

Lessons Learnt through the Cost-of-Living Response

Report of the Head of Housing and Environmental Health and the Community Manager

Recommended:

That the lessons learnt by the Council and its partners be noted.

SUMMARY:

A report to review the approach taken by the Council and its partners to support residents with the increasing cost of living, to facilitate a discussion at committee reflecting on lessons learnt and the impact this support has had on people and communities.

1 Introduction

- 1.1 The purpose of this report is to set the context for a presentation and discussion at committee on the work partners have undertaken to mitigate the impact of the increasing cost-of-living on people living in Test Valley and in particular what the Council and partners have learnt about how best to continue to support people in future.
- 1.2 The Chief Officer of Citizen's Advice Test Valley, Ange Moon, will also be present for the discussion to share her insights on the impact on the work of her organisation and the clients they support.

2 Background and local context

- 2.1 Although the causes of the increased cost-of-living have been rooted in macroeconomics and global factors, the impact of that is very much felt at a local and household level. Whilst the Council and our partners may be unable to influence those external factors, we have approached the challenge with the logic that if impacts are felt at a local level, then it must be possible to mitigate, at least to some extent, at a local level too.
- 2.2 In early 2022, many of the organisations who focus on supporting vulnerable households were already seeing high numbers of people accessing their support. Foodbanks in particular, who had seen a significant increase in demand through the pandemic, reported that demand had increased even from those already high levels. By the summer of 2022, inflation had reached 10%, with energy price increases even greater than that.

- 2.3 Through the winter of 2022/23, many households in Test Valley faced significant challenges in making ends meet. Andover foodbank reported demand as much as 40% higher than the previous year and Citizen's Advice Test Valley were experiencing increasing numbers seeking support with debt and money advice.
- 2.4 Through 2023, the rate of inflation gradually declined and in September the Bank of England kept interest rates on hold for the first time in almost two years, after 14 consecutive rises since the end of 2021.
- 2.5 At around 4%, the current rate of inflation is still double the government target, although some analysts are now predicting it could drop below the 2% target later this year.
- 2.6 Nonetheless, cost of household gas and electricity remains high, as are rental costs and many mortgage payers who have renewed over the past two years will still be feeling significant impact of higher interest rates.
- 2.7 In February 2024, households on means-tested benefits have received their final cost of living payments, and the government has no plans to extend the scheme.

3 Community and Voluntary Sector Support to Residents

- 3.1 As we saw in the pandemic, the community and voluntary sector have been vital partners in the support offer to households in Test Valley. The ability of voluntary organisations to meet need at the most local and personal level has been key to support those households most affected. Test Valley Borough Council has supported the sector financially through the Cost-of-Living grant scheme, and through the support of the Community Team, but we know many more organisations have also made a key difference to the lives of our residents.
- 3.2 Romsey Foodbank reports that 2023 looked very similar to 2022, with over 22,000kg of food given out to local families (compared to 21,000kg in 2022). This supported 319 households with a combined total of 753 food parcels, providing around 6000 meals. They also saw donations remain around the same or slightly exceeding what they received in 2022.
- 3.3 They also report an increase in the number of complex cases and larger household units. However, they are seeing the benefits of a 'hub' model, whereby regular users of the foodbank are able to access wider support. They give particular credit to the model of having a Citizen's Advice Caseworker on site at the foodbank. In 2023, 274 people accessed support and advice via this service, with a total of £90,296 financial gains achieved for households.
- 3.4 Andover Foodbank has seen similarly little movement between 2022 and 2023, with total meals provided reducing slightly from 8000 in 2022 to around 7,500 in 2023.
- 3.5 The majority of those supported by the Andover Foodbank are solely in receipt of benefits (approximately 68%), with 15% a combination of benefits and earnings, 8% no income at all and 5% on earnings but no benefits.

- 3.6 The most common household structure of clients in Andover is single adult (38%), followed by single adult with children (24%) and multi adult with children households at 14%). Although they serve communities throughout Test Valley, Andover St. Mary's, Andover Romans, and Andover Harroway had the highest distribution rates.
- 3.7 None of the figures above include support provided to refugees and asylum seekers, or over 1200 Christmas gift boxes given out to local children.
- 3.8 Unlike Romsey, Andover experienced much lower levels of donations in 2023 than in 2022, describing their shelves as “worryingly empty” by late summer. They undertook significant promotional work to boost stock levels over Christmas, but their experience is still that people are donating fewer items and less frequently.
- 3.9 Our larger voluntary sector partners have played a key role too. Citizen's Advice Test Valley (CATV) have played an obvious and key role in the advice and support they give to residents facing financial difficulties.
- 3.10 Their figures show a significant increase in demand when comparing the period of September 2023 – January 2024 with September 2022 – January 2023, as illustrated by the table below:

Category	Sep 22 – Jan 23	Sep 23 – Jan 24	variance
New clients seen in period	2147	3043	+41.75%
Issues	5205	6893	+32.43%
Income Gains	£191,562	£218,935	+14.29%
Issues – charitable Support	606	789	+30.19%
Issues – utilities	563	610	+ 8.34%
Issues -Personal Independence payment (PIP)	298	492	+65.10%

- 3.11 They have managed this increase in demand through successful funding applications to improve and enhance the phone service they provide via Advice Line (a shared service with the other offices in Hampshire), which allowed them to employ two additional advisors for 20 hours per week each, targeted at periods of highest demand.
- 3.12 They also emphasise the value of the caseworker being based in the foodbanks and are forward planning for opportunities to extend funding for these arrangements in both Andover and Romsey.

- 3.13 They have seen a change in the how clients approach them for help, with a marked increase in e-mail and telephone enquiries since the pandemic. CATV opened for in person enquiries again last year, but numbers accessing support this way are still below pre-pandemic levels.
- 3.14 CATV also saw most of their clients coming from St. Mary's, Romans and Harroway; with Romsey Cupernham and Romsey Abbey the most prevalent wards in the south of the borough.
- 3.15 Unity secured funding for direct provision of a mobile community pantry and since September have been providing subsidised and surplus food at a low cost to support people in rural areas.
- 3.16 They report that demand for the food pantry is growing and that beyond food, people are also in need of hygiene and pet products. Unity has found that for people struggling financially, eating well is a secondary concern to eating at all, and when they are able to purchase food, they tend to focus on quantity rather than quality. The pantry supports the quality of their diet by providing quality, healthy and nutritious products.
- 3.17 Unity also reports that increasingly they are supporting households with double incomes, often with a mortgage rather than social rent, who are now struggling.
- 3.18 Unity's engagement with the wider voluntary sector generally suggests an increase in demand on services, particularly around poor mental health, dietary health and general wellbeing, linked to increased cost of living.
- 3.19 Since October 2022, the Council has provided over £80,000 in cost-of-living grant payments to organisations across the borough. These have funded a range of activities from breakfast clubs to school uniform projects; 'comfort cafes' to baby necessities schemes; CATV caseworkers to warm spaces.
- 3.20 However, the rate of applications reduced significantly following the winter of 2022/23, with a little under £60,000 being awarded between October 2022 and April 2023, and around £22,000 awarded in the period since. This was despite the grant scheme being 're-publicised' over the winter of 2023/24 and direct contact being made with previous recipients and other potential applicants.
- 3.21 Schools throughout the borough have been a key conduit between families and support available and have used their relationship with families to deliver well targeted support to those who need it most. This is reflected by many schools being awarded funding under the Cost-of-Living Grant scheme.
- 3.22 Several organisations in the borough also received funding from Hampshire County Council through one of the elements of the Household Support Fund. These have included Alabare, Andover Community Engage, Andover Parish, NotJust a Café, Unity and Yellow Brick Road.

4 Test Valley Borough Council Support to Residents

- 4.1 Test Valley Borough Council also supports residents directly, in particular through the work of our Benefits Team and our Housing Team.
- 4.2 The government's Household Support Fund has operated four phases since October 2021. Through this fund, DWP provided funding to Hampshire County Council who then distributed it locally. A proportion of funds went to the voluntary sector, both in grants as described in paragraph 3.22, and by distributing to agencies such as CATV and the Food Bank to provide financial support with utility bills and food provisions.
- 4.3 An element of each funding round was distributed to the Council, across the Revenues and Housing teams. The first phase was October 2021 to March 2022. TVBC received £97,000 and combined this with their allocation of Vulnerable Renters Fund (£78,000) and ran an open application for financial support for residents. This was open to anyone in any tenure if their circumstances met the remit of the funding.
- 4.4 The second phase was April 2022 to September 2022 and comprised two elements:
- Exceptional Housing Support: Managed by TVBC's homeless prevention service, they worked with customers and landlords to make payments directly to landlords to reduce rent arrears and prevent homelessness.
 - Food Voucher Scheme: managed by Revenues, targeting eligible individuals. £65 food voucher issued to each pensioner in receipt of Pension Credit and Council Tax Support and £30 to each household in receipt of Council Tax Support.
- 4.5 This scheme supported 4,636 residents with total award of £231,770.
- 4.6 The third phase was October 2022 to March 2023 and supported 5,032 households, with a total award of £161,080. As with previous phase, this comprised two elements:
- Exceptional Housing Support (Jan – Mar): A further £48,000 was made available, which supported 312 households.
 - Food Voucher Scheme: Managed by Finance & Revenues, targeting eligible individuals. £30 food voucher to each household in receipt of Council Tax Support; and £50 to each household in receipt of Housing Benefit (but not Council Tax Support).
- 4.7 The fourth and final phase funded £50 food vouchers for 4,678 households on Council Tax Support, and £80 vouchers of 513 Housing Benefit only households.
- 4.8 In addition to the Housing Support Fund, the Benefits Team also manage the Discretionary Housing Payment Scheme, through which DWP provides funding to the Council to support people with housing costs. The table below shows the number of applicants and value of awards of this fund over the past five years:

Financial Year	Number of applications	Funding from DWP	Amount Spent
2019/20	503	£161537.45	£161056.15
2020/21	312	£206050.00	£198399.85
2021/22	276	£169159.00	£154562.23
2022/23	364	£119892.00	£107587.21
2023/24 (YTD)*	327	£119892.00	£97740.10

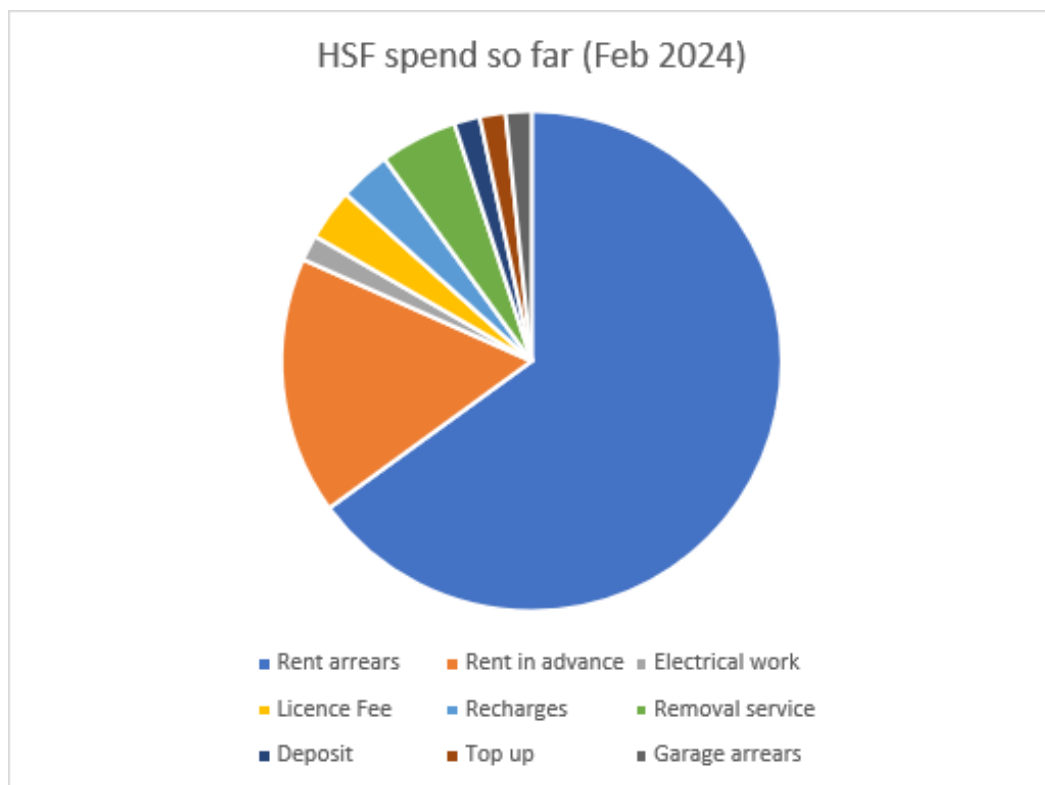
*Officers expect the remaining allocation to be spent by year end.

- 4.9 Despite a higher number of applications in 2022/23, there was a lower spend. This is primarily due to a lack of information being provided when requested, or the customer asking for support with things which could not be covered by the scheme.
- 4.10 The table below looks specifically at the Exceptional Housing Cost proportion of the Household Support Fund:

Date	Amount awarded	How it was administered	Number of Households assisted
Sept 21 – Mar 22	£97,000	Open application scheme – vouchers or payments to landlords	122
April 22 – Sept 22	£48,000	Via the Housing Options team – payments to landlords	26
Jan 23 – Mar 23	£48,000	Open application for £125 grants – payments to customers	312
Sept 23 – Mar 24	£97,000	Via the Housing Options team – payments to landlords	66
Total	£290,000		526

- 4.11 In each round officers have targeted residents who were struggling with their housing costs by working with both private and social landlords, the Housing Options team and working with those households in temporary forms of accommodation, whose rent arrears were a barrier to moving on to a settled home.
- 4.12 Officers have taken a holistic approach to helping households who needed assistance. Rather than just administering the grant they have linked people into essential services and sign posted them to other agencies who can provide support.

- 4.13 A range of households needed help from the Household Support Fund, those in work, those out of work, single people, families, and a range of ages.
- 4.14 People expressed financial pressures around day to day living expenses such as utility bills, food and fuel. Some households whose heating runs on oil struggled to make the upfront payment for their oil, support was given to them to enable this purchase.
- 4.15 Households with specific dietary requirements, allergies, gluten and dairy free, repeatedly featured as did households with children who maybe autistic and have sensitivities towards some food textures. In addition, financial pressures for new clothing, specifically shoes, and household items such as beds and kitchen appliances were highlighted.
- 4.16 In order to give choice and control to households, vouchers for supermarkets and Argos were purchased and distributed.
- 4.17 The current round of Household Support Fund has assisted 66 households with the following:



- 4.18 The following figures are also helpful to understand the context of support provided:
- 55% of those assisted had no children, 45% did have children.
 - 95% of households assisted did not have someone of pensionable age within their household, whilst 5% did.
 - 95% of households assisted did not have someone who considered themselves to have a disability, whilst 5% did.

5. Corporate Objectives and Priorities

- 5.1 The work of the Council in bringing together partners to discuss the impacts of the cost-of-living crisis forms part of the Council's community leadership role and focus on quality of life for all. More specifically it is relevant to the corporate priority areas of prosperity, connectedness, inclusion, and sustainability.

6. Conclusion

- 6.1 Whilst many of the national headline figures around inflation and interest rates appear to be past their worst, living costs are still significantly higher than they were two years ago, and the economic outlook generally remains uncertain.
- 6.2 We and our partners have experienced differing fluctuations in demand and impact in different parts of the borough, with some change in the demographics of those accessing support in the southern and rural areas, but support for the Foodbank sustaining and even growing. Whereas in the north, those accessing the urgent support of the Foodbank have decreased slightly in number with no significant change in demographics, but with drastically lower levels of donations.
- 6.3 Demand on Citizen's Advice has increased significantly, and it would be helpful to explore to what extent this is through closer working with the likes of the Foodbank extending their reach, and to what extent it is new clients who are not accessing the foodbanks (who have not seen significant increases in clients during the same period).
- 6.3 Although there have been differences in nature and fluctuations in demand between organisations, there is a consistently high level of need compared to historical levels.
- 6.3 The response of partners across the borough has shifted from a response footing, where there was a shared attitude of preparing for the worst, to a situation where organisations are looking to plan for how to provide sustainable support to households in the longer term. Although, as one partner described it, for many schemes of local support, an exit strategy due to reduced need is unlikely for many in the short term.
- 6.4 Nonetheless, there are ongoing opportunities for partners to work together to ensure that support is not only sustainable but provides a coordinated route of enablement and empowerment for households in Test Valley who are struggling with the increased cost of living.

Background Papers (Local Government Act 1972 Section 100D)

None

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:

None

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N/A

Report to:

Overview & Scrutiny
Committee

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