

Report of Benefits Manager

Report to Director of Communities & Environment

Date: 22nd December 2020

Subject: COVID Winter Grant Scheme: Fuel Support Payments

| | |
|--|---|
| Are specific electoral wards affected? If yes, name(s) of ward(s): | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Has consultation been carried out? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Will the decision be open for call-in? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Summary

1. Main issues

- On the 8th November, 2020, the government announced a £170 million COVID Winter Grant Scheme (CWGS). This package will enable Local Authorities to provide support to families with children, other vulnerable households and individuals from early December 2020 and covers the period until the end of March 2021.
- Leeds has been allocated £2,837,556.77. The funding is ring-fenced and time limited (01/12/2020 – 31/03/2021), with any funds not spent, sent back to Government.
- To date £1.6 million of the funding has been approved to be allocated to for the provision of food support to 34,862 children estimated to live in poverty in the city for the Christmas and February half-term holidays.
- The proposal set out within this report is to allocate a further £807K to support families and individuals in Leeds with fuel costs.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The proposal set out in this report contributes to the Best Council Plan focus of tackling poverty and reducing inequalities, and achieving the council’s ambition for a strong economy and compassionate city

3. Resource Implications

- The actions arising following scheme approval intend to operate within the current budget allocation and there are no additional resource implications arising from this report as it is intended that the activities arising be managed within existing resource.

Recommendations

- a) The Director of Communities & Environment is requested to approve the use of the Post Office Payout scheme to provide extra support to working-age Council Tax Support (CTS) recipients in Leeds. The total cost is estimated to be £807,605.
- b) The Director of Communities & Environment is requested to agree to waive call in for this decision, as any delay in implementing the decision will mean a delay in getting support to vulnerable households in Leeds.

1. Purpose of this report

- 1.1 This report sets out a proposal to provide financial support to working-age Council Tax Support (CTS) recipients in Leeds which will help them to pay their fuel bill over the winter months.

2. Background information

- 2.1 The objective of the COVID Winter Grant Scheme is to provide support to vulnerable households and families with children particularly affected by the pandemic throughout the winter period where alternative sources of assistance may be unavailable.
- 2.2 The aim is to give vulnerable households peace of mind in the run up to Christmas and over the Winter months during the pandemic by helping those who need it to have food on the table and other essentials, so every child will be warm and well-fed this winter.
- 2.3 Leeds has been allocated £2,837,556.77. The funding is ring-fenced and time limited (01/12/2020 – 31/03/2021), with any funds not spent, sent back to Government. The funding will be distributed in three payments.
- 2.4 To date £1.6 million of the funding has been approved to be allocated to for the provision of food support to 34,862 children estimated to live in poverty in the city for the Christmas and February half-term holidays.
- 2.5 The full Government guidance can be found here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938204/covid-winter-grant-scheme-guide.pdf
- 2.6 The guidance allows Local Authorities to use discretion on how to identify and support those most in need. However the guidance stipulates that:
 - At least 80% must be allocated to households with children, the remainder to individuals or households without children.
 - Of those allocations, 80% must be in relation to food, fuel, water and other household bills (not rent/housing costs), with the remainder on other essentials clearly linked to the scheme's conditions (including sanitary products, warm

clothing, soap, blankets; boiler service/repair; purchase of equipment including fridges, freezers, ovens, etc.).

- LA's can provide funding to partners to support the delivery of the scheme. Food banks, charities and schools are among those who are classified as partners.
- LA's must provide management information to demonstrate the number and value of allocations for all cases where the payments are made to individuals as Cash, Voucher or Bank Transfer. Each must be counted separately and classified against each spend centre (Food, Fuel, Water OR other)
- LA's can attribute reasonable administration costs to this fund but are asked to keep it to a minimum. All expenditure (including costs allocated to administration) will be published on GOV.UK

3. Main issues

3.1 After the £1.6 million funding for the provision of food support to 34,862 children for the Christmas and February half-term holidays, the value of the remaining allocation is £1.2 million.

3.2 In line with the Government guidance, up to 20% of the total funding (£567,511) can be allocated to individuals or households without children.

3.3 The Government expect Local Authorities to use an element of the funding to ensure that vulnerable low income households are assisted with fuel costs during the winter months.

3.4 Various approaches for delivering fuel support have been considered and the following factors have been considered:

- How to reach/identify those most in need
- How much financial support to award
- How to deliver the financial support to households

3.5 How to reach/identify those in need

3.6 Available options have been considered and, it has been determined that the most effective way of reaching low-income Households in Leeds within the limited timeframe, is to target working-age individuals and families who are in receipt of Council Tax Support (CTS).

3.7 This approach has been adopted by other Local Authorities nationally and offers a quick and relatively simple way of ensuring support reaches those most in need.

3.8 An important benefit in this approach is that it does not rely on an application process which would be administratively burdensome and which would potentially prevent some households from receiving support.

3.9 The number of families and individuals who receive CTS in Leeds are illustrated in the table below:

| | Target Group | Number within Group |
|-------------|---|---------------------|
| Families | Working age CTS caseload with children | 15,332 |
| Individuals | Working age CTS caseload without children | 28,287 |

3.10 How much to award

- 3.11 In determining the amount to award the main considerations have been:
- The remaining budget (£1.2M);
 - The requirement that a maximum 20% of the total funding (£567,511) can be allocated to individuals or households without children;
 - A desire to leave some residual funding to support households via other means, including allocations to Third Sector organisations;
 - A desire to make a meaningful contribution towards fuel costs over the winter months.

3.12 The table below show the cost of allocating a one-off payment of £25 to families and £15 to individuals:

| | Target Group | Number within Group | Award Value | Cost |
|-------------|---|---------------------|-------------|----------|
| Families | Working age CTS caseload with children | 15,332 | £25 | £383,300 |
| Individuals | Working age CTS caseload without children | 28,287 | £15 | £424,305 |
| Total | | | | £807,605 |

- 3.13 An award of £25 to families and £15 to individuals will ensure that the maximum amount of support which can be allocated to individuals is not exceeded. It will also mean that sufficient funds remain for alternative support provision.
- 3.14 The proposal will result in 15,332 families and 28,287 individuals in Leeds receiving support towards their winter fuel costs.
- 3.15 How to deliver the financial support to households
- 3.16 This proposal aims to quickly deliver financial support to over 43K households in a secure way with measures in place to prevent fraud.
- 3.17 Enquires have been made within the Council and it has been determined that there is no scope to make payments to such a large cohort of households within the limited time-frame available.
- 3.18 Alternatives solutions have been explored and most suitable approach involves using the Post Office Payout solution: <https://www.postoffice.co.uk/post-office-payout>
- 3.19 This solution has been used previously by the Council and there is an existing contract in place. Other Local Authorities nationally are also using the Post Office Payout scheme for similar initiatives linked to the Covid Winter Grant Support.
- 3.20 The way the solution would work is as follows:
- The council provide the post office with a spreadsheet containing the name; address and voucher value for the 43K households identified;
 - The council provide the post office with a template letter;
 - The council provide the post office with the funds to provide the support (£807K);
 - The post office will issue the letter to households and will enclose a voucher;
 - The resident can take the voucher to the post office and exchange it for cash upon presentation of Identification.

3.21 The total charge made by the post office to administer this scheme is estimated to be £37K and this cost will be met in full by Government.

3.22 Some of the advantages of using the Post Office Payout scheme are listed below:

- It is easy to set up and manage;
- The support can be delivered quickly;
- The vouchers are easy to cancel and re-issue if required;
- Post offices are accessible across Leeds;
- There is no need for a bank account;
- There is no requirement for a recipient to be digitally literate;
- Carers or other authorised individuals can collect payments for customers;
- The costs incurred are relatively low.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Consultation has been taken with neighbouring West Yorkshire Councils, and several others, to understand their approach to adapting their scheme to reflect the release of Government funding and to help understand the risks.

4.1.2 Research with other Council's suggest that allocating additional support to working-age CTS recipients is a popular means of distributing this funding to those in need.

4.2 Equality and diversity / cohesion and integration

4.2.1 A key focus of this report is to assist Council Tax charge-payers affected by COVID 19, specifically addressing Council Tax charge-payers who qualify for Council Tax Support, therefore supporting people suffering hardship & poverty.

4.3 Council policies and the Best Council Plan

4.3.1 The proposal set out in this report contributes to the Best Council Plan focus of tackling poverty and reducing inequalities, and achieving the council's ambition for a strong economy and compassionate city.

Climate Emergency

4.3.2 There are no new matters arising as a result of the proposals set out in this report.

4.4 Resources, procurement and value for money

4.4.1 There are no additional resource implications arising from this report.

4.4.2 A contract is already in place with the Post Office for the use of their PayOut scheme and it is anticipated that this can be utilised for the purpose of delivering this additional support.

4.4.3 The cost of delivering this support, including the charges made by the post office will be met in full by the Government.

4.5 Legal implications, access to information, and call-in

- 4.5.1 It is requested that this decision is exempted from call in, as any delay in the decision will mean a delay helping hard pressed households across the city.
- 4.5.2 This decision will be taken using the General Exception provision of the Constitution, bypassing the usual 28 day period on the List of Forthcoming Key Decisions. This is because any delay implementing the decision will mean a delay in getting support to vulnerable households in Leeds

4.6 Risk management

- 4.6.1 There is high confidence in terms of the accuracy of the financial forecasting provided.
- 4.6.2 The government's expectation is that the council monitor and report expenditure. This will be achievable.
- 4.6.3 The potential for fraud will be restricted by identifying those eligible for an award and asking them to provide identification before releasing payment.

5. Conclusions

- 5.1 The COVID Winter Grant Scheme provides an opportunity this year to provide fuel support for all working-age economically vulnerable people and households in Leeds.
- 5.2 Discussion with other Councils has revealed a number of different approaches, which is to be expected because of the discretionary nature of this funding.
- 5.3 There are a number of approaches available to Leeds in terms of delivering the support but the proposed approach of targeting the working age CTS caseload and utilising the Post Office Payout ensures that the additional support can quickly and effectively be delivered to those who need it most whilst remaining comfortably within budget.
- 5.4 Alternative approaches such as an application process would require complex administrative practices and potentially higher administrative costs and may prevent vulnerable households from receiving support.

6. Recommendations

- 6.1 The Director of Communities & Environment is requested to approve the use of the Post Office Payout scheme to provide extra support to working-age Council Tax Support (CTS) recipients in Leeds. The total cost is estimated to be £807,605.
- 6.2 The Director of Communities & Environment is requested to agree to waive call in for this decision, as any delay in implementing the decision will mean a delay in getting support to vulnerable households in Leeds.

7. Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.