

## **Divisions Affected - All**

### **CABINET**

**19 November 2024**

## **Outline allocation of cost of living and associated community wealth building funding for October to March 2024/25**

**Report by Executive Director of Resources and Section 151 Officer**

### **RECOMMENDATION**

**The Cabinet is RECOMMENDED to**

a) Note the cost-of-living support measures delivered during the first half of 2024/25, as summarised in Table 2;

b) Agree to the support package for the second half of 2024/25, as summarised in Table 2;

c) Delegate authority to the Director of Public Affairs, Policy & Partnerships 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**

This report sets out the intended approach to support those residents who are most negatively impacted by cost-of-living pressures over the remainder of the current financial year. This follows the government announcement of an extension to the Household Support Fund from 1 October 2024 to 31 March 2025. The report also provides the latest position on the impact of the cost of living, as well as providing a summary of Cost of Living expenditure for the first half of the year.

### **Background**

1. The Household Support Fund is a government scheme, launched in October 2021, that provides funding to local councils to help people who are vulnerable or cannot pay for essentials like energy and food.
2. In September 2024 the government announced an extension of the Household Support Fund (HSF6) from 1 October 2024 to 31 March 2025. Oxfordshire's allocation is £3,361,256. This will enable the council to continue established programmes of support as well as introducing new projects.

3. The Council's priorities in developing this programme of financial support are:
  - To ensure that Free School Meal support in the holidays continues
  - Ensuring the Residents Support Scheme has sufficient funding
  - Ensuring funding is available to support low-income pensioners who have lost their Winter Fuel Allowance
  - Working in partnership with City and District Councils
4. Cabinet approval is sought for allocation of the grant which will be used to build on the existing Cost of Living programme as well as delivering some new projects.
5. This report sets out the proposed categories of programme spend. Given the tight timescales for HSF6 spend, broad categories of spend are being prepared for approval by Cabinet, with detail being developed into delivery plans under officer delegation.

## Cost of Living

6. On the national picture, ONS data shows that inflation has fallen significantly since its high of over 11% in October 2022. CPI (consumer price index) in August 2024 was 2.2%, with CPIH (consumer price index including owner occupiers' housing costs) slightly higher at 3.1%.<sup>1</sup>
7. However, these improvements may obscure the real situation that many face, particularly for those on lower incomes. The Resolution Foundation have projected that whilst overall in the UK incomes will grow across 2024-25, incomes for the lowest-income households 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.<sup>2</sup>
8. Surveys from the Joseph Rowntree Foundation corroborate this data. They surveyed households within the bottom 40% of incomes in June 2024 and found that the benefits of promising economic signs are simply not felt amongst the most vulnerable. 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.
  - In May 2024, 86% of low-income households on Universal Credit went without essentials – seeing absolutely no improvement on 2023.<sup>3</sup>
9. Oxfordshire is a relatively affluent part of the UK. However, the overall wealth of the county can hide areas of deprivation. According to the Index of Multiple

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<sup>1</sup> [Consumer price inflation, UK - Office for National Statistics](#)

<sup>2</sup> [The Living Standards Outlook 2024 • Resolution Foundation](#)

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

Deprivation (IMD), 17 out of 407 LSOAs (Lower-layer Super Output Areas) in Oxfordshire fall within the lowest two deciles.<sup>4</sup>

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 population<sup>5</sup>

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%

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 significant impact 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.<sup>6</sup> 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 2024/25 programme

13. For the first six months of 2024/25 the Council received £3.4million from the fifth round of the government's Household Support Fund (HSF5). This was used to create a Cost-of-Living programme together with locally sourced funding to support the cost of living and tackle financial inequality totalling £4.4 million. Due to uncertainty surrounding a continuation of the Household Support Fund, this programme was constructed to ensure crisis support was available for the most vulnerable households for the whole year. However the HSF funding had to be spent by 30 September 2024.

<sup>4</sup> [202301 Bitesize Oxon 10 most deprived wards.pdf \(oxfordshire.gov.uk\)](#)

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

<sup>6</sup> [HW Guidance \(healthwatchoxfordshire.co.uk\)](#)

14. Due to the timing of this report, only limited monitoring information had been provided from externally funded programmes at the time of drafting. However programme highlights 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
  - £10,000 has been spent on the Council's period poverty initiative to provide period products for free, from council buildings
  - £250,000 has been provided to the City and District councils to spend on locally identified priorities
15. Annex One sets out how the funding was allocated for the first six months of the year, the expenditure so far, the proposed allocations from HSF6 and the total funding left remaining for each project. A summary of each area of expenditure is included below.

### **Cost of Living support proposals for 2024/25**

16. In constructing a package of financial support for the remainder of the year, it is necessary to ensure that HSF6 funding is spent by 31 March 2025. However it is possible to use the funding to purchase vouchers (or similar in kind support) for use early in 2025/26.
17. To secure HSF6 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. For HSF6, an additional area of expenditure is now permitted which is preventative support. The following section provides a summary of all the Cost of Living projects shown in Table 2 above. Owing to the timing of this report, monitoring information is not yet available for the majority of projects funded by HSF5.

### *FSM Holiday Support*

18. Free School Meal (FSM) equivalent support for school holiday periods has been provided as part of HSF 1-5 and their predecessors through a payment of £15 per benefits-related FSM-eligible child and young person attending any state-funded school or 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 on 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 6 period, up to and including the 2025 Easter holiday.

### *Residents Support Scheme (RSS)*

19. The RSS was launched on 1 June 2023 and has resulted in 5,000 households receiving more than £1.5 million in supermarket vouchers, energy credit and essential household items. The scheme is partially funded by the council with £500,000 made available internally in 2024/25 and £360,000 in 2025/26. This means that if the Household Support Fund is brought to an end after March 2025, some limited support will be available to help mitigate the cliff edge that this would bring. 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*

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 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)*

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 have taken these recommendations forward. This work comprises a critical element of the Council's place shaping agenda. A work programme has been developed which was approved by 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. This planned funding was added to the additional budget of £60,000 agreed through the Labour Group budget amendment to support the development and delivery of a Social Value and Community Wealth Building Strategy. This work will be taken forward separately from the Cost-of-Living programme

### *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 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. A process is underway to procure a solution which aggregates all relevant data held by both County and District councils.
24. 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.
25. 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 requires the involvement of the City and District councils who are all on board. A proposal was agreed by the Council's internal officer Commercial Board in October for the procurement of this product. 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 invest to save bids for funding from Year Two onwards.

*Sustainable food programme*

26. 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 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. It is proposed that HSF6 provides additional funding for the grant programme which is run by Good Food Oxfordshire.

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

27. 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. In particular the transport costs can often be prohibitively high. The funding was anticipated to allow 100 children to attend these activities. The HSF6 allocation in this area will also be used to cover the costs of before and after school care for SEND children from low-income families.

*Period poverty*

28. 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. It

is proposed to provide additional funding from HSF6 to extend the pilot until the end of 2024/25.

*Migrant Food Programme*

29. This expenditure was agreed using the delegation provided by Cabinet in May to make adjustments to 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*

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

*Programme Administration*

31. Funding for staffing and other administrative costs in delivering the Cost of Living Programme. Staff delivering the programme have their costs met from the programme fund.

*Better Housing Better Health (BHBH)*

32. 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 will facilitate an expanded programme, with a particular focus on low-income pensioners, due to the loss of the Winter Fuel Allowance.

*Winter Fuel Allowance Support*

33. There are a number of measures within the programme that can provide support to pensioners on low incomes who have lost their Winter Fuel Allowance (the Residents Support Scheme, BHBH and the support provided by the City and District Councils). However it is difficult to predict demand from this group. The latest available data shows that 1,032 pensioner households in Oxfordshire are eligible but not claiming Pension Credit. There are additional households who fall slightly over the threshold for Pension Credit. However take up campaigns for Pension Credit, support for pensioners from the Residents Support Scheme have had low take up. As such this funding is made available to support any project which has a high take up of support from this group.

*Oxfordshire Community Foundation (OCF)*

34. This funding is to expand the OCF Living Essentials grants programme. These grants are available for community organisations supporting people with unaffordable essentials such as homelessness, food insecurity and warmth as well as debt advice. The Cost of Living Programme manager will be part of the grants panel that determines the awards.

*Holiday Activities*

35. The Council provides activity programmes in school holidays which are free for children who are entitled to free school meals. This funding will be 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.

#### *Homelessness Prevention*

36. This area of expenditure will create a homeless prevention fund which will be used to support people across Oxfordshire's Homeless Alliance services. These services provide accommodation and support to single people and couples people who have experienced homelessness and have additional support needs. The fund will be 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*

37. 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 will be 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. Similar funding was made available in last year's Cost of Living programme.

#### *Digital Inclusion*

38. This allocation will support the work of Getting Oxfordshire Online and SOFEA to make laptops, tablets and WiFi access available for vulnerable groups across the County. This will support the aims of the council's Digital Inclusion Strategy.

#### *Contingency*

39. There is a small amount of unallocated funding which can be used to tackle emerging issues, or bolster any of the above projects.

#### **Monitoring**

40. As with previous years programme delivery will be reported to Performance and Corporate Services Overview and Scrutiny Committee. Quarterly management information is required by the Department for Work and Pensions (DWP), and this will be reported by the Cost of Living programme manager, who will review programme expenditure on a monthly basis.
41. The government's Autumn Budget announced that the Household Support Fund would be continued in 2025/26, and so monitoring undertaken this year will inform plans for expenditure next year.

#### **Flexibility and additional support measures**

42. The support package summarised in Table 2 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.

Cabinet will be asked to delegate responsibility for this to the Director of Public Affairs, Policy & Partnerships in consultation with the relevant Cabinet Member.

## **Corporate Policies and Priorities**

43. The cost-of-living programme and directly addresses 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.

## **Financial Implications**

44. There are no new budgetary implications from these recommendations although it should be noted that the report addresses expenditure of two of the budget lines added by the Labour amendment during the Council budget process. These are the £60,000 for CWB and the £300,000 for advice services. There is an opportunity to reduce OCC internal spend on the basis of receipt of HSF6 which was not originally anticipated when rescoping the full year program.

Comments checked by: Drew Hodgson, Strategic Finance Business Partner,  
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## **Legal Implications**

45. Where the Council is distributing grant funding, it must consider whether a grant constitutes a subsidy. Should any of the proposed grant allocations set out in the report constitute a subsidy, it will be necessary for the Council to ensure that the subsidy is dealt with in accordance with the Subsidy Control Act 2022. Where necessary, the Council will carry out a subsidy control assessment to ensure any subsidy is compliant with the subsidy control principles and comply with the transparency requirements under the Act. In providing the support detailed in this report the Council will rely on the general power of competence under the Localism Act 2011.

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## **Staff Implications**

46. The programme expenditure detailed in Table 2 includes £265,000 for administration. This expenditure includes funding for three existing members of staff on fixed term contracts.

## **Equality & Inclusion Implications**

47. 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.

48. 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**

49. There are no significant impacts in respect of environmental sustainability in this programme. The programme provides £50,000 to expand the Better Housing Better Health programme which provides advice and financial support to residents on energy use, and energy efficiency measures.

## **Risk Management**

50. 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 number of families receiving FSM support will change following the census during the programme period which may see an increase in expenditure in this area. The allocation of contingency funding will serve to mitigate this. The RSS has a number of mechanisms for increasing or reducing support to ensure expenditure remains within budget.
  - End of HSF from April 2025 – 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**

51. 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.

Susannah Wintersgill

Background papers: Nil

Other Documents: Cost of Living Cabinet report May 2024:  
<https://mycouncil.oxfordshire.gov.uk/documents/s71023/CA240514R08%20Cost%20of%20Living.pdf>

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November 2024

## Annex One – Cost of Living Programme 2024/25 – Funding and Expenditure

1. Table 2 below sets out the funding for the original 24/25 programme (comprising HSF5 and internal Council funding), expenditure so far, and the proposed allocation of funding from HSF6

Table 2.

Project	Original programme	HSF5 Funding	Internal Funding	Expenditure	HSF6 Funding	Total Remaining
Holiday FSM	2,130,000	2,130,000		2,205,000	1,710,000	1,635,000
Residents Support Scheme**	1,000,000	800,000	200,000	703,000	750,000	1,047,000
District Delegations	250,000	250,000		250,000	250,000	250,000
Community Wealth Building	350,000		350,000	94,000		256,000
Advice Services	300,000		300,000	300,000		0
Data Dashboard	140,000		140,000	0		140,000
Sustainable food programme	40,000	40,000		40,000	58,000	58,000
Children with disabilities	20,000	20,000		20,000	20,000	20,000
Period Poverty	10,000	10,000		9,000	20,000	21,000
Migrant food programme*	3,000	3,000		3,000	10,000	10,000
Warm Spaces*	1,000	1,000		1,000	2,000	2,000
Programme Administration	148,000	107,000	41,000	133,000	100,000	115,000
Better Housing Better Health					50,000	50,000
Winter Fuel Allowance support					90,000	90,000
Oxfordshire Community Foundation					112,000	112,000
Holiday Activities					50,000	50,000
Homelessness Prevention					50,000	50,000
Hospital Discharge					10,000	10,000
Digital Inclusion					20,000	20,000
Contingency					59,000	59,000
	<b>£4,392,000</b>	<b>£3,361,000</b>	<b>£1,031,000</b>	<b>£3,758,000.00</b>	<b>£3,361,000</b>	<b>£3,995,000.00</b>

\* Expenditure agreed after commencement of programme

\*\* Expenditure figure only includes support provided to residents not amounts used for prefunding of the scheme