



**Report to: Policy and Resources Committee, 6<sup>th</sup> September 2022**

**Report of: Corporate Director – Operations, Homes & Communities**

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**Subject: COST OF LIVING TASK & FINISH GROUP – UPDATE REPORT**

**1. Recommendations**

**That the Committee:**

- 1.1 Notes the work undertaken by the Cost of Living Task and Finish Group to date;**
- 1.2 Approves the allocation of funding of £20,000 from the Council's Hardship Fund to Citizens Advice Worcester to provide increased staff capacity in order to manage increase in demand associated with the cost of living crisis;**
- 1.3 Approves an extension until 30 September 2022 that eligible households can draw down the 4 weeks of free school meals support previously approved via Managing Director Urgency Powers; and**
- 1.4 Delegates to the Corporate Director – Operations, Housing and Communities, in consultation with the Chair and Vice Chairs of the Committee, the option to award funding of up to £107,500 from the Hardship Fund to deliver further periods of free school meal provision during school holiday periods up until March 2023, where no such alternative provision is put in place.**

**2. Background**

- 2.1 The Policy and Resources Committee, on 24<sup>th</sup> May 2022, proposed to establish a cost of living task and finish group to consider the response to the emerging cost of living crisis and consider the impact, mitigating actions and support that could be provided to Worcester residents.**
- 2.2 The task and finish group was established with cross-party member representation by Councillors Jill Desayrah, Lucy Hodgson, Karen Lawrance, chaired by Louis Stephen and supported by officers Lloyd Griffiths, Shane Flynn and Tom Mountford and has met on a fortnightly basis.**
- 2.3 An initial action from the group led to the facilitation of a Cost of Living Crisis Conference aimed at bringing together agencies who provide help, advice and support services from across the District to outline their offer, to establish links and networks as well as mapping out gaps in service provision.**

- 2.4 The event on 13 July 2022 was attended by over 60 individuals representing 31 organisations who all contributed to the discussions. A directory of services has been developed and shared amongst agencies across the city with an evaluation report and action plan being developed with oversight of the Task and Finish group to capture the outcomes of the conference.
- 2.5 Proposed actions from the event included improving access to and awareness of services within Worcester, increased access to and extended provision of financial support and debt advice, exploring opportunities for the co-location of agencies and services in communities, the improved provision of information and advice for the public and agencies, further events to focus on specific tasks and actions around the cost of living crisis in Worcester and to create a link between the response to the cost of living crisis and role of the District Collaborative.
- 2.6 The primary responsibility for schools and the allocation of free school meals lies with Worcestershire County Council and through the April-September 2022 allocation of the Household Support Fund, the County Council announced that they would fund Free School Meals for eligible households across the County for the first two weeks of the summer holidays.
- 2.7 The task and finish group proposed the extension of the provision of free school meals for the remaining 4 weeks and 1 day of the school holidays for approximately 3,200 children (including pre-school aged). The estimated cost of this scheme was £215,000 which was met through the hardship reserve and approved through Managing Director Urgency Powers shortly before the end of schools summer term. This decision was reported to Policy and Resources Committee at its meeting of 26 July 2022.
- 2.8 Due to the tight timescales involved in delivering the scheme and processes needing to be established for the dissemination of the vouchers for both schools and the Council, there has not been full take up of the provision with approximately £164,000 having been drawn down by 2,523 students across 26 schools. In addition, we have established that additional schools have claimed all or part of their funding via the County system which we are in the process of reconciling.
- 2.9 Approximately 700 eligible households have not accessed the vouchers which in part is due to due to schools having been unable to contact all households. The extended provision provided by the Council has been widely publicised through media releases, social media and on the Council's website including information on how to access the vouchers if contact hasn't been made between school and family.
- 2.10 Once children and students return to school and college and contact is re-established with eligible households, it is proposed to provide the opportunity to those who have not been able to benefit from the extended scheme provided by Worcester City Council, to access the vouchers up until 30<sup>th</sup> September 2022 and reimburse the costs that they may have faced over the summer holidays. Any remaining, unclaimed funds would be returned to reserves at the end of September.
- 2.11 There has yet to be any announcements surrounding the provision of free school meals during future school holidays. However the importance of this provision remains high. This is particularly important during the autumn and winter months of 2022/23 where costs are likely to be highest for households impacted by the increased cost of living and energy prices.

- 2.12 Between now and March 2023, there will be 4 weeks of school holidays (1 week each at October and February half terms and 2 weeks at Christmas). The total anticipated cost therefore to provide free school meals during this period in Worcester would be approximately £215,000.
- 2.13 The Task & Finish Group has requested officers to recommend to this committee the approval of funding up to a value of £107,500 which accounts for 50% of the approximate projected cost to support further provision of free school meals during school holidays, where no such provision is in place. Subject to approval, this would enable officers to identify if gaps in provision are likely to exist and plan and prepare accordingly in a more timely fashion.
- 2.14 Citizens Advice Worcester is one of the primary points of contact which agencies sign-post individuals to for help, advice and support. They provide a range of services including benefits advice accounting for approximately 35% of advice provision, debt advice and housing advice. They distribute Food Bank Vouchers, with 4,141 people being fed by vouchers issued by Citizens Advice in 2021/22, up from 3,187 in 2020/21, and including 1,852 children. In 2021/22, 3,462 unique individual clients were assisted on 13,702 different advice issues leading to financial gains in excess of £2million for clients and the write off or rescheduling of over £250,000 of debts. Of the clients seen, 45% were either disabled or had a long-term health condition.
- 2.15 The significant proportion of advice and support provided by Citizens Advice is through volunteers provided both over the telephone and in person through drop-in sessions. In order to meet increased demand, additional volunteers are required which in turn require additional capacity to train and for supervision of their casework.
- 2.16 These services were supported due to increasing demand and to meet a specific need prior to the cost of living crisis. As household financial pressures have begun to increase, demand is rising further and is anticipated to rise significantly during the next six months if household bills and inflation rises as expected. A proposal has been drafted to fund a 0.5 FTE Advice Quality Supervisor at a cost of £20,000 to be allocated from the Hardship Reserve. This would allow up to 10 additional volunteers to be recruited and trained to provide additional debt assessments, income maximisation appointments and to enable Citizens Advice to open an additional morning each week for drop-in sessions, increasing accessibility to the service.
- 2.17 Citizens Advice anticipate that this would result in being able to facilitate an additional footfall of 250 face to face drop-in sessions, at least an additional 100 debt assessments, a further 60 additional advice appointments with anticipated financial outcomes of around £160,000 in additional income for clients.
- 2.18 The Task and Finish group has asked for officers to recommend funding this to the Policy and Resources Committee.

### **3. Preferred Option**

- 3.1 To extend the opportunity for eligible households to access the approved summer free school meal provision until 30<sup>th</sup> September 2022.

- 3.2 To delegate a financial allocation of approximately £107,500 to support 50% of the provision of free school meals (subject to County's position) during future holiday periods in the remainder of 2022/23 which would enable the City to move swiftly should it need to step in following consultation with the Chair and Vice Chair of the Committee.
- 3.3 To allocate £20,000 to Citizens Advice Worcester to employ a 0.5 FTE Advice Quality Supervisor for an initial period of 12 months.

#### **4. Alternative Options Considered**

- 4.1 To not provide any further financial support for the provision of free school meals during school holidays. This option is not being proposed due to the current financial hardship that households are facing which are anticipated to rise. The continued provision of free school meals mitigates the impact on children and alleviates an additional financial pressure on households which is otherwise recognised during term time. Furthermore, the Child Poverty Task and Finish Group and the recent Food Poverty Joint Strategic Needs Assessment identified evidence that Free School Meal vouchers are a priority for Worcester.
- 4.2 To provide financial support to cover the total proportion of free school meals during the school holidays at approximately £215,000. Although this is a consideration, there are insufficient funds available in the Hardship Reserve to cover the full cost and therefore, the preferred option remains a contribution towards the total allocation of funding which goes some way to mitigate the impact on eligible households.
- 4.3 To make a contribution to the Worcester Food Bank to increase stock and provision for households to access food should they require it. This option has been dismissed as many vulnerable and eligible households may not access this provision through choice and it could not be ringfenced to households eligible to free school meals. Significant funding has also been provided to the Foodbank by the Council including £50,000 through the Household Support Fund and £45,000 committed from the hardship fund over 3 years with £15,000 paid this year.

#### **5. Implications**

##### **5.1 Financial and Budgetary Implications**

The total financial proposals contained within this report amount to £127,500. The Hardship Fund is a suitable reserve to meet these costs.

The projected balance on the Hardship Fund at 31 March 2023 is £418,386, of which £215,000 has been allocated for free school meal provision to end September and £15,000 per year is committed to Worcester Foodbank for two further years. This leaves a balance of £173,386. Implementing the proposals in the report in full would reduce the balance to £45,886.

The primary purpose of the reserve is to alleviate financial hardship arising from Council Tax debt and there may, therefore, be other calls on the reserve during the year. Hence the recommendation that authority to draw on the reserve is delegated in consultation with the Chair and Vice Chairs of the Committee at this stage so that other potential pressures on the reserve can be taken into account, as and when they arise.

Citizens Advice Worcester receive funding from the Council. £35,000 was approved as a one-off payment at budget 2021/22 and £40,000 for 2022/23 to support the provision of financial advice. A further £20,000 was provided from Housing Support Grant Funding up to 31 March 2022, partly to meet the costs of supervising volunteers. In addition, there is £30,000 for support in accessing the private rented sector via their WHABAC scheme as well as individual projects such as support provision for the Rough Sleeper Accommodation Programme.

5.2 Legal and Governance Implications

There are no legal and governance implications identified in this report.

5.3 Risk Implications

There are no risk implications identified in this report.

5.4 Corporate/Policy Implications

The Worcester City Plan 2022 – 2027 has as one of its themes, 'A Healthy and Active City'. Within this theme the Council commits to 'Being positive about mental as well as physical wellbeing and happiness'.

The work of the Task and Finish group and recommendations that they have made, as set out in this report, send out a clear message that supporting residents through the cost of living crisis and promoting their mental and physical wellbeing is a key priority for the Council

5.5 Equality Implications

There are no adverse equality implications identified in this report.

5.6 Human Resources Implications

There are no Human Resources implications identified in this report.

5.7 Health and Safety Implications

There are no Health and Safety implications identified in this report.

5.8 Social, Environmental and Economic Implications

The provision of the additional free school meal provision will support those who are facing significant hardship as a result of the unexpected increase in household and energy costs.

The expansion of the provision of advice and support through Citizens Advice Worcester will also support those facing significant hardship.

**Ward(s):** All  
**Contact Officer:** Tom Mountford. Tel: 01905 722529; email  
Tom.mountford@worchester.gov.uk  
**Background Papers:** None