

CABINET
22 April 2025

Cost of Living Programme 2025/26

Report by Director of Public Affairs, Policy & Partnerships

RECOMMENDATION

1. **The Cabinet is RECOMMENDED to**
 - a) Approve the support package for 2025/26, as summarised in Table 2;
 - b) Approve the repurposing £85,000 of funding held in the Emergency Welfare Fund reserve to support the Community Wealth Building programme
 - c) Delegate authority to the Director for Public Affairs, Policy & Partnerships in consultation with the Cabinet Member for Public Health, Inequalities and Community Safety, to approve the deployment of unallocated funds for emerging need, and to amend the programme during the year in response to changing and emerging need, within the overall programme budget

Executive Summary

2. This report sets out the intended approach to support those residents who are most negatively impacted by cost of living pressures following the government's announcement of an extension of the Household Support Fund from 1 April 2025 to 31 March 2026.
3. The report also provides the latest position on the impact of cost of living pressures and sets out highlights from the 2024/25 funding programme.

Background

4. In October 2024 the government announced a seventh round of the Household Support Fund (HSF7) for 2025/26. On 4 March 2025 the Council received notification that its funding allocation for HSF7 will be £5,924,114
5. This report sets out the proposed categories of programme spend. Given that the 2025/26 programme needs to be developed before final reporting from existing programmes is received, broad categories of spend are being prepared for approval by Cabinet, with detail being developed into delivery plans under officer delegation.

Cost of Living pressures

6. On the national picture, ONS data shows that inflation, whilst much lower than earlier in the cost of living crisis, is on the rise. CPI in January 2025 was 3.0%, its highest point since March 2024 ¹. The largest contribution to the increase is the higher cost of transport, food and non-alcoholic beverages. These are all key areas of expenditure for low-income households.
7. The Resolution Foundation have projected that, whilst overall in the UK incomes will grow across 2024-25, incomes for those at the bottom of the distribution will fall. They forecast that going forward this trend will continue, predicting that households at the 10th and 20th income percentiles will be poorer in 2029-30 than in 2023-24.²
8. Surveys from the Joseph Rowntree Foundation corroborate this data. They surveyed households within the bottom 40% of incomes in October 2024 and found that the stress on these households had not improved over successive survey campaigns. They found that:
 - 7 million households are going without essentials like food, showers and heating.
 - 5.4 million experience food insecurity.
 - 4.3 million are in arrears with at least one household bill.
 - A third of households held a loan originally taken out to pay for food, housing, or essential bills.³
9. Oxfordshire is a relatively affluent part of the UK. However, the overall wealth of the county can hide the many less wealthy areas. According to the Index of Multiple Deprivation (IMD), 17 out of 407 LSOAs (Lower-layer Super Output Areas) in Oxfordshire fall within the lowest two deciles.⁴
10. Data from the national advice line charity, Citizens Advice, shows that, whilst districts in Oxfordshire face varying levels of hardship, across the board there has been a marked increase in the level of support required in comparison with pre-pandemic data.

Table 1: Number of people Citizens Advice have referred to crisis support, per 10,000 of population⁵

Local Authority	2019-20 (Q1)	2023-24 (Q4)	% increase
West Oxfordshire	4.92	15.3	311%
Vale of White Horse	3.19	8.41	264%
South Oxfordshire	4.45	13.01	292%
Cherwell	8.23	14.49	176%
Oxford City	2.7	9.9	367%

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<https://www.beta.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/january-2025>

² [The Living Standards Outlook 2024 • Resolution Foundation](#)

³ [The scale of the challenge: JRF's pre-election cost of living tracker | Joseph Rowntree Foundation](#)

⁴ [202301_Bitesize_Oxon_10_most_deprived_wards.pdf \(oxfordshire.gov.uk\)](#)

⁵ [How does the cost of living crisis differ between local areas? | Flourish](#)

11. In July 2024, HealthWatch Oxfordshire released a survey of residents accessing a community larder in East Oxford. Of those that they spoke to, they found that:
 - 30% said that their salaries are not enough to even cover rent
 - 50% said that they can't afford to buy healthy food
 - 35% said that without the support, they would not have been able to feed their families
12. Many left comments about the deleterious effects that the rising costs of living have had on their physical and mental health. They reported on having to cut back on the basics to afford bills, such as not putting on heating, and cutting back on social events such as seeing friends or going for days out with their children.⁶
13. Whilst this dataset comes from just a small part of Oxford City, it speaks to the wider issue of how for those in less wealthy areas, neither the general affluence of Oxfordshire nor improving inflation and national economic performance have led to any material improvements in life or easing of the cost of living.

Review of the 2024/25 programme

14. In 2024/25, there were two HSF rounds covering six months each, and providing equal amounts of funding. For Oxfordshire, this was £6.7 million for the year. This was used to create a Cost of Living programme, together with locally sourced funding of £1.1 million to tackle financial inequality, totalling £7.8 million. Appendix One provides a table which sets out how this funding was allocated.
15. Due to the timing of this report, monitoring information has not yet been collected from funded projects. However programme highlights include:
 - Continuing to provide £15 per week in respect of each child entitled to free school meals, and equivalent support for early years settings. Benchmarking with other authorities shows Oxfordshire as having (jointly with six other authorities) the most generous scheme for this type of support;
 - £158,000 has been spent on grants programmes funding community-based organisations providing cost of living support in their areas;
 - £500,000 has been provided to the City and District councils to spend on locally identified priorities.
 - £13,000 has been spent on supporting migrants in asylum hotels with a medical condition, or who are pregnant, to access appropriate, nutritious food.

⁶ [HW Guidance \(healthwatchoxfordshire.co.uk\)](https://healthwatchoxfordshire.co.uk)

Cost of Living support proposals for 2025/26

16. In addition to the HSF funding from government, the following council funding is also available to support the Cost of Living programme:

- Emergency Welfare Funding provision - £500,000
- Budget for Advice Services - £300,000

Together with the HSF7 allocation of £5,924,114 this provides a total for the cost of living programme of £6,724,114 for 2025/26.

17. The Emergency Welfare Funding (EWF) funding identified above was approved in 2022/23 to ensure that the Council could continue to offer support in this area on an extended basis. This is because at the time this was approved, it was uncertain as to whether HSF would continue for so long. With the certainty of HSF7 to fund the Cost of Living programme, Cabinet is requested to approve £85,000 of the EWF to be used to contribute to the Community Wealth

Building programme. Further details of this work are outlined in paragraph 25 below.

18. In constructing the Cost of Living programme for 2025/26, it is necessary to ensure that HSF7 funding is spent by 31 March 2026. The priorities in developing this programme have been as follows:

- To ensure that free school meal support in the holidays continues
- Ensuring the Residents Support Scheme has sufficient funding
- Working in partnership with City and District Councils

19. To secure HSF7 funding, the Council must demonstrate compliance with detailed requirements. Therefore, the specific use of HSF is limited. These requirements can be summarised as being to meet immediate needs and help those who are struggling to afford household essentials including energy and water bills, food, and wider essentials. Limited expenditure is also permitted on provision of advice services and support with housing costs.

20. The 2025/26 cost of living programme reserves a small proportion of expenditure to be determined during the year. This is for two reasons. Firstly, experience has shown that emerging need is usually identified during each period of HSF funding. Secondly, we have recently procured a software solution called the Low Income Family Tracker (LIFT) Dashboard. This dashboard can provide unique and detailed insight into the finances of low-income households. LIFT is currently being implemented, but could be used to identify need in the county which could be supported by the Cost of Living programme. Retaining flexibility within the HSF programme is therefore desired to fund these emerging needs. Cabinet is requested to delegate authority to the relevant Portfolio Holder in conjunction with the Director of Public Affairs, Policy & Partnerships to agree new areas of expenditure, and allocate funding during 2025/26.

21. The cost of living programme for 2025/26 is summarised in Table 2 below and a brief description of each intervention follows:

Table 2.

Project	Funding Source	Budget
Free School Meal Support in Holidays	HSF7	£3,400,000
Residents Support Scheme	HSF7	£1,700,000
Delegations to City & District councils	HSF7	£500,000
Community Wealth Building	Council	£85,000
Support for Advice Services	Council	£300,000
Oxfordshire Community Foundation grants	HSF7	£115,000
Programme administration	HSF7	£125,000
Funding to be allocated later in year	Both	£499,114
Total:		£6,724,114

FSM Holiday Support

22. Free School Meal (FSM) equivalent support for school holiday periods has been provided as part of HSF 1-6 and their predecessors through a payment of £15 per benefits-related FSM-eligible child and young person attending any state-funded school and college in Oxfordshire, per week of school holiday. Equivalent funding was provided to Early Years settings. In addition, school leaders use their discretion to provide funding beyond FSM eligibility. This scheme is well understood and has come to be relied amongst recipient families. While taking a large percentage of the available HSF funds, it has very high take-up and avoids additional application-based approaches meaning that regular support is delivered directly to parents. It is therefore recommended that this support continues through the HSF7 period, up to and including the 2026 Easter holiday.

Residents Support Scheme (RSS)

23. The RSS was launched on 1 June 2023 and has resulted in 7,000 successful applications receiving more than £2.2 million in supermarket vouchers, energy credit and essential household items. There are 30 partners signed up to the scheme who help to promote it. These are mainly organisations in the voluntary and community sector (VCS) but include local authorities and housing associations as well.

Delegations to City and Districts

24. In previous funding rounds, the County Council has delegated funding to the City and District Councils to establish local emergency welfare schemes and provide related community support. Funding is allocated against a formula that takes into account population and relative deprivation. These schemes work in partnership with the VCS. Local intelligence enables flexible support to be delivered that aligns with existing local provision, avoiding duplication and maximising impact. To maintain the impact of local intelligence on the overall package, it is proposed to continue delegating HSF funding to the City and Districts. This gives the City and District Councils flexibility to target HSF as makes most sense locally, within the requirements of the fund.

Community Wealth Building (CWB)

25. In autumn 2023 the Centre for Local Economic Studies (CLES) were commissioned to identify the opportunities in Oxfordshire of Community Wealth Building and the impact that could be achieved. Following this work a CWB working group was established to take these recommendations forward. This work comprises a critical element of the Council's place shaping agenda. A work programme has been developed which was brought to Cabinet on 17 September 2024. Funding was reserved from the 2023/24 cost of living programme in anticipation of a 'hard' national cut-off of deprivation funding to provide for an element of longer-term sustainable work. To support this programme it is proposed to allocate £85,000 of EWF funding to this area, as described in paragraph 17 above. This will supplement additional funding streams such as the £55,000 for the development of care co-operatives. In 2025/26 the budget will be managed separately from the Cost of Living programme and will include the following activity:
- Collaborative Recruitment project
 - Support for development of local social investment fund
 - Support for new business development
 - Review Community Asset Transfer policy
 - CWB Training programme for staff

Advice services

26. Support for debt and benefits advice has formed part of previous cost of living programmes. This was previously paid for by a contribution from the Budget Priorities Reserve to supplement Household Support Fund money from government in 2022/23 and 2023/24. Funding has been used to support the four Citizens Advice offices in Oxfordshire as well as four independent advice providers. Since 2024/25 a £300,000 allocation in the Council's budget to this area has enabled advice services to continue to be supported.

Oxfordshire Community Foundation (OCF)

27. OCF have helped the council to channel HSF funding to grassroots organisations for a number of years. This has been delivered through grant programmes which support the delivery of HSF outcomes; supporting people with unaffordable essentials such as housing, food and heating as well as debt advice. As well as supporting those in need in local communities, OCF enables small community organisations to access funding which would otherwise be closed off to them.

Programme Administration

28. HSF funding is currently used to fund two members of staff to coordinate and support the programme: a programme manager and a business support officer. It is proposed to continue this arrangement in 2025/26. Programme costs have reduced over the year due to changes in the council's structure. A policy officer is no longer attached to the workstream and the business support officer is shared with another area.

Funding to be allocated later this year

29. As set out in paragraph 16, funding has been reserved to allocate to emerging needs throughout the year. This is expected to include continuation of some of the projects funded in 2024/25 and which are set out in Appendix One.

Monitoring

30. As with previous years, programme delivery will be reported to Performance and Corporate Services Overview and Scrutiny Committee as required.
31. Quarterly management information is required by the Department for Work and Pensions, and this will be reported by the Cost of Living programme manager who will review programme expenditure on a monthly basis.

Planning for the future

32. There is uncertainty about the future of the HSF. The government plans to publish its Child Poverty Strategy this spring and it's possible that this will address the future of the HSF. With the national HSF settlement reducing by 10% this year, it seems likely for the HSF to continue to be reduced year on year, or for it to end altogether. As such, planning for either eventuality will be conducted over the next year. This will include consultation with both recipients of support and organisations supporting people with the impact of Cost of Living. The consultation will be used to help determine priorities for Cost of Living support in a tighter funding environment.

Corporate Policies and Priorities

33. The Cost of Living programme and the Community Wealth building work both directly address the Council's priority of tackling inequality in Oxfordshire. They also indirectly address the prioritising of residents' health and wellbeing. This is achieved by targeting financial support at the most vulnerable residents in the county whilst also ensuring the council's assets are used in a way which maximises the return to Oxfordshire residents.

Financial Implications

34. There are no new budgetary implications from these recommendations, although it should be noted that the report addresses expenditure of two areas within the Council's budget. These are the £500,000 allocated in 2022/23 from the Covid Reserve for Emergency Welfare Funding, and £300,000 in the revenue budget for advice services. Cabinet is asked to approve the use of £85,000 of the Emergency Welfare Funding allocation to be used to fund the Community Wealth Building programme.
35. The main financial risks are related to the potential for additional demand in relation to FSM Holiday Support and the Residents Support Scheme (RSS). However as this is the 7th iteration of the HSF, there is now considerable organisational knowledge in respect of the management of this expenditure which mitigates against this risk. Funding reserved for allocating during the year could also be used to top up programmes experiencing high demand.

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Legal Implications

36. Government is able to provide the household support grant to local authorities under section 31 Local Government Act 2003 to which conditions are attached. As has been identified in this report, compliance with grant funding conditions is monitored through the Scrutiny Committee.
37. Spending of grant funding under section 31 Local Government Act 20023 is an executive function and under the Constitution Cabinet holds responsibility for this function.
38. Where any grant constitutes a subsidy, the Council must comply with the Subsidy Control Act 2022 and, where necessary, carry out a subsidy control assessment to ensure that the grant is compliant with the subsidy control principles.
39. In providing the support detailed in this report the Council can rely on its general power of competence under the Localism Act 2011 to determine the appropriate allocations of funding provided that grant conditions are met.

Comments checked by: Kim Sawyer, Interim Head of Legal & Governance,
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Staff Implications

40. HSF funding is currently used to fund two members of staff to coordinate and support the programme: a programme manager and a business support officer. It is proposed to continue this arrangement in 2025/26.

Equality & Inclusion Implications

41. The cost-of-living programme represents a continuation of support rather than being a new proposal and so a new Equality Impact Assessment has not been completed. The programme aims to tackle some of the most egregious areas of inequality in Oxfordshire by ensuring everyone can access food, energy and essential household items. The overall support package is designed to meet the needs of the most economically disadvantaged residents in Oxfordshire, and to ensure that no-one is digitally excluded as a result of the design of the programme.
42. The RSS ensures that anyone experiencing financial crisis can request support. Data on access to the scheme is used to target take-up work. This includes analysis of the ethnicity of applications to identify both low take up from particular groups, or disproportionality in the success of awards across different groups.

43. When considering funding of new projects the distribution of funding across the county as a whole is taken into account, as well as the needs of the ten most deprived wards in the county.

Sustainability Implications

44. There are no significant impacts in respect of environmental sustainability in this programme.

Risk Management

45. The main risks related to the cost-of-living programme are as follows:
- Overspend of funding – The majority of funding is demand led (FSM holiday support and RSS). The RSS has several mechanisms for increasing or reducing support to ensure expenditure remains within budget.
 - End of HSF – The main impact of this event would be the loss of FSM support in the holidays. The RSS could be amended to prioritise help for people affected by the loss of FSM support. Any future funding should prioritise FSM support and the RSS and unspent funding should be carried forward where possible in order to cushion potential cliff edges in funding
 - Low take-up of RSS either generally, or in relation to specific groups – Ongoing work to communicate the availability of the RSS is required in order to ensure it supports the most economically disadvantaged groups in the County. Monthly monitoring will be undertaken to identify any groups or areas where take-up is lower than expected. Where low take-up is identified work will be undertaken with relevant organisations and community groups to promote the scheme

Consultations

46. Although no formal consultation has been undertaken, in developing proposals for support, officers have engaged with the City and District Councils, internal service areas and relevant elements of the voluntary and community sector, including through regular briefings with advice agencies. Through implementation, further engagement will seek to ensure that the County Council's support schemes are aligned to those of others and that work with partners continues to identify those elements of the community most impacted.

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Annex: Appendix 1 – Summary of Cost of Living programme for 2024/25

Background papers: Nil

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March 2025

Appendix One – Projected Outturn for 2024/25

1. Table 3. below sets out the projected out turn for the 2024/25 Cost of Living programme. Following the table is a short description of each project, not already covered in the main report.

Table 3.

Project	Budget	Projected Expenditure
Residents Support Scheme	£1,750,000.00	£1,725,000.00
Holiday FSM	£3,840,000.00	£3,910,000.00
District Delegations	£500,000.00	£500,000.00
Community Wealth Building	£350,000.00	£150,000.00
Advice Services	£300,000.00	£300,000.00
LIFT Dashboard	£140,000.00	£140,000.00
Sustainable food programme	£98,000.00	£97,800.00
Children with disabilities	£20,000.00	£20,000.00
Period Poverty	£30,000.00	£30,000.00
Migrant food programme	£13,000.00	£13,000.00
Warm Spaces	£3,000.00	£1,000.00
Migrant Bus pass scheme	£25,000.00	£21,331.00
Oxfordshire Community Foundation	£112,000.00	£112,000.00
Better Housing Better Health	£50,000.00	£50,000.00
Winter Fuel Payment Support	£90,000.00	£60,000.00
Holiday Activities Fund	£50,000.00	£50,000.00
Homelessness Prevention	£50,000.00	£75,000.00
Digital Inclusion	£20,000.00	£20,000.00
Hospital Discharge	£10,000.00	£10,000.00
Community Larders	£0.00	£20,000.00
School hunger pilot	£0.00	£3,200.00
Programme Administration	£248,000.00	£244,669.00
Contingency	£54,000.00	£0.00
Available for 25/26		£200,000.00
	£7,753,000.00	£7,753,000.00

LIFT Dashboard

2. The Dashboard is a data solution which will enable data led solutions to be used to target benefit take up and other forms of income maximisation. Publicly available datasets can provide useful insight into local areas, but the actionable opportunities for this are limited to generic take-up campaigns.
3. The solution will provide detailed insight into households who may have an unclaimed entitlement to benefits or Free School meals, or who may be struggling with household bills and need a supportive intervention. Approaches using this model elsewhere in the country have run very successful take-up campaigns.

Sustainable food programme

4. Previous Cost of Living programmes have seen significant amounts of money committed to ensuring residents have access to food. Free school meals (FSM) support in the holidays cost £3.5 million last year and 45% of expenditure in the RSS is in relation to food. The Oxfordshire Food Strategy seeks to develop sustainable approaches to helping people on low incomes access affordable, healthy food and this work should be supported from the Cost-of-Living programme. HSF5 and HSF6 provided funding for small grants to community groups promoting access to sustainable, healthy food and research into the development of a co-operative supermarket in Oxford.

Support for low-income families with a child who has a disability

5. Funding in HSF5 was used to help low-income families access Short Break Activities for disabled children. These activities are commissioned by the Council but costs need to be contributed by the parents of children attending.

Period poverty

6. The HSF5 funding allocated to this project enabled a pilot to be set up to provide access to period products for people on low incomes from council buildings. This initiative followed a motion to Full Council in September 2023. Additional funding from HSF6 was used to extend the pilot until the end of 2024/25.

Migrant Food Programme

7. This expenditure was approved using the delegation provided by Cabinet in May to adjust the overall programme. It provides support to migrants residing in hotels where the food provision is not providing a suitable diet for people with relevant medical conditions (e.g. diabetes).

Warm Spaces

8. This expenditure was also approved under the Cabinet delegation. It supports Libraries to be part of the Winter Warm Space provision by funding the cost of providing hot drinks.

Better Housing Better Health (BHBH)

9. The BHBH programme is commissioned by Public Health to provide advice and practical support with energy efficiency measures and supporting people to meet their energy costs. The HSF6 funding facilitated an expanded programme, with a particular focus on low-income pensioners, due to the loss of the Winter Fuel Allowance.

Winter Fuel Allowance Support

10. This provided additional funding to provide support to pensioners on low incomes who have lost their Winter Fuel Allowance. A successful campaign has been run to promote the Residents Support Scheme to this group, and people who may be in contact with them. The increased support has been funded from this allocation.

Holiday Activities

11. The Council provides activity programmes in school holidays which are free for children who are entitled to free school meals. This funding has been managed in Children's Services to enable social workers to identify children who fall outside the normal eligibility criteria who would benefit from these activities. The funding has also been available to social workers to spend on supporting families within the parameters allowed by the HSF scheme.

Homelessness Prevention

12. This area of expenditure has been used as a homeless prevention fund used to support people across Oxfordshire's Homeless Alliance services. These services provide accommodation and support to single people and couples who have experienced homelessness and have additional support needs. The fund has been used to support individuals who are struggling to maintain their tenancy in these support services. This may include providing financial support with rent and bills or funding activities that help to engage people with available support.

Hospital Discharge

13. The Out of Hospital team are a multi-disciplinary team based in the City Council, but working countywide to support delayed discharge from hospital settings. This funding has been used to fund the purchase of essential household items or equipment to support a return home. These may be in relation to helping heat the home or coping with a disability.

Digital Inclusion

14. This allocation has supported the work of Getting Oxfordshire Online to increase digital inclusion in the ten most deprived wards in the county.

Community Larders

15. SOFEA, based in Didcot are the main provider of surplus food to many Community Larders in the County. In November the SOFEA warehouse was flooded, disrupting this provision and putting it out of action for several months. To support larders during this time, £1,000 was provided to all larders who are supplied by SOFEA. This expenditure was approved using the delegation provided by Cabinet to adjust the overall programme.

School hunger

16. This expenditure funded an eight-week pilot at Oxford Academy to provide healthy snacks to pupils. Oxford Academy has a high proportion of Pupil Premium students and school staff were noticing high prevalences of hunger. The project has been undertaken in partnership with Youth services colleagues and Oxford City Council. This expenditure was approved using the delegation provided by Cabinet to adjust the overall programme.