) £37,500 for the provision of supermarket vouchers for food and essential items to support those Young Carer households with the most need for food and essential items as assessed by the Council's Youth Service. This will be paid to the eligible household by a one-off voucher of £75 before 30 September 2024.
  - c) £42,500 for the provision of supermarket vouchers for food and essential items to be distributed to care leavers. This will be distributed by a one-off voucher of £50 per care leaver.
  - d) £4,031,123 to be allocated to Essex County Council's Essential Living Fund, a welfare support fund where residents can access emergency support through an application process.
  - e) £100,000 to be allocated equally to Home Start Essex, Home Start Harwich, Home Start Colchester, Cares First Essex, and the Peabody Trust to directly support households with vulnerable people with the cost of energy, food and water and wider essentials or housing costs.
  - f) £100,000 to be allocated to Council's for Voluntary Sector organisations and/or Citizen Advice Bureaus in Essex as assessed and determined by the Council's Public Health Service, who will provide fuel, supermarket vouchers and essential living items directly to households in need.
  - g) £475,000 to be allocated to the Essex Association of Local Councils to create a fund which Foodbanks can apply for to purchase and stock groceries that residents can access.
  - h) £100,000 to be allocated to local community organisations in Essex to run food education programmes. The fund, and applications to the fund, will be managed by the Council's Active Essex Team.
  - i) £80,000 to be allocated to 9 Community Supermarkets in Essex, which are run by local voluntary and community sector organisations, to purchase grocery provisions which are then provided at discounted prices for local residents to purchase.
  - j) £347,422 to be retained for Essex County Council's administration and communication costs for the proposals set out in this report.
- 2.3 Note 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 in paragraph 2.2 above under review and, if required, adjust as needed.
- 2.4 Agree to call off a six-month contract from the Crown Commercial Services (CCS) RM6248 Payment Solutions 2 Framework to Wonde Limited for the

distribution of £4,202,998 in supermarket vouchers commencing as soon as possible after the approval to award.

### **3. Summary of issue**

- 3.1 On 6<sup>th</sup> March 2024, in the Spring Statement, the Chancellor announced a fifth extension to the Household Support Fund (HSF) which will again be made available to County Councils and Unitary Authorities in England to support those households most in need. Final grant conditions were received from DWP on 26<sup>th</sup> March 2024, and the fund will run from 1st April to 30<sup>th</sup> September 2024 and totals £421 million across all authorities. The fund is targeted to those in most need, particularly those who may not be eligible for other support central government has recently made available but who are nevertheless in need.
- 3.2 Of this overall fund, Essex County Council (ECC) has been allocated £9,436,543 by the Department for Work and Pensions (DWP). In terms of the type of support to be given to households, energy bills will be of particular concern to low-income households and authorities in receipt of HSF funds are required to prioritise supporting households with the cost of energy bills. HSF can also be used to provide support to households with food, other essentials linked to energy and water, and wider essentials such as clothing. It can also be used to support housing costs in exceptional cases of genuine emergency, and to support housing costs where existing housing support schemes do not meet this exceptional need.
- 3.3 This decision sets out the proposals to allocate the £9,436,543 grant as follows:
- Allocate £4,202,998 for the provision of supermarket vouchers as follows:
    - £4,122,998 for the provision of supermarket vouchers to families: (1) with children eligible for free school meals; (2) with 2 years olds who are in receipt of the disadvantaged funded entitlement for 2-year-olds (as determined by the financial criteria set out by the Department for Education); and (3) with 3 and 4 years olds entitled to early years pupil premium. This will be a one-off voucher, paid via their schools, for the value of £75 per eligible child to be paid before 30 September 2024.
    - £37,500 for the provision of supermarket vouchers to Young Carer households with the most need for fuel, food and essential items. The assessment of those young carers in the most need will be made by the Essex Youth Service.
    - £42,500 for the provision of supermarket vouchers for care leavers as a one-off voucher for the value of £50 to be paid before 30 September 2024.
  - Allocate £4,031,123 to 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. There will be specific communications to target pensioners and people with disabilities who are not benefiting from DWP Cost of Living Payments. Furthermore, there

will be promotion of the support available to those households who ordinarily fall outside of specific benefit related support but all the same are struggling. ECC has an existing agreement with Southend City Council which manages the Essential Living Fund.

- Allocate £475,000 to the Essex Association of Local Councils (EALC) to administer and allocate funding for food banks. This will be managed through grant agreements between ECC and EALC and in turn EALC with the food banks who are successful through an application process run by the EALC. The Grant Agreement between ECC and EALC will set out the criteria for managing the grant application process.
  - Allocate £100,000 to local community organisations to run Food Educations Programmes. The fund, and applications to the fund, will be managed by ECC's Active Essex Team. Community Organisations who are successful in their application to run the programme will enter a grant agreement with ECC which will set out the conditions of the funding.
  - Allocate £100,000 equally between Home Start Essex, Home Start Harwich, Home Start Colchester, Carers First Essex and Peabody Trust through grant agreements to support families with essential items.
  - Allocate £100,000 to Council's for Voluntary Sector organisations in Essex and/or Citizen Advice Bureaus in Essex who will provide fuel, supermarket vouchers and essential living items. The funds will be managed through grant agreements with the Council and applications to the fund will be managed by ECC's public health team.
  - Allocate £80,000 to 9 Community Supermarkets across 8 Essex districts/boroughs/cities who provide subsidised groceries to residents in the localities in which they are based. Community supermarkets are run by trusted local voluntary and community sector groups. The funds will be managed by the Council through grant agreements with these groups. Individual supermarkets will receive between £2,500 and £12,500 each depending on need as determined by the Strategy Insight and Engagement service in ECC.
  - £347,422 will be retained by ECC for the costs of administering the fund and communication campaigns associated with this funding. Those communication plans will be specifically targeted to people with disabilities, pensioners, and those not in receipt of central government's Cost of Living Payments and energy support.
- 3.4 Relevant grant agreements will be entered into to distribute the funding referred to above. These grant agreements will be in place before funding is distributed. Ongoing monitoring may also be needed to ensure that grants are spent appropriately.
- 3.5 A clear, fair and transparent process will be used where a bid or application process is used to apply for funding.

- 3.6 ECC will need to appoint a supplier to distribute the supermarket vouchers on its behalf. The proposal is to award a contract using the Crown Commercial Services (CCS) framework (RM6248 Payment Solutions 2). This framework meets ECC's requirements to distribute supermarket vouchers and offers value for money. The framework adheres to procurement legislation and all criteria for a Direct Award stipulated within the Framework Agreement for award have been complied with.
- 3.7 The Direct Award process requires the completion of a comprehensive desktop evaluation. The evaluation is based on supplier responses to price and quality in submission to join the framework. As required by the terms of the Framework Agreement, the responses were evaluated against ECC's specific requirements, using the weighting and criteria in accordance with the CCS guidance which supports the use of the Framework Agreement. This Evaluation process allows for a supplier to be identified and a direct award made to the supplier meeting all requirements.
- 3.8 Having carried out the required comprehensive desk top assessment of all 5 available providers under the framework against ECC's requirements and applying weightings of 10% price /80% quality and 10% social value, Wonde Ltd has been identified as the successful provider with the highest score.
- 3.9 It is therefore proposed to award a contract to Wonde Limited to distribute supermarket vouchers up to the value of £4,202,998 over a term of 6 months.
- 3.10 Wonde Ltd are able to 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 a direct arrangement with these supermarkets. All schools and early years settings in Essex have used their services through distribution of previous grants making it easy for most schools and early years settings to co-operate with the scheme and for recipients to access and then redeem the vouchers. This option presents low administrative burden on Essex schools who will be allocating the one off £75 voucher for each child on free school meals.
- 3.11 A contract with Wonde provides that 100% of the value of the money paid by ECC is passed to consumers as vouchers. Wonde will be paid in advance with a final reconciliation payment or refund to be made at the end of the grant period.

#### **4. Links to our Strategic Ambitions**

- 4.1 This report links to the following aims in the Essex Vision:
- Provide an equal foundation for every child.
  - Share prosperity with everyone.
- 4.2 Approving the recommendations in this report will have no impact on the Council's ambition to be net carbon neutral by 2030.

4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- Health wellbeing and independence for all ages.
- A good place for children and families to grow.

## **5. Options**

### **5.1 Do Nothing**

This option would not enable ECC to distribute the funding from DWP and would mean that our residents would not benefit from central government funding.

### **5.2 Option 2 - Direct award to Wonde Ltd through the CCS framework and make the allocations as set out in 3.3 above – Recommended Option**

The proposed allocations of funding set out in this report, meet the requirements set by DWP and will enable those residents most in need of support with energy, food and living costs to access this funding.

Following completion of the evaluation, it is recommended that a contract is awarded to Wonde Ltd to distribute vouchers as set out in this report. Wonde Ltd are able to deliver vouchers via email or SMS to the families at 100% of the value of the funds (e.g., for each £1 paid to Wonde Ltd £1 is passed to the recipient) within the timeline required at no charge to the Council. These vouchers can be used at the large chains of supermarkets. This is the most efficient way of distributing the vouchers and would not have an administrative impact on schools. Wonde Ltd have supplied vouchers to schools since December 2020 and processes are well established.

### **5.3 Option 3 - carry out a full procurement exercise other than award a contract through a Framework Agreement.**

This option would not enable ECC to distribute the funding from the DWP within the stipulated timescales as it could take approximately 6-9 months to procure a provider which is not possible within the timeframes available. A solution needs to be in place prior to May 2024 to ensure supermarket vouchers are distributed to those families who most need support as quickly as possible.

## **6. Issues for Consideration**

### **6.1 Financial implications**

6.1.1 The Department for Work and Pensions has announced a fifth extension to the Household Support Fund grant which is to provide assistance to those households most in need until 30 September 2024.



- 6.1.2 The fund can be used to meet immediate needs and help those who are struggling to afford household essentials including energy and water bills, food, and wider essentials. It can also be used to support households with housing costs where existing housing support does not meet this need, and to supplement support with signposting and advice.
- 6.1.3 Funding for supplementary advice services, including debt and benefit advice, is considered eligible spend within the HSF scheme. As the primary focus of this grant is on practical support, expenditure on supplementary advice services is expected to be limited and linked to the provision of practical support.
- 6.1.4 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 April 2024 to 30 September 2024. There is the expectation that all authorities must operate at least part of their scheme on an application basis – in other words, residents should have the opportunity to come forward to ask for support. For Essex this will be through the Essential Living Fund. 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.
- 6.1.5 The table below gives a summary of the funding:

	<b>£</b>
Provision of Free School Meals	4,122,998
Essential Living Fund	4,031,123
EALC Food banks	475,000
Administration costs	347,422
Voluntary and Community Organisations	100,000
Food education programme	100,000
Council for Voluntary Sector Organisations	100,000
Young Carers	37,500
Care Leavers	42,500
Community Supermarkets	80,000
<b>Total</b>	<b>9,436,543</b>

### **Legal implications**

- 6.1.6 A direct award of a contract is permitted under the Public Contracts Regulations 2015 (the Regulations) but the framework agreement must clearly set out how Contracting Authorities are to make the choice between different suppliers for the award of each called off contract. Direct awards can be made under multi-supplier framework arrangements which set out all the terms under which contracts may be called off without further agreement. Alternatively, a mini-competition process could be run.
- 6.1.7 Regulation 33(8)(a) of the Regulations sets out the criteria that must be met when making a direct award:

- a) all the terms governing the provision of the works, services and supplies concerned are set out in the framework agreement, and
- b) the objective conditions for determining which of the suppliers on the framework agreement shall perform them are set out in the procurement documents.

It is not permissible to direct award a contract if the terms of the framework need to be refined. There is a risk of challenge when using a direct award process that has not been correctly followed.

- 6.1.8 Written grant agreements will need to be in place to ensure the grants are spent in accordance with the relevant applications for funding.
- 6.1.9 When making grants, the Council must consider whether such grants and the grant recipient comply with the subsidy control rules.
- 6.1.10 It is important that a clear and fair process is used to invite bids and decide between competing priorities.

## **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 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.
- 7.4 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.

## **8. List of appendices**



## Equalities Comprehensive Impact Assessment

### 9. List of Background papers

None

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Louise McKinlay – Deputy Leader of the Council</b>	19.04.24

#### In consultation with:

<b>Role</b>	<b>Date</b>
<b>Cabinet Member for Finance, Resources and Corporate Affairs</b>	19.04.24
<b>Councillor Chris Whitbread</b>	
<b>Executive Director for Finance and Technology (S151 Officer)</b>	
<b>Nicole Wood</b>	17.4.24
<b>Director, Legal and Assurance (Monitoring Officer)</b>	17.4.24
<b>Katie Bray on Behalf of Paul Turner</b>	
<b>Executive Director for Children and Families</b>	
<b>Helen Lincoln</b>	17.4.24