

## **Divisions Affected - All**

**CABINET**  
**14 May 2023**

### **Outline allocation of cost of living and associated community wealth building funding for 2024/25** **Report by Executive Director of People**

#### **RECOMMENDATION**

1. **The Cabinet is RECOMMENDED to**
  - a) Note the cost-of-living support measures delivered during 2023/24, as summarised in Table 1;
  - b) Agree to the support package for 2024/25, as summarised in Table 3;
  - c) Delegate authority to the Programme Director (Partnerships & Delivery) in consultation with the Cabinet Member for Public Health, Inequalities and Community Safety, 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 over the current financial year, assigning additional funding provided by national government after local 2024/25 budget setting processes, in the context of locally assigned funding. It provides the latest position on the impact of the cost of living, as well as providing a summary outturn report on the 2023/24 support programme.

#### **Background**

3. In March 2024 the government announced a fifth round of the Household Support Fund running for the first six months of 2024/25. Oxfordshire's allocation is £3,361,256. Cabinet approval will be sought for allocation of the grant which will need to be applied in the context of locally sourced cost of living and related financial inequality funding. This includes:
  - Emergency welfare fund - £500,000
  - Advice services budget amendment - £300,000
  - Community wealth building budget amendment - £60,000
  - Carry forward of funds from 23/24 to support sustainable financial inequality measures\* - £171,000

\*The prospect of an end to the Household Support Fund led to funds being identified towards the end of 2023/24 that could be carried forward to mitigate the cliff edge of support that would have been created.

4. This report set out the proposed categories of programme spend. Given the tight timescales for HSF 5 spend in particular, which was confirmed on 26 March 2024, broad categories of spend are being prepared for approval by Cabinet, with detail being developed into business cases and delivery plans under officer delegation.

## Cost of Living

5. Although the headline rate of inflation has reduced, the impact of a period of high inflation has locked in higher costs for food and household bills. Critically for low-income households, the inflation rate for food and non-alcoholic drinks continues to be higher than the headline rate (5% compared to 3.8% for February 2024).
6. In positive news for low-income households, national benefit rates have risen by 6.7% for 2024/25 and the state pension has increased by 8.5%. Local Housing Allowance rates (which is the support paid for private sector housing costs) has been restored to the 30<sup>th</sup> percentile of local rents, which should increase the number of properties that are affordable to people on low incomes.
7. In April the Financial Conduct Authority published the results of their annual survey on the Cost of Living from a national perspective. This found the following:
  - 7.4m (14%) felt heavily burdened by their domestic bills and credit commitments
  - 5.5m (11%) had missed any of these bills in the previous 6 months
  - 14.6m (28%) were not coping financially or finding it difficult to cope
  - 5.9m (11%) had no disposable income
8. These results represented an improvement on the situation from 12 months ago but were worse than the last survey carried out before the pandemic. In 2020, 11% or 5.8m people felt heavily burdened by their domestic bills or credit commitments.
9. A higher proportion of adults in certain groups were struggling financially in January 2024, compared with the UK average. These included:
  - adults from low-income households
  - unemployed adults
  - others not in work such as the long-term sick and full-time carers
  - renters
  - single adults with financially dependent children

10. HealthWatch Oxfordshire have recently conducted a survey of 166 people accessing a community larder in East Oxford. Whilst this report is not yet ready for publication, they have shared initial findings which we are permitted to include in this report. People said that the cost of living was impacting on their ability to access and afford healthy food, and pay bills, as well as affecting physical and mental health. For many, food provision was a lifeline, meaning that they were able to make ends meet from week to week. The reasons for using food services indicated both financial, issues of access, including saving money, as well as a strong indication of the value of such schemes to reducing isolation, loneliness and building community. When asked about support to help manage the cost of living, respondents indicated interest in financial, housing and other advice, more information on health and care support, and food related support.

## **Review of 2023/24 programme**

11. In 2023/24 the Council received £6.7m from the fourth round of the government's Household Support Fund. The Council also made £2.3 million available to support Cost of Living measures through the 2023/24 revenue budget process. This was in addition to the £500,000 previously agreed in the form of the Emergency Welfare fund. Table 1 below shows how the total of £9.52 million was spent, as agreed in a Cabinet report in March 2023.
12. Annex One to this report provides a breakdown of expenditure from the Residents Support Scheme and includes a case study. Annex Two contains a report from the Oxfordshire Community Foundation detailing their Cost of Living grants programme. Other highlights from the 23/24 programme include:
- Providing £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.
  - 3,670 people in receipt of Housing Benefit and no other benefit received a cost-of-living payment of £450. This is because they were not eligible for the national cost-of-living payment made by government to people on other state benefits. Most people in this group were pensioners living in social housing.
  - The City and District ran a number of projects in their areas which focussed on providing support for food and energy costs over winter, and providing additional funding for advice services. Delegated funding of £500,000 benefitted 14,276 households.

Table 1.

<b>Scheme</b>	<b>Description</b>	<b>Value</b>	<b>#Recipients</b>
Free School Meal support in holidays	£15 per eligible child per week of school holiday with equivalent support for Early Years Providers	£3,500,000	15,000 children
Education Welfare Grant	Discretionary support to be given by schools to cover costs such as warm clothing and breakfast club fees	£200,000	4,000 children
Residents Support Scheme	Application based scheme to provide crisis support for food costs, energy prepayment costs and essential household items	£750,000	3,600 households
Housing Benefit Cost of Living payments	£450 for people (mainly pensioners) who receive Housing Benefit and no other benefits (this group were ineligible for national Cost of Living payments)	£1,650,000	3650 households
Oxfordshire Community Foundation grants	Funding to support a £273,000 Cost of Living grants programme	£110,000	35 local charities
Hospital discharge	Funding to support patient discharge where Cost of Living issues are a factor	£15,000	46 people supported to leave hospital
Advice Services	Funding for the provision of advice in respect of Cost of Living issues	£300,000	8 local advice centres
Community Larders	Funding to purchase essentials of infants and young children (e.g. baby milk, nappies)	£10,000	36 community larders
Better Housing Better Health	Additional funding for the Public Health commissioned service to support residents with energy advice and efficiency measures	£240,000	1067 residents
Warm Spaces	Funding to libraries to cover costs for providing food and drink to people accessing them as Warm Spaces over winter	£2,288	All council libraries
Council Tax Support	Funding to city and districts to provide additional Council Tax support to households on low incomes	£780,000	15,208 households
Discretionary Housing Payment Support	Funding to city and districts to provide additional support for housing costs for those on low incomes	£810,000	Awaiting reporting
Delegated Funding	Delegated funding to city and districts to provide support to low income households in their area	£500,000	14,276 households
Administration Costs		£652,712	
	Total	<u>£9,520,000</u>	

## Cost of Living support proposals for 2024/25

13. National Government has announced funding from the Household Support Fund for six months. In constructing a package of support for the year, it is necessary to ensure that HSF funding is spent by 30 September 2024. The priorities in developing this programme have been as follows:
- To ensure that Free School Meal support in the holidays continues
  - Maintaining the Residents Support Scheme at the same level as 23/24
  - Working in partnership with City & District Councils
  - Developing sustainable solutions to cost-of-living related issues
14. On 10 November 2023, a cost-of-living update was provided to the Performance and Corporate Services Scrutiny Committee. The committee provided feedback on the report including:
- The development of the Council's approach to social value and community wealth building
  - The approach to measuring poverty and targeting support
  - The role of the Council in providing a secure framework to residents on low incomes
  - The importance of multi-agency working
  - The necessity of delivering support in a sustainable and effective manner

These approaches all feature in some elements of the proposed programme described below.

## Funding

15. The Partnership & Delivery team have brought together a number of pieces of related work in putting together this programme. The main funding is from the government's Household Support Fund, the scope of which is the same as for 2023/24 with the addition of housing costs as a new form of eligible support. The Council also has an existing budget provision in respect of emergency welfare support of £500,000. Some new areas of funding included in the Council's budget for 2024/25 are also included within the income streams for this programme. The full list of income streams to fund this program are set out in Table 2 below.

Table2.

Income Source	£'000
Household Support Fund 5	3,361
Emergency Welfare Fund	500
Budget provision for Advice Services	300
Budget provision for Community Wealth building	60
Carry forward from 23/24	171
Total:	4,392

16. To secure HSF5 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. Locally, available funding provides the Council with the flexibility to meet locally met need that is not HSF compliant. To ensure the maximum funding is accessed with most impact, there will be movement between funding sources through the year. However, for transparency, support proposals can be broadly split into HSF and locally funded schemes. These schemes are summarised in Table 3. And then outlined in the following narrative.

Table 3.

<b>Cost of Living expenditure</b>	<b>Amount £'000</b>	<b>HSF or Locally funded</b>
FSM Holiday Support	2,130	HSF
Residents Support Scheme	1,000	Both
Delegations to City & Districts	250	HSF
Community Wealth building	350	Local
Advice Services	300	Local
Data led solution to target benefit take-up	140	Local
Sustainable access to food	40	Local
Support for low income families with a child with a disability	20	Local
Period Poverty	10	HSF
Administration	165	HSF
Total:	4,390	

## **Cost of Living Support proposals**

### 17. *FSM Holiday Support*

Free School Meal (FSM) equivalent support for school holiday periods has been provided as part of HSF 1-4 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 HSF 5 period. (It should be noted that given the timing of this report, funding has already been provided for the Easter 2024 holiday under existing officer delegations for the administration of HSF 4).

#### *Residents Support Scheme*

18. The RSS was launched on 1 June 2023 and has resulted in 3,600 successful applications receiving £760,000. The costs of administering the scheme have been £197,000. The council have previously made £500,000 available to fund this scheme in 2024/25 and HSF5 provides an opportunity to ensure the scheme is funded at least to the same level as 2023/24. All expenditure within the scheme up to 30 September 2024 will be allocated to HSF to provide flexibility within the programme for the second half of the year.
19. There are 28 partners signed up to the scheme who help to promote it. These are mainly VCS organisations but include local authorities and housing associations as well. Partners are updated regularly on scheme expenditure and proposed changes. A scheme review was conducted in conjunction with partners during the year, and this will be repeated in 2024/25.

#### *Delegations to City & Districts*

20. 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 voluntary and community sector. Local intelligence enables flexible support to be delivered that aligns with existing local provision, avoiding duplication and maximising impact. The flexibility of City and District Councils and our VCS partners has allowed the rapid delivery of short-notice schemes and significant funding has been delivered to residents directly through VCS advisory services. The development of the Residents Support Scheme has meant that direct delivery schemes are no longer required at the local level. However, to maintain the impact of local intelligence on the overall package, it is proposed to continue delegating HSF funding to the City and Districts but without the requirement to deliver an application-based emergency welfare fund. This will give the City and District Councils new flexibility to target HSF as makes most sense locally, within the requirements of the fund. The expansion of the scope of HSF to include Housing support means that the councils could allocate some of this funding to increase their Discretionary Housing Payment provision.

#### *Community Wealth Building (CWB)*

21. Last autumn 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. CLES have now completed their work and a CWB working group will take their recommendations forward. This work comprises a critical element of the Council's place shaping agenda. A work programme will be developed which will include increasing the role of anchor institutions within the County, and consideration of approaches to asset disposal, partnership working and economic development and will be the subject of a separate Cabinet report. 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. This planned funding will be added to the additional budget of £60,000 agreed through the opposition amendment process to support the development and delivery of a Social Value and Community Wealth Building Strategy, subject to future business case.

*Advice services*

22. 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. The £300,000 allocation in the Council's budget to this area will enable advice services to continue to be supported.

*Data led solution to target benefit take-up*

23. The Partnerships & Delivery team have been exploring opportunities for using data led solutions 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. Solutions are available which provide for aggregating all relevant data held by both County, and City and District councils. This provides detailed insight into households which 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 operated very successful, highly targeted take-up campaigns. It is estimated that this approach in Oxfordshire could realise £1.2m in income for residents as well as serving as a prevention tool for services such as Adult Social Care and Housing. The model would require the involvement of the City and District councils. Early conversations with them have shown a desire to work with us on this. The funding represents the anticipated Year One costs. During this year, the proof of concept and economic benefits would enable all participating councils to submit spend to save bids for funding from Year Two onwards. Participating districts will need to demonstrate their commitment to using the tool and agree in-principle to take forward a future business case for consideration if the tool is successful.

*Sustainable access to food*

24. Previous cost-of-living programmes have seen significant amounts of money committed to ensuring residents have access to food. 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. The Partnership & Delivery team have been working with internal policy colleagues and Good Food Oxford to agree some pilot activity in this area in 2024/25. The final options are yet to be selected but are intended to build on existing initiatives.

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

25. This funding will be 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. In particular the transport costs can often be prohibitively high. This funding will allow approximately 100 children to attend these activities.

*Period poverty*

26. This funding will help to ensure access to period products for people on low incomes. The issue was the subject of a motion to Full Council in September 2023. One-off funding in 2024/25 will allow services to assess demand during this year ahead of future resource decisions. A separate report including recommendations will be brought to Cabinet in June.

**Monitoring**

27. As with previous years programme delivery will be reported through Business Management and Monitoring report (BMMR)s. The work in respect of Community Wealth Building is expected to be the subject of a report to the Performance and Corporate Services Overview and Scrutiny Committee. This committee has also received reports on cost-of-living expenditure beyond the BMMR and is expected to do so again in the future.
28. Quarterly management information is required by DWP, and this will be reported by the Partnerships & Delivery team who will manage review programme expenditure on a monthly basis.

**Flexibility and additional support measures**

29. The support package summarised in Table 3 represents current planning for the year ahead. However, there is significant uncertainty for example, in the number of FSM eligible students in the next academic year and in the take up of the RSS. In order to fully commit the available funding and to meet new needs and those needs not directly supported in the current package, the overall programme and spend will remain under review throughout the year with significant changes reported through business management reporting.

**Corporate Policies and Priorities**

30. 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

31. There are no new budgetary implications from these recommendations although it should be noted that the report addresses expenditure of two budget changes agreed by Council in February 2024. These are £60,000 for Community Wealth Building and £300,000 for advice services.
32. The programme's administration costs were 6.9% of the budget. This funding includes the costs of staff employed to work on programme delivery. However it also covers central costs incurred by the Council in supporting programme delivery. This includes support provided by Finance, Customer Services, ICT and Childrens Services. As such there are no hidden costs incurred by the Council in delivery of the cost-of-living programme.

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## Legal Implications

33. 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. In providing the support detailed in this report the Council will rely on the general power of competence under the Localism Act 2011.

Comments checked by:

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## Staff Implications

34. The programme expenditure detailed in Table 3 includes £165,000 for administration. This will fund three existing members of staff on fixed term contracts.

## Equality & Inclusion Implications

35. 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.

36. The RSS ensures that anyone experiencing financial crisis can request support. Data on access to the scheme is used to target take-up work. Low take-up by pensioners resulted in work undertaken with Age UK to promote the scheme, and a social media campaign to target relatives of pensioners who may need support.

## Sustainability Implications

37. There are no significant impacts in respect of environmental sustainability in this programme. If the Household Support Fund is extended beyond September then consideration will be given to supporting the Better Housing Better Health programme which provides advice and financial support to residents on energy use, and energy efficiency measures.

## Risk Management

38. 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 FSM support for the summer holiday will be paid prior to the May half term, which allows funding for the remainder of the programme to be prudently managed. The RSS has a number of mechanisms for increasing or reducing support to ensure expenditure remains within budget.
  - End of HSF from October – 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. The council has also budgeted for RSS funding to continue until the end of 2025/26. Any future funding should prioritise FSM support and the RSS and 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

39. Although no formal consultation has been undertaken, in developing proposals for support, officers have engaged with the City and District Councils 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 we continue to work with partners to identify those elements of the community most impacted.

40. In the Autumn of 2023 a review of the RSS was conducted together with partners to the scheme, which saw 20 organisations feedback on how the scheme was operating and any changes that were needed. This exercise will be repeated this year to ensure the scheme is meeting the needs of those who need to access it.

Robin Rogers

Annex: Annex 1 – Summary of Residents Support Scheme  
Annex 2 – Oxfordshire Community Foundation – Cost of Living Fund Donor Report

Background papers: Nil

Other Documents: Cost of Living Cabinet report March 2023:  
[https://mycouncil.oxfordshire.gov.uk/documents/s65163/CA\\_MAR2123R13%20Cost%20of%20Living.pdf](https://mycouncil.oxfordshire.gov.uk/documents/s65163/CA_MAR2123R13%20Cost%20of%20Living.pdf)

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