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**Household Support Fund**

**Briefing Note**

**January 2024**

**What is the Household Support Fund?**

The Household Support Fund is principally intended to provide practical support to households in need and experiencing cost of living pressures with the costs of food, energy and water bills, essentials related to energy and water, wider essential items, exceptional housing costs and limited advice services.

The Household Support Fund has been in place since 6th October 2021. It is central government funding and has been allocated to all local authorities through the Department for Work and Pensions. The current round 4 of the Household Support Fund covers the 12-month period from 1st April 2023 to 31st March 2024. Previous rounds have had durations of 6 months.

Total funding allocated to Leeds through the Household Support Fund since the 6th October 2021 through to 31st March 2024 amounts to £35.5 million.

**Household Support Fund - Context**

The impacts of the welfare reform agenda and austerity have been significant and researched widely over the course of the last decade. Key measures which have directly operated to reduce household income for those dependent upon means tested benefits include the imposition of the benefit cap; two child limit and the freezing of benefit levels and Local Housing Allowance rates. A further measure included the abolition of elements of the Discretionary Social Fund, namely Crisis Loans and Community Care Grants which enabled those in receipt of means tested benefits to access money to meet crisis support needs, including assistance with food, fuel, and essential household items.

The Covid pandemic placed further pressure on household budgets and the government responded with a £20 per week uplift to Universal Credit, in Leeds this would have amounted to £66m per annum. However, this was removed at the end of September 2021. There was also some support for children and young people in receipt of free school meals but again direct support to eligible families was removed.

All these measures pre-date the significant increases in fuel costs stemming initially from the impact of the war in Ukraine and continuing with increased Consumer Prices Index inflation which peaked in October 2022 at 11.1% and remains above the Bank of England’s target rate of 2% currently standing at 4.6%, with food inflation as the highest category of inflation at 10.1%. For more information see [CostofLiving-Sept-edition-v3.pdf (leeds.gov.uk)](https://observatory.leeds.gov.uk/wp-content/uploads/2023/10/CostofLiving-Sept-edition-v3.pdf)

Whilst the Household Support Fund cannot comprehensively address the increasing income deficit for all households, it has enabled the council to provide some targeted support to those struggling the most with cost-of-living pressures. As at now, there is no indication from central government that there will be a further round of Household Support Fund extending support beyond the end of March 2024.

**Household Support Fund - Impact**

Leeds has been allocated HSF4 funding of £14.2 million to be spent between 1st April 2023 to 31st March 2024. The funding is being spent as per our Delivery Plan for 2023/24 which follows a mixed approach to the distribution of funds as per previous rounds and involves:

* **Direct awards** – This element of support is the provision of direct awards to people likely to be struggling with cost-of-living pressures and linked to their receipt of other means tested benefits.
* **Application based support** - delivered through the Local Welfare Support Scheme and based on the established eligibility criteria for this scheme.
* **Other council directorates** - Working with colleagues targeting their priority groups including Housing Leeds, Leeds Housing Options, Public Health and Children’s Services.
* **Third sector partners** - Funding is also being awarded through the third sector including via Voluntary Action Leeds; Forum Central; Leeds Food Aid Network and Advice Partners. This approach facilitates the distribution of funds to grassroots organisations working within communities who are frequently able to engage with more marginalised groups who face barriers accessing support.

For **HSF4 quarters 1 and 2**, April to the end of September 2023, over £2.6m was spent supporting 53,144 households, 52% of which were households with children. Of the 53,144 households helped, 68% needed assistance with food; 20% on fuel and 9% on wider essentials. Whilst the spend for quarters 1 & 2 may seem low in the scheme of the funding, the Delivery Plan is on track with programmes being mobilised to coincide with the colder winter period and the time of greatest need.

**HSF3** - During the 6 monthly delivery period 1st October 2022 to 31st March 2023, 108,072 households received support. 35% of these were households with children, 11% pensioner households and 20% of households included individuals identifying as having a disability. There were 146,592 total awards made, 47% of these were for food support, 28% for energy and 17% assistance with wider essentials.

Examples of support offered in Leeds through Household Support Fund include:

1. **Customers receiving Council Tax Support – 62,362 awards**

Cash awards have been made during November 2023 via the Post Office to households in receipt of Council Tax Support as at 23rd October 2023. These are households likely to be struggling with cost-of-living pressures given Council Tax Support is means tested.

Awards amount to £100 for households with children and pensioner households and £75 for households comprising working age adults. Payments were made to households with children in the first week of November to try to coincide with the Leeds schools’ half term week, a period we know adds pressure to household budgets, especially for families whose children receive free school meals during term time and given there is no additional support through the Department for Education Holiday Activities and Food Programme for half term breaks.

As of early January, over 90% of the vouchers have been cashed with an anticipation for this to rise to around 95%, which is inline with previous redemption rates. Anecdotally, we have received overwhelmingly positive feedback through partners working with households receiving these awards about the difference the money has made in easing immediate financial pressures as the weather turns colder. A total of 62,362 awards have been issued;

* 16,914 awards made to households with children.
* 19,632 awards made to pensioner households.
* 25,816 awards made to other working age adult households, including those identifying as having a disability.

1. **Local Welfare Support Scheme**

Household Support Fund 4 has provided additional funding to the Local Welfare Support Scheme which started in response to the abolition of Crisis Loans and Community Care Grants in 2013. Central government provided two years of financial support for local authorities to institute local schemes but from 2015 the scheme has been funded through council core funds. Leeds has continued with a scheme since 2013 but budgetary pressure is significant and Household Support Funding is currently a major contributor to this scheme which provides emergency support with food, fuel and essential items, such as white goods and flooring to those in crisis situations.

Demand upon the Local Welfare Support Scheme far exceeds the funding available and in July 2023 the eligibility criteria had to be significantly tightened to maintain budgetary control of the scheme. In 2023-24, £1.5 million of the Household Support Fund has contributed to the Local Welfare Support Scheme and in Q2 4006 awards were made.

1. **Example of other Council Directorates projects**

The Household Support Fund is being administered and directed to priority areas by Children and Families social work teams, Housing Leeds, Leeds Housing Options and Public Health. Examples include:

* Funding directed through Children’s and Families is being used to provide food vouchers to families who are known to be struggling financially and distributed out of the Children’s Centres and providing targeted support to specific underrepresented cohorts, such as the Gypsy and Traveller Community, who are known to face barriers in accessing services and, despite being high need, frequently miss out on support.
* Public Health are commissioning a Heating on Prescription programme in partnership with Care & Repair Ltd. and Green Doctor to households based on clinical need and identified through primary and secondary health professionals.
* Leeds Housing Options are using allocated funds as a means of preventing homelessness enabling households at risk to prioritise their housing costs by supporting families with other essential household expenditure including food and fuel.

1. **Third sector support**

Over the course of the year April 2023 to March 2024, over £3,400,000 of the Household Support Fund 4 funding will have been distributed and spent by third sector organisations in the provision of direct support to individuals and families, principally with the costs of food and fuel. Direct partners include Voluntary Action Leeds, Forum Central, the Leeds Food Aid Network and six advice agencies including both Citizens Advice bureaux.

Voluntary Action Leeds are providing funding through the Leeds Community Anchor Network and Forum Central through grant rounds aimed at organisations working with a focus on health and social care. The Leeds Food Aid Network is distributing funding to over 60 organisations, including cultural food hubs Hamara and Give A Gift to directly support those experiencing food insecurity. There are over 133 third sector organisations receiving funding through HSF4 providing direct support to individuals and households in need.

53,144 households have received direct assistance principally with food, fuel or wider essentials through HSF4 in quarters 1 & 2. In 52% of these households, children are present. The other 48% of households comprise pensioners, individuals identifying as having a disability and other working age adults in need of support. All delivery partners report upon the importance of being able to offer a level of practical help to address clear and genuine need in those presenting to services.

All advice partners report upon delays not only in the processing of benefit claims but also in resolving disputes and how vital accessing funding through HSF4 is in providing some basic support to clients presenting with no established source of income.

Leeds Babybank receives funding support through HSF4 and advise that they are having to curtail their outreach work as they have resource to support 25 families at each outreach station but more commonly there are 35 families in attendance and seeking support. In certain areas support is now offered only following referral from a professional agency.

Women’s Aid are using the funding to support women and their children fleeing domestic abuse for food vouchers and payment of ineligible service charges which cover utility costs. These are women who are likely to be initiating benefit claims because of their changes in circumstance, experiencing delays and possibly struggling with supporting documentation where they have needed to flee their former homes without warning.

Carers Leeds advise that there is considerable pressure upon their service and how clients accessing support report increasing difficult in meeting basic living costs. They report a carer who had been forced to give up full time work to care for their family member who had used their award to stock up a freezer with quality food items with a view to maintaining the household’s food security over the winter period. This issue was causing huge stress and impacting the wellbeing of the whole household.

**Household Support Fund – Impact through individual examples**

“One woman (sex working, significant vulnerabilities due to substance abuse, mental health and coercion) had a prepayment meter installed unexpectedly due to significant energy debts and was without utilities, our support tide her over until the next payment and the debt situation was resolved”. **Basis Yorkshire**

“I had nothing on my meter and can’t access my credit union account till Monday, I now don't have to worry over the weekend - You have no idea what a relief it is!” **Seacroft Friends and Neighbours**.

“A lady who lives alone and very isolated with ill health, is spending nearly £10 in electric a day, this is due to high energy rates in caravan homes. We have been able to provide some emergency food vouchers and spend time at our drop in seeing how we can reduce her energy bills” **Leeds GATE**

“A school we are working with identified a family living in one of the top most deprived areas of the city. The children had poor attendance and had been off with colds and various illnesses. The school found out that they hadn't had any heating on in their home for a number of weeks as they couldn't afford it. We were able to top-up their gas meter by £100 which was invaluable to the family with 3 children and means they're able to keep any money they get in for their next top-up over the coming weeks”. **Gipsil**

“One person who benefited from the food voucher was able to attend a hospital appointment. They would have spent their money on food and not on travel if we had not been able to support them with their budgeting in this way”. **Barca**

“The client is in their 50’s, currently lives alone in a council rented home, and has multiple mental health issues. Due to being in arrears and on a prepayment meter the client had been forced to self-disconnect several times over the last few months. The client was off supply at the time of her contact with Citizen Advice Leeds.

We were able to issue emergency top up PayPoint top up vouchers so that the client could have electric and gas again. The adviser composed a complaint email for the client to send to their supplier to explain that prepayment is not suitable for her, and asking that she be moved to credit billing as soon as possible. The complaints process and the role of the energy ombudsman service was explained.

The adviser identified that the client appears to qualify to apply for assistance from her supplier’s hardship fund and explained the scheme and the application process.

The adviser registered the client on the priority services register and explained the scheme.

Made a referral to the Green Dr service for a home visit as the cl is struggling to keep warm and has disrepair. The client was also given an appointment for full debt advice.

Longer term the client should be in a much better position as her debts will be dealt with and her energy situation will hopefully improve. However, this all takes time and the Household Support Fund vouchers meant that the client could have gas and electricity whilst trying to resolve the bigger issues. If she had not come to CAL and received this assistance she would have had no gas and electricity.” **Citizens Advice Leeds**

**Further funding**

There is no current indication from central government that funding beyond the current round of HSF4 will be made available extending support beyond March 2024. There is significant pressure upon the council budget for 2024-2025 and constraint is required to deliver core statutory services. There is no means of replicating a budget of £14.2 million over the course of the year to provide the current level of support to households with needs relating food, fuel and other essentials despite acknowledged and ongoing cost of living pressures. Consequently, it is anticipated that without an extension to HSF:

* More people will be unable to heat their homes over winter, and
* More people in crisis will be at risk of not being able to feed themselves or buy essentials.

Wider and significant considerations attached to any discontinuation of HSF funding in Leeds include but are not restricted to:

* Increased pressure on 3rd sector organisations which will receive less funding;
* Less funding for the Local Welfare Support Scheme which seriously limits provision; and
* Some citizens are likely to expect and budget for payments, given that they have received them consistently in recent years and will question why funding has ended.

HSF was primarily introduced to help low-income households cope with cost of living pressures. There is little evidence nationally or locally that such pressures are subsiding. Nationally:

* Annual Consumer Price Index inflation as at November 2023 is 3.9%;
* However, annual inflation for food and non alcoholic beverages stands at 9.2%.
* Food costs have risen 27% in the past two years, rising food costs was the most commonly reported reason among 52% of adults who said their cost of living had risen compared with a month ago. (Office for National Statistics, Cost of Living Insights Dec 2023).
* The Ofgem Price Cap is due to increase 5% to £1,928 in January. Although Fuel and Energy prices have fallen recently, the ONS Cost of Living Insights reported 4 in 10 people are currently struggling to afford energy bill payments.

In Leeds, attendance at foodbanks continues to rise alongside the establishment of other initiatives led by the third sector aiming to reduce food and fuel insecurity, including food pantries and partnership with the Fuelbank Foundation.

**Further support**

For further information on organisations in the city which can support people with money, benefits and energy advice please go to [www.leedsmic.org.uk](http://www.leedsmic.org.uk)