

## Manchester City Council Report for Information

**Report to:** Resources and Governance Scrutiny Committee – 11 January 2024

**Subject:** Anti-Poverty Budget Options

**Report of:** Deputy Chief Executive and City Treasurer

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### Summary

This report identifies the current budgets and support the Council operates in delivering its Anti-Poverty measures, offers options for future Anti-Poverty provision and provides a suggested framework for describing ongoing Anti-Poverty provision and expected outcomes.

The report covers:

- Council Tax Support Scheme
- Household Support Fund
- Vulnerable Renters Fund
- Cost of Living Budget
- Discretionary Housing Payments
- Welfare Provision Scheme
- Discretionary Council Tax Payments
- Vulnerable Renters Fund
- Voluntary sector support
- Council Tenants' Support Fund
- Making Manchester Fairer – Anti Poverty Strategy
- Anti-Poverty Budget Framework

### Recommendations

The Committee is recommended to consider and comment on the information in the report.

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**Wards Affected:** The anti-poverty schemes are provided across all wards in the city. The wards with higher deprivation have higher levels of residents in receipt of means tested benefits and discretionary awards.

<b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	The range of anti-poverty measures covered in this report represent a mix of neighbourhood based, digital, phone and postal support based on the most effective way of meeting resident need. The mix of support mechanisms helps to limit the requirement to travel to access support.
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<b>Equality, Diversity and Inclusion</b> - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Consideration of equality, diversity and inclusion issues for Manchester residents and businesses have been taken into account in the development and delivery of the schemes covered in the report.
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<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The anti-poverty mechanisms covered in the report are aimed at maximising residents' financial well-being and contributing to wider economic recovery.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The anti-poverty mechanisms covered in the report are aimed at maximising residents' financial well-being and building individual capacity to contribute to and benefit from the city's economic success.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	This report provides details of anti-poverty schemes that provide support to residents on a low income and assist in building individual capacity to contribute to and benefit from the city's economic success.
A liveable and low carbon city: a destination of choice to live, visit, work	The report provides details on plans to maintain support to residents to respond to the cost-of-living pressures and to build individual capacity to contribute to and benefit from the city's economic success.
A connected city: world class infrastructure and connectivity to drive growth	N/A

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Welfare Provision Scheme Policy 2023/24

[Welfare provision scheme policy | Manchester City Council](#)

Discretionary Housing Payments Policy 2023/24

[Discretionary Housing Payments policy | Manchester City Council](#)

[Household Support Fund 4 Scheme](#)

## **1.0 Introduction**

1.1 This report identifies the current budgets and support the Council operates in delivering its Anti-Poverty measures, offers options for future Anti-Poverty provision and provides a suggested framework for describing ongoing Anti-Poverty provision and expected outcomes.

1.2 The report covers:

- Council Tax Support Scheme
- Household Support Fund
- Vulnerable Renters Fund
- Cost of Living Group
- Discretionary Housing Payments
- Welfare Provision Scheme
- Council Tax Support Fund
- Discretionary Council Tax Payments
- Vulnerable Renters Fund
- Voluntary sector support
- Council Tenants' Support Fund
- Making Manchester Fairer – Anti Poverty Strategy
- Principle of approach - Proportionate Universalism
- Anti-Poverty Budget Framework and Options

1.3 The report focuses on the schemes and budgets providing support to residents during 2023/24 and considers options for 2024/25 and beyond. Two core drivers within the report are:

1. The current uncertainty around the level of discretionary and temporary government funding that will be provided in 2024/25 and beyond.
2. Seeking a balance across the short, medium, and long term in meeting the demand for support from residents in crisis while seeking to build capacity for self-sufficiency within households.

## **2.0 Background**

2.1 In response to the pandemic and the cost-of-living crisis the Council has provided support to residents using a range of budgets and mechanisms. The Council's approach can be seen in operation in three parts:

- Short-term response – Range of crisis support schemes
- Medium-term response – Anti-Poverty Strategy
- Long-term response – Making Manchester Fairer

2.2 The focus of this report is on the short-term and medium-term responses and looks at the schemes and budgets providing support to residents during 2023/24 and considers options for 2024/25.

2.3 Successful interventions in these areas are expected to support the delivery of long-term aims. The appropriate balance needs to be struck in funding across the short, medium and long term interventions with a view to shifting towards those measures that tackle health inequalities

**2.4 Making Manchester Fairer**

2.4.1 Making Manchester Fairer (MMF) is Manchester City Council’s five-year action plan to address health inequalities in the city, focussing on the social determinants of health. In the wake of the COVID-19 Pandemic and the cost-of-living crisis, the need to tackle inequalities in the city continues to be a corporate priority.

2.4.2 The delivery of MMF can be described by its eight themes, four ways of involving communities and six principles that underpin the way the programme will be delivered (Table 1).

<b>MMF Delivery Plan Themes, Principles and Ways of Involving communities</b>		
<b>Themes</b>	<b>Principles</b>	<b>Way of Involving communities*</b>
Early years, children and young people	Proportionate universalism and focus on equity	Listen to us
Poverty, income and debt	Respond to and learn from the impact of COVID 19	Trust us
Work and employment	Tailor to reflect the needs of Manchester	Employ us
Prevention of ill health and preventable deaths	Collaboration, creativity, and whole system approach	Create and support the conditions for social connections to develop and flourish
Homes and Housing	Monitoring and evaluate to ensure we are Making Manchester Fairer – narrowing gaps with Manchester as well as regional and national averages	
Places, transport and climate change	Take a life course approach with action on health inequalities starting before birth and right through to focus on ageing and specific needs of older people	
Communities and power		
Systemic and structural racism and discrimination		

(Table 1) \*Based on insight from community group engagement.

## 2.5 Anti-Poverty Strategy

2.5.1 The Anti-Poverty Strategy (APS) was formally adopted at Executive in January 2023 and is the main route to delivering against the MMF theme of reducing poverty and debt. It sets out our vision that the whole of Manchester will work together to reduce poverty and lessen the impact of poverty on our residents. The strategy has four themes which are:

- Preventing Poverty
- Mitigating Poverty
- Pathways out of Poverty
- Inclusive Delivery

2.5.2 The approach to Cost of Living, Anti-Poverty and Making Manchester Fairer (including Health Equity) is summarised in Figure 1. below.



(Figure 1)

## 3.0 Anti-Poverty Budgets 2023/24

3.1 Since October 2021 the largest temporary budget designed to support residents has been the Household Support Fund (HSF). The Council has received the following funding:

Household Support Fund Budget	
Period	Amount
<b>2021/22 Financial Year</b>	
1/10/21 - 31/3/22	£6,453,163
<b>2022/23 Financial Year</b>	
1/4/22 - 30/9/22	£6,453,163
1/10/22 - 31/3/23	£6,453,163
<b>2023/24 Financial Year</b>	
1/4/23 - 31/3/24	£12,906,326

(Table 2)

- 3.2 At the time of writing the Government has not announced whether the HSF, or a comparable budget for a similar purpose, will be provided for 2024/25 although this is thought to be unlikely.
- 3.3 To date around 50% of the HSF budget has been used to maintain Free School Meals (FSM) provision across the school holidays. Without HSF, or its equivalent, it is difficult to identify how FSM support during the school holidays can be maintained.
- 3.4 The other schemes and budgets itemised in the Introduction are either funded from Council funds (Revenue Support Grant, Housing Revenue Account or Reserves) or funded by Government and known to be maintained for 2024/25.
- 3.5 It should also be noted that in 2023/24 the Council has provided an additional £3.55m for the Cost of Living Budget and ringfenced £2m from the council tax increase to support residents which was split between £1m in Discretionary Council Tax Payment support and £1m to increase the voluntary sector support to £3.4m in voluntary. The Council has committed to maintaining this support for future years and to ensure that any funding available, either from local or government funds, has the best impact for our residents and on our communities, supporting the Council's policies.
- 3.6 When considering support, the national context is considered, especially in relation to the wider welfare benefits regime. Whilst the Council cannot mitigate for the changes to the welfare system there are important contextual factors which impact on the level of demand for discretionary support. To date the Government response to the cost-of-living pressures has provided a range of nationally and locally delivered government funded schemes; while increasing inflation and financial pressures indicate a continuing and substantial need for welfare support.
- 3.7 A number of other budgets not included in this report are covered in detail in the Revenues and Benefits Update Report of 7 Sept 2023 listed as a background report in this paper.
- 3.8 Table 3 sets out the Anti-Poverty budgets utilised in 2023/24.

<b>Anti-Poverty Budgets 2023/24</b>			
<b>Scheme</b>	<b>Budget</b>	<b>MCC Funded</b>	<b>Govt Funded</b>
*CTS (ongoing)	£19.8m	Yes	/
HSF4 (assumed ends after 2023/24)	£12.9m	/	Yes
Vulnerable Renters Fund (ongoing)	£3.5m	/	£3.5m
Cost-of-Living Group (ongoing) see breakdown in table below	£3.55m	Yes	/
Voluntary Sector Support	£2.4m	Yes	/
**Discretionary Housing Payments (ongoing)	£2.4m	£1m	£1.4m
Welfare Provision Scheme (ongoing)	£1.3m	Yes	/
Council Tax Support Fund (ends after 2023/24)	£1.29m	/	Yes
£2m targeted support - £1m discretionary council tax support as per June 2017 Executive (used to fund CTS increase to 85% in 2024/25 - ongoing)	£1m	Yes	/
£2m targeted support - £1m OMS Grant Scheme (ongoing)	£1m	Yes	/



Council Tenant Support Fund (HRA - amount for 2024/25 under review)	£1m	Yes	/
*** MMF Reserve (one off)	£3m	Yes	
<b>Total</b>	<b>£53.14m</b>	<b>£34.05m</b>	<b>£19.09m</b>

(Table 3)

\*CTS funding was rolled into the RSG in 2014 where it has been assumed CTS has reduced year on year in line with the cuts to Manchester's Settlement Funding Assessments (SFA).

\*\*A further £250k allocated to DHP from the £3.55m Cost-of-Living Group budget.

\*\*\*The MMF reserve is one off funding of £3m. £2.281m has been used to support the Kickstarters programme, and this is phased over 2023/24 (£1.1m) and 2024/25 (£1.181m). The remaining £0.719m budget is allocated to programme delivery that includes, staffing costs, communications and other commissioned activity.

A brief overview of these budgets is provided in the sections below.

### 3.9 Council Tax Support

- 3.9.1 Council Tax Support (CTS) pays up to 100% of Council tax liability for pension-age households and up to 82.5% for working-age households. At 31 October 2023 the CTS caseload comprised 15,411 pension-age cases and 32,310 working-age cases.
- 3.9.2 CTS represents the biggest Council spend in support of residents facing financial hardship. In April 2014 CTS funding was rolled into the Revenue Support Grant (RSG), where it has been assumed CTS has reduced year on year in line with the cuts to Manchester's Settlement Funding Assessments (SFA). As at 30 September 2023, the notional 2023/24 CTS funding from Government was estimated at £24.159m, while the cost of the scheme is £43.973m, which means the Council is now subsidising the scheme by £19.814m.
- 3.9.3 The Council has recently carried out public consultation about proposals to increase the maximum level of working-age Council Tax Support from 82.5% to 85%, and to extend backdating from up to six months to up to 12 months for all ages. If approved, this represents an increase in Council support of c£0.77m in 2024/25.
- 3.9.4 Based upon the proportion of Council tax liability attributable to Manchester City Council and excluding the precepting authorities' elements (Fire/Police/Mayor) the increase to maximum CTS of 85% in 2024/25 means that working-age households on maximum CTS should pay less next year (see Tables 4a and b).

3.9.5 However, the loss of the Council Tax Support Fund (see Section 3.2) means that in this scenario working-age households on maximum CTS in Band A and Band B properties will pay more next year (see Tables 5a and b).

Property CTax Band	2023/24 (MCC only) (£)	2024/25 (+4.99% MCC Only) (£)	2023/24 Amount to pay after 82.5% CTS award (£)	2024/25 Amount to pay after 85.0% CTS award (£)	Reduction in amount to pay in year (£)
Band A	1,078.84	1,132.67	188.80	169.90	(18.90)
Band B	1,258.64	1,321.45	220.26	198.22	(22.04)
Band C	1,438.46	1,510.24	251.73	226.54	(25.19)
Band D	1,618.25	1,699.00	283.19	254.85	(28.34)
Band E	1,977.87	2,076.57	346.13	311.49	(34.64)
Band F	2,337.47	2,454.11	409.06	368.12	(40.94)
Band G	2,697.09	2,831.67	471.99	424.75	(47.24)
Band H	3,236.51	3,398.01	566.39	509.70	(56.69)

(Table 4a)

Band A (Single)	809.13	849.50	141.60	127.43	(14.17)
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(Table 4b)

Property CTax Band	2023/24 (MCC only) (£)	2024/25 (+4.99% MCC Only) (£)	2023/24 Amount to pay after 82.5% CTS award less £25 CTS Fund (£)	2024/25 Amount to pay after 85.0% CTS award (£)	Additional / (reduction) in amount to pay in year (£)
Band A	1,078.84	1,132.67	163.80	169.90	6.10
Band B	1,258.64	1,321.45	195.26	198.22	2.96
Band C	1,438.46	1,510.24	226.73	226.54	(0.19)
Band D	1,618.25	1,699.00	258.19	254.85	(3.34)
Band E	1,977.87	2,076.57	321.13	311.49	(9.64)
Band F	2,337.47	2,454.11	384.06	368.12	(15.94)
Band G	2,697.09	2,831.67	446.99	424.75	(22.24)
Band H	3,236.51	3,398.01	541.39	509.70	(31.69)

(Table 5a)

Band A (Single)	809.13	849.50	116.60	127.43	10.83
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(Table 5b)

### 3.10 Council Tax Support Fund

3.10.1 In 2023/24 the Council received £1.286m of Council Tax Support Fund. This is a one-off Government fund paid to apply a £25 reduction to Council tax bills for working-age and pension-age households entitled to CTS. Any remaining funding after these payments have been made can be used discretionally to support residents making Council Tax payments.

3.10.2 At 30 September 2023 we had applied £999,058 to 39,610 accounts, leaving a balance of £287,291 as shown below:

Funding	No. Payments	£	%
Awarded	-	£1,286,349	100.0%
Applied to 30 Sept	39,610	£999,058	77.7%
Remaining	-	£287,291	22.3%

(Table 6)

3.10.3 Based upon spend across April to September 2023 we estimate that c£110k further may be paid out in £25 reductions up to the end of March 2024. The final underspend of c£177k will be allocated to the 2023/24 Discretionary Council Tax Payment budget.

### 3.11 Household Support Fund

3.11.1 The Household Support Fund scheme was introduced by Government in response to the cost-of living crisis in September 2021. Government guidance around the scope of the scheme has changed over time but the primary expectations of addressing fuel and food poverty and targeting support at the most vulnerable households have remained constant.

3.11.2 The use of the HSF is split between targeted payments to residents who meet the criteria and on other forms of support agreed by the Council. As noted earlier in the report, the single biggest area of HSF spend is on Free School Meals provision across the school holidays. This represents c£6.4m per year. In addition, the Holiday Activity Fund was topped up by £285k (£95k x 3) for the three half-term periods which do not attract Government funding. Other targeted support is also provided such as the £150k for care leavers.

3.11.3 The full range of households supported by HSF and the projected spend at 31 March 2024 is shown at Appendix One. A review of projected spend is currently in progress and the projected underspend of c£56k will be directed to ensure the full HSF budget is allocated to vulnerable households.

3.11.4 No New Burdens funding is provided to address the cost of administration of HSF.

### 3.12 Vulnerable Renters Fund

3.12.1 The Vulnerable Renters Fund (VRF) is partly funded by the Government's Homeless Prevention Fund of £3.5m. The total estimated VRF spend this year is c£5m which has been funded from within the overall Homelessness budget. The VRF is used as a key tool in enabling the Council to secure privately rented accommodation for households who would otherwise be placed in temporary accommodation. The spend reduction realised by the Council in utilising VRF to limit the use of temporary accommodation is estimated to be in the region of £20m in 2023/24.

### 3.13 Residents at Risk Cost of Living Group

3.13.1 Evidence shows that there are over 100,000 households in Manchester, which struggle with cost-of-living pressures. In response, the Council reinstated the Residents at Risk group in October 2022. The group brings together MCC services and health partners to support our residents and neighbourhoods who need it most. Underpinned by the Cost of Living Advice Line (freephone & online), the offer includes financial support and advice, community food response, support for VCSE organisations to increase their resilience and capacity, targeted support for communities experiencing the most adverse impacts, neighbourhood response with events targeted at priority wards, warm spaces, work with schools and digital inclusion.

3.13.2 There is a budget of £3.55m to support the work of the group. The budget is allocated in line with Making Manchester Fairer and Anti-Poverty principles, including proportionate universalism and a cash first approach. The budget is allocated to meet need and add value to mainstream budgets and this year has been spent on:

<b>Cost of Living Budget 2023/24 and 2024/25</b>				
	<b>2023/24</b>			<b>2024/25</b>
Cost-of-Living Group budget allocations:	Budget (£000's)	Forecast Spend (£000's)	Variance (£000's)	Proposed allocation (£000's)
COL - Food response (staff)	172	200	28	164
COL - Food response (food)	1,030	1,030	0	1,136
COL - WPS	650	0	-650	0
COL - DHP	500	250	-250	400
COL - VCSE	600	600	0	700
COL - CHEM	250	250	0	250
COL - CAM additional advice	250	150	-100	100
COL - Comms / Engagement	40	80	40	80
COL - Digital Inclusion	45	22	-23	47
COL - Contingency	13	0	-13	0
Holiday Activity Fund (ex-HSF)	0	0	0	285
Carers £10 Uplift (ex-HSF)	0	0	0	208
Anti-Poverty Priorities	0	0	0	178

<b>Total</b>	<b>3,550</b>	<b>2,532</b>	<b>-968</b>	<b>3,548</b>
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(Table 7)

3.13.3 The £968k underspend relates to the following:

- £650k initially directed to support Welfare Provision has not been spent due to lower than expected demand. The primary factor for this is understood to be the continuing level and reach of Household Support Fund support paid directly to households. It should be noted that if HSF is not continued in some form in 2024/25 then demand for Welfare Provision support is likely to significantly increase.
- Similarly presenting demand for DHP means that £250k of the £500k initially allocated is not required.
- The CAM additional advice offer went live in September 2023, meaning that £100k of the allocated budget is not needed this year.

3.13.4 For 2023/24 it is recommended that the £200k of the underspend is to cover high demand for Childrens Section 17 payments.

### **Section 17**

3.13.5 Childrens Services has seen an increase in families presenting with a need for help and support in accordance with s17 Children Act 1989. Whilst advice, signposting and support is provided, often the presenting need is for items such as food, energy, essential items (clothing) and travel to maintain contact with families.

3.13.6 This additional demand for support and help is related to the impact of parents struggling to manage and meet the day to day needs of their children and struggling to contribute to the cost of paying for activities and keep in contact with children that do not live in the same household.

3.13.7 Families are reporting rising costs of housing, food, energy, transport, and other essential items making it harder for low-income families to afford their basic needs.

3.13.8 Families have also reported that the gaps and delays in Universal Credit claims impact on families getting timely support.

3.13.9 In 2023/24 the pressure on this budget means there is a projected overspend of c£300k. As stated above it is recommended that this is met from the £3.55m as per the above. For 2024/25 this is being picked up as part of the budget setting process.

### **3.14 Discretionary Housing Payments**

3.14.1 Discretionary Housing Payments are funded in part by the Department for Work and Pensions (£1.4m) with an additional £1.25m funding provided by the Council.

3.14.2 Rent increases in the private rented sector in Manchester means that fewer properties are affordable and available to households claiming Housing Benefit or Universal Credit (Housing Element). Applications are handled on a case-by-case basis to support residents to maintain tenancies and prevent homelessness. Social landlord tenants are also supported, particularly in response to under-occupation reductions. It is projected that the full DWP and Council allocations, totalling £2.65m will be spent.

3.14.3 Pressures on homelessness and supported accommodation budgets are increasing and if there is any underspend at the end of the year it is recommended that this is carried forward for use in 2024/25.

### **3.15 Welfare Provision Scheme**

3.15.1 The Council's Welfare Provision Scheme (WPS) provides financial support in the form of cash and household goods to Manchester residents who are suffering financial hardship. This includes supporting residents moving from temporary accommodation into general needs accommodation; providing cash to respond to fuel poverty and financial hardship; and supporting carers, including those households where a child or young person is the carer. Demand has been lower than projected. This is likely to be due to the range of support provided through HSF4. £900k of the £1.3m mainstream budget is projected to be spent and £150k of the £200k HSF funding allocated to WPS.

3.15.2 The £50k HSF underspend will be reallocated within the HSF scheme.

### **3.16 Discretionary Council Tax Payments**

3.16.1 Discretionary Council Tax Payments (DCTP) are used to support households to pay towards Council tax shortfalls in exceptional circumstances. DCTPs also includes support for care leavers.

3.16.2 As part of the 2023/24 Budget Setting process an additional investment of £2m was agreed to provide additional targeted support for vulnerable residents and the voluntary sector and additional support to the most vulnerable residents suffering direct hardship. £1m of this was directed towards supporting residents to manage council tax debt.

3.16.3 In June 2023, the Council's Executive agreed that this would be used to fund a range of flexibilities in the approach to Council Tax collection and recovery, including a more generous approach to making DCTP scheme payments to residents between now and the end of March 2024. This allows payments of up to £500, or an amount equivalent to three monthly instalments, to be made by staff in the Customer Service Organisation where they believe it will allow residents to continue to meet their regular monthly instalments in the future.

3.16.4 Other flexibilities include:

- An informal breathing space for residents when referred by an Advice Agency or a Manchester Councillor

- Writing off all but the most recent set of summons costs when a resident in receipt of maximum CTS engages with the Council Tax Service. Non collection of these costs has already been accounted for in the Council's bad debt provision.
- Writing off summons costs incurred in the current year when residents who have been summonsed contact the Council to make an arrangement.

3.16.5 For 2024/25 it was proposed that the Council should consider the current Council Tax Support Scheme and whether the threshold levels remain appropriate. The associated costs are to be met from this £1m. The report elsewhere on this agenda shows that the consultation shows significant support for increasing the level of council tax support from 82.5% to 85% and sets out that the costs of this and the other recommended policy change of allowing backdating for 12 months at c£770k.

3.16.6 Following the more generous approach to DCTP agreed by the Executive in June 2023, by the end of November 2023 more than £133k has been paid out to residents who are struggling, compared to £46k in the whole of 2022/23. If payments under the scheme continue at the same rate, around £255k will be spent by March 2024, over £200k more than last year.

3.16.7 Similarly, summons costs have been withdrawn at a faster rate than last year since the Executive meeting in June. £441k of costs were withdrawn between June and November 2022, compared with £647k between June and November 2023. If costs continue to be withdrawn at the same rate, £340k more summons costs will have been withdrawn due to the flexibilities introduced.

3.16.8 In total, if current trends continue, over £500k will be committed to reducing the amount struggling residents have to pay towards their Council Tax responsibilities.

3.16.9 These flexibilities have been widely welcomed by advice agencies in the city, but the original intention was that the more generous approach to DCTP and the withdrawal of summons costs would last until March 2024. However, it is unlikely that all of the £1 million set aside by the Council to support residents with Council Tax payments will be spent by March 2024. Because of the popularity with the third sector, who have recognised the benefits to residents, and the flexibility this gives to staff in the Council Tax Service and the Customer Service Organisation to support people struggling to pay their Council Tax, it is recommended that the approach will continue beyond April 2024 to ensure that all of the £1 million is spent supporting Manchester residents.

3.16.10 The additional costs from the additional support measures will be met from carrying forward the underspend from 2023/24 and the balance of the £1m allocated to fund the changes to the CTSS.

### 3.17 **Voluntary sector support**

3.17.1 Most Voluntary, Community and Social Enterprise (VCSE) organisations have seen an increase in demand for services while their own costs have increased. The Council operates a number of VCSE-targeted grant funding arrangements via the Our Manchester Funds Programme, within the City Policy Service (note that this is just one aspect of the Council's total of circa £35 million annual investment in the VCSE sector, ranging from micro-grants to large contracts and commissions).

3.17.2 Key to the Our Manchester Funds Programme is the Our Manchester Voluntary and Community Sector (OMVCS) fund. This is a £2.4 million per annum fund (administered on a three-year basis) from mainstream budgets for 2023-26) and is aligned to the aims of the Our Manchester Strategy. The OMVCS fund supports the wider cost-of-living objective, as it includes poverty action as one of its three priority aims (along with advancing inclusion and addressing health inequalities). The fund supports 43 VCSE organisations, on grant agreements until March 2026. As such, whilst it is relevant to the wider cost-of-living activity, it is not in scope for adjustment in the options put forward in this report.

3.17.3 Similarly, the Our Manchester Funds Programme includes the Supporting Communities Fund (SCF). This is a £1 million per annum mainstream fund supporting 16 organisations in each of 2023-24 and 2024-25, and came from the £2 million additional resources for vulnerable residents and VCSE, agreed as part of the budget setting process in 2022-23. The SCF funds cost-of-living support delivered by community infrastructure groups (i.e. community centres). Again, organisations on this fund have funding agreements in place until March 2025, so adjustment to this budget is not in scope for the options put forward here.

3.17.4 In addition, the Our Manchester Funds Team has administered a VCSE Cost of Living Grant Programme, funded from the MCC Cost of Living Budget. This is a £600,000 fund, which enables community groups to continue and/or enhance current delivery of activities which contribute to a sustained recovery from cost of living-related issues. The types of activity that the fund aims to support include but are not limited to:

- Advice services, especially related to financial management support
- Debt recovery support
- Support to access unclaimed benefits
- Employability / supported employment activities
- Adult education, especially when linked to employability support
- Support for communities of identity at greater risk of financial and / or energy-related challenges in the winter

3.17.5 The fund is supporting 44 organisations from November 2023 to at least 31 March 2024 (some organisations have costed their bids to extend the



enhanced offer beyond this point). Running a second round of this funding in 2024-25 is included within this report's options.

3.17.6 The above budgets are fully committed.

### **3.18 Council Tenants' Support Fund**

3.18.1 The £1m Council Tenants' Support Fund is funded by the HRA and administered by Housing Services to be paid to tenants presenting with immediate financial need. The main drivers for support are fuel poverty and basic financial hardship. The fund was increased to enable up to £1m in support fund to be allocated to tenants in financial hardship and mitigate the impact of the 7% rent increase for Housing Services. Government restricted rent increases for social housing properties to a maximum of 7%, except for PFI areas where CPI plus 1% or 11.1 % was applied.

3.18.2 The level of funding for 2024/25 is being considered separately as part of the work on the HRA. Any underspend in this financial year will be carried forward to 2024/25.

### **3.19 Making Manchester Fairer – Anti Poverty Strategy resourcing**

3.19.1 MMF and APS work and actions currently support the objective to provide medium to long term interventions and provisions that prevent and tackle poverty and create whole system changes that address the causes of poverty.

3.19.2 The work is funded by a £3m one off reserve of which £2.281m has been used to fund phase one Kickstarter schemes. The remaining budget is allocated to programme delivery that includes staffing costs, communication and other commissioned activity. The budget has been invested as follows:

3.19.3 In 23/24 £270k has been allocated to programme delivery that includes, staffing costs, communications and other commissioned activity and £1.1m to Kickstarter Schemes.

3.19.4 In 24/25 £449K is allocated to programme delivery that includes, staffing costs, communications and other commissioned activity and £1.181M to Kickstarter Schemes.

3.19.5 Investment in the MMF Kickstarters of £2.281m over the 2023/24 and 2024/25 financial years has been identified from Public Health reserves. With the expectation that investment in the Kickstarters will provide long term benefits by reducing or preventing demand in high demand areas such as the health and social care system, Homelessness and mental health services in two years.

3.19.6 The Kickstarter Scheme identifies two areas of focus:

- i) Improving Health Equity for Children and Young People

- ii) Early Help for Adults Experiencing Multiple and Complex Disadvantage with the corresponding budget to support delivery (the budget is one-off which will be exhausted by Q4 of 24/25):
- Early Help for Adults – £850k.
  - Children and Young People – Early years and development support - £1m.
  - Children and Young People – Young Peoples Mental Well Being - £431k.

3.19.7 The above budgets have been assumed to represent £1.1m spend during 2023/24 as indicated in the note beneath Table 3.

3.19.8 All the Kickstarters have applied the MMF principles with a key focus on equity and the principle of 'proportionate universalism' - meaning resources are allocated at the appropriate scale and intensity to reflect the needs of that community / cohort of residents.

3.19.9 As an example of this in practise the Childrens element of the Improving Health Equity for Children and Young People Kickstarter has implemented a 3-tier support offer delivered by a collaborative task force of services to provide intensive, targeted and universal support and interventions for children and families in early years.

Tier One: Intensive support for 10 primary schools based on presenting need.

Tier Two: Higher level support for 40 primary schools based on presenting need.

Tier Three: Something for all primary school children.

3.19.10 The principle of proportionate universalism has been applied in thinking about shaping the options for the 2024/25 Anti-Poverty Budget.

3.19.11 In the Anti Poverty Strategy (APS), Debt, Advice and Dignity are key to supporting the prevention and mitigation of poverty for Manchester Residents Given the priority of this work, and as part of work to shift resources into actions that will impact on health inequalities, there will be a need to develop an evidence based investment strategy that, along with the interventions in the APS will focus on:

- Benefit maximisation and budgeting skills - ensuring that residents are not only receiving their full entitlements but also providing the skills to manage their money independently.
- Supporting young people to become financially literate, to give the tools and knowledge to make financial decisions. Which would support the badges set out in the Child Friendly City Plan and reflect the voice of young people who are at the risk of falling into poverty.

- A flexible fund that supports the VCSE sector to deliver lasting and sustaining interventions designed with the support of VCSE partners and the Anti-Poverty Insight Group.

3.19.12 In addition, there is an opportunity to fund and mainstream elements of the MMF Kickstarters that have been provided to support residents and create resilience around poverty in communities and neighbourhoods where there is most need.

### 3.20 Total Anti-Poverty Budget 2023/24

3.20.1 The table below summarises the Anti Poverty budgets for 2023/24, identifies any variances in spend and offers recommendations on how any underspend may be allocated. The variances all sit within the Cost of Living Group budget apart from the Council Tenant Support Fund variance of £250k, which is contained within the HRA and will be addressed separately.

3.20.2 The total amount of budgeted resources that have been used to support the Anti-Poverty Budget 2023/24 represents c£53.14m in 2023/24. Of this £19.09 is funded by central government with the remainder £34.05m, directly funded by the Council.

Anti-Poverty Budgets 2023/24				
Scheme	Budget	Projected Spend	Variance	Recommendations
	£'000	£'000	£'000	
*CTS (ongoing)	19,800	19,800	-	Part of the Collection Fund and assumed spent
HSF4 (assumed ends after 2023/24)	12,900	12,900	-	Presumed funding will end in 2024/25. See separate table for breakdown.
Vulnerable Renters Fund (ongoing)	3,500	5,000	1,500	The overspend will be met from within existing Homelessness budgets and funding.
<b>£3.55m Cost of Living Support</b>				
Food Response	1,202	1,230	28	Moderate overspend to be covered by underspend in other areas.
Local Welfare Provision	650		(650)	It is recommended that £300k is used to fund to S17 payment shortfall.
Contingency	13		(13)	
Discretionary Housing Payments	500	250	(250)	The Vulnerable Renters Fund helps to manage demand on DHP
CHEM	250	250	-	Expect to spend in full

Support to VCSE	600	600	-	Expect to spend in full
Expand Debt Advice and Support Offer	250	150	(100)	Expanded offer commenced in September
Comms and Engagement	40	80	40	Level of activity and costs exceed initial estimate
Digital Inclusion	45	22	(23)	Staff costs covered from August
<b>SUB TOTAL</b>	<b>3,550</b>	<b>2,582</b>	<b>(968)</b>	
Voluntary Sector Support	2,400	2,400	-	Expect to spend in full
**Discretionary Housing Payments (ongoing)	2,400	2,400	-	Expect to spend in full
Welfare Provision Scheme (ongoing)	1,300	900	(400)	Demand on core scheme lower than projected
Council Tax Support Fund (ends after 2023/24)	1,290	1,109	(181)	Balance to be applied to Discretionary Council Tax Support
<i>£2m Targeted Support</i>				
Discretionary council tax support as per June 2017 Executive	1,000	500	(500)	Committed in 2024/25 to support the increase in CTS. Recommended to c/f the balance from 23/24 to continue the discretionary measures in 204/25.
£2m targeted support - £1m OMS Grant Scheme (ongoing)	1,000	1,000	-	
Sub Total	2,000	1,500	(500)	
* Council Tenant Support Fund (HRA - amount for 2024/25 under review)	1,000	750	-	Ringfenced to HRA and as per the HRA Report elsewhere on the agenda any underspend will be carried forward to 2024/25.
** MMF Reserve (One Off)	3,000	1,370	-	Will be fully committed over the life of the reserve
<b>Total</b>	<b>53,140</b>	<b>50,711</b>	<b>(549)</b>	

\* Shown as fully committed as the projected £250k underspend will be carried forward into 2024/25

\*\* Shown as fully spent it is planned to spend the reserve over more than one year.

(Table 8)

3.20.3 Of the variances outlined above it is recommended that:

- £500k is carried forward to continue the discretionary support measures for council tax debt in 2024/25
- £300k is used to fund the shortfall in the Children's Services S17 budget.
- £1.25m of the shortfall in the vulnerable renters fund is met from the other welfare support budgets.

The Committee are asked to comment on these recommendations before they are included in the February Global Monitoring Report.

**4.0 Anti-Poverty Budget Framework and Options 2024/25**

4.1 The Autumn Statement announced on 22 November 2023 confirmed the following support for people in 2024/25 receiving government administered welfare benefits:

- Uprating of all working age benefits by 6.7% (based on September 2023 Consumer Price Index).
- Uprating of basic state pension, new state pension and Pension Credit standard minimum guarantee by 8.5% (in line with average earnings growth).
- Increasing Local Housing Allowance rates to the 30th percentile (last increased in April 2020). (NB Government are yet to announce the new LHA rates).

4.2 The Autumn Statement does not indicate HSF funding for 2024/25 and it is unlikely the scheme will be extended.

4.3 This report goes on to consider the recommended application of the anti poverty budgets assuming the loss of the Household Support Fund and Council Tax Support Fund (used to fund the £25 reduction on council tax bills for households receiving CTS), representing a reduction of £14.19m resources compared to 2023/24.

**4.4 Overview**

4.4.1 The budget available for anti-poverty activity on the basis of losing HSF and CTS Fund funding is £38.55m.

4.4.2 Apart from the £3.55m Cost of Living Group budget the schemes shown in Table 9 the budgets are assumed to be fully committed, although they will need to be carefully monitored to understand the demand on budgets like the Welfare Provision scheme with the ending of the HSF. There are decisions that will be required and included as part of the final stage of the budget process on how the £3.55m funding for the Council’s anti poverty priorities is used. This report sets out the recommended approach for members to comment on to inform the final decisions.

	<b>2023/24</b>	<b>2023/24</b>	<b>2024/25</b>
Scheme	Budget Allocation	Forecast Spend 2023/24	Recommended 2024/25 Allocation
	£'000	£'000	£'000
<b>Cost of Living £3.55m</b>			

Food response	1,202	1,230	1,300
VCSE	600	600	700
CHEM	250	250	250
CAM additional advice	250	150	100
Comms / Engagement	40	80	80
Digital Inclusion	45	22	47
DHP	500	250	400
WPS	650	0	-
Contingency	13		
S17	-	200	-
Carers £10 Uplift (ex HSF)	-	-	208
HAF (Ex HSF)	-	-	285
AP Strategy priorities	-	-	180
<b>Sub-Total</b>	<b>3,550</b>	<b>2,782</b>	<b>3,550</b>
<b>Discretionary Council Tax Support £1m</b>			
Support to residents	1,000	500	500
Increase level of CTS to 85%	-	-	735
Increase backdating to 12 months	-	-	35
Offsetting loss of income from costs	-	-	230
<b>Sub Total</b>	<b>1,000</b>	<b>1,500</b>	<b>1,500</b>
<b>Other Budgets</b>			
WPS	1,300	1,300	1,300
DHP	1,000	1,000	1,000
<b>Total</b>	<b>6,850</b>	<b>6,082</b>	<b>7,350</b>

(Table 9)

#### 4.5 Recommendations for Budget Allocation

- 4.5.1 The priority will be to consider how to most effectively target resources to provide the support most needed by residents, whilst starting to achieve the shift towards tackling health inequalities. This is made extremely difficult by the loss of HSF which suggests there is likely to be an increase in demand for council related support.

- 4.5.2 The Council cannot mitigate for the loss of the HSF funds and while the value of maintaining a Free School Meals holiday programme is understood, this is not affordable in any meaningful way from within council resources.
- 4.5.3 It is recommended that the £3.55m budgets that were available to support the cost-of-living priorities are allocated as per the above table.
- 4.5.4 There is £671k available from within the £3.55m budgets that is available to support priorities for 2024/25. It is recommended that this is applied as follows:
- 4.5.5 The loss of holiday Free School Meals provision, following Easter 2024 (funded from the HSF4 budget), suggests the need to maintain substantial support for the Council's food response and it is recommended that the allocation is increased to £1.3m.
- 4.5.6 Supporting the continuation of the Holiday Activity Fund during the half-terms also responds to this point. The Holiday Activity Fund (HAF) received £285k in funding from HSF in 2023/24 covering the three half-terms in the academic year. Government funding is provided to cover HAF activities over the Easter, Summer and Christmas holiday periods. Access to HAF provides activities and a healthy and nutritious meal to children aged 5-16 years old who receive free school meals. During the October 2023 half-term HAF support was accessed by over 2,569 young Manchester residents. Recognising that the loss of HSF means that free school meals provision is unaffordable it is recommended that the £285k is allocated from the £3.55m.
- 4.5.7 Ongoing support for the VCISO sector, including Citizens Advice Manchester additional advice, and CHEM is also seen as key in maintaining critical capacity to support households, including some of those hardest to reach, dealing with cost of living challenges. These schemes are estimated to cost £1.050m.
- 4.5.8 £150k was allocated in 2023/24 from the HSF to maintain support to care leavers by means of maintaining a weekly income of £20 above the JSA rate for all care leavers living in their own tenancies. This reflected a top up of £8 per week for c360 eligible care leavers. Young people are finding it more and more difficult to access fresh foods in light of the cost-of-living crisis. The Leaving Care Service is promoting the use of the food partnership in Manchester who have devised a volunteering programme as a way for young people to access and achieve stability in access to a variety of foods and also to obtain skills in team work, communication and confidence.
- 4.5.9 A £10 uplift per week, raising the £8 uplift provided in 2023/24, at a cost of £208k would cover the average cost of a weeks' worth of fresh fruit and vegetables for young people. This would also support our growing cohort of c400 care leavers who are parents having access to fresh foods for their children, which is seen as essential for their growth and development. It is recommended that this is continued in 2024/25, funded from the £3.55m.

4.5.10 The government have announced that Local Housing Allowance rates will be raised to the 30th percentile (last increased in April 2020) from April 2024. The new rates are yet to be confirmed. While raising LHA will reduce the overall pressure on private tenants claiming Universal Credit Housing Element or Housing Benefit a significant gap will remain between rents charged and the level of rent support paid. As private tenancies end and rents are increased the overall pressure on DHP is expected to increase overall. Evidence of this can be seen when comparing the number of private tenancy DHP awards paid at £100 per week or above. On 27 November 2022 we had 7 cases and on 25 November 2023 the number had risen to 37 cases.

4.5.11 Table 10 shows that DHP for private tenants is on average 62% higher than for social housing tenants.

<b>01.04.23 to 1.10.23</b>	<b>Number of claims</b>	<b>Avg per claim</b>	<b>Total DHP paid</b>
Private Tenants	658	£976	£641,933
Social landlord (Council, Council Homeless and HAs)	1,262	£600	£756,975
<b>Total</b>	1,920	£729	£1,398,907

(Table 10)

4.5.12 DHP plays a significant role in preventing homelessness. To meet anticipated increases in demand it is recommended that this is increased to £1.4m using £400k of the £3.55m COL budget as per Table 7 in Section 3.5.

4.5.13 The WPS budget is directed at responding to crisis need and supporting households moving from temporary to general needs accommodation. Households previously supported by HSF, many of which will have come to expect payments (into their bank account or by Post Office Voucher), are likely to miss these and look for alternative support. During November 2023 the WPS Team have reported residents who received support in the winter of 2022 chasing for support for winter 2023.

4.5.14 The expected loss of Free School Meals over the school holidays after Easter 2024 and the loss of other HSF funded support is expected to result in increased demand on WPS in 2024/25. The core £1.3m WPS budget should provide sufficient support for meeting crisis need in line with WPS policy and it is not recommended to allocation any funding from the £3.55m for 2024/25.

4.5.15 Supporting the continuation of Digital Inclusion work brings a cost of £47k and ensuring an effective and impactful comms and engagement programme is estimated to require £80k.

4.5.16 After the above £178k remains. Following discussions with the Anti Poverty working group it is recommended that this is allocated to support the following activities:



- Benefits maximisation – Working age adults and 50+ & targeted work with retired people around access to entitlements such as pension credit and attendance allowance and linking into the new Age Friendly Strategy.
- Work with organisations supporting young people to deliver a series of workshops/activities that support financial inclusions activities including budgeting, understanding.
- Commission the collation and management of a single source of information for professionals to support residents.
- Supporting the poverty proofing of the school day particularly focusing on support VCSE organisations regarding affordable school uniform.

4.5.17 The above fully commits the available funding for 2024/25.

4.5.18 Over time there is a desire to start to shift resources from the short term anti poverty measures to tackling health inequalities. Unfortunately, the loss of all HSF funding means that the main focus needs to remain on responding to short-term crisis need.

4.5.19 There is no budget available to support the Kickstarter programme beyond the lifetime that the Make Manchester Fairer Reserve provides for. When the funding is exhausted a review of the Kickstarter programme and outcomes will be conducted. This will inform planning and options for 2025 and beyond. It is recommended that any underspends in the public health budget continue to be ringfenced and used to top up the MMF reserve.

## **5.0 Conclusions**

5.1 As described at the start of this report (Section 2.0 Background) the Council's response to the pandemic, and the cost-of-living crisis in the context of high levels of poverty in Manchester, can be seen to operate in three parts:

- Short-term response – Range of crisis support schemes
- Medium-term response – Anti-Poverty Strategy
- Long-term response – Making Manchester Fairer

5.2 The focus of this report is on the short-term and medium-term responses and looks at the schemes and budgets providing support to residents, who most need it during 2023/24 and considers options for support during 2024/25.

5.3 Although the uprating of working age and pensioner benefits announced in the Autumn statement will increase the income of some of our poorest households, the complete loss of HSF funding in 2024/25 will have a significant impact on the Council's financial capacity to provide support to some of Manchester's most vulnerable households. It restricts support to largely maintaining and delivering crisis support schemes. However, even within this restricted budget it is important to provide £178k towards the implementation of Anti-Poverty Strategy activities to create medium term positive impact.

- 5.4 Should further HSF funding or alternatives be announced there are suggested priorities for funding the Anti-Poverty Strategy and Making Manchester Fairer programme that could be brought forward.
- 5.5 Noting the period across which HSF support has been delivered (1 October 2021 to 31 March 2024) and more widely the provision of FSMs across holiday periods (Easter 2020 to Easter 2024) it is understood that many households will have become used to receiving support and expect this to continue. It is essential that clear and timely communications are produced to ensure that residents, schools and agencies understand any changes to the provision of future support.

## **6.0 Recommendations**

- 6.1 This report provides an update on the use of the funding for cost-of-living support in 2023/24; offers recommendations on how to use budgets available due to variance between expected and actual spend; and offers recommendations on how to allocate the Cost-of-Living Group budget in 2024/25.
- 6.2 For 2023/24 it is recommended that:
- £500k is carried forward to continue the discretionary support measures for council tax debt in 2024/25.
  - £300k is used to fund the shortfall in the Children's Services S17 budget.
  - £1.25m of the shortfall in the vulnerable renters fund is met from the other welfare support budgets.
- 6.3 The Committee are asked to comment on these recommendations before they are included in the February Global Monitoring Report.
- 6.4 The proposed allocation of the Cost-of-Living Group Budget in 2024/25 is shown at table 7 and the reasoning for these recommendations set out in Section 4.2. The Committee are asked to comment on these recommendations prior to their inclusion in the 2024/25 Medium Term Financial Plan.
- 6.5 The Committee is recommended to consider and comment on the information in the report.

## **7.0 Appendices**

Appendix 1 - Range of households supported by HSF and the projected spend at 31 March 2024