

Brighton & Hove City Council

Cabinet

Agenda Item 179

Subject: Brighton & Hove Fairness Fund and Household Support Fund 2025-26

Date of meeting: Thursday, 20 March 2025

Report of: Cabinet Member for Finance & City Regeneration

Contact Officer: Name: Paul Ross-Dale, Welfare, Revenues & Business Support Manager

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Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, 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 & Hove Fairness Fund (BHFF), incorporating allocation of the Household Support Fund (HSF) which the government has confirmed will be extended to cover the period 1 April 2025 to 31 March 2026.
- 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'.
- 1.3 The proposed allocation of the funds aims to provide a balanced spread of investment in prevention and advisory services, community & voluntary support services, as well as emergency hardship relief. The funds work in collaboration with other council services and complement other local welfare assistance including Council Tax Reduction and Discretionary Housing Payments. The focus is on helping to reduce financial, food and fuel poverty.

2 Recommendations

- 2.1 That Cabinet approves the approach set out in Section 3 including the proposed allocations of funding from the Brighton & Hove Fairness Fund and the Household Support Fund 2025/26.

- 2.2 That Cabinet delegates authority to the S151 Chief Financial Officer, following consultation with the Cabinet Member for Finance & City Regeneration, to make minor alterations to the allocation of the Household Support Fund in order to maximise its use in accordance with the relevant time constraints.
- 2.3 That Cabinet receives a report at the end of the 2025-26 year, outlining how the Fairness Fund and Household Support Fund has been utilised and what outcomes have been achieved as a result.

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. HSF has generally been provided to local authorities in 6-month tranches, with varying terms and conditions, but the forthcoming tranche covers a 12-month period aligned to financial year 2025/26.
- 3.2 The allocation for Brighton and Hove is £3.772m, to cover the period 1 April 2025 to 31 March 2026. This is a reduction relative to the amount received by the council in 2024/25, which was £4.280m. The fund is ringfenced to this period and cannot be carried forward.
- 3.3 The council created a Cost of Living Action Plan in 2024, and in line with the core strategy of combating poverty, introduced the new Brighton & Hove Fairness Fund (BHFF) as a mitigation against the possibility of the Household Support Fund ending. The Fairness Fund draws together a mix of council resources, reallocated funding, donations and paid partnerships with energy companies, as well as the Household Support Fund, to provide as much support as possible to low-income households impacted by the higher cost of living, particularly housing costs.
- 3.4 Total funding of £4.323m is expected to be available including £3.772m for the HSF component and £0.551m available from Fairness Fund resources.
- 3.5 One of the actions arising from the Cost of Living Action Plan was the establishment of the member-led Poverty Reduction Steering Group (PRSG). This group has seen and discussed the core allocation principles outlined in this report and endorses the approach taken.
- 3.6 There is a balance to be struck between crisis and prevention work, but, having consulted widely, it is the council's strategy to move the city's Welfare Support response towards a stronger prevention model aimed at achieving more sustainable outcomes for households. This approach is also endorsed by the PRSG and is core to the Cost of Living Action Plan. By focusing on prevention, we can help households to find longer-term solutions and reduce or avoid the need for future crisis or hardship support. This aligns with the intended direction of travel within the advice sector and with other strategies, for example, the recently adopted Food Strategy within the city.

- 3.7 However, it is recognised that there is still a high demand for crisis support, in the form of food help, assistance with fuel bills, access to household items and other essentials. Feedback from the organisations supported by HSF within the community indicate that they are reliant on HSF to provide this practical help and meet demands. There also continues to be a high number of applications to the Local Discretionary Social Fund (LDSF) and a backlog of cases.
- 3.8 Providing help for short periods provides some support but is unlikely to help resolve longer term debt or financial issues. All parts of the sector know that 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 The proposed allocations of the combined BHFF and HSF resources in 2025/26 are summarised in the following table. The rationale for the proposed allocations is discussed below.

Combined BHFF and HSF Allocations 2025/26

Area of support	Amount (£)
Free school meals in the school holidays *	1,023,500
Local Discretionary Social Fund (LDSF)	565,322
LDSF staffing (Assessment and Advice)	290,000
Homelessness Prevention and Housing Advice	500,000
Welfare Advisory Support	126,000
Specific Welfare Advisory and Employment support aligned with homelessness prevention	48,000
Older people (Brighton and Hove Fuel Payment)	47,000
Community Hub Resource (for older people campaign)	37,000
Youth Advice Centre	108,000
Lift Up scheme (for Just About Managing households)	80,000
MAP Energyworks	79,000
BHESCO (energy support and advice)	35,000
Food and essentials through community organisations	675,000
Impact Initiatives (April to September 2025)	32,500
Contingency for winter demand and changes	32,000
Civic Leadership Programme	67,000
Community Kitchen projects	30,000
Period Poverty	15,000
Discretionary Council Tax Reduction Scheme	150,000
Family Hubs	80,000
Children's Services Pods / S17 payments	70,000
Fairness Fund for People and Place	140,000
Fairness Fund/HSF management and support	53,000
LIFT data dashboard (Low Income Family Tracker)	40,000
TOTAL	4,323,322

* Note, Easter 2025 is already funded from HSF 2024/25.

- 3.10 To recognise the lower level of HSF funding next year and continue the move toward a more prevention-focused approach, the LDSF team has already had to adjust the award criteria. The team is focusing more on cases where financial vulnerability is highest, and many of the awards made are tied in with the applicant accepting a referral for more in-depth advice. LDSF support will continue at a lower level but this in itself requires more support as there will be more households ineligible for vouchers who will be in need of support and advice. Paradoxically, the lower fund level therefore requires more trained officers to provide support and assistance.
- 3.11 Vouchers for Free School Meal eligible children during school holiday periods have been seen as an important and effective guard against food poverty for low income households. However, this scheme requires a substantial proportion of the available total funding and with the lower level of funds available, a revision of the scheme is proposed for 2025/26 to ensure resources can continue to support wider initiatives and objectives. However, it has been possible to fund the Easter holidays from flexibility within the previous HSF which is of significant help in maintaining the scheme in 2025/26. Support for Free School Meal vouchers in the school holidays is proposed to be provided at the following rates:
- May 25, October 25 and February 26 Half terms - £10 per child
 - Summer Holiday period - £50 per child
 - Christmas Holiday period - £25 per child
- Note: As aforementioned, Easter 2025 has been paid for from the previous HSF allocation, at a rate of £30 per child for the full two weeks.*
- 3.12 In previous years, temporary HSF funding paid for £15 per child per week in the school holidays. The reduced funding and increased spending pressures mean that the equivalent weekly amount for 2025-26 would be the same for Easter, but between £8 and £12.50 per child per week for the other holidays. However, it should be noted that the government has now confirmed, separately to HSF, a continuation of funding for the Holiday Activities and Food (HAF) scheme, which will now continue throughout the 2025/26 year. HAF provides a range of activities, including food, for children through the Easter, Summer and Christmas school holidays. Also, access to food support and crisis help continues to be available across the city, funded by the HSF.
- 3.13 £0.500m is proposed to be allocated to Homelessness Prevention and Housing Advice. This will enable a new approach to linking welfare advisory and employment support services more closely with Housing Advisors. The council has identified a spending pressure of £4.3m across homelessness in 2025/26 where demand is expected to increase for preventing homelessness. This HSF allocation will help to mitigate that pressure, as it will enable the recruitment of Housing Advisor roles that would otherwise have been unsupported.
- 3.14 The funding will also allow for the continuation of the Youth Advice Centre's Housing Support work, which the council was already committed to until the end of June. However, the alignment with HSF provides a new opportunity. Officers from Housing and Welfare, Revenues and Business Support

(WRBS) are working to create a model that will enhance the service provided and contribute to the prevention of homelessness.

- 3.15 A new Landlord enquiry line will also be developed, enabling landlords to contact the council directly if they are worried that a tenant is falling behind with their rent and may benefit from pro-active assistance and advice.
- 3.16 Elsewhere in the proposed allocation plan, allowance is made for additional Welfare Rights Advisory hours. This will enable joint working where benefits advice needs to be available alongside Housing Advisors for advice and support for clients. It is anticipated that this will be focused around cases that do not fall under the relief duty, but are nonetheless in need of support to maximise their income from Welfare Benefits and employment support.
- 3.17 £0.126m is allocated for the council to continue to provide Welfare Support and Advice at existing levels, which it would otherwise have had to withdraw. This will allow for trained staff in the Welfare, Revenues & Business Support (WRBS) team to continue to provide essential preventive support and advice.
- 3.18 Further to the commitment to June, £0.108m one-off additional support for the Youth Advice Centre is proposed. In feedback gathered from the Advice sector and other Voluntary Sector organisations, concerns were raised about the potential loss of funding for YAC over the next year. However, the HSF can cover the costs of retaining existing advisors at YAC.
- 3.19 With this funding, YAC will be able to continue posts that comprise a mixture of Housing Support and general support and advice roles. In advance of April, officers from Housing and WRBS will meet with YAC to agree the best way to deliver a service to young people that prevents the likelihood of them becoming homeless.
- 3.20 The following are also proposed to be supported in line with previous allocations of HSF that have worked well and ensure that people and households presenting through different routes can be supported:
- £0.150m for Discretionary Council Tax Reduction, topping up Council Tax Reduction for those most in need.
 - £0.070m for Family Hubs – vouchers and caseworking with families.
 - £0.060m for Children’s Services (Section 17 payments).
 - £0.114m on Energy support programmes, including advice provided by MAP+ and energy efficiency help and visits from BHESCO.
 - £0.080m “Lift up” scheme with Money Advice Plus, for households that do not qualify for benefits, and are ‘just about managing’.
 - £0.040m for the Low Income Family Tracker dashboard – this software solution enables the council to identify, track and carry out proactive campaigns for vulnerable cohorts in the city.
 - £0.050m support for older people (Brighton and Hove Fuel Payment)
 - £0.150m Fairness Fund for People and Place, a programme of financial support for grass roots community organisations
- 3.21 Food support in the city continues to be a priority, given evidence of continued high demands. £0.675m is set aside to distribute to over 50 community organisations and food projects, for food and other essentials.

- 3.22 Impact Initiatives provide on the day voucher support and signposting towards community help. The council has provided funding for the service since the pandemic, when the function was particularly relevant for residents who were clinically vulnerable and had to shield. The funding is no longer being provided by the General Fund, so an HSF allocation of £0.033m has been made to continue the service for six months until the end of September. During this time, officers will work with Impact Initiatives and the Brighton and Hove Food Partnership (BHFP) to establish what the future of such support should be.
- 3.23 A modest budget of £0.032m is proposed to be set aside for emerging needs changing demand. It is recognised that the council's approach to the Cost of Living could evolve during the year, particularly as winter 2025-26 is still some way in the future. Priorities will be reassessed in August via the Poverty Reduction Steering Group and decisions on allocations will be made in accordance with recommendation 2.2
- 3.24 In line with the council's commitment to building a fair and inclusive city, it is proposed that £0.067m of the Fairness Fund will support a Civic Leadership Programme in partnership with Operation Black Vote. The aims of the programme are to promote diversity across civic leadership roles across the city.

4 Analysis and consideration of alternative options

- 4.1 By utilising the full amount of funding available from the Brighton & Hove Fairness Fund and the Household Support Fund the proposed allocations aim to provide a balanced spread of advice, prevention and hardship support. This is based on what has worked well before together with a recognition that prevention is preferable and effort should be increasingly focused on helping households into a more sustainable situation.
- 4.2 Note that the severe funding and demand pressures on the General Fund budget mean that minimum support from the HSF of £0.290m for Welfare Support and Advice officers, and £0.500m for homelessness prevention and housing advisers is required as assumed in the approved General Fund budget, otherwise these services/pressures will need to be reduced or withdrawn.
- 4.3 Changing the balance of allocations is possible and different methods of allocation for school holidays are possible but the proposed allocations attempt to sustain effective support, maintain a diverse range of access routes, provide more preventive advice and support, and enable a number of innovative initiatives.

5 Community engagement and consultation

- 5.1 The Welfare Support and Financial Assistance Board met throughout the previous rounds of HSF, with attendees from multiple services and organisations providing welfare support in the city, including the advice sector and the BHFP. During these meetings, current demand was discussed, alongside forthcoming HSF proposals.

- 5.2 The Poverty Reduction Steering Group met on 12 February 2025 and discussed the core principles contained in this report. There was a full discussion of the potential impact of different choices and broad agreement with the proposed allocations of the Fairness Fund and HSF.
- 5.3 Specific funding meetings were held with a broad cross-section of the voluntary and advice sectors, including representation from the Advice Matters and Moneyworks partnerships, Community Works and BHFP, alongside some individual organisations and services within the council. The overall feedback was that whilst moving to a prevention model is the right approach, there is still high demand for crisis support, and the citywide infrastructure will operate more effectively if change is managed incrementally. The feeling was that 2025/26 could and should be viewed as a transitional year. This will also enable more time to understand the government's longer-term funding intentions around localised welfare support.
- 5.4 Key concerns included the funding situation for YAC and to ensure that there was adequate support for disabilities. There was support for changes to LDSF criteria and the corresponding reduction in LDSF spend. It was reported that there is adequate provision for energy support in other funding bids so this element can be reduced somewhat in the new HSF allocations without impacting available support.

6 Financial implications

- 6.1 The funding sources set out in this report are based on the best information currently available. The total of £0.551m from the Fairness Fund is available but the Household Support Fund 2025/26 is yet to be confirmed. Based on the announced national total and previous HSF distributions, the council is expected to receive £3.772m.
- 6.2 The report proposes delegating authority to the S151 Chief Financial Officer following consultation with the Cabinet Member for Finance & City Regeneration to make minor alterations to the allocation of the HSF in order to maximise its use in accordance with the relevant time constraints and any change to the final allocation from government.

Finance officer consulted: Nigel Manvell Date consulted: 22/2/25

7 Legal implications

- 7.1 The key legal and governance implications are to ensure that the funds are distributed in accordance with the funding criteria to avoid any claw back or loss of funding. A clear record of the decision making and the detail of the allocations made is required. The recommended report back to Cabinet at the end of 25-26 year will assist with ensuring this is in place.
- 7.2 Lawyer consulted: Elizabeth Culbert 28.02.25

8 Equalities implications

- 8.1 The Equalities Impact Assessment from the previous Fairness Fund and HSF report has been reviewed. Whilst there are no substantive changes to

the main conditions impacting those with protected characteristics, some changes in the allocation plan could have an impact.

- 8.2 Overall, the Fairness Fund and HSF has a positive impact on protected characteristics. Significant elements of funding are directed towards grass-roots and community based organisations, strengthening local support networks for people with protected characteristics and has a positive impact on creation of access and equity. This is particularly the case for disabled, D/deaf/deafened, blind, migrant/refugee/ asylum seeker, QTIPOC, TNBI and Black and Racially Minoritised communities.
- 8.3 The restructuring of the Free School Meal vouchers in the school holidays means that those who are most financially disadvantaged will be impacted disproportionately. However, mitigation exists in the form of the Holiday Activities Fund, for which take up could be increased. Furthermore, HSF is distributed widely to community organisations across the city, where families in need can access help directly, in addition to the availability of the LDSF for the most financially vulnerable. Both the HSF and HAF are temporary funding and so the impact will have to be re-examined in light of the government's future funding plans, when known.

9 Sustainability implications

- 9.1 There are no direct sustainability implications arising from this report however there is funding support for energy advice and fuel poverty that is aimed at helping households to achieve greater energy efficiency or reduce energy use.

10 Health and Wellbeing Implications:

- 10.1 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. The HSF will also be used to underpin continued investment in homelessness prevention which is also a significant contributor to poor health outcomes.

11 Conclusion

- 11.1 The recommendations in this report, if approved, will enable a continued response to the challenges low income households are facing within the resources available and in line with the Cost of Living Action Plan. It will complement other local welfare assistance such as the Council Tax Reduction Scheme and Discretionary Housing Payments and will support other preventive services including Public Health services, homeless prevention services and community & voluntary sector support.

Supporting Documentation

Appendices

1. Equality Impact Assessment