

# Brighton & Hove City Council

## Cabinet

## Agenda Item 80

**Subject:** The Brighton & Hove Fairness Fund and Household Support Fund

**Date of meeting:** 17 October 2024

**Report of:** Cabinet Member for Finance & City Regeneration

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**Ward(s) affected:** (All Wards)

**Key Decision:** Yes

**Reason(s) Key:** Expenditure which is significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

### For general release

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

- 1.1 To approve the allocation of funds from the Brighton and Hove Fairness Fund, incorporating allocation of the Household Support Fund (HSF) which the government has confirmed will be extended from 1 October 2024 to 31 March 2025.
- 1.2 The allocation of these funds links to the council's Cost of Living Action Plan, approved by full Council on 28 March 2024, which in turn is part of the Brighton & Hove City Council Plan 2023-27 to support 'a fair and inclusive city'.

#### 2 Recommendations

- 2.1 That Cabinet approves the approach set out in Section 5 including the proposed allocations of funding from the Brighton & Hove Fairness Fund and the Household Support Fund.
- 2.2 That Cabinet delegates authority to the Chief Finance Officer, following consultation with the Cabinet Member for Finance & City Regeneration, to make alterations to the allocation of the Household Support Fund in order to maximise its use in accordance with the relevant time constraints.

#### 3 Context and background information

- 3.1 Since October 2022, the Department for Work & Pensions (DWP) has provided the Household Support Fund (HSF) to Local Authorities, initially with the intention of supporting vulnerable households struggling through the pandemic and then subsequently the Cost of Living Crisis. Whilst the funding has been continuous and cumulatively amounts to £15m, it has

- been provided to local authorities mostly in 6-month tranches, with varying terms and conditions and generally confirmed at very short notice, leaving local authorities little opportunity to plan.
- 3.2 For the 6-month period 1 October 2024 to 31 March 2025 the DWP has provided £2.140m, the same as the amounts awarded for previous 6-month periods. A key constraint is that the fund is ringfenced to each 6-month period and cannot be carried forward.
  - 3.3 The financial situation for most Local Authorities continues to be very challenging and local welfare support functions, which are not a statutory service, have a high dependency on this temporary funding.
  - 3.4 In response to the Cost of Living Action Plan, the council introduced the new Brighton and Hove Fairness Fund and an allocation plan for the Fairness Fund was approved by Full Council on 28 March 2024. However, this held back an allocation of £276,000, which has since been augmented by other external funding, in order to provide limited extended hardship cover over the winter months should a further tranche of the Household Support Fund not be confirmed by central government.
  - 3.5 The Brighton & Hove Fairness Fund draws together a mix of council resources, reallocated funding, donations and paid partnerships with energy companies, as well as the two tranches of Household Support Fund in 2024-25 (HSF5 and HSF6), to provide as much support as possible to low-income households impacted by the higher cost of living, particularly housing costs.
  - 3.6 Until the recent confirmation of the extension of HSF to March 2025, it had not been possible to plan for the rest of the year in terms of whether or not Free School Meals in the school holidays could continue to be provided, or whether there would be enough budget to cover the expected winter demand on the Local Discretionary Social Fund (LDSF). Similarly, there are also other demands and initiatives that the Fairness Fund could be used to support and these have also been on hold.
  - 3.7 The continuation of the HSF relieves these pressures for the period 1 October to 31 March and allows for a small number of new initiatives. However, local welfare support is still caught in the ongoing predicament of not knowing whether or not there will be further funding in 6 months' time. This situation is shared by partners in the voluntary sector, many of whom are dependent on HSF to provide help to their clients as part of the overall strategy.
  - 3.8 An important part of the council's strategy for welfare support is therefore to re-balance the delivery model so that it moves away from being a largely crisis response, for example providing food vouchers and emergency supplies, towards preventative work, helping households to find longer-term solutions. This aligns with the intended direction of travel within the advice sector and also the food strategy within the city. Providing vouchers of very limited value for short periods provides some support but is unlikely to help resolve longer term debt or financial issues. Investing more in casework and advice to help people manage debt, save energy and fuel, find lower cost contracts for goods and services, or apply for welfare benefits they may be entitled to is much more likely to help in the longer term.

- 3.9 However, prevention work and advice requires resources, and once again, the temporary nature of the six month funding means that where such work is funded from HSF, it not only diverts away from cash/voucher support but is also very difficult to recruit staffing in the remaining 5 or so months except where there is an existing resource that can be extended.
- 3.10 The table at Appendix 1 shows the proposed allocations of HSF for October 2024 to March 2025 (HSF6) and the Fairness Fund. This is summarised below:

**Proposed Allocations of the B&H Fairness Fund including the Household Support Fund (HSF6)**

Area of Support	HSF6 Oct 24- Mar 25	Fairness Fund (FF)	HSF6 & FF Oct-Mar	HSF5/6 & FF Full Year
Free School Meals Families	568,000		<b>568,000</b>	1,686,543
Emergency Food Provision	359,000		<b>359,000</b>	610,000
BHCC help (LDSF), including Just about Managing households	514,861	130,000	<b>644,861</b>	1,013,215
BHCC staffing - LDSF admin and WSM FT	60,000	56,000	<b>116,000</b>	233,000
Discretionary CTR	100,000		<b>100,000</b>	180,000
S17 Children's Services (pods)	40,000		<b>40,000</b>	70,000
Family Hubs	20,000		<b>20,000</b>	50,000
Energy Support Programmes	100,000	25,000	<b>125,000</b>	198,103
LIFT UP (Money Advice Plus scheme also to help Just About Managing Households)	38,500		<b>38,500</b>	78,500
Community Hub Proactive work	50,000		<b>50,000</b>	50,000
Period Poverty Programme	15,000		<b>15,000</b>	15,000
LIFT dashboard (key data source)	10,000	10,000	<b>20,000</b>	30,000
Advice Services	95,000		<b>95,000</b>	117,000
Community Kitchen Work	10,000		<b>10,000</b>	10,000
FF for People & Place (FF4PP)		170,000	<b>170,000</b>	170,000
Comm's Campaigns	10,000		<b>10,000</b>	10,000
Pension Credit Take-up & Energy Support	150,000		<b>150,000</b>	150,000
FF Contingency		481,984	<b>481,984</b>	481,984
<b>Total Funding</b>	<b>2,140,361</b>	<b>872,984</b>	<b>3,013,345</b>	<b>5,153,345</b>

- 3.11 It is proposed that the core elements of HSF be continued as these have proven to be an effective and targeted form of support with good reach to a wide range of households in need through a range of different access points. This includes vouchers for Free School Meal families in the holidays, Local Discretionary Social Fund (LDSF) crisis support, and support to community organisations and food projects and other advice services. The following would also be supported as before:

- Discretionary Council Tax Reduction

- Family Hubs
  - Children’s Services (Section 17 payments)
  - Energy support programmes
  - “Lift up” scheme with Money Advice Plus, for households that do not qualify for benefits, and are just about managing.
- 3.12 However, in the lead up to winter, advisors across the city and within the council will be trying to help as many people onto Pension Credit as possible, as this is now a key gateway to receiving the Winter Fuel Payment, which was recently removed as a universal award to all pensioners. It is therefore proposed to set aside £0.150m to provide necessary resources and incentives to drive a local campaign to identify, target and support those eligible to apply for Pension Credit, and to help cover fuel bills for the most vulnerable pensioners. This can be supported by providing two additional officers to the Community Hub service whose roles will include proactive work for Pension Credit take-up, fuel help and other targeted, proactive work using data from the Low Income Family Tracker (LIFT) dashboard. A communications and awareness campaign is earmarked to maximise take-up, with an HSF allocation of £0.010m set aside for this purpose. This campaign will align with the government’s targeted national campaign focused on people receiving Housing Benefit who have not claimed Pension Credit.
- 3.13 In 2023/24, £1.300m was awarded to households accessing the Local Discretionary Social Fund. Generally, only one award of help is allowed in each HSF period (6 months). However, a pattern of repeat claims has developed over the years where applicants are anticipating the announcement of further HSF so that they can make a fresh claim. This results in a surge of demand in the first few months of a new HSF period. The amount of help provided is limited, for example two weeks of food vouchers and help with fuel or other essentials. The fact that people return indicates that their underlying situation has not improved to the point where they feel they can be self-sufficient.
- 3.14 This points towards the need for more long-term preventative support where crisis help is linked to money and debt advice casework. By investing more in advice and pro-active support, the aim is to reduce reliance on crisis support. The recommendations therefore include an increased emphasis on prevention and pro-active work.
- 3.15 By ensuring that there is adequate provision for advice, the LDSF team can potentially explore returning to a model that has proven effective in the past, where further repeat support may be given on condition that the recipient makes an appointment to receive advice.
- 3.16 The proposals therefore include £0.095m for Advice Services which includes funding for additional hours on the Welfare Rights team in the council, alongside additional hours for the Youth Advice Centre and further support for CAB, Money Advice Plus and St Lukes Advice Centre. Further proposals are under review and will be decided at officer level following consultation with the Poverty Reduction Steering Group.

## **4 The Brighton & Hove Fairness Fund**

- 4.1 The B&H Fairness Fund (FF) was created by full Council in February 2024. The initial sum was £0.614m but officers have since worked to bring more funding into the Fairness Fund to support welfare work across the city.
- 4.2 The council has also been working in partnership with UKPN (UK Power Network) and SGN to provide fuel grants and energy advice. At the time of drafting this report a new package of support has been offered by SGN and is awaiting final ratification but is expected to be confirmed. SGN will provide funding to the council to award fuel payments and to Money Advice Plus to provide proactive energy advice. This arrangement is expected to bring a significant sum, £0.434m, to complement our welfare offer and is for a longer period through from October 2024 to March 2026.
- 4.3 Elsewhere, several of the council's existing external collection and recovery contracts included commitments to provide added Social Value. These commitments have now been realized and the relevant contractors have provided £0.085m funding to meet their social value commitments and these sums have also been added to the Fairness Fund. This money is not ringfenced and is available for allocation.
- 4.4 The Fairness Fund will continue to be promoted via the council's website and through other communication channels including partners and community organisations. We are continuing to explore new ways of attracting additional funding to build the fund and a Business Lunch took place on 3 October 2024, where discussions were held about contributions from the city's leading businesses.
- 4.5 In terms of utilising unallocated amounts within the Fairness Fund, including amounts previously reserved by full Council on 28 March 2024, the situation has clearly changed following the latest extension of the Household Support Fund.
- 4.6 The original allocations of the Fairness Fund included provision to ensure some continuity of local welfare support over the period 1 October 2024 to 31 March 2025 should HSF be discontinued. Whilst the LDSF team has needed to bring forward some of that allocation early, due to high demands, the pressures that were expected in the second half of the year have effectively been removed by the confirmation of further HSF. This means that the allocation of the remaining Fairness Fund can now be reconsidered and redirected over a longer timeframe using available LIFT and other data to inform future allocations in consultation with the Poverty Reduction Steering Group. Options for the allocation of the Fairness Fund are set out in Section 5 below.
- 4.7 The amount previously agreed for the Fairness Fund for People and Place (FF4PP) on 28 March 2024 was £0.155m. Now that the application process for this community grant programme is underway and incorporating additional funds brought into the fund, the amount of Fairness Fund allocated has been increased to £0.170m.
- 4.8 Demand on LDSF was very high in the months of April through to August, resulting in an overspend of the HSF allocation. This resulted in using a small amount of the Fairness Fund allocation early (it was intended to cover October 24 to March 25). Subject to final reconciliation of HSF5, the

estimated amount of Fairness Fund required to cover LDSF in the first half of the year is £0.130m. Related to this, £0.056m was allocated to staffing resource, for administration of the LDSF. It is proposed that these amounts are allocated.

- 4.9 £0.025m was originally allocated to Energy Support Programmes. This funding comes from Public Health and will remain allocated for the same purpose.
- 4.10 £0.010m is allocated for the Policy in Practice Low Income Family Tracker Dashboard (LIFT dashboard). This will combine with £0.010m from HSF to contribute towards the costs of the dashboard in the second half of the year. The data led approach currently relies on access to the dashboard to give vital demographic and household level detail about vulnerable people
- 4.11 After these amounts are taken into account, £0.482m Fairness Fund remains which it is proposed to hold in contingency for 2025/26.
- 4.12 Without knowing the future of Household Support Fund beyond March 2025 or any replacement scheme, it is currently unknown whether services and functions such as LDSF, Discretionary Council Tax Reduction (DCTR) and support for Free School Meals families can continue beyond March 2025. Regardless, £0.482m would not be enough to cover all of those functions. In fact, to take LDSF as one example, £0.482m would not be enough to pay for both the fund and the administration of the fund, although it would be a healthy contribution.

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

- 5.1 Other options for deployment of the Fairness Fund were considered. The two main options are discussed below.

### **Maximise deployment of the Fairness Fund in 2024/25**

- 5.2 The previous allocations of the Fairness Fund were largely planned to commence from October 2024 onwards. Even though there is now £2.140m provision across that time period in light of HSF being continued, the rest of the Fairness Fund could further enhance key areas across the winter period including LDSF, DCTR and community organisations and food projects.
- 5.3 High demand is still being reported in food banks and other community support organisations across the city. The HSF allocation for October 24 to March 25 will provide good underlying coverage, as it has done for previous winters, however, a boost in funding would be welcomed by the organisations.
- 5.4 This option clearly leans more toward crisis support, where more temporary help is distributed in the form of food and fuel vouchers and other essentials. There is some value in this option as many of our partners offer a holistic service in addition to providing food, helping to address financial health, as well as other issues such as social isolation. However, the key risk is that where a wrap-around service is not available, crisis help is too temporary to make any long-term sustainable impact and also creates a potential 'cliff edge' of supporting falling away in April 2025 if no alternative funding is available.

## Development of a Prevention Model

- 5.5 There could be opportunities to build a 15 to 18 month plan by using HSF and Fairness Fund in conjunction with one another. The broad principle is that HSF could pay for roles/projects (subject to it being compliant with DWP guidance) up until March 2025, and Fairness Fund could then continue funding the same roles/projects from April 2025 to March 2026.
- 5.6 This would help to overcome the barrier of short-term planning created by the HSF, where the council, or the voluntary sector is unable to effectively stand-up longer-term projects based around preventative advice, due to it being impractical to recruit for a matter of months. This would potentially enable recruitment to a 15 month+ post, thus generating some stability, increased referral options for those in need, and more positive outcomes over a longer period of time. However, a key risk with this option is that it would reduce funds available for crisis support, for example, LDSF.
- 5.7 Discussions are ongoing with the advice sector, partners and internally regarding a range of possible initiatives that could benefit from this model of funding in future.
- 5.8 It is also worth noting that whilst very little has changed in the government's HSF guidance, one new and significant paragraph has been added around prevention work:
- “Preventative Support. The Fund may be used to prevent poverty locally and build local resilience. This enables Authorities to fund activity which prevents vulnerable residents from falling into – or falling further into – crisis. This could include specific support to individual households or wider support within the broader community, such as warm spaces. This could include providing funding to local community groups who deliver preventative services. This is not mandatory activity, and we still expect The Fund to primarily provide crisis support to those most in need. We would not expect a large portion of funding to be spent on preventative support. This represents a shift in thinking, reflecting that many authorities have been trying to use their HSF in a way that promotes longer term resilience for their residents.”*
- 5.9 A systems mapping exercise is underway in support of the Poverty Reduction Steering Group, and alongside data from our LIFT dashboard and information from stakeholders across the food and advice sectors, this should enable officers to build an accurate picture of need in the city, in terms of resource and demand over the medium term.
- 5.10 Taking all of these considerations into account, it is recommended that the council reserves the maximum possible Fairness Fund for future use, which may include moving toward a prevention model next year. Given the limitations of short-term planning that are already built into the HSF, proposals should be developed and implemented as soon as possible.
- 5.11 The mechanism for agreeing proposals is to consult with the Poverty Reduction Steering Group and bring a report to Cabinet early next year.

## **6 Community engagement and consultation**

- 6.1 Two HSF review meetings were held with the organisations participating in the distribution of HSF over the period April to October 2024. Partners have also had the opportunity to feed into the thinking for any potential use of the next HSF tranche during recent Welfare Support and Financial Assistance meetings.
- 6.2 During the HSF review meetings, it was reported that many food projects would struggle to operate without HSF funding and have come to rely on it. Other projects are moving to a more sustainable affordable food model.
- 6.3 The HSF model of distribution has now concluded its fifth round, and feedback from all of the previous HSF rounds, as described in previous committee reports for HSF allocation, has indicated that the range of allocations is reasonably well balanced, provides good reach to a diverse set of households, and covers child poverty through to pensioners on low income. In particular, LDSF is seen as a crucial backbone for stabilising households in crisis. Help for community organisations is seen as equally important, to ensure that there is a “many doors” approach to finding help.

## **7 Financial implications**

- 7.1 The funding sources set out in this report are based on the best information currently available. The total of £4.280m from two tranches of Household Support Fund is confirmed as is £0.614m for the Fairness Fund from Council General Fund resources and £0.259m resources from external sources and paid partnerships. It is possible that some of the smaller external contributions could change and so the overall funding package and expenditure will need to be kept under review.
- 7.2 The report proposes delegating authority to the Chief Finance Officer following consultation with the Cabinet Member for Finance & City Regeneration to make alterations to the allocation of the HSF in order to maximise its use in accordance with the relevant time constraints.

**Finance officer consulted: Jeff Coates Date consulted: 07/10/2024**

## **8 Legal implications**

- 8.1 The key legal and governance implications are to ensure that the HSF funds are distributed in accordance with the funding criteria to avoid any claw back or loss of funding. A clear record of both the decision making and the detail of the allocations as set out in this report will assist with this.

**Lawyer consulted: Elizabeth Culbert Date consulted: 3 October 2024**

## **9 Equalities implications**

- 9.1 The EIA carried out for the previous HSF and Fairness Fund report has been reviewed and there are no significant changes identified.

## **10 Sustainability implications**

- 10.1 No specific sustainability implications identified.



## **11 Health and Wellbeing Implications:**

- 11.1 Allocations of the Fairness Fund and HSF are aimed at supporting the Cost of Living Plan and reducing the impacts of poverty for low income households alongside supporting advice services (food, fuel and financial) to help people reach a more sustainable position. This has significant health and wellbeing benefits as poverty and debt are known to be significant contributors to ill-health, particularly mental health issues which has well researched links to debt.

## **12 Conclusion**

- 12.1 The recommendations in this report, if approved, will enable a robust response to the challenges our vulnerable residents will face over the winter, in line with the Cost of Living Action Plan. It will also ensure that funds are retained to continue to provide a response beyond March 2025 including consideration of developing a more preventive model and approach.

## **Supporting Documentation**

### **Appendices**

1. Allocation table.
2. Equalities Impact Assessment (March 2024)

