

Brighton & Hove City Council

Council

Agenda Item 31

Subject: Cost of Living Action Plan and Brighton & Hove Fairness Fund

Date of meeting: 28 March 2024

Report of: Chief Finance Officer

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Ward(s) affected: All

For general release

1 Purpose of the report and policy context

- 1.1 This report presents a Cost of Living Action Plan (Appendix 1) for the city for approval. The Action Plan has been compiled following engagement with residents, partners and wider stakeholders. It contains the council's key response to the crisis focusing on emergency and hardship support, advice and signposting to other help, prevention through joining up support across the city to address poverty and inequality, and measures aimed at building longer term resilience.
- 1.2 The report also creates and allocates the Brighton & Hove Fairness Fund incorporating allocation of the recently announced extension of the Household Support Fund.
- 1.3 The Brighton & Hove Fairness Fund will use a mix of council resources, reallocated external funding, and the Household Support Fund 2024-25 to provide as much support as possible to low-income households impacted by the high cost of living, particularly housing costs.

2 Recommendations

That Council:

- 2.1 Approves the Cost of Living Action Plan set out in Appendix 1.
- 2.2 Approves the creation of a new Brighton & Hove Fairness Fund as a practical and strategic response to the challenges set out in the Cost of Living Action Plan.

- 2.3 Agrees the proposed allocation plans for the Brighton & Hove Fairness Fund incorporating the council's General Fund resources, reallocated external funds, and the Household Support Fund 2024-25 as set out in paragraph 4.6, having noted the Equalities Impact Assessment at Appendix 2.
- 2.4 Notes that management of the application process for bids against the sum allocated to the 'Fairness Fund for Community Organisations', if approved, will be managed by the Communities, Equalities & Third Sector team.
- 2.5 Notes that any sums identified for allocation at a later date will be brought back to an appropriate member meeting for approval.
- 2.6 Agrees to delegate adjustments to allocations of the Household Support Fund to the Chief Finance Officer in consultation with the Chair of Strategy, Finance & City Regeneration Committee, within the bounds of the council's rules for virement, where the funding available changes, or there is evidence of changing need throughout the 6-month period of the Household Support Fund, to ensure that all of the fund is utilised within the time allowed.

3 Context and background information

- 3.1 Recent years have seen a UK cost of living crisis, with the prices of basic goods, fuel, energy and housing rising sharply, and in excess of average increases in wages, benefits or pensions. Although the cost of living is no longer receiving the national media attention it did, the challenges in the city remain acute. The rate of inflation has fallen, but prices are high and prices for many items are still rising more quickly than wages. Even where some prices (e.g. for petrol or for energy) have reduced, they are still far higher than just a couple of years ago. In other key areas, such as the cost of renting, prices have shown little or no sign of stabilising.

National Government Response

- 3.2 The Government has taken a number of actions to attempt to mitigate the cost of living crisis, using monetary policy intended to control inflation as well as offering both universal and targeted support to help households and businesses cope with increasing prices. The Government has provided support for local areas by introducing the Household Support Fund (HSF) which has provided direct funding to local authorities to support their most vulnerable residents. Given the pressure on local authority finances, this fund has been important in terms of providing short term crisis and hardship support administered by the council.
- 3.3 In 2023-24, £4.280m HSF was allocated to Brighton and Hove. It paid for the Local Discretionary Social Fund, food vouchers during the school holidays for children eligible for free school meals, Discretionary Council Tax Reductions, and contributed significantly towards the city's emergency food response. Organisations in the Voluntary and Community Sector were allocated funding to support their clients. In addition, the HSF has funded or contributed towards programmes designed to improve financial sustainability for households, such as the Energyworks project, which aligns fuel grants with energy advice.

- 3.4 The government announced on 6 March 2024 in the Spring Budget that the Household Support Fund would continue at the same rate for a further six months (April 2024 to September 2024). Assuming this is distributed on the same basis, the council would expect to receive £2.140m. Similarly, while guidance has not been issued, the expectation is that eligible areas of use will remain the same. For the purposes of designing the allocation plan, officers have inferred that the criteria and guidelines will broadly remain the same as the 2023-24 scheme.

Local Government Response

- 3.5 Councils in England face severe financial pressures due to a combination of reduced Government funding and increased demand for services, particularly for adult and children's social care and for emergency and temporary housing. This has significantly impacted councils' ability to provide additional services to ease the immediate pressures of the cost of living crisis. However, a very substantial area of support includes Council Tax Reduction which has seen a substantial increase in Working Age claimants since the pandemic of around 2,000 households, requiring increased investment of approximately £2 million per annum. In setting its 2024-25 budget, Brighton & Hove City Council has aimed to protect essential services, including support to those most exposed to the cost of living crisis and has uplifted its Council Tax Reduction earnings thresholds in line with inflation to maintain support in real terms. However, for 2024-25 it has also prioritized creation of a new Brighton & Hove Fairness Fund pulling together council General Fund resources, reallocated external funds, and the DWP Household Support Fund.

Cost of Living Action Plan

- 3.6 In August 2023 the council published its draft Cost of Living Action Plan for consultation. 170 residents and partners responded to the consultation or attended in-person engagement and ideation events. The responses have fed into the council's approach, which focuses on joining up support across the city, providing emergency support to those most in need and using policy levers to tackle the underlying drivers of poverty and inequality. The full Cost of Living Action Plan is set out in Appendix 1.

Brighton & Hove Fairness Fund

- 3.7 Amid the uncertainty of the government's decision about continuing the HSF, as noted above the council's approved budget for the next financial year set aside resources to establish a new Brighton & Hove Fairness Fund to provide an ongoing response to the challenges highlighted in the Cost of Living Plan. Whilst the HSF has subsequently been confirmed for a further six months, the Fairness Fund provides assurance of the council's commitment to continue support over the year within available resources. Local one-off funding of up to £0.614m has been committed to launch the Fairness Fund, although £0.307m of this is dependent upon the council realising the projected underspend for 2023-24.

4 Administering the B&H Fairness Fund

- 4.1 The B&H Fairness Fund will operate as a co-ordinated response to challenges highlighted in the Cost of Living plan, drawing together different funding streams and providing an ongoing safety net as the city continues to address poverty, beyond the Cost of Living crisis.
- 4.2 The future of the Household Support Fund beyond September 2024 remains uncertain. When it comes to the HSF, the government has tended towards confirming each extension at the last minute, on this occasion giving just over three weeks to put plans in place. The council has lobbied alongside many other councils, the Local Government Association and the voluntary sector for a longer term financial solution around local welfare assistance. It is entirely possible that a further extension could be provided beyond September but discussion on the issue is likely to remain speculative until later in the year.
- 4.3 Elsewhere, officers have been drawing together external income from other funding sources. Some examples of this include the funding from utility providers, Southern Water, Enforcement Companies, Public Health and unallocated money from the Shared Prosperity Fund. Additionally, the Fairness Fund will include Textile Recycling Funding (£10,000) and a contribution from the Hedgecock Bequest Fund (£50,000), along with core funding earmarked for Black and Racially Minoritised engagement support (£15,000). Additional funding is estimated at £0.215m, but this may increase during the year.
- 4.4 With all the elements combined, assuming confirmation of the council's underspend and the expected HSF allocation, the amount available for allocation is as follows:

Administration of the Brighton & Hove Fairness Fund including HSF:

Source of Funding	Amount
Council General Fund	£0.614m
Reallocated external funds	£0.215m
Household Support Fund *	£2.140m
Total Resources	£2.969m

* Estimated funding based on the announced national funding level which must be used between 1 April and 30 September 2024.

- 4.5 In setting up the Brighton & Hove Fairness Fund in conjunction with the HSF, the council will be able to provide a wide range of support, for example food vouchers, discretionary council tax reduction payments and support for food banks and community organisations that help those most in need.
- 4.6 Due to the different funding sources and HSF having a limited 6-month lifespan (carry-forward is not allowed), the options for funding distribution and the profile of support across the financial year will be more complex and potentially uneven than previous funding allocations. The allocation plan proposed below attempts to optimise the use of resources within given time

constraints. However, this includes reserving an amount of £276,000 to be allocated later in the year based on experience of the first 6 months and to ensure that the full resources are confirmed to be available from the council's 2023-24 outturn position.

B&H Fairness Fund	Funding Source			
	Council General Fund	Household Support Fund	Re-allocated Funds	Total
Emergency Food, Fuel and essentials Provision, including Impact Initiatives on-the-day support	62,000	251,000		313,000
Local Discretionary Social Fund Apr-Sep, basic voucher scheme Oct-Mar	140,000	309,000	60,000	509,000
BHCC staffing full year (3 x Sc6, 1.5 x M11, 1 x Sc4a)	56,000	117,000		173,000
Discretionary Council Tax Support		80,000	50,000	130,000
Vouchers for Free School Meals in school holidays for eligible children – April 24, May Half term, Summer 24		1,161,000		1,161,000
Children's Services Pods - Section 17 preventive payments		30,000		30,000
Family Hubs		30,000		30,000
LIFT dashboard		10,000		10,000
Lift Up Scheme		40,000		40,000
Energy support programmes		90,000	30,000	120,000
Fairness Fund for Community Organisations	80,000		75,000	155,000
Advice Services		22,000		22,000
Amount to be allocated later in the year following confirmation of the 2023-24 council outturn	276,000			276,000
Total allocated	614,000	2,140,000	215,000	2,969,000

- 4.7 Priority has previously been given to providing support for Emergency Food Provision, fuel support and the supply of other daily living essentials. There is still a citywide reliance on food banks and voucher support to provide the necessary welfare response to the needs of vulnerable residents experiencing poverty. One key success of previous allocations has been to provide a “many doors” approach, where households can access help either from council access points or from community-based support. There is now an established network of community based organisations focused on providing such support. £0.313m has been allocated to distribute to organisations, including £0.030m to ensure that specialist groups supporting

those with protected characteristics and those with No Recourse to Public Funds are also covered. Using local funding, the Fairness Fund will provide stability and continuity by contributing £0.062m for the latter part of the year.

- 4.8 Within the £0.313m set aside for Emergency Food and Provisions, £0.058m will be allocated to Brighton and Hove Food Partnership (BHFP) and Impact Initiatives, including a £0.020m contribution to staffing costs and £0.038m for food vouchers. This will enable the provision of emergency on-the-day food support for residents across the city, including online food shopping undertaken by Impact Initiatives, emergency food vouchers issued by BHFP and purchase of food and cooking equipment.
- 4.9 As the council moves into the second half of the year, it will be important to consider the developing food strategy, including how the city can move from a crisis support model to a more sustainable food support model, where organisations are able to operate with more security and resilience, and households are able to move towards a sustained improvement of their financial situation.
- 4.10 The citywide welfare infrastructure, including the Community and Voluntary Sector, has come to rely on the safety net provided by the Local Discretionary Social Fund (LDSF). Support provided includes food vouchers, fuel payments, essentials for daily life, and even furniture, bedding and white goods. The flexibility of the fund has enabled the council to respond to the variety of complex needs presented by households under the extreme pressure of crisis and poverty. It is proposed that the Fairness Fund is utilised to guarantee the continuation of the team and its work for the full year up to March 2025.
- 4.11 For the period April to September 2024, the HSF will provide the bulk of funding for the team, with the Fairness Fund providing continuity for the remainder of the year. Without additional HSF for October to March 2025, there may need to be adjustments to the criteria and range of help available from the LDSF. The total allocated for the year as a whole is £0.509m, compared to £1.400m for 23-24. However, the LDSF pot will be kept under review as new funding opportunities emerge.
- 4.12 Discretionary Council Tax help is a source of assistance for households struggling to meet the demands of their Council Tax liabilities. Most of these households will already have entitlement to Council Tax Reduction, and officers can use Discretionary Council Tax Reduction to reduce their bill further. In rare situations, officers are also able to reduce bills where there is a gap in Council Tax Reduction entitlement. In 2023-24, the expenditure on this strand is projected to be in the region of £0.255m. The amount allocated for 2024-25 is £0.130m.
- 4.13 Food vouchers for the school holidays have been provided for qualifying low-income families since December 2020, using a succession of different government funding, but in the last 2½ years, the school holiday provision has relied upon HSF. For 2024-25, the breakdown of funding is such that from April to September, there is a good level of affordability from HSF to continue paying for food vouchers during Easter, half term and the Summer

holidays. From October to March, providing food vouchers (at £15 per child) for remaining holidays would cost up to £0.568m for 4 weeks' holidays and would therefore largely deplete remaining resources and potentially prevent nearly all other forms of priority support from being provided.

- 4.14 Accordingly, the allocation plan allows for 9 weeks of holiday food vouchers, at the established value of £15 per child per week, for Easter 2024, Spring Half Term 2024 and the Summer Holidays 2024. A decision on the school holidays between October 2024 and March 2025 will be made later in the year, when more is known about whether the HSF will be continued for a further period and/or other resources are confirmed.
- 4.15 In previous allocations, Family Hubs have distributed food vouchers to a broad range of families using their services. In Children's Services, social workers have also used HSF to supplement council-funded discretionary Section 17 help that they provide to those they are supporting. The 2024-25 allocation plan includes £0.030m each for Family Hubs and Children's Services, to cover the April to September period.
- 4.16 Another effective outcome from previous allocation schemes has been the funding or co-funding of holistic support programmes. Crisis support and food vouchers provide an immediate remedy for households, but without ongoing support, they can all too often fall back into the same situation. This is evident from the high level of repeat applications received on the LDSF team for support.
- 4.17 HSF has previously contributed funds towards various programmes designed to help individuals and families find their feet, improve their financial resilience and move them out of cyclical crisis. The following examples show the breadth of activity supported either in part or fully by HSF:
- Energyworks - providing financial and welfare benefit advice in conjunction with emergency fuel support.
 - Lift Up programme - supporting "just about managing" households who just miss out on entitlement to national benefits, but the combination of debt and rising prices puts them in a worse position than families who do qualify for help.
 - BHESCO – providing energy advice and solutions in households.
- 4.18 £0.040m has been allocated for a continuation of the Lift Up scheme, while £0.120m has been set aside for energy based support programmes, with the potential of additional funding being identified during the year. This includes £0.025m ring-fenced Public Health funding which will be managed within the Fairness Fund and allocated to energy related support and advice services. Public Health has historically provided funding for this area of work and will continue to determine how the £0.25m component is spent, maintaining continuity from previous years.
- 4.19 The Communities Fund is coming to an end due to the council needing to address a budget shortfall of around £30m in 2024-25. The value of the fund was over £0.300m and was aimed at supporting grass roots community groups, voluntary organisations and not-for-profit social enterprises through

regular bidding processes. The new Fairness Fund aims to mitigate some of this impact by setting aside an element of the fund for community & voluntary organisations and groups to apply to. The 'Fairness Fund for Community Organisations' incorporates contributions from Textile Recycling Funding and The Hedgecock Bequest Fund, in addition to funding from the council, to provide up to £155,000 for distribution. The Fairness Fund for Community Organisations will be administered by the Communities, Equality & Third Sector (CETS) team who have the necessary application processes in place to manage equitable distribution.

- 4.20 The Low Income Family Tracker (LIFT) dashboard has been used for mapping poverty indicators in the city and for initiating proactive work helping households in need. However, prior to the announcement of the HSF continuation, ongoing funding for the LIFT dashboard had not been identified. It is proposed that £0.010m HSF is allocated as a contribution towards continuing the LIFT dashboard for a further six months, pending the identification of new funding.
- 4.21 The Fairness Fund represents the council's strong commitment to addressing the many challenges in the Cost of Living Plan. The intent is that the fund will be agile, allowing for immediate crisis response, but it will also be an enabler for strategic planning and the strengthening of the city's welfare infrastructure. The allocation plan provides for continuation of support in the latter half of 2024-25 by ensuring that the infrastructure for LDSF remains in place, and that there is basic food support over the winter. However, with the current uncertainty surrounding the national economic and political outlook, and the unknown position for further funding in the October to March period, £0.276m of the fund is reserved for allocation later in the year. This will enable the council to respond effectively to emerging priorities.
- 4.22 Note, there is a projected underspend of approximately £0.117m from the 2023-24 HSF which can be applied to the Easter Holiday voucher scheme as the money can be paid over to the voucher provider before 31 March 2024 in accordance with HSF 2023-24 requirements. This meets with HSF guidance which allows a short grace period for when the allocated amounts are redeemed quickly after the end of the HSF period. The underspend therefore offsets the Easter Holiday voucher cost which will be £1.278m in total, leaving £1.161m to be funded from 2024-25 resources as shown in the allocation table above.
- 4.23 An Urgency Decision taken by the Chief Finance Officer in consultation with the Chair of Strategy, Finance & City Regeneration Committee on 14 March 2024 has already approved the advance allocation of £0.285m for provision of food vouchers for the Easter Holidays, including the use of the above carry-forward, thus ensuring that vouchers can be distributed in time. A record of the urgency decision is provided at Appendix 3.

5 Analysis and consideration of alternative options

- 5.1 The Cost of Living Action Plan sets out the council's approach to supporting low income households through the crisis. However, it is national

government that holds the policy levers to address many of the structural drivers of poverty and inequality in the country. We call on national government to enter into a more strategic relationship with local government: one focused on empowerment to provide the freedom, flexibility and sustainable funding streams that will enable councils to improve and join up local service provision and raise living standards for all.

- 5.2 Coordinating cost of living responses via the Action Plan enables the council to manage potential duplication and identify gaps in provision. Without the Action Plan, or a similar mechanism, the council would risk having a less coherent approach both internally and through its partnerships.
- 5.3 In terms of the allocation of funds, other potential breakdowns were explored. For example, consideration was given to providing food vouchers for all school holidays over the year (13 weeks) rather than up to and including the Summer Holiday (9 weeks), but this would severely deplete remaining resources and potentially prevent nearly all other forms of priority support from being provided. This position can be reviewed subject to further HSF announcements later in the year.
- 5.4 Other options involved allocating lesser or greater amounts to all of the other categories. However, based on the data available to the council and its partners, the proposed allocations are considered to deliver the optimum spread of support, and the strongest infrastructure, whilst allowing flexibility for later in the year when more funding may become available.

6 Community engagement and consultation

- 6.1 The Cost of Living Plan draws on feedback gathered during the four month engagement programme with residents, partners and stakeholders. 170 residents and partners responded to the consultation or attended engagement events.
- 6.2 On 7 March 2024, the Welfare Support & Financial Assistance meeting discussed the Fairness Fund and associated Household Support Fund with a view to potential allocations and priorities over funding. Representation at the meeting included:
 - Advice Matters and Moneyworks Partnerships
 - Community Works
 - Brighton and Hove Food Partnership
 - A range of council services
 - DWP
 - Carelink
 - East Brighton Food Co-Op
- 6.3 The following themes emerged:
 - In administering the Fairness Fund and HSF, HSF should clearly be maximised in the first half of the year and other resources within the Fairness Fund used judiciously to provide ongoing support across the whole year.

- Maintain continuity for LDSF team – services and organisations across the city are well aware of the route into LDSF and it is a crucial element in terms of stabilising households while they receive further holistic support and advice.
- Changes to criteria and amounts of LDSF are disruptive and confusing for other support services in the city, e.g. if the council had to move to a more basic voucher scheme. However, this may be unavoidable.
- Food vouchers for school holidays – if unable to cover the whole year, Summer holidays are the priority as that’s when households are under the most pressure for a sustained period.
- The cessation of the Communities Fund means that provision needs to be made for other types of community need beyond food and fuel, including support for grass roots groups, and enrichment and support for marginalised groups.
- Food – keen to avoid a potential ‘cliff edge drop off’ of funding in September, and also to consider moving to a strategy of longer term resilience in terms of providers of support in the city, and supporting sustainable food models.
- Meals on wheels services in the city provide a vital support for vulnerable households.

6.4 The Household Support Fund has been discussed over the last year or so as an ongoing concern in meetings across the spectrum of Welfare Support, including previous Welfare Support and Financial Assistance meetings, the Mental Health and Debt Steering Group and the Fuel Poverty and Affordable Warmth Steering Group.

7 Conclusion

7.1 Committee is asked to approve the Cost of Living Plan (Appendix 1) as the basis for the council’s approach to addressing the continued impacts of the ongoing cost of living crisis, and to approve the proposed allocation of the Brighton & Hove Fairness Fund incorporating the Household Support Fund 2024-25.

8 Financial implications

8.1 The funding sources set out in the report are based on the best information currently available but could potentially change. In particular £0.307m of the Fairness Fund allocation is dependent on the 2023-24 TBM outturn position.

8.2 The report proposes delegating adjustments to HSF allocations to the Chief Finance Officer, within the bounds of the council’s rules for virement, where the funding available changes or there is evidence of changing need throughout the 6-month period of the HSF, to ensure that all of the fund is utilised.

8.3 The Government has only announced HSF funding until September 2024 and the overall position will need to be reviewed once there is clarity as for funding beyond that date.

Finance officer consulted: Jeff Coates

Date consulted: 18 March 2024

9 Legal implications

- 9.1 It is within the council's powers to operate the proposed Cost of Living Action Plan. Officers will need to ensure that any restrictions imposed by Government on the use of the Household Support Fund are complied with.

Name of lawyer consulted: Liz Woodley Date consulted: 15 March 2024

10 Equalities implications

- 10.1 The cost of living crisis has had a very broad impact, affecting most people to some degree. However, the biggest impacts have typically been experienced by our most vulnerable individuals and communities, including many older people, people with disabilities and black and racially minoritised communities. The council and partners have sought to identify and target support at the most vulnerable, and details of this are included in the Cost of Living Plan (Appendix 1).

11 Sustainability implications

- 11.1 Inflationary pressures have been particularly acute in terms of food, essentials and energy prices. Council and partner responses have included promoting and subsidising bus travel as an alternative to car journeys, offering people advice and support on ways to manage their energy use, providing financial support to help people insulate their homes, and working to install solar panels on more than 800 council homes, significantly reducing fuel bills for tenants. All these measures will help reduce city carbon emissions. More detail can be found in Cost of Living Plan.

12 Social Value and procurement implications

- 12.1 The Cost of Living Action Plan outlines action being taken to refresh the council's approach to social value, including the development of a new social value toolkit.

13 Public health implications

- 13.1 The Cost of Living Action Plan (Appendix 1) outlines a number of public health initiatives to support our most vulnerable communities.

Supporting Documentation

Appendices

1. Cost of Living Action Plan
2. Equalities Impact Assessment
3. Record of Urgency Decision by the Chief Finance Officer

