

Committee: Cabinet

Date of meeting: 16 March 2023

Title of Report: Cost of Living Cumbria County Council Spending

Report by: Colin Cox – Director of Public Health

Cabinet Member: Stewart Young – Leader of Cumbria County Council

What is the Report About? (Executive Summary)

1. This report provides Cabinet a summary of Cumbria County Council's actions taken to support Cumbria's most vulnerable residents during the current cost of living crisis.
2. The cost of living crisis poses a significant threat to public health. In response to this the UK Government has put in place a number of support measures, including the Household Support Fund and household fuel support payments. But monitoring the impacts locally led Cumbria County Council to want to do more, and so –
 - In June 2022 Cumbria County Council created a £2 million Cost of Living Reserve, to give additional support to Cumbria's most vulnerable residents.
 - In September 2022 Cumbria County Council also passed a motion to take steps to –
 - Build on the work of the cost-of-living crisis fund.
 - To call on Scrutiny to convene a task and finish group to ensure no child goes hungry.
 - To lobby government to review their Free School Meal guidance.
 - Following the Scrutiny task and finish group the recommendations of the 'No Child Goes Hungry' report were agreed by Cabinet in December 2022 resulting in a further £2m being made available to implement them. This included £1.450m which was distributed to all schools in the county, including academies and free schools, a further £50k to provide match funding to enable schools to access the national breakfast club scheme, and a further £500k to allow the two new unitary councils to continue the holiday food programme over the 2023 Easter holidays.
 - In October 2022 a further £1m was allocated from the public health budget to provide support to organisations working to alleviate food poverty.

Recommendations of the Executive Director

3. To consider the following:
 - Note the actions taken by the County Council in 2022/23 to provide additional support to residents of Cumbria during the current cost of living crisis.
 - Note the role of the County Council in co-ordinating a wide range of interventions across a large geographical area and the support the Council has put in place to ensure that the Cumberland and the Westmorland & Furness Councils have resources in place to tackle the cost of living crisis from vesting day.
 - Note that there is further work required to balance ongoing emergency support with developing and implementing medium and long-term strategic plans to reduce poverty and inequalities in both Cumberland and Westmorland and Furness.

Background to the proposals

National Context

4. As demonstrated by the work of the Lancashire and Cumbria Health Equity Commission, Chaired by Professor Sir Michael Marmot, poverty underpins all types of inequality, including healthy inequality. There is a clear relationship between poverty, mental health and health inequalities. By breaking the cycle of poverty that families find themselves in, individuals' life chances can be greatly improved.
5. Prior to the current cost of living crisis which includes significant increases in the costs of fuel and heating, Cumbria had a significant fuel poverty issue, with 2018 figures showing the county with a 13% rate of fuel poverty, against a Northwest average of 12.3% and an England average of 10.2%. This continues to be an issue for the county. Of the 250,000 properties across the county, many are of solid wall construction, which is harder to heat. Added to this the rural nature of large parts of the county and the reliance on oil rather than gas to heat homes, and a recognition that this is not included in the government's fuel cap, and the picture for the county is one of great struggle for many households.
6. The 'cost of living crisis' refers to the fall in 'real' disposable incomes (that is, adjusted for inflation and after taxes and benefits). The cost of living has been increasing across the UK since early 2021 and in February 2022, inflation reached its highest recorded level since 1992, affecting the affordability of goods and services for households. Families across the UK are facing further hardship or hardship for the first time as a result of the increased costs of living.
7. The increase in food prices and utilities bills disproportionately impacts on lower income households as food and energy makes up a higher proportion of their total household expenditure. Rural households are particularly vulnerable to the cost of all fuels, including petrol and diesel.

Cumbria County Council Response

8. Since October 2020 the Council has been delivering the DWP Household Support Fund that has to date provided £7m of support to the public to cover the cost of household essentials. This support has included:
- Free School Meals vouchers in school holidays, supporting over 14,000 children;
 - An expansion of the County Council's Ways to Welfare Helpline which provided support in money and kind to around 7% of Cumbria's population in the past year.

DWP Household Support Fund

9. While the HSF has enabled the Council to reach large numbers, monitoring the delivery and impact enabled the Council to recognise that more needed to be done. There were several factors that directly influenced this:
- Limitations of the HSF, i.e., it cannot be used to provide preventative or organisational support to community organisations themselves struggling with the cost of living;
 - The sheer scale of the cost of living crisis which demonstrated the need for more emergency support, particularly for children;
 - Particular pressures around food and a growing demand for foodbanks/hubs etc. with a corresponding decrease in donations, as people who would donate were themselves having to cut back;
 - Changes in HSF criteria that put pressures on the Council to support its existing welfare commitments.
10. In response to these pressures the Council identified the cost of living crisis on its Corporate Risk Register and in agreeing the Quarterly Budget Monitoring Report, Cabinet agreed on 9 June 2022 to allocate:
- "£2.000m to a Cost of Living Reserve to be utilised during 2022/23 to support individuals through the cost of living crisis. This supports the emerging risk that has been highlighted in the 2021/22 Q4 risk register."

Cumbria County Council Cost of Living Reserve

11. One of the key risks identified by the Council was the change in the DWP HSF criteria in April 2022, which meant that 33% of total support had to be ringfenced for pensioners, leaving insufficient funding to cover the cost of Free School Meal vouchers over the summer. This was a national problem which resulted in many local authorities either ceasing to provide Free School Meal vouchers in the holidays or restricting them. By including this within the Cost of Living Reserve, Cumbria County Council prioritised feeding our most vulnerable school children and avoided having to take a similar decision. Subsequently the DWP removed this requirement in October 2022 following collective lobbying by Local Authorities which included Cumbria County Council – this was fortunate for children elsewhere in the country, but for school children in Cumbria their free school meal vouchers were protected throughout.

12. The initial Cost of Living Reserve focused on 4 areas:
- £500k to extend Free School Meal vouchers through the summer holidays;
 - £500k top up to the County Council's Ways to Welfare fund;.
 - £500k to increase the value of School Uniform Grants for primary age pupils from £25 to £50 and from £35 to £100 for secondary age pupils;
 - £500k of funding for direct community support, helping organisations like the Citizens Advice Bureau to support people too.

13. With no respite in sight and in response to the ongoing cost of living pressures, especially on children and families, Council passed the following motion on 7 September 2022:

“To call upon Scrutiny to convene a task and finish group as soon as possible to build on the work of our Cost of Living Crisis fund and continue the work undertaken during the covid pandemic – to work in collaboration with our schools and community groups, to explore all options for extending access to adequate nutritious food, to ensure that no child goes hungry at any point – term time or holiday periods.”

No Child Goes Hungry Scrutiny Report

14. The Motion concluded that Council was to receive a report at the next Council meeting on 3 November.

15. In response to the Motion, Scrutiny convened a task and finish group to look at:
- Understanding the effectiveness of current programmes established during COVID and continuing support schemes in meeting children's needs (including DWP Household Support Fund (HSF), DfE Holiday Activity and Food Programme HAF))
 - Obtaining an understanding of levels of support for addressing child hunger based on past, current and projected future levels of Free School Meal (FSM) provision, including impact of an inflationary uplift to the current entitlement
 - To review the accessibility to the FSM application process and whether there are barriers to particular groups applying.
 - To hear from community food providers about the issues they face in tackling community food hunger and the impact on children and families
 - To identify all options for extending access to adequate nutritious food that ensures no child goes hungry. Among others this will include options for a net-Zero approach to food that maximises food sovereignty and local sustainable access to cheap nutritious food (i.e., food growing projects, seed banks etc.).

16. Scrutiny published its findings and recommendations in the No Child Goes Hungry Report that went to Council in November 2022 and on 15 December Cabinet responded by agreeing that Cabinet:

- (1) Agrees to provide a Food Provision Grant of £1.450m to be distributed to every school in the county, including academies and free schools, based

on a formula that included a combination of total pupil numbers and total numbers of FSM pupils. This funding to be used at the school's discretion to ensure that their pupils are able to access nutritious hot food as appropriate. Schools to be issued with guidance and advice on use of the grant.

- (2) Agrees to provide funding of £50k to cover the 25% match funding that eligible schools must contribute in order to be part of the National Breakfast Club Programme until March 2023.
- (3) Agrees to enter into an agreement for the provision of free school meal vouchers during the Easter Holidays and allocate £0.5m funding for the vouchers in the form of a ringfenced reserve to be used by Cumberland Council and Westmorland and Furness Council. This is because the Easter holidays start on 1st April 2023 just as the new councils vest and become responsible for services, and this ensures no drop in support at that time.
- (4) Agrees for the Leader to write to Government to lobby for a fair review of the funding of FSM.

17. Funding was distributed to schools during the Christmas break so they could begin delivering schemes to address food hunger. Currently evidence is being gathered from schools, but the following extract from correspondence received from the head teacher at Netherhall School in Maryport demonstrates how the fund is being utilised.

“The school is currently providing a free-of-charge breakfast club for all students from 07.45am – 08.25am each weekday. The provision includes toast, a selection of cereals, granola, yoghurts, fresh fruit, juice and hot drinks. The club is a huge success and has had a positive impact on students’ attendance and engagement in lessons. The fund will also be used to support students with access to technology, uniform, and stationery. We are hoping to continue the breakfast club into the new financial year and have sought further grant funding in support of this.

“We have enrolled in the government backed National Breakfast Fund that supplies food, ordered in bulk at 25% of the original net cost. This will allow us to stretch the funding much further.

“We have estimated a full year’s provision would cost circa £30k.”

18. Finally, the Leader of the Council wrote to the Secretary of State for Education to lobby for the extension of free school meals to include a wider group of pupils than are currently eligible. The Leader also lobbied for an inflation matching increase to the value of the Free School Meal funding amount, an amount controlled and set by the Government, which has remained frozen for a decade and lost about 25% of the value it had in 2012. Such a decision by Government would mirror a decision taken by the County Council to fund a local increase in the value of the holiday Free School Meal vouchers from £2.50 to £3 per day.

Public Health Cost of Living Fund

19. During the spring and summer of 2022 the Council's Public Health and Policy and Scrutiny Teams collaborated on an analysis of the cost of living crisis, which identified support to organisations dealing with the costs of increased demand for their services. One example was the pressure on Citizen's Advice as more people were presenting with immediate welfare needs, but other organisations were needing support with staffing and other organisational costs.
20. In response Public Health consulted with the Cumbria Poverty Reference Group chaired by CVS and other organisations to identify potential areas for grant support.
21. A multi-agency Cumbria Cost of Living Crisis Response Co-ordination Group was established in October 2022 and as part of the Public Health Restart and Recovery Plan allocated £1m for tackling poverty associated with the current cost of living crisis. This fund was allocated in two tranches, an initial £870k in October, and the remaining £130k in February.
22. The first tranche of grants was awarded to the following recipients.
 - Cumbria's Citizens Advice Bureau Consortium (CABx) in the form of grants to fund the additional pressures on the CABx capacity to meet increased public demand.
 - Cumbria Community Foundation (CCF) in the form of a donation to the Winter Warmth Appeal.
 - Cumbria Action for Sustainability in the form of a grant to match fund its existing Cold to Cozy scheme
 - Cumbria Carers' Associations in the form of a grant to employ staff and expand their current support offer to meet increasing demand.
 - The Holiday Activity and Food Programme (HAF) to make up for a shortfall in DfE funding given the increase in numbers of Children on Free School Meals and increased public demand.
 - Cumbria Community Foundation (CCF) to manage as a Community Groups Fund for community groups to apply to for grants between £500-£20,000 for activities such as the provision of courses, sustainability of food banks etc.
 - People First in the form of a grant to employ staff to deliver additional benefit checks for people with disabilities across Cumbria.
 - The four Cumbrian Age UK organisations to employ staff to expand their current support offer to meet increasing demand.
23. The second tranche of grants was awarded following extensive consultation with the Cost of Living Emergency Response group, with proposals submitted by each of the sub-groups.
 - To allocate a further sum to Cumbria Action for Sustainability in the form of a grant for the provision of energy saving equipment to be installed in the homes of those people meeting the eligibility criteria, as an additional resource to the Cold to Cozy scheme.
 - Cumbria Community Foundation (CCF) to provide further funding to the Community Groups Fund, in particular those groups providing Warm Spots.

- Barrow & District Disability Association in the form of a grant to employ staff to deliver cost of living including benefits maximisation advice for people with disabilities. Although the organisation is based in Barrow the service will be available to all people with disabilities across Cumbria.
- The County Council's Health and Wellbeing Team to help with the aim of supporting the most vulnerable, who do not access or know how to access resources, to be given practical support through the distribution of goods to maintain or enhance their personal dignity when current finances don't allow this.
- Provision of nappies for those families experiencing poverty. To be distributed through multi agency partners.
- Provision of pet food vouchers for those families who are unable to afford to feed their pets.

Conclusions

24. Collectively the County Council has committed £5m (not including spend from Local Committees) to tackling the cost of living crisis in 2022-23, in addition to Government funding of £7m from the DWP household support fund. With this combination of the national grant funding and locally committed resource the County Council has demonstrated the positive impact of a local authority with a strategic geographical footprint.
25. Evidence from the Public Health Cost of Living Emergency Response Group is suggesting that the winter impacts of the cost of living crisis have been less severe than feared, and that a key factor behind this is down to the level of additional emergency support that has been committed by the Council as well as other partners.
26. It is hoped that the County Council's activities in 2022-23 to address the cost of living crisis will act as a positive example moving forward, and with the ringfenced £500k and contract in place to cover holiday free school meal vouchers over the Easter holidays 2023, the new Unitary Authorities will be able to begin 2023-24 with the impetus and resource to continue tackling the cost of living crisis and protect Cumbria's most vulnerable residents.

Reasons for the recommendation/Key benefits

27. Cabinet is asked to note the recommendations based on the experience of delivering the collective programme of activity described in the report.

Financial – what resources will be needed and how will it be funded.

28. The County Council has provided funding to support the cost of living crisis as follows:
 - £2.000m from the Cost of Living earmarked reserve created in June 2022. This funding was used to provide Free School Meal Vouchers (£0.500m), add funds to the existing HSF managed by the Service Centre to meet growing demand (£0.700m), increase the value of School Uniform Grants (£0.500m), provide grants to community organisations (£0.300m).

- £2.000m Food Poverty grant funded from COVID ringfenced reserves (£1.600m) and COMF funding (£0.400m). This funding was used to provide a grant to all schools in Cumbria (£1.450m) and funding for Breakfast Clubs to 98 schools where at least 40% of pupils are in IDACI bands A-F. A further £0.500m will support provision of Free School Meal Vouchers over the easter holidays.
- £1.000m of Public Health Restart and Recovery funding allocated to community organisation to support a variety of initiatives.

29. The funding above is in addition to £7.000m of Household Support funding received from Government.

30. Subsequently funding announcements for the Household Support Fund for 2023/24 have been made with Cumberland Council receiving £4.335m and Westmorland & Furness Council receiving £3.046m, a total of £7.380m.

Legal – what needs to be considered?

31. Members are recommended to note the contents of this report there are therefore no legal implications.

Health and Safety – what need to be considered?

32. The County Council has a responsibility under the Health & Safety at Work Act 1974 to ensure, as far as is reasonably practicable, that adequate health and safety management arrangements are in place to protect employees, members, customers, pupils, parents and visitors to County Council related school services.

33. The report provides an update on the actions taken to reduce poverty with any health and safety considerations managed in line with the County Councils commitments outlined in the 2022/23 Annual Corporate Health, Safety and Wellbeing Policy Statement last agreed by Cabinet in July 2022.

Council Plan Outcome

34. The recommendations relate to the Council Plan outcome that people in Cumbria are healthy and safe.

Appendices

Appendix 1 – No Child Goes Hungry School Food Provision Grant

Key Facts

Electoral Division(s): All

Executive Decision	Key Decision Included in Forward Plan	Exempt from call-in	Exemption agreed by scrutiny chair	Considered by scrutiny, if so detail below	Environmental or sustainability assessment undertaken?	Equality impact assessment undertaken?
Y	N	N/A	N/A	N/A	N/A	N/A

Previous relevant Council or Executive decisions

Cabinet 9 June 2022

Cumbria County Council 7 September 2022

Cumbria County Council 3 November 2022

Cabinet 15 December 2022

Officer Key Decision Record 24 February

Consideration by Overview & Scrutiny

The report incorporates the findings of the No Child Goes Hungry Scrutiny Review that was approved at the meeting of Scrutiny Management Board on 24 November 2022.

Background Papers

None

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