

**Subject:** Cost of Living Update including the Household Support Fund Tranche 3

**Date of meeting:** 6 October 2022

**Report of:** Executive Director Governance People & Resources

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**Ward(s) affected:** All

**For general release**

## **1 Purpose of the report and policy context**

- 1.1 This report follows on from the report to Policy & Resources Committee in May 2022 which outlined the causes of the current Cost of Living increases, focusing in particular on the expected local impacts on households in relation to food, energy and fuel, welfare benefits, housing and homelessness.
- 1.2 The May report identified a range of planned actions for developing a holistic approach, with Community & Voluntary Sector partners, to ensure that support and advice could be targeted and provided to those households most impacted across the city. This response was underpinned by financial support of £2.571m including allocations of £2.140m from tranche two of the Household Support Fund (HSF) together with additional one-off resources of £0.431m provided by the City Council. The council, including schools, also increased pay for its lowest paid staff groups, the great majority of whom reside in the city.
- 1.3 The report noted that the situation was rapidly moving and since then energy prices have escalated significantly, prompting government to provide both energy payments and energy discounts. This culminated in the latest announcement of an energy price cap, an energy relief plan for businesses, third and public sector organisations and a package of tax cuts as part of the Growth Plan 2022. However, the announcements are not sufficiently targeted at households most in need, risk increasing inequality and, with no support for those in the private rented sector facing rising rents, a rise in homelessness. The Growth Plan also represents a missed opportunity to reduce overall energy demand, with nothing in place to help put local authorities on a more sustainable financial footing.
- 1.4 There is increased concern about the national growth of entrenched poverty and destitution, with residents unable to afford food, shelter and warmth, and the means to keep clean. This first grew through the pandemic and is growing again (JRF: <https://www.jrf.org.uk/blog/what-destitution>) This is exemplified in increased growth of the work of Disability and Elderly Plumbing and Heating Emergency Repair (Depher) <https://www.depher.com/>

- 1.5 High inflationary increases are being experienced by households particularly in relation to rents, food, fuel/travel, sanitation and other necessities. They are also having a growing and serious impact on a significant element of the business sector, particularly small and medium sized enterprise, where the government protections are both temporary and limited. An increase in insolvencies would be very damaging and have the twofold impact of dampening the local economy and increasing local unemployment.
- 1.6 Aside from energy caps and discounts, the government's key response is the Household Support Fund, for which tranche 3 (HSF3) will cover the period 1 October 2022 to 31 March 2023. The value of HSF3 is the same as the previous two tranches at £2.140m, however previous restriction regarding the distribution of the fund have been removed, which was widely requested by Local Authorities.
- 1.7 The report seeks delegations to officers to make adjustments to allocations where there is evidence of changing need throughout the 6 month period.
- 1.8 Alongside HSF3, the council will continue to provide a wide range of welfare advice services as well as financial hardship support. This would include discretionary funds, community grants, and Council Tax Reduction discounts. A key focus will be on continuing to develop advice and support to improve energy efficiency, including pushing ahead with the council's Brighton & Hove Warm Homes programme to retrofit private sector homes with insulation and energy saving adaptations. However, this report also considers other potential options for using council resources to provide assistance to people and households over the winter period, as well as asking Policy & Resources Committee to agree the measures that should be recommended to government to further support both households and businesses.
- 1.9 The council also notes that the Local Government Association (LGA) is taking a lead role on behalf of the sector, particularly in terms of gathering evidence and case studies to present to government to promote understanding of where support is needed, to challenge current welfare benefit policies that are having unintended consequences, and recommend sustainable funding solutions to enable local government to provide effective ongoing support from April 2023 onward. We are working with the LGA to provide case studies including for their COL hub [Cost of living: Fuel and energy | Local Government Association](#). We continue to work with them as they collate evidence with bodies such as Joseph Rowntree Foundation and Money & Pensions service.

## **2 Recommendations**

- 2.1 That the Policy & Resources Committee notes the updates on the local situation regarding the Cost of Living impact including the ongoing and planned work and actions, with statutory and Community & Voluntary Sector partners, to provide advice and support to households in need.
- 2.2 That the Policy & Resources Committee agrees that the city council should lobby government for urgent and sustained support throughout the Cost of Living crisis including:
  - Fully funding Cost of Living pay increases for schools and local government in the current year and 2023/24;

- Immediately increasing the minimum wage in line with September 2022 inflation;
  - Reintroducing a top-up to Universal Credit of £20 pw until at least March 2024;
  - Giving the city council the powers and resources to freeze private rents for two years or, in the absence of this, introducing a national rent freeze or cap to reduce the incidence of evictions and homelessness, as has been done by the Scottish Government
  - Providing increases in Local Housing Allowance rates in line with rent increases and welfare benefits in line with RPI to ensure that they keep pace with inflation as a minimum;
  - Reintroducing a temporary ban on evictions during this exceptional inflationary period (until at least March 2024); and
  - Providing Free School Meals for every primary school child in England, and the city council will endorse this lobbying point by signing the [Free School Meals For All Open Letter](#) to the Prime Minister.
- 2.3 That the Policy & Resources Committee agrees that the city council should formally support the #BusinessSOS campaign and further recommend to government the measures and support for small and medium-sized enterprise (SME). The campaign has seen over 150,000 businesses from across the UK lobbying the government to support small and medium sized businesses by taking the following actions;
- Suspension of Covid loan debt repayments for up to two years (with potential eligibility criteria);
  - Reduction of tourism VAT to 5% (i.e. holiday and hospitality services and packages), and;
  - Introduction of dedicated Business Grant support for SMEs and pubs to help with costs over the winter (with potential eligibility criteria).
- 2.4 That the Policy & Resources Committee agrees that the council will work with the city's MPs to lobby for:
- Extension of business rates relief for all SME's and pubs – using usual Treasury relief mechanisms
  - Reduction of VAT on energy for businesses to 5%
  - Energy prices to return to 2021 levels for SME's and pubs
- 2.5 That the Policy & Resources Committee agrees that the council will work with local business representatives to understand their members' concerns and work with them to continue supporting small businesses. These representatives include Brilliant Brighton (the local Business Improvement District - BID), the BH Economic Partnership, BH Chamber of Commerce and BH Federation of Small Business.
- 2.6 That the Policy & Resources Committee instructs the Chief Executive to write to the Secretary of State for the Department for Business, Energy and Industrial Strategy, advocating for the advantages and business literacy of adopting the Brighton Hove Living Wage.
- 2.7 That the Policy & Resources Committee agrees the council will work with regional public and private sector partners in the Greater Brighton Economic

Board to assess the impact of the cost of living to support local SME businesses through sharing intelligence and offering mutual support.

- 2.8 That the Policy & Resources Committee agrees the approach to developing potential warm banks for use over the winter period, including working with the Community & Voluntary Sector regarding their assets, as set out in paragraphs 5.9 to 5.12.
- 2.9 That the Policy & Resources Committee agrees the proposed communications campaign set out in Section 9 to promote awareness of available advice and support for those in need, and to re-promote charitable giving toward the Cost of Living crisis from those who are able and willing to help.
- 2.10 That the Policy & Resources Committee agrees the council will support the ['Warm This Winter' campaign](#) which calls for government support to provide immediate emergency support, help to upgrade homes and access to cheap energy to lessen reliance on gas and oil.
- 2.11 That the Policy & Resources Committee approves the proposed indicative allocation of HSF tranche 3 as set out at paragraph 10.7, noting the associated Equality Impact Assessment at Appendix 1
- 2.12 That the Policy & Resources Committee agrees that officers may make adjustments to allocations where there is evidence of changing need throughout the 6 month period of HSF3, to ensure that all of the fund is spent.

### **3 Cost of Living Crisis**

- 3.1 As reported in May, the council has put in place a number of working groups to ensure a co-ordinated response to the Cost of Living crisis with the Community & Voluntary Sector (CVS). The groups include:
  - Cost of Living Officer Group (Leads)
  - Welfare Support & Financial Assistance Group
  - Fuel Poverty & Affordable Warmth Steering Group
  - Food Cell
  - Mental Health and Debt Steering Group
- 3.2 These groups ensure that data and knowledge are shared, for example 'Low Income Family Tracker' (LIFT) data, so that support can be effectively prioritised and aligned to optimise the use of the limited resources and funding available. This has enabled provision of a joined-up range of advice and financial support focused on identified households and individuals in need, both through the council's Welfare Support teams and its Community Hub and through partner and associate CVS organisations. This is provided through both the substantial existing resources and programmes provided by the council, together with emergency resources provided by government, mainly the Household Support Fund.
- 3.3 The Household Support Fund tranche 3 (HSF3) should enable continuation of additional emergency support over the winter period from October through to March but, as noted in the introduction, there are concerns that this response will not be sufficient to outweigh growing food and fuel poverty across the city, or prevent additional homelessness, and will do nothing to support small

businesses, whose failures would further compound financial hardship through job losses.

- 3.4 The report below considers these matters and provides brief updates on key topic areas together with proposed actions to gear up for the winter period. The support and responses needed from government are also discussed and proposed recommendations to government are set out for Policy & Resources Committee consideration and approval alongside recommended allocation of the forthcoming HSF3.

## 4 Emergency Food Update

### Current Developments and Approach

- 4.1 A funding pot of £30,000 for CVS Emergency Food organisations was recently launched and made available for bids, as approved by July Policy & Resources Committee. This will top up funding provided to organisations via the current and forthcoming Household Support Fund to bolster emergency food provision.
- 4.2 Support to a successful communications campaign to raise [money via JustGiving](#) for fuel & food to residents in partnership with Citizens Advice Brighton & Brighton & Hove Food Partnership. This has raised over £40,000 to date for the city and continues to receive donations.
- 4.3 BHCC has funded Brighton & Hove Food Partnership (BHFP) to continue to support the Emergency Food Sector. BHFP liaises with statutory services, businesses and community groups. The partnership enables sharing of information on a national level, learning from other local responses, and development of solutions to food insecurity. Similarly, the Household Support Fund has provided support to over 28 emergency food organisations for them to purchase food, give out vouchers or fuel payments to their beneficiaries.
- 4.4 Impact Initiatives, a local charity, also continues with their Food Access service, supporting elderly and housebound residents to access food. They also deliver an 'on the day' emergency voucher or parcel if they cannot refer to another food bank that day. East Brighton Food Co-op city-wide meal delivery service has also received funding support from the Household Support Fund and takes referrals for housebound residents who cannot afford to pay for food, but need a meal delivered.
- 4.5 Elsewhere, the Balfour Mutual Aid group have agreed to provide a city-wide food parcel delivery service to housebound residents, only via referral from Impact Initiatives.
- 4.6 This builds on the work the city council is doing with a lease of a building in its ownership to the Brighton and Hove City Mission (BHCM Foodbank). This was agreed by members in the Spring. BHCM submitted an offer for 5 Preston Circus (a council owned premises) being used for community food related purposes on 12 May 2022. BHCM have also applied for planning permission for a change of use into a food bank and café. Existing facilities are inappropriate and do not allow BHCM to offer all their support services under the one roof. BHCM await final decisions on their offer and plans.
- 4.7 The Community Hub has continued since the height of the pandemic and although its focus has changed over time to include other priorities, including

test and trace, and now Homes for Ukraine, the Hub continues to be part of the overall welfare and food response.

- 4.8 A 'cash-first' approach has been adopted with CVS advice agencies to help people maximise their incomes by helping them to manage money effectively and maximise the welfare benefits and other support they may be able to access. This is supported by using Household Support Fund to provide, for example, discretionary social fund payments, vouchers for Free School Meal recipients over the holidays, and vouchers from the Children's Centre food bank.
- 4.9 The Food Cell continues to be an effective mechanism for co-ordinating and delivering support and while support from the Household Support Fund is critical to its work, there is a need to consider potential longer term, sustainable funding to enable the cell to develop and implement more resilient strategies for food security and provision. This should pool support from across different areas such as Public health, Adult Social Care, and the NHS who can also provide important insight on safeguarding and health issues.

#### Levels of Food Insecurity and Demand on CVS Provision

- 4.10 The [Emergency Food Network report from July 22](#) identified 44 food banks, social supermarkets and meal projects working out of 50 locations in the city. At least 5,159 people are being supported weekly, an increase of 18% from the previous year. However, 69% of organisations are reporting a reduction in food and financial donations, 63% report a reduction in food supply from surplus sources plus stock levels being low, and 63% report needing to spend more money because of the increases in the cost of food & essentials.
- 4.11 Organisations reported that 63% of people who access their services are doing so indefinitely. This translates that there are over 3,000 people in the city who currently appear to need ongoing help to buy food. Reports from the sector are that individuals are being referred around different agencies and services but have already accessed all the support that is available to them.
- 4.12 Low incomes, the cost-of-living crisis and ill health/disability were the main reasons given by the Emergency Food Network's 44 members for people using their services. Other findings from the survey showed:
- 53% of members saw a rise in the numbers of people in work coming to them;
  - More than 60% were supporting a growing number of refugees, migrants and asylum seekers who had no recourse to other funds;
  - 68% saw an increase in lone-parent families and 43% dual-parent families.
- 4.13 The concerns raised by CVS partners have been reiterated by NHS Leaders, including Stephen Lightfoot as chair of NHS Sussex, through the NHS Confederation, in a letter to the Chancellor in August. The letter stressed: "If people cannot afford to heat their homes sufficiently and if they cannot afford nutritious food, then their health will quickly deteriorate."  
<https://www.nhsconfed.org/publications/letter-chancellor-exchequer-0>
- 4.14 Bridging Change and BHFP continue with their research on the food access needs of Black, Minority Ethnic Communities and Refugees and Asylum

seekers. An interim report is expected in October 2022, with a final report in March 2023.

## **5 Energy & Fuel Update**

### Current Support and Approach

- 5.1 Energy and fuel have seen unprecedented price increases with many domestic and business energy costs set to rise dramatically in October. In response, the government had provided a £150 Council Tax Energy Boost payment (now almost fully distributed by councils) and an energy discount of £400 per household. Households on low incomes will also receive a further £650 Cost of Living payment. Recognising that this would provide inadequate support, the government has recently gone further and announced an 'Energy Price Guarantee' to try and limit average household bills to £2,500 for the next 2 years, but the detail of this is still to be released. This is in addition to an energy relief plan for businesses, third and public sector organisations as part of the Growth Plan 2022 announcements.
- 5.2 While these are substantial measures, many middle to higher income households will benefit more significantly than low income households and this may therefore not only leave low income households struggling but may not represent an optimum use of public resources. Our comms plan and website will ensure that the public is fully and accurately informed about how the Energy Price Guarantee works. It will be important to be clear about what this would mean financially to each individual household in real terms.
- 5.3 Locally, co-ordination of the response is through the Fuel Poverty & Affordable Warmth Steering Group whose membership consists of representatives from the Council's Public Health, Housing, Food Policy and Welfare, Revenues & Business Support (WRBS) teams, as well as multiple Community & Voluntary Sector (CVS) organisations including Brighton & Hove Energy Services Cooperative (BHESCo), Citizen's Advice Brighton & Hove (CABH), Money Advice Plus (MAP), National Energy Action (NEA), East Sussex Fire & Rescue Service (ESFRS), British Red Cross (BRC) and Brighton Peace & Environment Centre (BPEC). The steering group continues to meet on a monthly basis to facilitate and coordinate collaboration and synergies between key partners, projects and support available to residents in the city.
- 5.4 Working with partners, the council's website has been updated accordingly with advice on available energy support ([Help with fuel bills \(brighton-hove.gov.uk\)](https://www.brighton-hove.gov.uk)) and provides a link to the Local Energy Advice Partnership (LEAP) who can provide support and advice on energy saving measures as well as information on the full range of government discounts and grants available. The comms plan will ensure that all relevant self-help support and advice is clearly provided, including how to monitor energy use and save on water.
- 5.5 The council's Public Health service also commissions the city's 'Warmth for Wellbeing' programme each winter, providing money advice and small grants, and (with BHESCo) home energy checks and advice. In May 2022, in response to increasing demand and the Cost of Living crisis, Public Health allocated an additional grant fund to continue provision of money advice and small grants from June 2022 to March 2023. This is a one-off investment for 2022/23, delivered by Moneyworks partners Citizen's Advice Brighton & Hove and Money Advice Plus. This year, BHESCo will also provide awareness

sessions to key frontline teams working with people with health vulnerabilities (e.g. NHS community teams).

- 5.6 The above Public Health funding enables the service, known as 'Energyworks', to provide one-to-one money advice and casework, as well as distribute hardship grants to approximately 600 clients, and provide capacity for a dedicated answerphone and triage of clients to the most appropriate support. Energyworks is also administering grants funded by other sources, including HSF and the city's Cost of Living charitable fund. Eligibility for the service is based on groups who are at highest health risk when living in a cold home, drawn from national NICE guidelines.
- 5.7 Onward referrals are also made to organisations for additional support, including BHESCo (Brighton & Hove Energy Services Cooperative), LEAP (Local Energy Advice Partnership) and East Sussex Fire and Rescue Service. Both advice/casework and grant distribution are planned to increase significantly during the colder months when need will be highest.
- 5.8 Alongside this, the council continues to develop the 'Brighton & Hove Warmer Homes' programme. The programme which is due to be launched in Spring 2023 has a capital allocation of £7.2m to support energy efficiency improvements for eligible owner occupiers and households in the private rented sector. To provide support to households in the immediate future a further allocation from this capital fund will go to the Disabled Facilities Grant funded Warm Safe Homes Grant, which will see the initial investment increased from £0.400m to £1m as set out in the recent report to Housing Committee on 28 September to enable retrofit and insulation of more private sector properties. This is separate to the work the council is undertaking to retrofit and improve the energy efficiency of its council housing stock. This is also separate from the main Warmer Homes Capital Grant programme of £7.2m.

### Warm Banks

- 5.9 Whilst the council and its CVS partners have attempted to identify households and people in need of support, for example using analysis provided by LIFT to identify those in fuel poverty, there are not only limitations to the level of support available nationally and locally, but there are also people and groups that are harder to reach or who may not always seek or accept assistance. The council will therefore explore, with the local CVS sector, the practicalities of using their buildings and public spaces to provide warm spaces for people, both to help them avoid impacts on their health, and therefore avoid greater demand on health and social care services, but also to contribute to helping them to manage energy use and costs.
- 5.10 Setting up a network of Warm banks is not a simple or straightforward proposal. No additional resources have been provided to the council or partners to enable this. There are a number of risks and costs to consider including rising Covid cases, lease/licence agreements, safeguarding considerations, appropriateness for open access, financial constraints, considerations regarding food and drink being available, facilities, fire regulations, adequate seating and washroom facilities as well as a sufficient comms campaign. These considerations are detailed in greater depth at Appendix 2 of this report.

- 5.11 Policy & Resources Committee is recommended to support the use of the council's community spaces (such as libraries) as warm banks, subject to an assessment against the caveats above (and in Appendix 2) to determine which would be the most practical and viable properties. As a result, some of these may be mobilised more quickly than others, which will be set out in a phased mobilisation plan ahead of winter. Officers are currently coordinating information across council services, working in collaboration with third sector partners, and will ensure information on access to warm banks is clearly disseminated.
- 5.12 The council is currently collating a list of all potential sites across its services that could be considered and will work through the above considerations in drawing up proposals. Officers will also link with CVS organisations, including churches and faith organisations, to understand how they would wish to engage in this initiative and understand which organisations will be able to offer warm banks. Consideration will also be given to reaching out to statutory partners in the city and businesses to encourage them to consider similar offers through their estates.

## **6 Housing Update**

- 6.1 Although the council is currently seeing fewer people in temporary accommodation, evidence shows that the main reason people are becoming homeless is they are unable to afford rents in private rented housing. The Cost of Living crisis means we can expect to see more households becoming homeless because they can't afford to maintain their existing private rented home, as well as fewer people being able secure alternative accommodation in the private rented sector. This problem is expected to escalate over the next 6 months, leading to an increase in the number of people going into temporary accommodation with the associated financial impact for the council.
- 6.2 The recommendations to the report seek to alleviate anticipated housing pressures through lobbying of government ministers to introduce rent freezes, something lobbied for by the TUC and the Warm This Winter campaigns. The recommendations also include lobbying for the introduction of rent freezes or caps, however, this would again be very indiscriminate and would almost certainly benefit far more people who do not need support compared with those on low incomes. However, it would have the advantage of halting the increasing unaffordability in general. A more targeted intervention would be to lobby for both Local Housing Allowances to keep pace with local rents and for government to consider a top-up to Universal Credit (e.g. re-introduction of the £20 pw top-up). Similarly, welfare benefits should be increased in line with current inflation to provide more protection against Cost of Living increases. A further important measure would be to re-introduce the ban on evictions during this exceptional inflationary period.
- 6.3 The city council could also support the calls from the LGA to review other welfare reforms including the Removal of the Spare Room Subsidy, the Shared Accommodation Rate and the Benefit Cap to ensure these reforms are not having unintended impacts on households which are struggling to meet their rental and living costs.

## 7 Impact on Business

- 7.1 The impact of Cost of Living increases not only affects individuals but there is growing concern for the impact on businesses, particularly small and medium sized enterprise (SME). [The Economic Strategy Evidence Base](#) (2018) found that 86% of businesses in Brighton & Hove were micro, employing 10 or less people. In total 99.7% businesses in the city are SME, making them the lifeblood of the city's economy. These businesses employ a substantial number of people from across the region. On the back of the pandemic, which suppressed business activity for most, they are now experiencing substantial increases in energy and supply chain costs. Unlike large businesses, there are limitations on the financial shocks they can absorb and on their ability to cross-subsidise activities. There is a serious risk of widespread business failure, and more government support is needed.
- 7.2 The Brighton Business Improvement District and Brighton & Hove Economic Partnership (BHEP) are backing the **#BusinessSOS** campaign seeking further government support. The campaign warns of mass closure and redundancies if immediate and effective action isn't taken by the Government in the face of spiralling energy costs that are proving more detrimental than the pandemic. The Chancellor's Growth Plan 2022 does not provide specific new measures of support for businesses, in particular SMEs. Financial support business improvement districts across the country are saying more help is needed.
- 7.3 The #BusinessSOS campaign has a three point plan to support ailing businesses:
- Reduce VAT – including dropping the headline rate to 12.5% (from 20%) and business energy bills reduced from 20% to 5% to match domestic billing.
  - Business rates relief – 100% rate relief until 31 March 2023.
  - Energy rates relief – Discounted kwh price on all business energy bills.
- 7.4 Policy & Resources committee is recommended to support the objectives of the #BusinessSOS campaign through lobbying government and to press government to consider additional support including:
- Suspension of Covid loan debt repayments for up to two years (with potential eligibility criteria);
  - Reduction of tourism VAT to 5% (i.e. holiday and hospitality services and packages), and;
  - Introduction of dedicated Business Grant support for SMEs and pubs to help with costs over the winter (with potential eligibility criteria).
- 7.5 It is recommended to explore the potential for joint lobbying with partners through the Greater Brighton Economic Board subject to agreement on the suggested areas of support set out above.

## 8 Lobbying Government for Urgent and Sustainable Support

- 8.1 The issues set out above clearly indicate that a much wider and deeper response is required from government to avoid widespread impacts on people's health & well-being and therefore help to avoid unmanageable demands on health and social care services, as well as homelessness and

rough sleeping services. Together with the potential impacts on business, which will suppress the economy and employment opportunities, there is an urgent need for more targeted and sustained support through the Cost of Living crisis.

- 8.2 A key factor for individuals concerns wages. The Real Living Wage (RLW) foundation brought forward its announcement for next year's RLW (normally announced in November) and set a wage of £10.90 (a 10.1% increase) outside of London, its largest annual increase by far. The council's minimum pay is already above this level having taken steps to increase the pay of its lowest paid staff earlier this year. However, the council would encourage employers in the city to adopt the Real Living Wage as a minimum given the higher Cost of Living (particularly rents) in the city. The council recognises that many employers still pay the National Minimum Wage and Policy & Resources Committee are therefore recommended to call on government to significantly increase the minimum wage, at the very least, in line with September inflation.
- 8.3 The council and schools (non-teaching staff) are also awaiting the conclusion of the NJC negotiations for the 2022/23 local government pay award. The Employers side have offered a flat-rate increase of £1,925 which offers higher percentage increases at lower pay grades but this (if agreed) is far in excess of the funding provided to councils in the 2022/23 local government financial settlement. Similarly, schools have been notified of a potential 5% pay increase for Teachers but the indicative 2023/24 Dedicated Schools Grant settlement offers a funding increase of less than 2%. Further to a letter from the Leader of the council to the #BusinessSOS campaign, Kit Malthouse on 23/09, P&R committee, Policy & Resources Committee is recommended to call on government to provide adequate funding in 2022/23 and 2023/24 to support reasonable Cost of Living increases for staff, which would mitigate the risk of impact on service quality and provision across schools and council services.
- 8.4 Together with other concerns highlighted in the report, the Policy & Resources Committee is recommended to call on government to:
- Immediately increase the minimum wage in line with September inflation;
  - Fully fund Cost of Living pay increases for schools and local government in the current year and 2023/24;
  - Introduce a rent freeze or cap to reduce the incidence of evictions and homelessness;
  - Reintroduce a top-up to Universal Credit of £20 pw until March 2024;
  - Provide increases in Local Housing Allowances in line with rent increases and welfare benefits in line with RPI to ensure that they keep pace with inflation as a minimum, and;
  - Reintroduce a temporary ban on evictions during this exceptional inflationary period (until March 2024).

## **9 Communication and Awareness Campaign**

- 9.1 The council works within a strong network of statutory and CVS partners who help to identify, target and reach out to the many different people, groups and households in need.. This is supported by the use of the Low Income Family Tracker (LIFT) analytical tool within the council which analyses various data sets, particularly welfare benefit data, and also enables correlation with other

data captured by various organisations including the B&H Food Partnership, Public Health and other CVS organisations (e.g. from money advice services). However, to maximise the reach of the advice and financial support available, a strong communications campaign is being developed to ensure that all households and agencies across the city know where to turn, or where to advise those in need to turn, when help is needed.

- 9.2 Communication of the Cost of Living package of support needs to be clear, simple and widespread in order for residents to be clear about where they, or their neighbours, friends and family in need, can get help. The Household Support Fund guidance allows for some of the fund to be used to provide information and promote awareness and it is therefore proposed to deploy £30,000 from the fund to maximise impact. However, by doubling-up the campaign to also promote charitable giving to the city's Cost of Living Charity, it is anticipated that the investment will more than repay itself in terms of charitable support for those in need. We will promote where the donated funds are being spent and demonstrate how the funds are being used to improve lives.
- 9.3 Using the funds above, the council will create and distribute materials about where to seek help, as well as targeting communications messages to different audiences e.g. those that have never asked the council or its CVS partners for support before, or to different age groups. It is proposed to provide amongst others, the following resources:
- An information and advice leaflet to all households in the city (approx. 118,000 households) – the leaflet will contain key advice and links regarding support for the Cost of Living as well as containing promotion of the Cost of Living Charity (Just Giving);
  - Improving the digital offer via the council website including wide ranging information, tips, support and signposting around all issues of financial vulnerability;
  - Targeted social media advertising;
  - Bus and bus shelter advertising over the autumn/winter period;
  - Print advertising in local community media;
  - Significant promotion through BHCC's social media;
  - Provision of copy for external press releases and news stories;
  - Internal news stories and briefing/information for councillors and staff (many live in the city and are worthy champions for disseminating information);
  - Partnership communications taking a city-wide partnership approach, for example BHCAB and BHFP, sharing communications through their channels and audiences. Also, through schools, children's centres and nurseries which have significant reach.

## **10 Allocation of the Household Support Fund Tranche 3 (HSF3)**

- 10.1 The government is allocating more money to local authorities in order for the Household Support Fund (HSF) to continue through the winter and early spring. The government requires local authorities to spend all of the allocation by the end of the period and no funding can be carried over. The current HSF finishes at the end of September 2022, and HSF3 will start from 1 October

through to March 2023. As each HSF tranche is a separate fund with new guidance, HSF3 will require approval of a new local allocation of the funds.

- 10.2 The first HSF tranche was focused on Covid support but the second tranche was re-focused to Cost of Living support which will continue to be the focus of HSF3. The second tranche of HSF was used to provide the following:
- Free School Meals to cover the school holiday periods ;
  - Enhanced funding for the Local Discretionary Social Fund (LDSF);
  - Funding for the Brighton & Hove Food Partnership (BHFP);
  - Funding for the voluntary sector to give practical help directly to their service users;
  - Increased funding for Discretionary Council Tax Reduction (DCTR) and help with Council Tax arrears;
  - Discretionary Council Tax fund for financially vulnerable households with cyclical arrears issues who are not in receipt of Council Tax Reduction (CTR) and therefore cannot be awarded DCTR;
  - A fund for households who were struggling financially, but not in receipt of means tested benefits, also known as 'Just About Managing' (JAM) households.
- 10.3 On a household-by-household basis, this means that vulnerable residents were assisted with a mixture of food vouchers, meals, help with fuel bills and other essential items. The various Cost of Living working groups (see paragraph 3.1) and the Cost of Living Officer Group have reviewed and discussed these allocations and there is general agreement that these allocations have worked well, have enabled widespread reach through a range of appropriate settings and avoid, as far as possible with the funds available, lots of re-referrals between different agencies and services.
- 10.4 For the second tranche of HSF, the government made a key change to the guidance, stipulating that one third of the fund must be spent on support to pensioners. Due to the fact that the local population of pensioners is less than 14%, this presented challenges in terms of being able to spend the required proportion on pensioners and still support other residents where demand continued to be high. The HSF was therefore supplemented by one-off council resources in order to maintain the balance of support to non-pensioner households, particularly in relation to the provision of vouchers for Free School Meal families.
- 10.5 The full amount of HSF tranche 2, including the pensioner element, will be spent. However, this has necessarily been achieved by disproportionately applying financial support to pensioners over non-pensioners and delivering financial payments in bulk to pensioner households on Housing Benefit or eligible for Council Tax Reduction discount. In contrast, demand for support of non-pensioner households continues to rise and has increased over the summer. There was a similar position across many local authorities which resulted in significant lobbying against this restriction and, fortunately, this appears to have been heeded with the draft HSF3 guidance indicating no such restrictions.
- 10.6 The government published draft guidance for the third HSF on 26th August and announced the funding allocation on 22 September which confirms that it will be the same value as tranches 1 and 2; that is £2.140m. For HSF3, there

is a new requirement within the guidance that states at least some of the fund must be made available through an application-based scheme, so that households in need are able to self-refer themselves in for support. The committee is advised that BHCC already has this system in place through its Local Discretionary Social Fund (LDSF) scheme.

- 10.7 It is proposed that HSF3 should broadly follow the previous method of allocation which was seen as successful but with the added advantage of not having to disproportionately support pensioners. Assuming the same level of funding, the proposed allocation is as follows:

<b>Ref</b>	<b>Proposed Support:</b>	<b>Allocation</b>
1	Free School Meals for 6 weeks (Christmas, Oct and Feb half terms, and Easter 2023), continuing with £15 per child, including early years and sixth form	£0.810m
2	Local Discretionary Social Fund (LDSF)	£0.640m
3	Community organisations	£0.130m
4	Sustainable energy solutions (e.g. BHESCO, LEAP and similar)	£0.050m
5	Warmth for Wellbeing, including £15k for staffing and extra admin	£0.115m
6	Addition to Council Tax debt and Discretionary Council Tax Reduction funds	£0.040m
7	LDSF staffing - 2 x Assessment Officers, LDSF Admin x 1, Community Hub Officer x 1	£0.065m
8	Scheme to support JAM households (Local Lift-Up Scheme)	£0.040m
9	BH Food Partnership	£0.040m
10	Carers Centre allocation	£0.020m
11	Food club and providers of delivered meals	£0.060m
12	Children's Centres	£0.060m
13	Family Children and Learning – pods / section 17 payments	£0.040m
14	Cost of Living communications and charitable giving campaign	£0.030m
	<b>TOTAL</b>	<b>£2.140m</b>

- 10.8 One of the challenges of managing the HSF is that the fund is not large enough to sustain any individual household throughout the Cost of Living crisis. For example, it cannot act as a regular income supplement, even though many households are unable to meet the increased Cost of Living each month.
- 10.9 In this regard, services across the council and the voluntary sector are reporting that households are presenting multiple times either at the same service, or at different services. Whilst there is an aim to avoid duplication of help, there is nothing in the HSF guidance to prohibit multiple awards of support. The pressure across all sectors is increasing and the extent to which this demand will rise during the winter is currently unknown and will be very dependent on other government support and measures.
- 10.10 The deficit in regular household income is a national policy issue, but there will need to be a considered approach to a citywide strategy beyond the ending of

the HSF, because the financial deficit for vulnerable households in the city will almost certainly continue beyond this period. However, councils themselves are severely constrained by resource limitations and therefore government needs to provide sustainable funding through local government if it is to be able to provide a continued and effective local welfare response.

### **Commentary on Proposed Allocations**

- 10.11 It is proposed that Free School Meals vouchers will continue to be provided in the school holidays to support children in low-income households. The proposed allocation of £0.810m will cover 6 weeks (Christmas, two half terms and Easter) at the standard amount of £15 per child, in line with previous programmes. As Easter falls on 31 March (the deadline for spending HSF3) it is considered safest to provide an allocation for Easter in case further support is not forthcoming in April.
- 10.12 Demand for help from the LDSF has increased significantly throughout the last 12 months. This fund is one of the primary sources of crisis help for households in the city, providing help such as:
- Food vouchers and vouchers for household items
  - Support for the payment of energy bills
  - Furniture
  - White goods
  - Clothing and bedding (and beds)
- 10.13 The introduction of the HSF brought much-needed additional funding for LDSF. However, it also coincided with the Cost of Living crisis intensifying, and with the withdrawal of the £20 Universal Credit top-up that supported households during Covid restrictions. The corresponding impact on the LDSF team was that expenditure increased from an average £0.021m per month to in excess of £0.100m per month and over 400 applications per month.
- 10.14 It is anticipated that through the winter months, LDSF demand could rise even higher and the annual expenditure could exceed £1.2m. As a comparison, the running budget for LDSF, pre-Covid, without additional HSF funding was £0.180m per annum. The proposed allocation of £0.640m will enable the LDSF to maintain monthly expenditure of around £0.100m throughout the winter months up until 31 March 2023. However, it may not adequately support an increase in demand above the current levels.
- 10.15 Due to the increase of applications, it is not possible for the LDSF and Community Hub teams to process awards within a reasonable timeframe without additional resources. The suggested allocation therefore includes an amount for continued provision of staffing on the LDSF team and in the Community Hub, who deal with JAM cases. Without this, cases will take an inordinate amount of time to turn around resulting in backlogs, a slow distribution of funds, and a significant increase in complaints.
- 10.16 The HSF3 guidance emphasises relieving the financial pressure mounting from the increase in energy costs, making reference to those who have not received support from other targeted government financial support schemes such as the additional Cost of Living payment. However, the guidance does not ringfence or make any further directives in this regard. In this respect, a £0.100m allocation from HSF3 is proposed for the Warmth for Wellbeing

programme. There is also a proposed £0.050m allocation for energy efficiency organisations/programmes such as BHESCo and LEAP. However, it should be noted that the funding provided for HSF3 cannot provide for widespread payments to offset the effects of the increasing energy price cap.

- 10.17 Support is included again for a wide range of organisations in the Community and Voluntary Sector. However, the sector is reporting back that they are also experiencing an increase of demand and pressure on their staff. In addition, there are mounting funding pressures for operational costs, including premises and energy bills. In both previous HSF programmes, partners in the voluntary sector have ensured that help reaches parts of the community that may not otherwise present themselves to the council. Also, in providing funds to the voluntary sector, recommended at £0.130m, this provides greater assurance that the HSF will reach groups and households with protected characteristics.
- 10.18 HSF is part of a broader funding solution for the overall food strategy. Officers have consulted with representatives from the Brighton & Hove Food Partnership to ensure that there is adequate coverage for food provision. The recommended allocation to BHFP is £0.040m with a higher amount for other organisations and food clubs recommended (£0.070m) based on feedback from BHFP.
- 10.19 Council services delivering HSF funds will use all available data and analytics tools (EFN survey/LIFT/national/DWP info) to ensure that those groups most impacted by the cost-of-living crisis are reached through the food response. This would include identifying key at-risk groups such as those housebound, with disability or long-term health conditions, refugees & asylum seekers, for example.

## **11 Analysis and consideration of alternative options**

- 11.1 Including FSM vouchers through the Easter holidays adds £270m (an additional 50% of the total FSM budget, or 12.5% of the total HSF budget) to the cost of providing FSM vouchers. Redistributing the funding to include this has meant reducing the allocations for key areas such as LDSF, Families, Children & Learning (FCL) and CVS, all of which provide a wider coverage of need throughout our community. Their reach is therefore reduced, but all indications are that the need for financial support will be at its greatest through the colder winter months, prior to the Easter holidays in April. An alternative is therefore not to provide for Easter 2023 and redistribute funds to other lines accordingly.
- 11.2 Another alternative would be to change the Free School Meal methodology in common with some other Local Authorities. Whilst some have stopped providing Free School Meals entirely, others have started giving a lower lump sum for the whole six months to families who qualify for Free School Meals, instead of giving weekly amounts. In some authorities, this has enabled funding of other support initiatives. However, feedback from the voluntary sector and from recipients is that there is a high demand from families for the vouchers, as it is an expectation that has been set by successive HSF schemes.
- 11.3 The possibility of bulk payments to households has also been considered, either to compensate for households who have not received any Cost of Living support (i.e. those not on one of seven qualifying means-tested benefits), or to help with energy payments. It would not be possible for the HSF budget to

stretch far enough to cover the cost of such a scheme. It would mean introducing an element of differentiation between households to determine which ones receive an award. It would also limit the ability to respond flexibly to newly arising needs from households that are falling into difficulty for the first time. Feedback from services including the LDSF team is that they are now seeing an increasing number of applications from such households. It is likely that this new cohort will grow in the coming months.

## **12 Community engagement and consultation**

- 12.1 As with previous HSF programmes, this is a short-term emergency scheme and there is no practical way of conducting a full public consultation in the limited timescale between the government confirming the grant conditions and the implementation of the scheme. However, as with the previous two schemes, officers have called upon partners across the council and in the voluntary sector to help devise the proposed allocation plan. Also we will ensure the scheme is promoted to the public through the aforementioned communications plan, once the scheme has been approved by this committee.
- 12.2 Representatives of the voluntary sector and a cross-section of council services met on 25 August 2022 as part of the Welfare Support & Financial Assistance Cost of Living forum. A follow-up meeting was held on 7 September 2022. Attendees included representatives from Community Works, the Moneyworks and Advice Matters partnerships, and council services including Housing, Families, Children & Learning, and Welfare, Revenues and Business Support. As noted earlier in the report there was general approval for following the same broad approach as the previous HSF scheme.
- 12.3 Officers also met with the Food Policy Co-Ordinator and BHFP to discuss the approach to funding for the food partnership. The feedback was that it would be more effective to channel funding directly to the main foodbanks and organisations involved with food support, although the food partnership would still need funding to support harder to reach communities and organisations. However, if HSF3 funding is greater than previous HSF allocations, this provides a clear steer on how to allocate additional funding.

## **13 Conclusion**

- 13.1 HSF3 will provide much needed support to households across the city during the winter and beyond and this scheme is one of the key mechanisms that the council can employ to support its most vulnerable residents.

## **14 Financial implications**

- 14.1 The Household Support Fund tranche 3 was announced on 22 September and is set at the same value as the two previous tranches (£2.140m). Final guidance is awaited but the draft guidance indicates that HSF3 is unrestricted, within the overall objectives of the fund, and can therefore be allocated to any households in need, in any proportion. It can also be used to support limited administrative and technical resources and staffing, as well as communication and awareness resources. It must be expended by 31 March 2022 and cannot be carried forward. Provided that payment-over of funds to the voucher provider for the Easter 2023 holiday period is made prior to 31 March 2023, this can be funded from HSF3.

## **15 Legal implications**

- 15.1 Policy & Resources Committee has delegated authority for the financial and other resources of the Council. It is the correct body to receive this report and to note and agree the actions referred to in the recommendations including the allocation of the specified funds.

Lawyer consulted: Elizabeth Culbert Date consulted: 26 September 2022

## **16 Equalities implications**

- 16.1 Some protected groups and those with lower incomes will be over-represented in the households intended to be supported by the fund. The proposed allocations therefore attempt to address and mitigate these impacts by providing targeted funding. More details on the impacts and mitigations are contained in Appendix 1 of this report.

## **17 Sustainability implications**

- 17.1 There are specific sustainability implications around fuel and energy. In particular, the council's retrofit programmes, programmes such as Warmth for Wellbeing, and the proposed support to organisations such as BHESCo and LEAP, to provide advice and support on how to save energy or improve energy efficiency, will all contribute to carbon reduction.

## **18 Public health implications:**

- 18.1 There are specific Public Health implications around food and energy poverty. The health risks for certain groups are significantly higher from living in a cold home i.e. older people and people with disabilities and long term health conditions. Often these groups will incur a higher energy cost due to these issues and therefore not adequately heating their homes will have a disproportionate effect on health. The council's response to the Cost of Living situation, including its core budgets for local welfare assistance, working with partners and CVS organisations to provide support and advice, lobbying and recommendations to government, and local allocation and management of government support such as the Household Support Fund all contribute to minimising negative public health impacts.

## **Supporting Documentation**

### **Appendices**

1. Equality Impact Assessment
2. Warm Banks considerations