

Report to: **Executive**

Date: **28 June 2023**

Title: **Cost of Living Crisis: Plans for Household Support Fund 2023 to 2024 and Council Tax Support Fund Allocation**

Portfolio Area: **Economy – Cllr John Birch**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Geni Hotchkiss** Role: **Head of Revenues and Benefits**

Contact: **email: geni.hotchkiss@swdevon.gov.uk**

RECOMMENDATIONS:

It is RECOMMENDED that the Executive instructs the Head of Revenues and Benefits to:

- 1. take immediate steps to progress support payments of £150 to single income households in receipt of Council Tax Reduction, and not receiving passported benefits, on 1 July 2023, with a further payment of up to £250 being made in December 2023.**
- 2. take immediate steps to progress support payments of £150 to residents with caring responsibilities i.e. those receiving Council Tax Reduction and Carers Allowance and/or a council tax carers disregard on 1 July 2023, with a further payment of up to £250 being made in December 2023.**
- 3. take immediate steps to progress support payments of £150 to residents receiving War Disablement Pension on 1 July 2023, with a further payment of up to £250 being made in December 2023.**
- 4. work with Armed Forces' charities and other affiliated organisations to identify other veterans the Council wishes to support.**

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| <p>5. release the balance of funding in three tranches for an open application process, to cover the periods July to September 2023, October to December 2023 and January to March 2024.</p> <p>6. use the balance of the Council Tax Support Fund allocation to top-up the Exceptional Hardship Fund.</p> |
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1. Executive summary

- 1.1 In the autumn budget of 2022 the Chancellor of the Exchequer announced, as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living that the Household Support Fund ("The Fund") would be extended to cover the period 1 April 2023 to 31 March 2024.
- 1.2 The Department for Work and Pensions (DWP) has provided funding to County Councils and Unitary Authorities to administer the Fund and provide assistance to households most in need. The expectation is that the Fund should be used to support households in the most need; particularly those who may not be eligible for other support government has made available, but who are nevertheless in need and who require crisis support. It is expected that DWP, County Councils and Unitary Authorities will work collaboratively with delivery partners such as District Councils to meet the policy intent within the agreed framework.
- 1.3 As part of a previous package of support measures to assist households with the rising cost of living, on 19 December 2022 government announced a Council Tax Support Fund. At its meeting on 26 January 2023, Executive Committee resolved to instruct officers to take immediate steps to award the mandatory payment of up to £25 to eligible council taxpayers to help with their bills for 2023/24. Executive Committee also agreed that officers would bring forward proposals for a discretionary scheme, using the balance of any funding, in late spring 2023.
- 1.4 A variety of support options have been considered and the recommended options strike a balance between providing targeted support to certain households, who may not have received any other Cost of Living support, and the opportunity to apply for support through an application process.

2. Background

Household Support Fund

- 2.1 Devon County Council has been awarded funding of over £10m by the Department for Work and Pensions for a fourth Household Support Fund (HSF4) covering the period 1 April 2023 to 31 March 2024.

- 2.2 The funding is intended to support households who are struggling to meet their food, energy, water and other essential living needs. It is being allocated through several schemes in Devon in order to reach households that are experiencing financial hardship. All district or city councils have been provided with a funding allocation to provide targeted financial help and assistance to households that need it most.
- 2.3 The Council's total allocation is £374,662 and will be provided in two tranches namely £168,598 to cover the period April to September 2023, followed by £206,064 to cover the period October 2023 to March 2024.
- 2.4 The expectation is that the Fund will be used to support households in the most need; particularly those who may not be eligible for other support the government has made available, but who are nevertheless in need and require crisis support. There may be groups of people who are vulnerable to rising prices even though they are supported through other Cost of Living schemes such as large families or single-income families. Further, the Fund is intended to cover a wide range of low income households including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people.
- 2.5 The Household Support Fund guidance suggests various cohorts we may wish to consider supporting, including people with caring responsibilities. This is an area that has been identified to us by South Hams Citizens Advice as they have had residents contacting them who have had their benefits, such as Personal Independence Payments (PIP), sanctioned or stopped by the Department for Work and Pensions and are experiencing financial hardship as a result.
- 2.6 Officers have undertaken some initial analysis from existing datasets to identify households with caring responsibilities which are detailed in the table below:

Type	Number
Council Tax – Carers Disregard	110
In receipt of Council Tax Reduction and Carers Allowance – pensioner households	85
In receipt of Council Tax Reduction and Carers Allowance – working age households	180

- 2.7 It is recommended that we make one initial payment of £150 in July 2023, with a further payment of up to £250 being made in December 2023 as long as the resident continues to meet the eligibility criteria on 15 November 2023. In all cases, households will only receive one payment even if they fall into more than one category.

- 2.8 Another cohort we propose to support is single person households (excluding those receiving passported benefits that will be entitled to Cost of Living payments from government). This is because single people on low incomes have similar costs to couples and families, but only have one income. A first payment of £150 will be made in July 2023 with a second payment of up to £250 being made in December 2023, as long as the recipient meets the eligibility criteria on 15 November 2023. Initial analysis shows that we have approximately 243 residents who will qualify for the payments. Again, if they also fall into the carers' category they will only receive one payment.
- 2.9 The Council also wishes to support Armed Forces veterans and, using existing datasets, we have identified 15 residents who fall into this category as they receive War Disablement Pension. Again, if the resident falls into more than one category we will only make one payment. A payment of £150 will be made in July 2023, with a further payment of up to £250 being made in December 2023. To be eligible for the second payment, the eligibility criteria must be met on 15 November 2023.
- 2.10 We also wish to extend this support further and will work with Armed Forces' charities and affiliated organisations to identify other residents who may be in need of support and will make support payments of a similar amount on a case by case basis.

Council Tax Support Fund

- 2.11 Alongside the provisional Local Government Financial Settlement on 19 December 2022, the government announced £100m of additional funding for local authorities to support the most vulnerable households in England with their Council Tax bills.
- 2.12 The funding was subsequently confirmed at £130,930 and we were required to make payments of up to £25 to reduce the council tax bills of working age and pension age Local Council Tax Support (LCTS) claimants and the mandatory payments were applied to the 2023/24 annual Council Tax bills, with the qualifying date being 1 April 2023.
- 2.13 The guidance goes on to state that councils can use their remaining allocation as they see fit to support vulnerable households with Council Tax. The balance of funding remaining as at 6 June 2023 was £48,245. This figure may fluctuate upwards due to retrospective changes to Council Tax Reduction where the liability is reduced below £25, however there are no increased payments if the resident previously received the maximum payment of £25. It is recommended that the balance of the funding is added to the existing Exceptional Hardship Fund in order to give targeted support to residents who are struggling to pay their Council Tax.

Other Cost of Living Support

- 2.14 In May 2023, the Council wrote to 265 pensioners to inform them that our Council Tax Reduction records showed that they may be eligible to claim Pension Credit Guarantee Credit (PCGC). In addition to the extra weekly income, it also meant they would be eligible for the £900 Cost of Living Payment and other assistance such as a free TV licence if over 75 and help with NHS costs such as dental treatment and glasses.
- 2.15 The Benefits team provided instructions on how to make a claim and, at the time of writing this report, we estimate that 31 residents have made a successful claim for PCGC.
- 2.16 Feedback received from residents has been positive and we have had Household Support Fund applicants cancel their application as they no longer require the additional help. This means we can use the Household Support Fund to assist more residents than would have otherwise been the case.

3. Outcomes/outputs

- 3.1 The expectation is that the Fund should be used to support households in most need; particularly those who may not be eligible for other support the government has made available, but who are nevertheless in need and require crisis support. There are no specific funding targets when supporting specific cohorts of the population, however at least part of the scheme must be on an application basis so there is an opportunity to ask for support. It is recommended that support is offered through staggered tranches, to ensure it is available until 31 March 2024.
- 3.2 Getting the funding out to residents quickly and at appropriate intervals is a key measure of success and the Council has a proven track record in this area.
- 3.3 As part of the funding arrangements, the Council is required to provide management information to Devon County Council on the delivery of the Fund. This will in turn be used by the County Council to inform the Department for Work and Pensions on the speed and effectiveness of delivery.

4. Options available and consideration of risk

- 4.1 In formulating the recommendations, some options have been considered and discounted. These are set out below:
- (a) Various options using existing benefits datasets including nil qualifiers for council tax reduction and those households only receiving housing benefit. Due to the level of work involved in identifying these cases, it was determined that the cost in officer time outweighs any benefits to households.

- (b) One of the groups highlighted in the guidance to be considered for support is disabled people. Funding from the 3rd Household Support Fund was used to make a direct payment of £300 to households receiving council tax disabled band reduction on 1 December 2022. Rather than supporting this cohort again, officers recommend that we focus on those with caring responsibilities and Armed Forces veterans who may also fall into this group in any event.

- 4.2 In evaluating the options, engagement has taken place with service leads across the Council and other relevant officers, Members and partner organisations.

5. Proposed Way Forward

- 5.1 The recommendations in this report will provide support in different ways to different households with particular focus on supporting single income households who are receiving council tax reduction but not passported benefits, those residents with caring responsibilities and Armed Forces veterans
- 5.2 The proposals will help deliver our vision of Better Lives for All through providing a broad range of support including help with energy and other essential living costs. They are also targeted at those most in need due to the cost of living crisis, including those who may be disproportionately impacted by rising living costs such as those residents with caring responsibilities and single income households with a low income.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Department for Work and Pensions (DWP) has provided funding to County Councils and Unitary Authorities (including Metropolitan Councils and London Boroughs), under section 31 of the Local Government Act 2003, to administer The Fund and provide assistance to households most in need.</p> <p>The 1 April 2023 to 31 March 2024: Household Support Fund guidance for county councils and unitary authorities in England states that "Authorities must work together with District Councils to ensure the funding meets its objectives by identifying those most in need".</p>
Financial implications to include reference		The Council will receive £374,662 from Devon County Council to deliver the Household Support Fund.

to value for money		<p>The funding will be provided in two tranches with £168,598 allocated for deployment between April and September 2023. A further £206,064 will be provided for allocation between October 2023 and March 2024.</p> <p>A further allocation for administration costs will be made, with £25,290 covering the April to September 2023 period and £30,910 to cover the period to 31 March 2024.</p> <p>Partners will be required to complete Management Information (MI) returns within clear timeframes. Payment will be received once the County Council has submitted MI returns and received funding from the Department for Work and Pensions.</p>
Risk		There is a reputational risk if the Council does not deliver support in a timely and responsive manner.
Supporting Corporate Strategy		Wellbeing.
Consultation & Engagement Strategy		There is no formal requirement to consult, however engagement has taken place with service leads and partners such as Citizens Advice.
Climate Change - Carbon / Biodiversity Impact		None as direct result of this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Equality impact assessments will be completed if required.
Safeguarding		None as a direct result of this report, however some actions may help keep vulnerable children and adults safe.
Community Safety, Crime and Disorder		None as a direct result of this report, however some of the recommendations may help to reduce crimes such as domestic violence.
Health, Safety and Wellbeing		Financial wellbeing is crucial to the wellbeing of our residents and the recommendations in this report are designed to support this.
Other implications		None.