

# COVID LOCAL SUPPORT GRANT-EXTENSION

## Business Case and Options Paper



### PURPOSE

The purpose of this report is to describe the requirement for the Local Authority (LA) to distribute Covid Local Support Grant (CLSG) Extension funding to vulnerable families during the 2021 summer holidays, and to recommend the preferred option to support this aim.

The recommendation is to distribute recently announced CLSG extension funding (£871,567.58 – to be confirmed by the Treasury), using our existing model, as successfully implemented in December 2020, February, April and May 2021, utilising a new contract with a voucher provider. Circa 11,100 eVoucher codes will be procured, for distribution by schools and Early Years (EY) settings. Final numbers will be confirmed once the Free School Meal (FSM) register closes.

In order to be consistent with previous distribution, the intention is to provide vouchers to the value of £15.00 per child, per week for the six weeks of the summer holiday (Total: £90.00). In order to provide this level of support to eligible families, there is a shortfall in the CLSG extension funding of c£130k. Plymouth City Council have agreed to top up the grant funding using other Covid funding. The alternative would be to reduce the voucher face value to £12.50 per week or restrict the cohorts of those benefitting, neither of which are considered to be the most appropriate option to meet need

### INTRODUCTION

The Department for Works and Pensions (DWP) informed PCC on 21<sup>st</sup> June of the intention to extend COVID grant support for vulnerable families to continue until 30<sup>th</sup> September 2021, with a further £160 million granted nationally to local authorities. At this point it is intended that this is the final extension of this scheme.

The CLSG extension has the same eligibility criteria, and uses the same reporting template (incorporating the Statement of Grant Usage Management Information (MI) Return), as the CLSG running from 17<sup>th</sup> April to 20<sup>th</sup> June 2021.

DWP is providing an additional £871,567.58 funding to PCC, under section 31 of the Local Government Act 2003, to administer the CLSG extension and provide direct assistance to vulnerable households and families with children particularly affected by the pandemic. This will include, but is not limited to, all families who normally have access to Free School Meals (FSM) during term time and others on the periphery of benefits in hardship. PCC will deliver the scheme, in the main, through food vouchers.

The £160m extension funding has been allocated to Local Authorities (LAs) on the same basis as the previous CLSG, using the population of each authority weighted by a function of the English Index of Multiple Deprivation. However, on this occasion DWP has factored in a reduction to reflect the Holiday Activity and Food (HAF) programme award. This net reduction has created a shortfall in funding of c£130k.

Authorities will receive payment of their CLSG allocations in November/December 2021 following the completion of the final MI report by 22 October 2021. The payment will be adjusted to align with the actual amount of reported eligible grant spend.

## OVERVIEW

In Plymouth there are estimated to be 9,900 (18.6%) children living in poverty (before housing costs are included), which is one in five. When housing costs are included one in three Plymouth children are living in poverty. Data shows that 7,308 children under 16 are living in income deprived households with 79% living in workless households, indicating that they are more likely to be experiencing child poverty. For example, eight out of 10 children living in the Barne Barton neighbourhood are effected by income deprivation.

Since March 2020 there has been an increase in FSM registration by 1,700 (9249 as at 15th June 2021). When we include the figures from schools who do not purchase the FSM eligibility checking service from the Council the gross increase in those requiring FSM support is circa 2000 since March 2020. In addition, support has been provided to families identified by schools and settings as being on the periphery of benefits in hardship.

To date, PCC has distributed over c£1.6 million of DWP covid support funding. This has included:

- Purchased and distribution of 42,377 eVoucher codes to schools and Early Years (EY) settings and entitled Further Education (FE) students;
- c£39k in direct support of the homeless, young carers and siblings, asylum seekers and refugees, unpaid adult carers and households identified by Children, Young People and Families Services (CYPFS);
- c£28k for Adult Community Meals provision during the month of March 2021.
- £76k in grants to Third Part Organisations (TPOs);
- £290k to Plymouth Energy Community (PEC) to help families struggling to stay warm during the winter months.

## COVID LOCAL SUPPORT GRANT ALLOCATION

Awards must be based on the following framework:

- 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.

CLSG will allow PCC to directly help the hardest-hit families and individuals, as well as provide food for children who need it over the holidays.

**CLSG FUNDING BREAKDOWN**

<b>COHORT</b>	<b>% SPLIT</b>	<b>AMOUNT</b>
Families with Children	80%	£697,254.06
Other households, including individuals	20%	£ 174,313.52

<b>PROVISION</b>	<b>% SPLIT</b>
Support with food, energy and water bills (including sewerage)	80%
Other items	20%

A reasonable amount may be allocated for administration and management costs.

**PROPOSAL**

CLSG will be dispersed using the current, successful model of distribution of eVoucher codes via schools and settings. The Council will top up CLSG funding to allow vouchers to the value of £15.00 per week over the six week summer holiday period to be provided to all FSM entitled children and those on the periphery of benefits in hardship.

**COMMUNICATIONS**

PCC must, as appropriate and practical, reference that the grant is funded by the DWP in any publicity material, including online channels and media releases.

**OPTIONS**

Please see Appendix A

**TIMELINE AND FORWARD PLAN**

<b>Date</b>	<b>Event</b>	<b>Notes</b>
29/06/2021	CEMT	Present CLSG Business Case and Options paper - verbal
01/07/2021	Supplier of vouchers engaged	Using CCS voucher Framework we can Direct Award
05/07/2021	Authorise payment for vouchers	
12/07/2021	Confirm final numbers of eVoucher codes required	Place order
16/07/2021	DWP return due	Advising DWP of planned intentions for delivery
16/07/2021	Delivery date for eVoucher codes to PCC	
16/07/2021	Distribution of eVouchers codes to schools and settings commences	
23/07/2021	School Summer holiday commences	
06/09/2021	Schools return	
13/09/2021	MI returns from schools required	Early returns are encouraged. EY Settings MI return produced by EY team
30/09/2021	CLSG extension project ends	
22/10/2021	MI return required by DWP	

**FINACIAL AND BUDGETARY IMPLICATIONS**

The CLSG extension is entirely funded by DWP. A small amount of the funding is being used to support the administration of the scheme and this will be recorded in MI returns. The aim is to spend 100% of allocated funding.

An additional £130k has been agreed to be funded from other Covid funds to enable vouchers values at £15.00 per week, per child to be distributed.

## RESOURCING

Additional temporary administrative support will be required for the FSM entitlement checking service. This is already in place to support and administer CLSG and the intention will be to extend current agency staff.

## RECOMMENDATIONS

In order to support the health and well-being of the most disadvantaged children and continued engagement in their education, this report recommends that approval is given to continue with our existing model for the distribution of Covid support and provide the necessary top up to CLGS, in order that PCC is consistent with previous provisions.

## Appendix A – Options

### OPTIONS

**Option 1** – Use only the CLSG extension funding (£871,567.58) for the provision of eVoucher Codes to the face value of £12.50 or restrict the benefiting cohort in order to provide £15.00 eVoucher codes to as many as possible (just FSM registered) – **Not recommended**

Benefits	Dis-Benefits	Mitigation/Comments
Remains within CLSG Extension Budget	Not consistent with previous distribution	Robust communications
Potential reduction in administrative burden if cohort is restricted	Families on the periphery of benefits in hardship would not benefit	
	Risks significant reputational damage	
	Potential claims of discrimination	
	Unable to support EY cohort who are not entitled to FSM but are on benefits	

**Option 2 – Continue the Food Voucher Model and top up CLGS** (estimated cost to PCC and/or contributing partners = c£130k) – **Recommended**

Benefits	Dis-Benefits	Mitigation/Comments
Consistent with previous provision		Expectations met
Does not discriminate		All previous benefitting cohorts included
	Financial impact on PCC and/or contributing partners	Positive reputational impact
Can use CCS Voucher Framework to directly award supplier contract	Limited number of supermarkets	Contract would be awarded to supplier assessed to have the merchant portfolio that best fits for Plymouth residents
Existing administrative model and process is rehearsed	No control on what the vouchers are redeemed for. May be used for other things, beside food provision	National issue
Flexible, in that recipients can choose which supermarket to shop at from the list provided	These supermarkets may not be based within the recipients locality	Merchants are on public transport routes

Child/family stigma of being identified as FSM entitled is minimised		
Medical and food intolerants will be catered for.		
Vouchers can be provided to other children identified as being in need.		
Supplier will offer a discount		

**Option 3 – Cash Payment** - A cash payment of £75.00 direct to those entitled. Estimated cost: £832,500.00 plus an administration charge of c£3.50 for each pre-payment card. Worst case scenario pre-payment cards could cost an additional £38,850 – **Not recommended**

Benefits	Dis-Benefits	Mitigation/Comments
Payment direct to families	If cash into banks and the account is overdrawn, family would not have access to money	Provide pre-paid cards
Families can shop wherever they want	No way of guaranteeing money would be used to feed children	
	Pre-payment cards would attract a £3.50 administration charge for each card issued	
	Labour intensive - Increased internal administration	
	Families would need to apply, applications would need to be approved using benefits information which may have data protection issues	
	Not consistent with previous distribution	
	Families on the periphery of benefits in hardship would not benefit	
	Risks significant reputational damage	
	Potential claims of discrimination	
	Unable to support EY cohort who are not entitled to FSM but are on benefits	
	Not consistent with previous distribution	
	Families on the periphery of benefits in hardship would not benefit	
	Risks significant reputational damage	
	Potential claims of discrimination	
	Unable to support EY cohort who are not entitled to FSM but are on benefits	

**Option 3 - CATERed to produce weekly food parcels** - Provide weekly food parcels to be collected at agreed collection points (Schools and cafes etc.) – **Not Recommended**

Benefits	Dis-Benefits	Mitigation/Comments
Ensures provision is for food only	There are 24 schools (13 secondary/11 primary) across the city that are not supported by CATERed.	Non-CATERed schools would need to provide their own food parcels.
Ensures a healthy, nutritious, balanced food parcel	Child/family stigma of being identified as FSM entitled and/or on benefits	Individual schools to manage distribution to reduce stigma
CATERed well versed and practiced on suitable contents for food parcels or packed lunches and catering for medical and food intolerants	Collection of food parcels at schools with high levels of FSM children will be challenging and time consuming e.g. Stoke Damerel Community College - 382	Individual schools to manage distribution. This may be easier at Primary schools.

CATERed experienced in logistics of and the production and distribution of food parcels	Schools closed would need to open for distribution, possibly disrupting scheduled maintenance	
Resurgam - Benefits local economy	H&S issues related to schools opening for distribution would need to be managed	H&S Risk Assessment
Benefits CATERed, a PCC/school owned company	Would need the agreement of community venues.	
PCC could advise on suitable contents for food parcels or packed lunches	Unknown staffing and administrative costs	
Resurgam - Benefits local economy	Not all community venues and associated organisations will be experienced in logistics of and the production and distribution of food parcels	PCC/CATERed could advise/support
Many of the organisations associated with community venues are already in contact with disadvantaged families and would welcome the opportunity to encourage more to engage and access their services.	There would be a need for risk assessment and food hygiene assessments at each venue	
	All the information and details would need to be clearly communicated to the recipients, which may involve additional costs. To ensure that the right number of boxes at each venue, cater for medical/ food intolerants and reduce food wastage there would be a need for recipients to inform in advance which will involve a significant amount of administration.	
	May be data protection issues with the sharing of personal data with community venues	Venues will only be given a list of names of people who will be collecting food parcels.
	The number of community venues needed to provide city-wide coverage could be in the region of 30, which could be logistically challenging.	
	There is no exiting system in place to roll-out this model. Would need to identify an internal team or external partner to coordinate.	