

GROWTH, RESOURCES AND COMMUNITIES SCRUTINY COMMITTEE	AGENDA ITEM No. 7
20 SEPTEMBER 2022	PUBLIC REPORT

Report of:	Rob Hill – Service Director Communities (Acting)	
Cabinet Member(s) responsible:	Cllr Steve Allen, Cabinet Member for Communication, Culture and Communities.	
Contact Officer(s):	Matt Oliver – Head of Service Think Communities Esther Baffa-Isaacs - Social Mobility and Cohesion Manager	Tel. 07919 213962

SOCIAL MOBILITY AND ANTI-POVERTY ACTIVITY, INCLUDING HOUSEHOLD SUPPORT FUND

RECOMMENDATIONS	
FROM: Acting Service Director	Deadline date: N/A
<p>Growth, Resources and Communities Scrutiny Committee are recommended to:</p> <ol style="list-style-type: none"> 1. Review, scrutinise and comment upon the information provided in this report 2. Suggest additional ways to be considered to enhance our work in this area 3. Endorse the proposals as set out in section 4.1.6 (Social Mobility), and 4.2.4 (Anti-Poverty) 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Growth, Resources and Communities Scrutiny Committee following a request from Scrutiny Committee.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to update Committee on the latest national and local context of the Social Mobility (section 4.1) and Anti-Poverty (section 4.2) agenda, and to seek Committee support for the proposals contained within.

2.2 This report is for the Growth, Resources and Communities Scrutiny Committee Meeting to consider under its Terms of Reference No. No. Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by the Council:

1. Neighbourhood and Community Support (including cohesion and community safety);
2. Equalities

2.3 *How does this report link to the Corporate Priorities?*

This is linked to priorities focussed on prevention.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	NA
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4. BACKGROUND AND KEY ISSUES

4.1 SOCIAL MOBILITY

4.1.1 *National Strategic context*

The Social Mobility Commission is an independent body sponsored by the Cabinet Office, and it has a duty to assess progress in improving social mobility in the UK and to promote social mobility in England.

The Commission’s aim is to create a United Kingdom where the circumstance of birth does not determine outcomes of life, described as follows:

“If our circumstances at birth strongly determine where we end up, mobility is low. But if people from all starting points and backgrounds have a good chance of achieving any outcome, then mobility is high.”

The Commission manages an Index to monitor upward mobility across the nation, using categories of occupational background to group the population into three categories (‘professional and managerial’, ‘intermediate’ and ‘working class’), based on the occupation of the main earner in the respondent’s household when the respondent was aged 14.

This paper updates how key aspects of the new national strategy can be applied locally.

4.1.2 *National social mobility trends*

Current inequalities

The Social Mobility Commission notes that currently inequalities exist between the occupational outcomes of the following groups, and they may widen due to the current economic challenges:

- different areas of the country (North and South of the UK)
- the majority and ethnic minority groups
- disabled people and those without disabilities
- the highly educated and those with low qualifications

At a national level, there are some disparities that have been reduced between 2014 and 2021, some that continue to exist and some that have increased:

Reduced Disparity	Educational Outcomes	<ul style="list-style-type: none"> • The gap in educational performance between disadvantaged and non-disadvantaged children aged 11, reduced by 13% between 2011 and 2019 • The gaps between professional and working-class backgrounds for both university participation and degree attainment have also narrowed between 2014 and 2021.
	Not in employment, education or training (NEET)	<ul style="list-style-type: none"> • The rate of young people from working-class backgrounds not in employment, education or training (NEET) has decreased since 2014 and was the lowest reported on record in 2021 at 12.4%. • The gap between NEET outcomes for individuals from different class backgrounds has also narrowed. People from working class backgrounds were twice as likely to be NEET as someone from a professional background in 2014, but in 2021, they were only 1.2 times more likely
	Occupational Levels	<ul style="list-style-type: none"> • In 2014, men aged 25 to 29 from a professional background were 1.9 times more likely to be in a professional job than men from a working-class background. By 2021, this dropped to 1.6 times more likely. For women, the drop was from 2.3 times more likely to 1.6 times more likely.

Ongoing Disparity	Class Pay Gap	<ul style="list-style-type: none"> In 2021, men from a professional background earned an average of £15.18 per hour, while men from a working-class background earned about 76% of this (£11.55). This compares favourably to 2014, when the ratio was only 70%.
	Educational Outcomes	<ul style="list-style-type: none"> In the 2020 to 2021 academic year, only 31.7% of disadvantaged pupils achieved a grade 5 or above in GCSE English and Maths, compared with 59.2% of all other pupils. Two-thirds of disadvantaged pupils and more than a third of all other pupils failed to achieve a strong pass in both English and Maths at GCSE.
	Career Progression	<ul style="list-style-type: none"> People from professional backgrounds are more likely to ‘bounce back’ from having a lower occupational class at age 25 to 29 years, to a professional position at age 35 to 39 years, than people from other backgrounds – 38% achieve this from professional backgrounds, compared to 22% from intermediate backgrounds and 23% from working class backgrounds.
	Class Pay-gap	<ul style="list-style-type: none"> For professional occupations, men from a professional background earn 18% more than men from a working-class background. Women from a professional background have 23% higher pay in professional jobs than women from working-class backgrounds.
		<ul style="list-style-type: none"> For intermediate occupations, men from a professional background earn 4% more than those from a working-class background. Women from professional backgrounds earn 8% more.
		<ul style="list-style-type: none"> For working-class occupations the class pay gap is 6% in favour of men from a professional background. Women from professional backgrounds earn 7% more
Salary Progression	<ul style="list-style-type: none"> The higher a person’s income at age 25 to 29 years, the more likely they are to be in the top income quintile by the age of 35 to 39 years. For those starting in the bottom quintile at age 25 to 29 years, only 13% were in the top quintile 10 years later 	
Exacerbated Disparities	Class Pay Gap	<ul style="list-style-type: none"> For women, the gap has slightly widened. Women from a professional background earned on average £14.23 per hour in 2021, compared with £10.05 per hour for women from working-class backgrounds, or 71%. Yet the ratio in 2014 was better, at 79%. As this gap opened up in 2021, this seems related to the pandemic.

Key challenges

The data that is gathered currently relies on surveys and is less comprehensive than standard administrative data, moreover certain types of relevant data aren’t gathered systematically across the nation at all. In fact, the lack of national data is one of the key gaps to monitoring the trends in social mobility, and consequently it is harder to accurately capture the impact of high-level interventions in this area.

The most significant data gaps exist in the following areas:

- Socio-economic background of children in school* – the only measure is eligibility for free school meals (FSM) - the poorest 15% of students, with completely different eligibility criteria

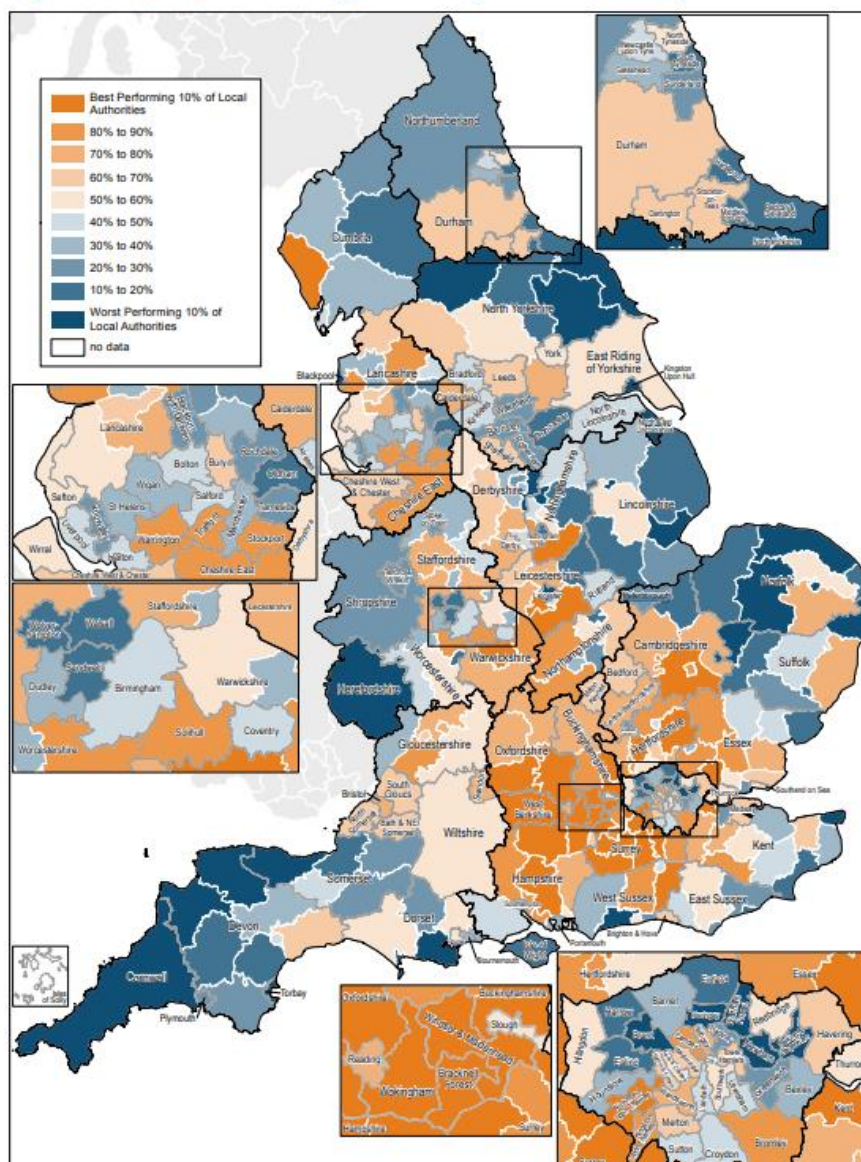
across the UK. This also doesn't allow for nuance such as identifying the outcomes of the most deprived students, or those just above the FSM threshold

- *Family income* - no administrative dataset giving a family-based picture of income, as children are not linked with their parents in the existing data
- Occupational data - limited administrative data on occupations, so occupational mobility has to be calculated from surveys
- *Parent-child linking of income* - the tax records of parents and children are not linked,
- *Lack of recent data* - We also have a lack of recent data on this subject, with updates to some national data sets not being released since 2017.

4.1.3 **Local context and statistics**

Peterborough sits in the middle of the national social mobility index ranking (119 of all local authorities). Our early years outcomes are better than average in terms of social mobility, but we perform less well in working age social mobility:

Figure 5.1: Map of performance against working lives social mobility indicators



4.1.4 **New national approach to promoting Social Mobility - June 2022**

In June of this year the Social Mobility Commission announced a new approach to promoting intergenerational social mobility. This term refers to the difference between a person's life outcomes, and those of their parents. The current focus of the Commission is on building on previous strategies in the following areas:

1. **Education**- specifically early years, schools and universities, further education and apprenticeships.
2. **Employment** – new focus on small businesses of all types generating opportunity and the impact that certain qualifications have on social mobility
3. **Enterprise and the economy** – enabling the creation of opportunities, their geographical spread and the role of enterprise, focussing on neighbourhoods where educational and economic opportunities are poor across generations.

This body will review data capturing: conditions of childhood, educational opportunities and quality of schooling, work opportunities for young people – (e.g., vacancy rate at entry level, youth unemployment, type of employment taken by young people) and social capital and connections. This will be complemented by the local data that is gathered by Opportunity Peterborough (see 4.1.5).

Key areas that diverge from previous strategies are:

- *The new approach to data collation* – measuring social mobility over shorter intervals of time (circumstances at birth, then in thirties and fifties), using the standard academic measures of occupational and income mobility and therefore taking a wider view that captures progression to university, at work and financial progression. Data considered includes mobility outcome of occupational class, income, wealth, education and housing
- *New factors considered*-considering new drivers for social mobility such as family values, parenting and culture and evaluating the role that they play
- *Considering diversity of talent* – expanding the definition of ‘success’ from solely traditional professions

4.1.5 **Peterborough approach to promoting social mobility**

Within Peterborough, with the context of high deprivation levels and areas in which there has been low educational attainment over generations, social mobility has been a growing area of focus for the city. The Communities Service works with partners to address the most severe areas of need, complemented by the work of the HR and IT service addressing key enablers such as apprenticeships and digital exclusion respectively.

To date our approach to promoting social mobility has centred on the following areas:

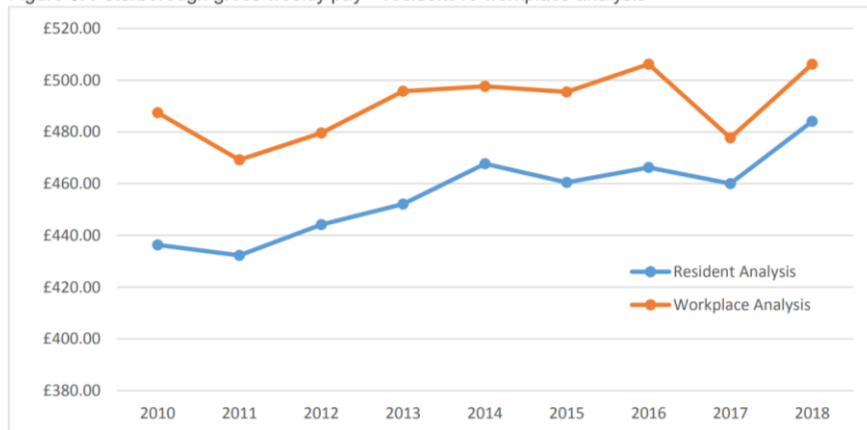
Data analysis

Opportunity Peterborough produces economic reports which provide information about the local context. This captures the most prescient local insights from national data sets that are pertinent to the local economy, growth and social mobility.

The most recent report was produced in 2019 and highlighted:

- continued trends in low educational attainment - behind the GB average of 38.6% at 25.6%. The University of Peterborough is expected to play a significant role in addressing this imbalance.
- dominant occupations within the city sitting within ‘intermediate’ and ‘working class’ roles as opposed to professional roles
- higher than average proportion of its working age population with no formal qualifications, or ‘other’ qualifications (including foreign qualifications and some professional qualifications). And;
- the 4% gap between resident weekly pay and employer weekly pay, which illustrates that some of the higher paid jobs in Peterborough are still being fulfilled by people who commute into the city and/or some residents of Peterborough commute out of the area to fulfil low paid jobs in industries such as Agriculture, and Food and Drink

Figure 6: Peterborough gross weekly pay – resident vs workplace analysis



Leading by example

As an organisation Peterborough City Council provides apprenticeships within a number of services as well as working alongside local colleges and skills providers to promote local opportunities, The Local Authority works with local partners and voluntary organisations within the ‘Tackling Worklessness in Peterborough’ group to steer local strategy and promote good practice.

Increasing economic opportunities

Activity focussed on increasing economic opportunities commenced in September 2018, with delivery being led mainly by Department of Work and Pensions (DWP) in partnership with the Communities Service. This work has focussed on building opportunities for those furthest from employment through the DWP offer and includes: disability confident initiatives, jobs and careers fairs and improving English for speaker of other languages (ESOL) for Work provision. The Communities Service has worked with DWP to identify opportunities to support new refugees into employment within resettlement schemes and enable access to local ESOL provision. ESOL provision is vital for enabling local residents who speak English as a second language to access employment.

Recently pressures on local ESOL provision and long waiting lists have been a noted barrier and the service has begun work with DWP to identify options to support access to ESOL provision among residents and new arrivals and to share information about capacity within the local system.

Improving the take up of childcare provision amongst our most isolated communities:

As part of the ‘Better Together Strategy, 2019’ Peterborough City Council’s Early Years’ Service tracks local data on uptake of Childcare to identify where uptake is low. Moreover, a new role of Childcare Access Officer was created within Peterborough City Council’s Early Years’ Service in 2019 to work within communities to promote take up of childcare provision, which is a key enabler for enabling access to work and progression opportunities and tackling economic inactivity.

Groups impacted by structural inequality

Within the Cohesion service we are working with groups impacted by structural inequality, such as barriers to recruitment and progression. To date this work has included work with the local black community and local partners to address trends in underrepresentation within professional roles and noted barriers to employment, progression and retention. Key insights from community focus groups have been noted and include challenges with accessing permanent work in key industries and trends of higher success rate in acquiring agency roles and supply/ zero hours work.

We are also working with partners such as Cambridgeshire Constabulary to deliver positive action activity such as running CV workshops and other engagement at local community events to promote their degree scheme within communities that are underrepresented within their workforce.

4.1.6 *Proposed approach*

We propose that Peterborough takes the following steps to apply the national approach locally:

1. *Leading by example*
 - Carry out a survey to identify socio-economic trends within our workforce including number of professional roles held by employees from working class and intermediate backgrounds
 - Develop a Class gap report – using the data gathered to produce a report highlighting any disparities in salary across ‘class’ groups within the workforce
 - Promote class gap reporting and apprenticeships to other local employers
2. *Promoting skills and educational attainment*
 - Work proactively with the University and colleges to promote access within communities that are impacted by socio-economic and structural inequality
3. *Promoting awareness of career pathways*
 - Work with local businesses deliver ‘How I became a -----’ webinars with local professionals, highlighting real local stories of progression, building aspirations and confidence of local young people
 - Promoting the initiative through Youth Council members and the Youth MP
4. *Promoting local opportunities*
 - Using information from across the system to compile and promote local bursary and sponsorship scheme that would facilitate access to skills training and local job opportunities to individuals from working class backgrounds
 - Recognising good practice by local employers supporting social mobility through targeted initiatives in order to promote this practice

4.2 **BACKGROUND AND KEY ISSUES – ANTI-POVERTY**

4.2.1 *Anti-Poverty Approach within Peterborough*

Our current anti-poverty approach is underpinned by partnerships with local voluntary and community sector organisations and funding from Central Government (the Household Support Fund - HSF). This funding is targeted at supporting households with children, pensioners, and other households genuinely in need of support. Distribution of this funding has been made possible by working with Citizens Advice Peterborough and Age UK.

Our work with partners during and since the height of the pandemic has been a vital component of the response to the level of need within the city. Peterborough City Council has consulted members of the Safer Peterborough Partnership Delivery Group (SPPDG) - comprising local partners and voluntary sector organisations – on the design and delivery of a joined-up response. This led to the introduction of the Covid-19 Community Hub where significant Council resource was focused on coordinating responses and helping people navigate services and access essential support, linking with partners across the local system.

Three rounds of HSF funding have been disseminated by Central Government to date and the next round of funding is expected next month. This fund will be a crucial element of the cost-of-living response and our priority has been to ensure that it is used to best effect by consulting with local organisations involved in food, fuel and crisis support within the city.

4.2.2 *Local context*

Baseline of high deprivation levels:

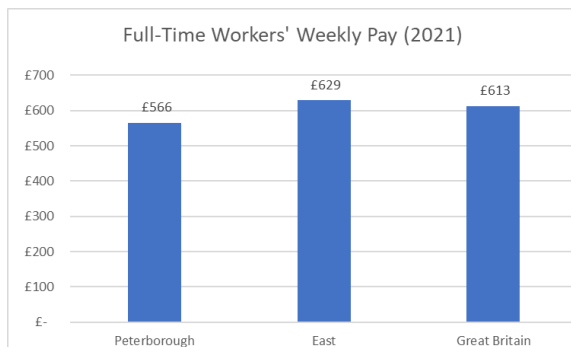
- Peterborough is in the most deprived 20% of all local authorities in England.
- 16 Lower Super Output Areas in Peterborough are amongst the most deprived 10% in the country (the darkest blue areas on the map)
- More than a third of all children are in poverty

Level of economic inactivity:

- 1 in 5 working age residents are ‘economically inactive’ (Sept 2021 data)

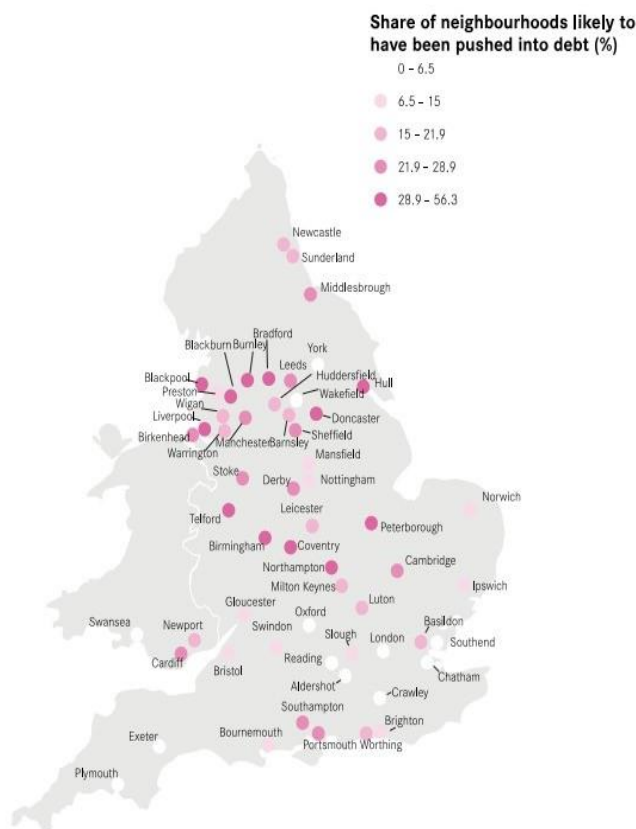
Low earnings/ in work poverty:

- On average Peterborough workers earn less than the regional and national average (2021) (see chart below)
- In work poverty - 48% of Universal Credit claimants in Peterborough were in employment in March 2022



Financial insecurity:

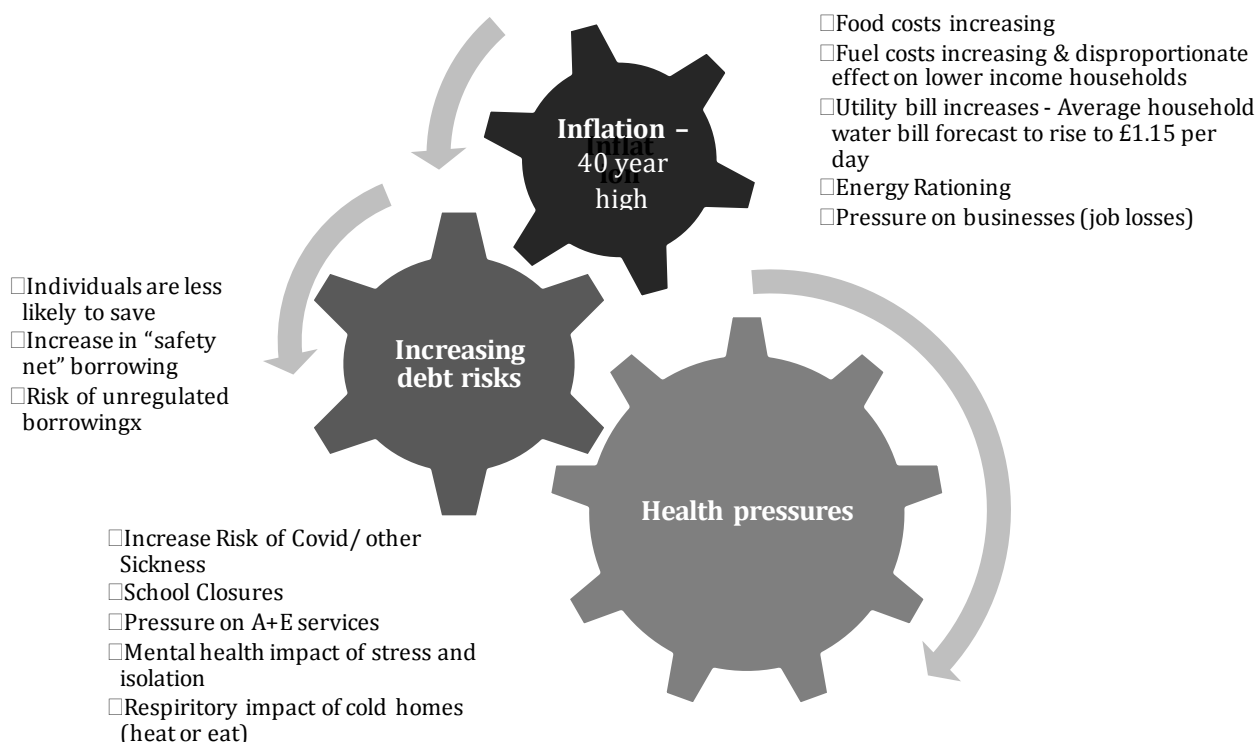
- 13.5% of the workforce in Peterborough are agency employees – 3 times the national rate (2017)
- 4 out of 20 residents found meeting monthly bills a heavy burden or were regularly in arrears when surveyed in 2018
- 3 out of 20 residents were in fuel poverty in 2019 and a similar proportion were worried about their food security in January 2021
- Nationally 14% of households receiving benefits are not confident about their ability to pay their broadband costs
- Peterborough had among the highest share of neighbourhoods likely to have fallen into debt nationally (see heat map below)
- More of our residents are evicted from rented property than other comparable areas



4.2.3 New pressures and needs

The impact of the conflict in Ukraine on inflation of fuel prices and the lasting impact of Covid-19 on the national economy and supply chains, has culminated in a cost-of-living crisis in which the poorest will be impacted the worst. For example, with fuel costs alone, the poorest 10% of the population spend 7% of their income on fuel, whereas the wealthiest 10% spend only 2% of their income on fuel. These pressures are already in effect and are expected to increase as inflation increases. As a result, there is a growing knock-on impact on debt levels and health pressures (illustrated in Figure 1).

Figure 1: Pressures associated with the cost-of-living crisis



Because of the above pressures, there is an increasing risk of increasing levels of child poverty, universal decline in mental health and increased isolation and frailty.

There is a need to ensure that the Household Support fund addresses the core needs of local people. In partnership with the Peterborough Council for Voluntary Service (PCVS), we have gathered insights from partners on the core needs that are already evident and those that are expected to increase through the winter period.

The needs highlighted are as follows:

- VITAL SUPPORT/ RESOURCES**
1. Warmth and access to warm spaces
 2. Warm food
 3. Fresh food
 4. Mental health support
 5. Opportunity for social interaction with others (isolated people)

- INFORMATION**
1. Advice about heating efficiency measures
 2. Advice about income maximisation and benefit entitlement
 3. Understanding what kind of local support is available and where it can be accessed

4.2.4 *Proposed framework:*

1. We will build on the existing approach to partnership working, in order to use this round of Household Support Fund 2022 funding to best effect. It is proposed that we continue the work with Age UK and Citizens' Advice Peterborough (CAP), but also begin to work with other trusted partners through the expanded Vulnerable Households Voucher Scheme to ensure reach and support to care leavers, disabled people etc.
2. To address the significant Cost of Living challenge facing the city, a £300,000 fund is being introduced for use by local community organisations at community centres and other local settings, for providing direct support including setting up Warm Hubs/Banks where people can get food, essentials, advice, support and information about other services. Eligible organisations will be those currently involved in direct support to food, fuel and related support within communities or with settings and networks that will support the running of the hub.
3. To deliver this work collaboratively, we will build on the work of the Safer Peterborough Partnership Delivery Group and introduce a Cost-of-Living Hub Delivery group that shapes the delivery of the vulnerable households support delivered using HSF and facilitates collaboration with local partners. The intention is to ensure that Warm hubs/banks are supported by local organisations that can assist with debt, energy-saving, and income maximisation advice. We intend to develop a consistent core offer for all hubs and ensure that all hubs are linked into a crisis response network so that emergency needs can be shared and picked up by local organisations with capacity. This crisis-response approach was successful during the pandemic and partners have signalled that there is widespread appetite for its use again within the current cost-of-living crisis.
4. It is important that this work looks beyond immediate support to medium and longer term help to support people into better paid employment, skills development, security of housing, and support to improve health and wellbeing. We will make sure that we draw into the hub concept other councils services that have a vital role to play – public health, housing, social care, education and adult skills, support with warm homes grant funding etc – in order that a single, straightforward and easily accessible service is available for those that need it.

5 CONSULTATION

- 5.1 The Anti-Poverty approach been developed through consultation with the following groups:
- Voluntary Sector Partners on Safer Peterborough Partner Delivery Group
 - Inter-Faith Network
 - Connect group (leaders of local churches/ Christian organisations)
- 5.2 Consultation with voluntary sector partner members of the Safer Peterborough Partnership Delivery Group on the approach to promoting social mobility will be completed in October 2022.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 SOCIAL MOBILITY APPROACH

By adopting the approach within the national framework more closely, it is anticipated that we would positively impact social mobility rates within the city, particularly in individual instances of take up within scholarship schemes.

6.2 ANTI-POVERTY APPROACH

It is anticipated that the proposed approach of working with local VCS and faith partners to signpost and enable access to the Vulnerable Household support, will increase visibility and access to the support available through the fund and signposting activity at these hubs is expected to enable increased awareness about income maximisation options, tackling and preventing debt and wider support available for tackling food and fuel insecurity.

Data from previous schemes has shown that we have had repeat applicants to the scheme and this trend is expected to continue. Therefore, information about local ESOL provision and skills training initiatives such as courses at the new university and support for skills training through the local colleges and via local bursaries etc. will be provided alongside the practical support. We will continue to gather feedback from local hubs about the needs and opportunities and look to develop a 'next steps' offer at hubs that enables service users to access information about career progression and training that could support upward mobility.

This will enable the following outcomes:

- Enabling the local authority to maximise the impact of the resources and funding that we have
- Maintaining and developing partnerships with voluntary and community sector partners
- Maximising community resilience by putting VCS organisations at the forefront of the response
- Setting the foundations of a community support model for the future, in which organisations and individuals understand the complementary role they each play, and the collective impact is more than the sum of its individual parts.
- Provide opportunity for conversation-based and personalised signposting.

7. REASON FOR THE RECOMMENDATIONS

7.1 SOCIAL MOBILITY

7.1.1 The recommendations are aimed at applying core aspects of the national approach locally. This is intended to build on existing work and enable the organisation to track tangible outcomes with regard to upward mobility within our organisation and among local employers.

7.2 ANTI-POVERTY

7.2.1 New guidance

The Government has recently released the guidance for the newest round of Household Support Fund provision which is expected to cover the winter period. The purpose of the fund remains focused on supporting households in most financial need, but there are a few notable changes within the parameters for use of the fund as follows:

- The segmentation of fund between Children, Pensioners and Others has been removed
- Purpose is the same (to support households in most financial need)
- A focus on capturing data on the use of the fund by the following groups:
 - families with children
 - pensioners
 - unpaid carers
 - care leavers and
 - people with disabilities
- Local Authorities are now permitted to make Third Party Payments
- A requirement to include an application element of the fund (already part of the local process)

7.2.2 Consultation feedback

At the Cost-of-Living Summit on 6th September 2022 and recent meetings with community and faith sector partners, local partners and residents were consulted on this proposal. Key feedback that we would look to incorporate within the model was as follows:

DELIVERY APPROACH

- Pensioner element through Age UK – same approach
- Holiday voucher scheme – same approach
- Hub and spoke model for Vulnerable Household support
- Corporate training and escalation point for spokes
- Warm hubs (spokes) in local areas with no/ limited provision
- Use of community centres and community cafes
- Use of local faith organisations' settings
- Work with parish councils

- Consider feasibility of mobile offers for rural areas
- Offer advice and support on related topics at these hubs such as debt advice, health checks, social prescribing / signposting working with local partners/ key services

COMMUNICATIONS

- Sharing a map of provision across the city
- Use of well-known community settings as spokes will assist with local awareness
- Work with community and voluntary sectors partners to communicate messages

COLLABORATIVE APPROACH TO RESPONSE (VIRTUAL HUB)

- Reinstate local 'need-response' mailing groups that were used to respond to food and other crisis support needs during the pandemic, and invite new partners to participate
- Use collaboration across a virtual network to support activity at warm hubs

DEVELOPING THE PARTNERSHIP APPROACH

- Consultation with partners at SPPDG and at the recent Cost of Living Summit has suggested that a return to this approach, working closely with members of the SPPDG as a Hub advisory delivery group for the cost-of-living response.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 *Do nothing:*

If the actions above are not addressed, there is minimal likelihood that the local trends will be positively impacted.

9. IMPLICATIONS

Financial Implications

9.1 Costs of the Household Support Fund are provided by Central Government. The recommendations are cost neutral to the Local Authority.

Legal Implications

9.2 N/A

Equalities Implications

9.3 Positive impact on individuals from low-income backgrounds and those impacted by socio-economic inequality.

Rural Implications

9.4 N/A

Carbon Impact Assessment

9.5 No significant carbon impact.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

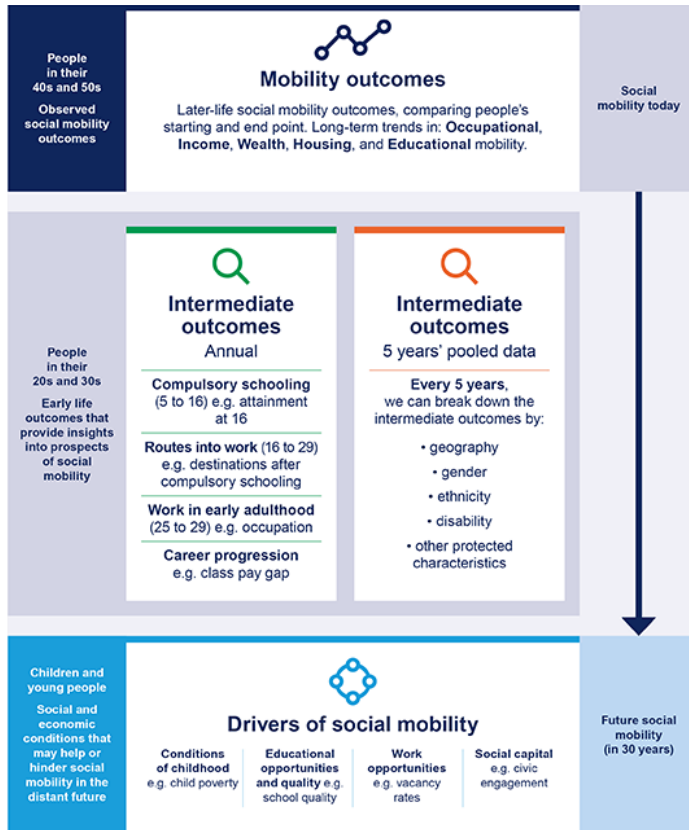
10.1 *State of the Nation 2022, A Fresh Approach to Social Mobility:*

<https://www.gov.uk/government/publications/state-of-the-nation-2022-a-fresh-approach-to-social-mobility>

11. APPENDICES

Appendix 1 - Diagram setting out the key features of the new Social Mobility Framework – found on next page

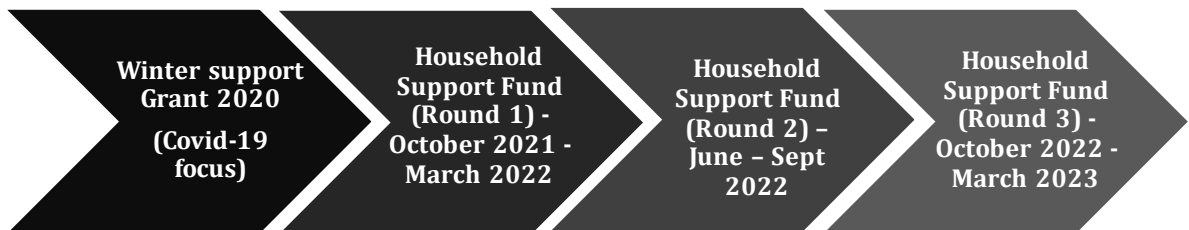
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Appendix 2a Background information on previous rounds of the Household Support Fund

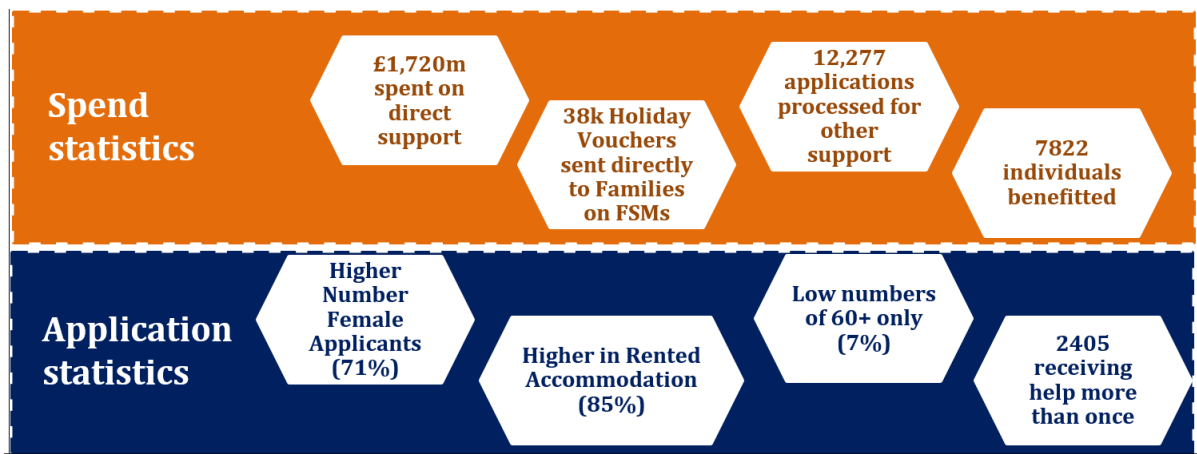
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The maximum funding for Peterborough in each round is £1.82m which has to be drawn down retrospectively in accordance with the funding guidance. The rounds of funding have been delivered in the following sequence:



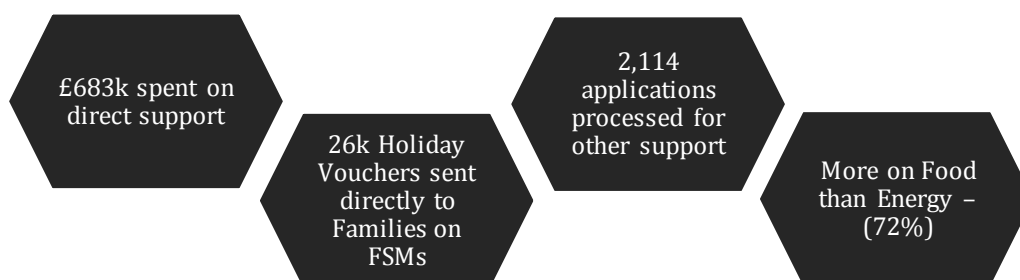
HSF Round 1 key points

The key statistics for last year's round of funding are as follows:



HSF Round 2 key points

The most recent round of Household Support Fund provision is still live but will close upon the release of the new funding round in October.



Appendix 2b – Limits on use of HSF funding

11.3 For each funding round, the guidance has stated that funding should be used to meet the immediate needs of those who are struggling to afford energy, food and water bills, and other related essentials.

For example, for the round of HSF funding that is currently live, government mandated the following split in funding:

1. at least one third of the total funding should be ring-fenced to support households with children
2. at least one third of the total funding to support pensioners, and
3. up to one third of the total funding to be used for other households genuinely in need of support.

The mandated split, although intending to focus Local Authorities toward supporting pensioners, has entailed less flexibility in the use of the fund. Many Local Authorities have struggled to spend the full allocation. Therefore, the guidance released for the next round of funding signals a significant change in policy as there is greater flexibility for Local Authorities on allocation to the three groups and Third Party payments are now permitted.