

People and Health Scrutiny Committee

7 March 2024

Cost of Living Challenge Update

For Review and Consultation

Portfolio Holder: Cllr L Beddow, Culture and Communities

Executive Director: A Dunn, Executive Director, Corporate Development

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Report Status: Public

Brief Summary:

In February 2023, following a request from the Leader of the council, Cllr Spencer Flower, Cabinet authorised a one-off amount of £2 million to be drawn from the General Fund reserves to deliver a programme of short and medium-term activities and schemes to support Dorset residents hardest hit by the cost-of-living challenge. The programme of activities was developed to complement and enhance the support provided by central government and Dorset Council.

Recommendation:

That members scrutinise the spend and impacts of the £2 million investment throughout the financial year 2023-24.

Reason for Recommendation:

When approval for the £2 million Cost of Living proposal was awarded by Cabinet in February 2023, it was a condition that an update of the spend and impact of this fund would be presented to People and Health Scrutiny Committee and offer them the opportunity to ask any arising questions.

The report is coming before the end of the financial year, due to the pre-election period. A further full report of impact will be made available in the first quarter of financial year 2024.

1. **Background**

- 1.1 Many Dorset Council residents have been directly affected by the cost-of-living challenge. In many ways, Dorset residents are facing the same issues as people across the country. However, in 2022, our research data shows one factor which we knew affects Dorset Council residents more than elsewhere: the high cost of housing relative to earnings. This has been felt in higher rental and mortgage payments, which lead to lower or, in some cases, no disposable income with which to absorb any price increases to fuel, energy bills and food.
- 1.2 Since mid-2022, Dorset Council has worked closely with our statutory and voluntary & community sector partners through the 'Dorset Together – Cost of Living' network to support residents with the challenges they are facing. This programme developed into four priority workstreams:
 1. Keeping warm and well
 2. Food security
 3. Support to increase volunteering
 4. Keeping homes warm and energy efficient.
- 1.3 Cllr Spencer Flower, Leader of the council, asked officers to develop a list of proposals for various activities and schemes which could provide immediate and medium-term support to Dorset residents hardest hit by the cost-of-living crisis to a total value of £2 million, which would be taken from the General Fund reserves.
- 1.4 These proposals were approved by Cabinet in February 2023. The link to the paper is in the **background documents**. The original detail of the projects agreed by Cabinet is detailed in **Appendix 1**. It was agreed that a report would be taken to People and Health Scrutiny to report on the impact of this funding for Dorset residents.
- 1.5 It was agreed by Senior Leadership Team that an update paper would be presented to People and Health Scrutiny Committee in March 2024 prior to the pre-election period commencing.

2. **Projects**

- 2.1 As the year progressed, new trends our residents were experiencing due to the Cost-of-Living challenge became apparent: in particular, evidence of significant increases to rents and threat of eviction within the private housing sector, with Dorset Council Housing team reporting an 31% increase in threat of homelessness.

2.2 In September 2023, Cllr. Laura Beddow and the Senior Leadership Team gave authorisation to adjust the amounts of Healthy Homes Dorset down from £500,000 to £375,000 and Off-Grid Energy Vouchers down from £280,000 to £60,000, to be delivered in a targeted way via Citizens Advice and to add in 2 more projects within the £2m budget.

2.3 The 2 added projects to support the emerging trends of Homelessness Prevention and Debt and Cost-of-Living Advice are detailed in **Appendix 2**.

3. Impacts of the Funding

3.1 There is a full breakdown of the impacts of the funding up for quarter 1 to 3 in **Appendix 3**. The below table shows a short summary of the impacts for each project.

3.2

No. & Project name	Impact Headlines
1. Targeted supermarket vouchers	<p>An additional 2333 £150 supermarket vouchers supplemented the Household Support Fund (HSF), creating an overall total of 12,000 available over the year.</p> <p>Demand has continued to increase and each month the scheme opens and closes within several hours.</p>
2. Debt and CoL Advice	<p>Since Q3 the specialist debt advisors have delivered the following:</p> <ul style="list-style-type: none"> • 298 clients helped • 1,376 issues supported • £259,358 in financial gains for clients
3. Healthy Homes Dorset	<ul style="list-style-type: none"> • A total of 86 households benefitted • 77 households were low income • 69 households had a long-term illness or disability • 80 properties were classed as Park Homes
4. Discretionary Housing Payment (DHP) allowance	<p>Due to having to spend the annual Government grant first, this project only commenced in December 2023 and the impact will be reported at the end of the year. However, having this funding has meant the DHP officers have been able to award longer term stability to those at risk of homelessness due to being able to stretch into this additional budget.</p>

<p>5. Disabled Facilities Grant – Energy Efficiency support</p>	<p>58 Grants either completed or awaiting completion.</p> <table border="1" data-bbox="548 226 1471 636"> <thead> <tr> <th data-bbox="548 226 1187 296">Areas of work</th> <th data-bbox="1192 226 1471 296">Number of Jobs</th> </tr> </thead> <tbody> <tr> <td data-bbox="548 302 1187 363">Doors and windows (replaced / repaired)</td> <td data-bbox="1192 302 1471 363">6</td> </tr> <tr> <td data-bbox="548 369 1187 430">New heating system installed</td> <td data-bbox="1192 369 1471 430">4</td> </tr> <tr> <td data-bbox="548 436 1187 497">Park home insulation installed</td> <td data-bbox="1192 436 1471 497">1</td> </tr> <tr> <td data-bbox="548 504 1187 564">Replacement boiler/boiler repair</td> <td data-bbox="1192 504 1471 564">43</td> </tr> <tr> <td data-bbox="548 571 1187 632">Roof insulation</td> <td data-bbox="1192 571 1471 632">4</td> </tr> </tbody> </table>	Areas of work	Number of Jobs	Doors and windows (replaced / repaired)	6	New heating system installed	4	Park home insulation installed	1	Replacement boiler/boiler repair	43	Roof insulation	4
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<p>6. Food security</p>	<p>Food projects funded support to over 4306 households per month.</p> <p>29% were to families with children; 23% disability (physical, mental health, learning disability, sensory); 12% pensioners; 36% other (inc. couples with none or no dependant age children, single people inc. temporary housing and HMOs).</p> <p>The largest numbers supported were in Weymouth, Portland, Sturminster Newton and Wareham</p>												
<p>7. Small energy efficiency adaptations</p>	<p>Volunteer Centre Dorset (VCD) have received 208 referrals which come from a range of professional sources</p> <p>Items distributed include heated throws, oversized hoodies, hot water bottles, heated blankets, blankets, radiator foil, microwaves and air fryers.</p> <ul style="list-style-type: none"> • 75% of referrals are for people aged 40 and under • 47% of referrals are for adults living alone • 35% of referral are for households with children • 91% are struggling with utility bills and 35% are on a prepaid meter 												
<p>8. Off grid energy discretionary vouchers</p>	<ul style="list-style-type: none"> • A total of 169 off-grid £150 grants issued by Citizens Advice. - 37 households with children; 88 households with a disability; 42 with a state pension age person; 12 Gypsy Roma Traveller and 23 park home residents • Locations include Bridport 15; Dorchester 40; East Dorset & Purbeck 47; North Dorset 26; Sherborne 18; Weymouth & Portland 23 												
<p>9. Additional pre-school hours for 3–4-year-olds going to school</p>	<p>This additional funding has enabled 134 children in the summer term, 152 children in the autumn term and 161 children in the winter term, to access additional early education hours in their setting of choice. Impact for families included:</p> <ul style="list-style-type: none"> • support with the household with the cost-of-living situation. 												

	<ul style="list-style-type: none"> • ability to access additional paid work. • direct benefit to children’s development from the additional hours in a settled education environment
10. Targeted ‘ready to thrive’ locality programme	<p>Working with a target audience of parents and children who started school in September 2023 in partnership with HomeStart.</p> <p>75 children engaged with the HomeStart 2023 School Readiness programme. The programme of support included:</p> <ul style="list-style-type: none"> • funding school uniform and other opportunities to increase children’s preparation for the transition into school. • Maths programme for early years settings being rolled out from January 2024 • supporting and celebrating the development and strengthening of parent-child relationships in preparing children for school. • offering children with play activities aligned with key school readiness areas. • Weekly focus groups for families discussing the significance of each area and discovering alternative ways to explore these topics at home
11. Homelessness Prevention	<p>179 households avoided homelessness.</p> <p>A campaign was funded to support where and when to get help if facing a risk of homelessness</p>

4. Budget and Spend Update

4.1 Below is a table that with an update of the spend until the end of Quarter 3 with comments.

No. & Project name	Allocated Budget	Spend to Dec 2023	Narrative
1. Targeted supermarket vouchers	£380,000	£380,000	Breakdown of £350k + £30k administration fee. Full budget now spent.
2. Debt and CoL Advice	£120,000	£120,000	This project was added at the end of Q2 and has been supplemented further by an extra £10,000 from the HSF. Full budget now spent.

3. Healthy Homes Dorset	£375,000	£375,000	Project was reduced from £500,000 to allow reallocation of funds for emerging needs. Full budget now spent.
4. Discretionary Housing Payment (DHP) allowance	£200,000	£17,202	This is the only project that may not meet its full budget allocation by the end of Q4. The reason is that the DHP team can only spend against this once the full Government grant has been allocated. The team are predicting a spend of £131,702 (66%).
5. Disabled Facilities Grant - Energy	£320,000	£288,211	90% spent. The last 10% has been allocated, awaiting invoicing from the contractor.
6. Food security	£70,000	£70,000	Full budget now spent.
7. Small energy efficiency adaptations	£30,000	£30,000	Full budget now spent.
8. Off grid energy discretionary vouchers	£60,000	£19,200	This project was only made available from December 2023. The remaining 68% to be spent in Q4.
9. Additional pre-school hours for 3–4-year-olds going to school	£100,000	£100,000	Full budget now spent.
10. Targeted 'ready to thrive' locality programme	£120,000	£120,000	Full budget now spent.
11. Homelessness Prevention	£125,000	£125,000	Project added for Q2 due to emerging trends. Full budget now spent.

4.2 The only project that funds will need to be allocated from is project no. 4. Discretionary Housing Payment (DHP) allowance who are predicting an underspend of £66,000. A request will be made to SLT to reallocate these funds to enhance projects 1 and 6 as both projects have evidenced increasing demand as the year has progressed and both

may have a detrimental effect on our vulnerable communities if the Government does not extend the Household Support Fund (HSF).

5. **Financial Implications**

This report has no further financial implications following the Cabinet decision of 28 February 2023 to permit a one-off £2 million allocation to support the Cost-of-Living Challenge from the General Fund reserves. The Section 151 officer was satisfied that £2 million could be repurposed from the risk mitigation reserves (on a one-off basis) to fund cost of living activities.

6. **Natural Environment, Climate & Ecology Implications**

The Natural Environment, Climate or Ecology Implications of the allocated funds are evidenced in this report.

7. **Well-being and Health Implications**

The impacts of the well-being and health implications of the allocated funds are evidenced in this report.

8. **Risk Assessment**

8.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Medium

Although the £2 million has achieved its purpose and has significantly supported our vulnerable residents to weather the cost-of-living challenge, the challenge has not ended. Emerging trends throughout this financial year have shown that housing issues have become more prevalent. There is a risk that our residents who may have been relying on some of the funded programmes, may not be in a position to bridge the financial gap once the funding support ends at the end of March 2024. Additionally, currently there is no confirmation from Government regarding the future of the Household Support Fund (HSF) which supports many vulnerable people including paying for free school meal vouchers in the school holidays, supermarket vouchers (to support with increased energy prices), grants to foodbanks and social supermarkets and many others.

9. **Equalities Impact Assessment**

Proposals for the Cost-of-Living Challenge Cabinet paper 28 February 2023 were targeted at our most vulnerable residents. Means testing was used where possible to ensure the additional funding reaches those in greatest need.

Our research team undertook extensive data modelling to identify those households in greatest need. Using this data, we were able to identify gaps in national government and local support to date. We worked closely with our VCS partners such as Citizens Advice & Age UK NSW to reach their client base (those identified as struggling at this time).

10. **Appendices**

- Appendix 1 – List of the Cabinet agreed projects of support.
- Appendix 2 – Projects added after Quarter 2
- Appendix 3 – Impacts of the funding by project Quarter 1-3

11. **Background Papers**

- [Cost of Living Challenge Cabinet paper 23rd February 2023](#)