

From: Zena Cooke, Corporate Director Finance

To: Roger Gough, Leader

Subject: **COVID Winter Grant Scheme**
Decision number: 20/00110

Key Decision: *Affects more than 2 Electoral Divisions and involves expenditure of over £1m*

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: **Leader Decision**

Electoral Division: All

Summary: Sets out the expectations Government has for its COVID Winter Grant Scheme, and proposes an approach to spending this which best achieves the objectives for Kent.

Recommendations: The Leader of the Council agrees to:

- 1) Accept the £4.5m COVID Winter Grant for use in line with the guidance published by Department of Work and Pensions and relevant terms and conditions
- 2) Approve use of approximately £2.5m of the grant funding to support the provision of vouchers to families with children in receipt of benefits-related Free School Meals during the December 2020 and February 2021 school holidays
- 3) Approve the use of the remaining grant funding, in accordance with the funding principles and criteria set out within the decision report and any associated Policy Documents/Funding Frameworks, to provide support to low income families in Kent, including allocating a proportion of the funding to District and Borough Councils in Kent, to allow for local targeting of support in line with the government guidance.
- 4) Delegate authority to the Corporate Director for Finance to, in consultation with the Leader and Corporate Directors for CYPE and Adult Social Care, update, review and amend the proposed distribution of the funding in response to changing need and the emergency assistance landscape, as evidenced by the monitoring of grant expenditure, and to take other necessary actions including but not limited to entering into contracts or other legal agreements, as required to implement this decision.
- 5) Delegate authority to the Corporate Director of Finance to take other necessary actions, including but not limited to entering into contracts or other legal agreements, as required to implement this decision.

1. Introduction

1.1 On Sunday 8 November Government announced it was making £170m available to upper tier authorities “to support those most in need across England with the cost of food, energy and water bills and other associated costs and to ensure no child goes hungry over Christmas.” KCC has been allocated £4.5m to be spent between early December 2020 and 31 March 2021. At least 80% of the money must go on families with children, and 80% must also go on food, energy, water bills and other associated costs.

1.2 Final guidance and confirmation of the level of funding, expectations and monitoring arrangements was only received on 24 November. There has been little time to develop a detailed plan of action, but high level discussions have taken place with the Leaders and Chief Executives of the District and Borough Councils, and the Vulnerable People and Communities Cell of the Kent Resilience Forum, building on the excellent partnership working which has helped this county to respond to the challenges of the COVID pandemic. This report sets out our recommended approach to ensure this grant is used in the most effective way across the county to support those most in need.

2. COVID Winter Grant Scheme

Overall Approach

2.1 This grant is being given to Kent County Council by the Department of Work and Pensions, and the guidance around how it should be used is appended to this report. 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.” The distribution formula was based on population weighted by the Index of Multiple Deprivation.

2.2 Authorities are urged to identify and provide support to “a broad cross-section of vulnerable households in their area”, and support is not restricted to households in receipt of benefits. We have discretion as to how to identify and support those most in need, but must have a clear rationale or document policy/framework outlining our approach including how we are defining eligibility and how households access the scheme. We are asked to use the following principles and framework:

- use the funding from December 2020 up to the end of March 2021 to meet immediate needs and help those who are struggling to afford food and utility bills (heating, cooking, lighting) and water for household purposes (including drinking, washing, cooking, central heating, sewerage and sanitary purposes), or other related essentials. This includes payments made, or committed to, by the Authority or any person acting on behalf of the Authority, from 1 December 2020 to 31 March 2021. For example, this would allow food vouchers issued before the end of the funding period to be redeemed in April 2021

- work together with District Councils including, where necessary and appropriate, other local services, such as social and care workers to help identify and support households within the scope of the scheme.
- at least 80% of the total funding will be ring-fenced to support households with children, with up to 20% of the total funding to other households experiencing, or at risk of experiencing, poverty during the pandemic. This may include households not currently in receipt of DWP welfare benefits.
- at least 80% of the total funding will be ring-fenced to provide support with food, energy and water bills for household purposes (including drinking, washing, cooking, central heating, and sanitary purposes) and sewerage. Within this condition there is flexibility about the proportion of support allocated to food and to bills.
- up to 20% of the total funding can be used to provide support with other essentials clearly linked to the scheme conditions (including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc.), in recognition that a range of costs may arise which directly affect a household's ability to afford or access food, energy and water.
- the scheme is **not** intended to cover payment of rent or other housing costs because these are not directly related to food or utility bills and other benefits and support is available to cover these costs. Nor is it intended to be used for the provision of general advice on managing debt and/or financial hardship.

2.3 Finally, the Government is also providing £16m to fund local charities through well-established networks to provide immediate support to front-line food aid charities, which will also take effect before Christmas. Other aspects of the Government's wider Support Package for disadvantaged families and children will be expanded from April 2021 (Holiday Activities and Food Programme, and Healthy Start Vouchers).

2.4 In the short time that has been available to plan how best to utilise this grant, we have concluded that the following approach would best address the spirit of the guidance, and would reap the benefits of the strong partnership working we have across the county:

1. **Provide supermarket vouchers to all benefits-entitled families on Free School Meals to cover the Christmas and February school holidays.** This can be done without the need for parents to apply, and would mean that all families with children who meet the eligibility criteria for benefits-entitled free school meals will receive help with food costs during those three weeks of school holidays. The estimated cost is approximately £2.5m.
2. **Allocate £900,000 to the District and Borough Councils to target vulnerable families and individuals in their area,** using the DWP

distribution methodology, with particular emphasis on groups who might be vulnerable but missed by other routes, including for example families who are homeless or in temporary accommodation. Districts and Boroughs may work with voluntary sector organisations and town and parish councils to achieve this. They may also refer families and individuals through to the county-wide routes described below.

3. **Allocate £800,000 to be used by KCC services including the Kent Support and Assistance Service and other services to distribute to families in financial hardship.** This would include services dealing with vulnerable groups such as care leavers, young adults with disabilities, young carers, and families with multiple challenges.
4. **£500,000 to be earmarked for low income families who need help with fuel and utilities bills.** Discussions will take place with the utility companies about the best way to achieve this.

Vouchers to families receiving benefits-related Free School Meals

2.5 It is proposed to provide supermarket vouchers to all families who are eligible for benefits-related free school meals for the three weeks of school holidays in December and February. Schools are being offered two options. They can provide KCC with data on all low-income families who receive free school meals and KCC will distribute those vouchers. KCC already has a flexible contract with Agilisys that allows this type of requirement to be easily accommodated, and the processing cost is reasonable. Alternatively, schools wishing to issue vouchers to eligible families could do so via their preferred route, and KCC will reimburse the cost of the vouchers.

2.6 We will also seek to provide vouchers to low income families whose children fall into the following categories:

- currently do not have a school place
- are home educated
- have a social worker
- are aged 4 or under but are known to us via Early Help Services or Free for Two and meet our eligibility criteria

2.7 The vouchers will be offered to families on the basis of the school rolls, not home address. All our neighbouring authorities are also providing similar support to children who live in Kent but go to school within their area, so we are anticipating reciprocal arrangements so no family misses out.

Passporting funding to District and Borough Councils

2.8 It is proposed to allocate 20% of the total fund (£900,000) to District and Borough councils for them to support vulnerable households within their District via whatever vehicle is considered most appropriate. Discussions have taken place with Districts and Boroughs over whether to target people on specific benefits across the county, but the conclusion was that such an approach would result in small amounts of money being distributed to a large number of people, not all of whom may need it,

and the administrative costs would be disproportionately high. Districts and Boroughs will seek to identify and support a broader range of vulnerable households – including homeless families or those in temporary accommodation, for example, vulnerable households without children, and households who are not on the radar of any services because they were coping but have now reached financial crisis. It is anticipated that where appropriate the Districts and Boroughs will work with others such as the voluntary sector and town and parish councils to meet these objectives.

County-wide access to hardship funds

2.9 £800,000 should be earmarked for county-level hardship funds. A large proportion of this is likely to be spent via the Kent Support and Assistance Service, which is seeing an unprecedented level of demand because of the pandemic. It is also proposed that those KCC staff in contact with vulnerable families and households (e.g. Early Help, Health Visitors, social workers and care managers) should be used to identify households in particular hardship who could benefit from help with food, fuel and essential items.

Help with Fuel Bills

2.10 Discussions will take place with utility companies, whose hardship schemes have been over-subscribed, to see how we can best work together to help towards fuel and utility costs faced by families in financial crisis. More information and data will be gathered to inform the scheme but it is suggest that £500,000 be earmarked for this.

Monitoring impact, and adjusting allocations

2.11 We believe that the approach outlined above fully meets the guidance, combining some support for **all** families who are eligible for benefits-entitled free school meals, whilst enabling a broad cross-section of other vulnerable households to also be supported. This is, however, an initial allocation which could be adjusted in response to improved planning information, or experience of demand. The monitoring requirements for this funding are extensive: DWP requires information about numbers of households with children helped, households without children helped, and the amounts of spend on food, fuel and other items. Whilst this creates an administrative burden, it does mean that there will be oversight and tracking of expenditure which will allow funding to be flexed within this overall approach if there proves to be higher demand and need for some aspects of funding than for others. It should also be noted that the final 25% of grant funding is to be paid in arrears based on evidence of spend via the monitoring returns, so it is vital that we do not underspend in one area whilst running out of resources in another. Monitoring and compliance checks will be applied to all areas of spend, to allow for informed Officer decision-making as part of the ongoing implementation of this Key Decision.

Eligibility

2.12 There is a balance to be struck between making it straightforward for those in genuine hardship to get the support they need, without generating unmanageable demand on the fund. Whilst the funding will not be widely advertised among the

general public, the support available will be highlighted to relevant staff and partner organisations who are most likely to be in contact with the most vulnerable households as to how those households can be helped.

2.13 The fundamental eligibility requirement is current financial hardship. For the supermarket vouchers to families, the eligibility will be:

- children in receipt of benefits-related free school meals
- low income families whose children currently do not have a school place
- low income families whose children are home-educated
- low income families whose children are under five, but are known to the council via Early Help, Free for Two, or via Health Visitors.

2.14 For the remaining elements of the fund, recipients will:

- not have access to resources to meet the cost of essential goods or services in the event of crisis or exceptional pressure (whether or not caused by the pandemic)
- be in receipt of means-tested benefits OR can otherwise evidence current financial hardship (e.g. recent loss of income before benefits have been accessed) OR are fleeing domestic abuse

2.15 Information about individual households is not routinely shared between different organisations so it is not possible to definitively avoid households being helped via different routes of the Fund, and indeed sometimes this would be entirely warranted (e.g. a family in particular financial crisis receiving free school meals vouchers should still be able to receive further support with food and fuel). But we believe the way in which the different funding streams are targeting households in need increase the prospect of those most in need being identified and supported, without there being inappropriate duplication.

Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement (2015-2020)

2.16 This contributes to all three strategic outcomes, but in particular the strategic outcome of "Children & Young People in Kent get the best start in life", by helping to keep vulnerable families out of crisis.

Options considered but rejected

- The option of turning down the grant was not given serious consideration, as there are many Kent families and households in need who will benefit from receiving support.
- We considered the provision of food hampers rather than supermarket vouchers for families on benefits-related Free School Meals. This was rejected on logistical grounds, and also because people want to choose their own food items, and there are issues of dietary, religious and cultural requirements.

- We considered not providing direct support during the holidays for families entitled to benefits-related Free School Meals, and meeting needs entirely via other routes. This was rejected in part because of the clarity around eligibility which benefits-related FSM provides and in part because we believe the public will expect and be supportive of this action.
- The management of the grant could be outsourced in full, although KCC would still be accountable for the spend and the detailed Management Information returns. Outsourcing the whole grant was rejected because KCC needs to closely monitor performance and expenditure – any grant which is unspent by 31 March will be lost to Kent, as explained in paragraph 2.13.
- Using KSAS to provide fuel subsidies was rejected because of logistical reasons: Paypoint is the mechanism used in KSAS to contribute to energy bills. Payment is made via mobile phone which enables people to credit their key meter and we do not have a mechanism to pay fuel bills by other means (eg for those who use direct debit or pay at the Post Office) nor to pay water bills. If we were to offer this, it would be labour intensive and difficult to target effectively.
- We contacted DWP locally to see if they would be able to identify the Kent families on the lowest income and provide them with payment for food and fuel, but this was not possible, and the latest guidance emphasises this.

3. Financial Implications

3.1 The decision is to accept the £4.5m Covid Winter Grant in full, and there should be no direct impact on the council's budget. Reasonable administration and implementation costs can be charged to the Grant.

4. Legal Implications

4.1 Funding must be used in accordance with the guidance set by government, and the terms and conditions of the grant. KCC will apply appropriate legal mechanisms as part of issuing or deploying any grant monies to ensure any partners or third parties in receipt of grant funding remain compliant.

5. Equality Implications

5.1 To reduce potential adverse impacts:

1. a good proportion of the fund should be allocated according to clear eligibility criteria related to income, such as entitlement to specific benefits or benefits-related Free School Meals, as whilst these in themselves are not a perfect proxy for poverty, they are the best available, and reduce the risk of arbitrary decisions and subjectivity.
2. Efforts should be made in relation to the remaining £2m of the fund to target specific groups who are vulnerable, either by raising their awareness of the

opportunities provided by the fund to ensure they do not miss out, or by direct provision of support.

6. Other Corporate Implications – data protection

6.1 Given the need to implement quickly, we must operate within existing data-sharing protocols which in itself will limit the options available for the use of the grant. Specifically in relation to benefits-related Free School Meals, existing DPIAs are being reviewed and a Privacy Notice for parents is being prepared. In relation to the rest of the grant, partners are not sharing information about those who are being helped, so there are no data protection implications.

7. Governance

7.1 By approving the acceptance of the grant and the recommended deployment of the funds, the Leader of the Council confirms that the responsibility and accountability for management of the funds will sit with Kent County Council.

7.2 The delegations put in place confirm that authority for ongoing management of the grant funding will be vested in the Corporate Director of Finance, in accordance with the agreed funding framework, spend areas and eligibility criteria. This delegation includes reviewing the spend arrangements and approving changes in consultation with the Leader and Corporate Directors for CYPE and Adult Social Care.

7.3 All spend will be monitored as part of compliance checks to ensure adherence to the DWP terms and conditions associated with the grant.

8. Conclusions

8.1 Having carefully considered the guidance, it is recommended that approximately £2.5m should be spent on providing vouchers during the Christmas and February school holidays to families with children in receipt of benefits-related Free School meals, and other low income families as set out in paragraph 2.13. A policy and funding governance framework is being drawn up to govern the remaining £2m or so of the grant, based on the Government guidance and the eligibility criteria set out in paragraphs 2.12 to 2.15 above. It is recommended that the £2m be distributed as follows:

- £900k to be allocated to Districts, on the same funding formula used by DWP, to target vulnerable households in their areas
- £800k to be used by KCC services to distribute to families in financial hardship
- £500k to be earmarked for low income families who need help with food and utilities bills

but recognising that expenditure will be closely monitored, so the distribution could be adjusted to reflect demand and need, as set out in paragraph 2.11.

7. Recommendations

7.1 The Leader of the Council agrees to:

- 1) Accept the £4.5m COVID Winter Grant for use in line with the guidance published by Department of Work and Pensions and relevant terms and conditions
- 2) Approve use of approximately £2.5m of the grant funding to support the provision of vouchers to families with children in receipt of benefits-related Free School Meals during the December 2020 and February 2021 school holidays
- 3) Approve the use of the remaining grant funding, in accordance with the funding principles and criteria set out within the decision report and any associated Policy Documents/Funding Frameworks, to provide support to low income families in Kent, including allocating a proportion of the funding to District and Borough Councils in Kent, to allow for local targeting of support in line with the government guidance.
- 4) Delegate authority to the Corporate Director for Finance to, in consultation with the Leader and Corporate Directors for CYPE and Adult Social Care, update, review and amend the proposed distribution of the funding in response to changing need and the emergency assistance landscape, as evidenced by the monitoring of grant expenditure, and to take other necessary actions including but not limited to entering into contracts or other legal agreements, as required to implement this decision.
- 5) Delegate authority to the Corporate Director of Finance to take other necessary actions, including but not limited to entering into contracts or other legal agreements, as required to implement this decision.

8. Background Documents

COVID Winter Grant Scheme: - Guidance for County Councils and Unitary Authorities (issued by Department for Work & Pensions)

COVID Winter Grant Scheme monitoring form

9. Report Author

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