

**COUNCIL CABINET**  
**13 January 2021**



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# ITEM 10

## Financial Support to Families during School Holidays

### Purpose

- 1.1 To detail the programmes of support currently in place to help support children and families in poverty across Derby, utilising the community assets that have been put in place in the last nine months.
- 1.2 To propose a short and medium term approach that details a co-ordinated short and medium response to children at risk of food poverty in the city which would be taken forward by the newly established Poverty Commission.
- 1.3 In doing so, outline options for financial support to families during school holidays in direct response to the Free School Meals motion passed at the Council meeting on 25 November 2020. The approach outlined in the paper responds to the Council's motion but is designed around wider desired outcomes for disadvantaged children in receipt of free school meals and developing family resilience.

### Recommendation(s)

- 2.1 To note the successful implementation of the COVID Winter Grant Scheme implemented in Derby in December 2020 and the design principles underpinning the Derby scheme.
- 2.2 To implement a support package to the 31<sup>st</sup> December 2021 to ensure access to food support for children at risk of food poverty.
- 2.3 To provide a free school meal voucher scheme for the half term holidays in the spring and autumn 2021.
- 2.4 To commission a review through the newly established Poverty Commission to consider and recommend options for a sustainable model from the 31<sup>st</sup> December 2021 utilising the strengths of community assets within Derby alongside partnerships with schools, academies and community groups.
- 2.5 To identify an approach that balances the desire to address child poverty in Derby with the legal obligation the Council must prepare a balanced budget.

## Reason(s)

- 3.1 The design of the COVID Winter Grant Scheme combines short term interventions, with a programme of longer-term support for the most vulnerable families and individuals in Derby, through a partnership of Derby organisations and Council services focused on developing household and community resilience. It should be noted that funding for this programme ends on 31 March 2021.
- 3.2 The size of the funding required to meet the scope of the motion will be a significant draw on Council funding, in the event government funding is not provided or is insufficient. The impact of COVID on the economy of the city, may increase the cost to provide support as more families become eligible for financial assistance. Based on the current numbers of children and young people eligible in Derby for Free School Meals this would be in the region of £2.0m per year for which the Council receives no government funding since the costs of free school meals is a function administered by the DWP.
- 3.3 The combination of short-term support such as food provision with a programme of personalised household support designed to maximise benefit take-up, develop practical skills such as preparing healthy meals on a budget, access to activity programmes and use of government grants, will help to create a more sustainable programme that builds resilience.
- 3.4 The targeted approach outlined and recommended in the report is also firmly in line with Derby's Recovery Plan as the city emerges from the Covid-19 pandemic in 2021. This is very much the ethos and approach of the city's community recovery work with the Council working alongside and with our NHS, cultural and voluntary and community sector partners in supporting and developing community and family assets and resilience.

## Supporting information

- 4.1 The City is experiencing increased number of families accessing financial and service support from the Council in line with the current support frameworks. Indicators of this are detailed in the below table

|            | <b>Free School Meals</b> | <b>Council Tax Support</b> |
|------------|--------------------------|----------------------------|
| Previous   | 8,612                    | 10,207                     |
| Now        | 10,766                   | 10,566                     |
| Increase % | 20%                      | 3.5%                       |

The City is also seeing marked increased in Universal Credit claimants.

At the moment, due to furlough, national lockdowns and other Government support the future need for Council support is still unclear.

- 4.2 Derby has a proven partnership approach to addressing city wide issues, with organisations from across the city and Council services working together to use their specialist services and community knowledge to build resilient solutions. This has been evidenced during the current pandemic with the Council, Schools and Community Groups supporting need (including food support) during this period. The pandemic has also developed city wide alliances such as Food4Thought and the Money Advice Alliance that has strengthened the co-ordinated approach, provide a system wide approach to issues and unlocked the strength of the community led approach across the City. It is essential that any short and medium term approach to this need maximises these strengths and is not purely an interventionist approach from the Council.
- 4.3 The City with its partners quickly responded to need throughout the pandemic with an increase in food support/parcels through Food4Thought since April 2020, alongside significant support from community groups and businesses.

4.4 In October 2020, the Government announced a winter support grant that has allowed a series of targeted interventions to the 31<sup>st</sup> March 2021. Allocations within the Grant (£899K) were approved by Cabinet in December 2020 and are detailed in the table below

| Organisation                  | Total Payment | Schedule   | Outcome  |
|-------------------------------|---------------|--|--|
| Schools in Derby              | £485,000      | <ul style="list-style-type: none"> <li>• 50% in first week of December</li> <li>• 50% in first week of February</li> </ul>               | Provision of 161,640 meals   |
| Community Action Derby (CAD)  | £225,000      | £68,750 on the 1 <sup>st</sup> of each month from Dec 2020 to Mar 2021   | Provision of 12,000 food parcels with toiletries                                 |
| Paypoint Payment Services Ltd | £160,000      | Pay £40,000 to pre-fund the voucher scheme, which is then topped up weekly with the cost of the vouchers issued to a maximum of £160,000 | Payment of up to 1,000 Winter Support Awards                                     |
| Community Action Derby (CAD)  | £10,000       | Paid at the end of each month starting December 2020 and ending 31 March 2021 Based on submission of invoice                             | Use of temporary staff to manage increased administration associated with scheme |
|                               | £19,489       | Paid with authorisation from S151 Officer  | Potential use of additional services   |

This approach supports over 161,000 vouchers to children eligible for free school meals alongside wider support to families through food parcels and fuel payments etc. By the end of December there were 695 family referrals into Food 4 Thought (900 children) and 166 families with children referred for Winter Support Awards. Further support will be accessed in Quarter 4 of the financial year.

There were referrals within the scheme from a wide range of agencies, services and organisations.

This scheme has identified a further 900 children to date, from vulnerable households not eligible for FSM, which is community intelligence that can be used to focus services on the most vulnerable.

4.5 The Council in partnership with schools has a well proven mechanism for allocating vouchers for children eligible for Free School Meals. However, recent research from universities (e.g. [Covid-19-Free-School-Meal-Vouchers-FINAL.pdf \(healthylivinguk.org\)](#)) question the impact on nutrition, whilst other reports indicate that vouchers are not always used for the desired purpose. This makes the awarding of vouchers simple in respect of allocation but blunt in respect of the desired goal of reducing child hunger. Any proposal should consider whether a hybrid support model would have more impact.

4.6 The Government has announced support in the 2021/22 financial year including an uplift to Healthy Start vouchers (for which the NHS have the lead) and the extension of the Holiday Activities and Food Programme, worth £220m. Not only will children receive a nutritious meal but also academic support, sports and wellbeing activities. A review of the effectiveness of the 2019 scheme identified a series of wider benefits in respect of family resilience and engagement from families engaging in this programme ([Evaluation of the 2019 holiday activities and food programme \(GOV.UK www.gov.uk\)](#)). This supports the case for the Holiday Activity and Food Programme to be at the centre of our support framework for addressing the need next year. This would be supplemented by support to Food 4 Thought to provide community support to ensure access to food support to those families most in need. Key aims of the scheme are for children to:

- eat more healthily over the school holidays
- be more active during the school holidays
- take part in engaging and enriching activities which support the development of resilience, character and wellbeing along with their wider educational attainment
- be safe and not to be socially isolated
- have a greater knowledge of health and nutrition
- be more engaged with school and other local services

The scheme will be eligible for all children in receipt of Free School Meals and will be designed to make free places available to children eligible for free school meals for the equivalent of at least 4 hours a day, 4 days a week, 6 weeks a year.(to include 4 weeks in the summer and a week's worth of provision in each of the Easter and Christmas holidays).

4.7 The Council will utilise this programme as the main support to children in receipt of free school meals for the period 1<sup>st</sup> April – 31<sup>st</sup> December 2021 as it is essential that children benefit from the wider outcomes the programme deliver. However, recognising that not all children may be able to access programmes (for example for child carer and other reasons) the Council will provide additional support to Food 4 Thought to provide up to 10,000 food parcels with toiletries for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> December 2021. This alongside other community support should ensure access (if required) to food support for children eligible for free school meals. The demand for parcels will be monitored closely with a view to increasing the availability of parcels to meet any rise in demand. If there was excess demand the Council would look to fund this from contingencies and reserves.

4.8 In addition, the Council proposes to provide vouchers for the spring and autumn half-term when the holiday scheme is not in operation. Based on a £3 per day voucher this is estimated to cost £0.386m for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> December 2021

4.9 The Council's targeted approach is designed to:

- Place the Holiday Activity and Food programme for 2021 at the centre of our approach, which will deliver a co-ordinated free holiday provision including healthy food and enriching activities from Easter 2021;
- Design the Holiday Activity and Food programme to provide a meal a day for children eligible for free school meals and who attend provision for on designated days over the Easter, summer and Christmas school holidays in 2021;
- To provide Free School Meal vouchers for the Spring and Autumn Half Term when the holiday scheme is not in operation;
- To provide funding for provision of up to 10,000 food parcels via Food 4 Thought for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> December 2021 subject to review based on demand;
- To provide wrap around services to help develop skills, provide benefit advice, and ensure access to specialist services using existing partnerships and services such as the Derby Advice Alliance, the Council's Welfare Reform Team, sustainable food shops being delivered by the Food 4 Thought Alliance, as well as a range of other services from agencies across the city;
- Support wider public health outcomes around tackling childhood obesity by providing the opportunity for health meals, physical activity and nutritional education for children along with advice and guidance for parents;
- Support the establishment a Poverty Commission to develop and recommend a robust and sustainable plan to address child poverty across Derby.

4.10 The Council already supports families through the Single Discretionary Award (SDA) including access to wider funds outside the Council, e.g. Trusts. Recognising increased financial vulnerability within the City an additional £500K of support has been included within the MTFP currently out for consultation.

4.11 The proposed approach responds to the Council's motion of the 25<sup>th</sup> November but is designed around wider desired outcomes for disadvantaged children in receipt of free school meals and developing family resilience.

4.12 The National focus on poverty is welcomed and there is the potential during the next year that further national initiatives are developed. It is essential that within the City we harness a partnership approach to addressing the causal effects of child poverty and consider system wide solutions (including community asset solutions) to meeting the need in the future.

## **Public/stakeholder engagement**

5.1 Engagement has taken place with Community Action Derby and the Food4Thought Alliance.

## **Other options**

- 6.1 To provide assistance only through the existing Council's Single Discretionary Award Framework and through the Holiday Activity and Food Programme. This option though affordable would not be expected to meet the needs.
- 6.2 For the Council to fund the full costs of Free School Meals from 1 April for all holiday periods. This would be in addition to eligible children taking part in the Holiday Activity and Food Programme in 2021. The costs of this based on the current numbers of children receiving Free School Meals is approximately £2m and likely to increase throughout 2021.

There is currently no additional government funding identified to fund this and if agreed the cost would be a significant draw down on Council reserves. The MTFP out for consultation assumes no recurrent use of reserves and any decision to utilise additional reserves would impact on future financial sustainability. This option would fail to provide a sustainable and resilient solution for families.

### Financial and value for money issues

- 7.1 The additional financial support for families during the School holidays is not contained within the MTFP issued for consultation on 17<sup>th</sup> December 2020.

The estimated additional costs detailed within this report are

| <b>Support</b>  | <b>Estimated Costs<br/>(£000s)</b> |
|---|------------------------------------|
| Spring and October Half Term – Vouchers for Families eligible for Free School Meals | 386                                |
| Additional Support for 10,000 food parcels via Food 4 Thought                       | 187                                |
| Holiday Activity Scheme (including provision of a meal)                             | Fully Reimbursed                   |
| <b>Total</b>  | <b>573</b>                         |

Actual costs will depend on the number of eligible free school meal claimants during this period and demand for food parcels from Food 4 Thought to meet need.

- 7.2 Subject to the recommendations outlined in this report being supported it is proposed that the increased costs be funded from

|   | <b>Proposed Funding</b><br><b>£000s</b> |
|---|---|
| Increase 2021/22 Council Tax Increase from 4.49% to 4.99%   | 512                                     |
| Additional Funding confirmed in the draft Local Government Finance Settlement   | 20                                      |
| Utilisation of 21/21 Emerging Covid Pressures Fund (included in MTFP issued for consultation, 17 <sup>th</sup> December 2021) | 41                                      |
| <b>Total</b>  | <b>573</b>                              |

- 7.3 Any continued financial support posts 31<sup>st</sup> December 2021 including recommendations from the Poverty Commission will need to consider the overall financial sustainability of Council resources and the ability of the Council to invest in this discretionary service. In addition, there may be national policy developments (and potentially funding) that may shape future service design.

## **Legal implications**

- 8.1 The Department for Education issued detailed non-statutory guidance in April 2018, the 'Free School Meals: Guidance for local authorities, maintained schools, academies and free schools' that sets out the framework and eligibility criteria for the provision of free school meals. It makes clear, amongst other matters, that provision of free school meals is a term-time obligation.
- 8.2 It follows therefore that the provision of free school meals for any period during the Easter, summer or Christmas school holidays would amount to discretionary provision on the part of the Council i.e. there is no legal obligation to do so.
- 8.3 It is trite law that public authorities may provide discretionary services subject to checks and balances which require that, amongst other considerations, such provision does not compromise the authority's need to secure that its overall statutory obligations can be met. Beyond that, it is equally important to be able to demonstrate how the balance has been struck in favour of an initiative when considered against the merits and demerits of all of the other demands for discretionary service provision faced by the authority.

## **Climate implications**

- 9.1 There are no climate implications arising from this report.

## Other significant implications

- 10.1 The proposed scheme provides flexibility to utilise Educational, Community and Business Partnerships across the City to meet need and co-design a sustainable response and to build family resilience

This report has been approved by the following people:

| <b>Role</b>                | <b>Name</b>  | <b>Date of sign-off</b> |
|----------------------------|--|-------------------------|
| <b>Legal</b>               | Olu Idowu, Head of Legal Services                    | 23/12/2020              |
| <b>Finance</b>             | Alison Parkin, Acting Director of Financial Services | 23/12/20                |
| <b>Service Director(s)</b> |  |                         |
| <b>Report sponsor</b>      | Andy Smith, Strategic Director, People Services      | 23/12/20                |
| <b>Other(s)</b>            | Simon Riley, Strategic Director, Corporate Resources | 23/12/20                |
|                            | Dr Robyn Dewis, Director of Public Health            | 24/12/20                |

**Background papers:**  
**List of appendices:**