

Report to: Lead Member for Adult Social Care and Health

Date of meeting: 11 March 2025

By: Director of Adult Social Care and Health

Title: Household Support Fund 2025-26

Purpose: To note the proposed use of the Household Support Fund (“the Fund/HSF”) for 1 April 2025 – 31 March 2026 and agree the development of a scheme to distribute grant funding as set out in this report

RECOMMENDATIONS:

The Lead Member is recommended to:

- 1) Approve the proposed plan for the use of the Household Support Fund in East Sussex in 2025-26 as set out in paragraphs 2.7 – 2.14 of this report; and
 - 2) Delegate to the Director of Adult Social Care and Health and the Director of Children’s Services the authority to implement the scheme including detailed allocation decisions of the final allocation of the delivery partner element (expected to be £3,217,555).
-

1 Background

1.1 The Autumn Budget 2024 confirmed the extension of the Household Support Fund (HSF/the Fund) by a further year, from 1 April 2025 until 31 March 2026. This will ensure low-income households can continue to access support towards the cost of essentials, such as food, energy and water. Funding of £742 million will be provided to enable this HSF extension in England.

1.2 The allocation for East Sussex is not yet confirmed, but £742 million is 88% of the value of HSF in 2024-25. Applying this locally would indicate a fund for East Sussex of £6,868,000, which is £925,568 less than in 2024-25, and therefore a significantly reduced amount will be available to support eligible families and households in East Sussex. It should be noted that this is only an estimated allocation and assumes that the same formula will be applied as previous years when distributing HSF to local authority areas.

1.3 No guidance has yet been issued by the Department for Work and Pensions (DWP), and whilst significant changes to guidance or reporting requirements are not expected, the updated guidance and conditions will be reviewed on release and arrangements will be made to ensure any new features are accommodated.

1.4 In order to proceed with detailed planning on how to allocate HSF in East Sussex in 2025/26 and to enable timely distribution of the fund, the Lead Member is recommended to approve the plan and approach set out in this report.

2 Supporting information.

2.1 In previous rounds, East Sussex has distributed HSF through a variety of partners, including District and Borough Councils and Voluntary, Community and Social Enterprise (VCSE) sector, and all partners have been able to use all their allocated amounts to reach eligible beneficiaries. This approach is in line with HSF guidance to date. Feedback has been requested from all partners on whether the approach used in East Sussex is appropriate, (via the Multi-Agency Financial Inclusion Steering Group, Financial Inclusion Working Group and HSF Steering Group) and positive feedback was received both in terms of the methodology and reach of administering HSF in East Sussex.

Therefore, it is proposed to continue to allocate funding for Household Support Fund in the following ways:

- Food vouchers (Huggg vouchers) for 2–19 year-olds eligible for Free School Meals, to cover the school holiday periods.
- Children’s Services teams that provide support to vulnerable families and children, administering funding directly to meet identified needs.
- Allocations to VCSEs to target individuals, including pensioners, disabled people and unpaid carers at risk of food and fuel poverty.
- Allocations to each of the 5 District and Borough Councils (D&Bs) to administer funding to households, including pensioners, who are known to be eligible and in need.
- Allocations to Food Banks and Food Partnerships.
- Allocation to the Warmer Homes programme, as required.

2.2 The administrative and governance systems set up through previous Household Support Funds to distribute the funding are working well and it is proposed to continue to use these systems.

2.3 Over recent years the cost-of-living pressures have grown and are now affecting people and families previously unaffected, this has meant that many HSF partners are seeing an increase in the people requesting or requiring support.

2.4 The HSF scheme has an Equalities Impact Assessment (EqIA, Appendix 1) which helps ensure people protected under the Equality Act are not disadvantaged and that all groups can access the Fund if they meet eligibility requirements. This will be reviewed in the light of new guidance and any new evidence from partners.

2.5 However, the reduced amount of HSF will present some challenges in terms of deciding where to prioritise the fund in 2025-26.

2.6 In addition, the calculated expected cost to East Sussex County Council (ESCC) of administering HSF in 2025-26 is £91,345. This is 1.3% of the overall expected fund and is in addition to any administrative costs incurred by delivery partners.

Proposal

2.7 Distributing the grant to the same partners that East Sussex worked with last time (as set out in 2.1) will ensure continuity in the allocation of support to the full range of beneficiary groups and will facilitate swift and effective administration of the Fund.

2.8 The proposal this year is to build on previous successful delivery of the Fund.

2.9 If the allocation of Huggg vouchers mirrors current and previous years, this would be calculated as:

- Spring holiday – 2 weeks at £15 per week per eligible family
- May half-term – 1 week at £15 per week per eligible family
- Summer holiday – total of £60 per eligible family
- October half-term – 1 week at £15 per week per eligible family
- Christmas holiday –total of £50 for the two weeks per eligible family
- February half term – 1 week at £15 per week per eligible family

Due to the projected number of eligible pupils (19,240) the amount of HSF needed to fund this approach for 2025-26 is £3,559,400. This is slightly over 50% of the expected allocation to East Sussex.

2.10 In previous years, an allocation has also been made to Children's Services to support families in need. This has varied according to the amount of HSF available but has been between £400,000 - £500,000 per annum.

2.11 Due to the reduced amount of HSF expected in 2025/26 and in order to ensure the impact of this is fairly distributed, it is proposed that the total amount allocated to Children's Services for 2025/26 is £3,559,400, to include Huggg vouchers and families in need. Ensuring there is a fund available for families in need can be achieved in 2 ways:

- Any underspend on Huggg vouchers (typically this averages out to 6% over the year, so is expected to be approximately between £249,158 over the course of the year) which can be reallocated
- Reducing the value of Huggg vouchers in the summer and/or Christmas holidays. A reduction of £10 will release £192,400 to support families in need.

It is recommended that final decisions on how to manage implementation of this part of the Fund is delegated to the Director of Children's Services so that the Fund can be used as flexibly and efficiently as possible during the year, and a report setting this out will be considered by the Lead Member of Education and Inclusion, Special Educational Needs and Disability on the 25 March 2025.

2.12 After allocating £3,559,400 to the Children's Services Department for Huggg vouchers and other support to families in need, and allowing for administrative costs of £91,345, this would leave £3,217,555 for remaining services, which is £317,512 less than in 2024-25. It is recommended that final decisions on how this part of the Fund is allocated amongst partners is delegated to the Director of Adult Social Care and Health so that best use of the Fund can be negotiated and agreed with delivery partners.

2.13 Broadly speaking this would mean that the reduced allocation to East Sussex would be absorbed in 3 ways:

- Due to a lower number of children eligible for Free School Meals
- Reviewing the way Huggg vouchers are allocated, and the underspend is utilised
- Reducing the allocation to remaining partners

2.14 In order to ensure the Fund is allocated after careful consideration of the new guidance, resident need and in consultation with delivery partners, it is recommended that delegation of decision making regarding the details of final allocations to the Director of Adult Social Care and Health and the Director of Children's Services.

Risks

2.15 The main risk for this forthcoming year is around the allocation decisions, which need to take into account an allocation to East Sussex which is likely to be £925,568 less than in 2024-25. Alongside accounting for ESCC administrative costs, this will mean there is approximately £1 million less funding which will flow to partners and eligible households. This is partially mitigated by the proposals set out above, which distribute the reduction in the Fund across partners and household types.

2.16 Any other risks identified will be picked up through the Household Support Fund Steering Group who oversee the detailed plan for implementation and continually monitor the new extension period, and in close collaboration with delivery partners.

2.17 As a national scheme there is scrutiny over the Council's decisions on how this funding will be allocated. To mitigate this risk, a communications plan will be developed that sets out clear messages on how ESCC uses the Fund in East Sussex, in line with HSF communication guidelines which will be part of forthcoming guidance.

2.18 Utilising VCSE and other delivery partners to implement the scheme adds considerable value in terms of local community knowledge and an ability to engage with residents who may not be in contact with statutory services.

3. Conclusion and reasons for recommendations

3.1 The announcement of an extension to the Fund provides an opportunity to support households with children, households with pensioners, households with a disabled person and other vulnerable households within East Sussex who are experiencing financial challenges and will be welcomed by partners.

3.2 This report sets out an overall approach to allocating the Fund in East Sussex which builds on the successful delivery of previous years and enables ESCC to ensure the Fund is administered effectively and efficiently in the forthcoming year from 1st April 2025.

3.3 The Lead Member is therefore recommended to:

- 1) Approve the proposed plan for the use of the Fund in East Sussex in 2025-26 as set out in this report; and
- 2) Delegate to the Director of Adult Social Care and Health authority to implement the scheme including detailed allocation decisions of the final allocation of the delivery partner element (an expected amount of £3,217,555).

MARK STANTON

Director of Adult Social Care and Health

Contact Officer: Mark Hendriks

Tel. No. 07701 394501

Email: mark.hendriks@eastsussex.gov.uk

LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None