2024/2025 Grants Strategy

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1.0 Introduction

Harborne Parish Lands Charity (HPLC) grants are available to individuals in need and organisations that assist people in need. When looking at 'need', it is important to look at both material needs (food, warmth, housing, adequate income and employment) as well as psychological needs (mental health, quality relationships, sense of security and self-esteem). The charity cannot possibly hope to provide funding to everybody who asks for our assistance. In order to ensure a fair, equitable and transparent allocation of funding, and in order to target our resources on people who most need our support, the charity completes a grant strategy annually. The Grant Strategy outlines the charity's key priorities for the year. Any applications made to the charity are assessed against these priorities and only applications that demonstrate an ability to evidence and address these needs will be funded.

This strategy covers applications for grants made between 1st July 2024 and 30th June 2025. Funding is restricted to the Ancient Parish of Harborne. This consists of the following parish areas:

- St Boniface Quinton Road West (Birmingham)
- St Faith and St Laurence (Harborne)
- St John (Harborne)
- St Peter (Harborne)
- St Albans (Smethwick)
- St Chad (Smethwick)
- St Mary (Smethwick)
- St Matthew (Smethwick)
- St Michael and All Angels (Smethwick)
- St Stephens (Smethwick)
- St Paul (Smethwick)
- Old Church (Smethwick)

2.0 Previous Achievements

Over the last audited period (2022/23) the charity was able to support **4,538** people resident in the Ancient Parish through the grant programmes for individuals and organisations. There is little to be gained from comparing this figure to any activity from 2020 to 2022, as those years' budgets were greatly reduced (and thus was the activity) as a mitigation against the financial risk to the charity of the COVID-19 pandemic.

The total figure for 2022/23 is **46.4%** higher than in 2018/19 (the last fully budgeted year), but this figure is boosted by the outputs of three high volume organisations that supported **2,350** individuals, more than half of all individuals supported throughout the year. With the performance adjusted, the value for money (VFM) figure closely matches previous years' outputs. In addition to the figure of **4,538** individuals supported across the Ancient Parish, HPLC offered a Hardship Grant to the residents of the sheltered accommodation schemes managed by HPLC, as an extra means of support through the winter of 2022/23 to help alleviate the impact of the cost of living crisis. The grant consisted of £250 per resident, paid @£50/month/capita, and in total **101** grants were offered (**95** taken up) and **103** residents were supported. This brings the grand total in 2022/23 to **4,641** individuals supported across **183** grants, with a total grant spend of **£300,676.40**. The table below offers a little more detail.

Category/Priority: **Organisational grants**	**Number of grants**		**Value**	**Number of Recipients**
16-24yr old NEET Provision (or those at Risk of NEET)	3		£29,080.00	407
Services for Older People	7		£83,224.60	540
Debt and Money Management	5		£58,160.80	810
Food and Household Goods Distribution	4		£60,186.25	2,576
Core Funding	0		-	-
Individual grants				
Birmingham		27	£16,802.95	83
Birmingham HPLC schemes residents		*36*	*£9,600*	*38*
Smethwick		42	£28,221.80	122
Smethwick HPLC schemes residents		*59*	*£15,400*	*65*
Totals	**19**	**164**	**£300,676.40**	**4,641**

3.0 Data and Trends

Summary of previous findings: (2022/23 -vs.- 2018/19, excluding the period of the pandemic)

By Organisations Addressing Grant Priorities

In contrast to the 2018/19 provision, we can see there had been a reduction in the number and value of grants awarded to organisations committed to supporting NEET Provision, however we can see a sharp a rise in the numbers of young people supported – nearly 133.4% more. This is due to one provider able to deliver short intensive anti-bullying interventions to most pupils, from two primary schools. Naturally, this skews the VFM figure for that priority, but with that single provision factored out, this figure is more in line with previous years' support.

The Services for Older People was reduced from one period to the other, but maintained roughly the same VFM across the priority provision. This was likely due, in part, to a reduction in the number of organisations offering older people's services, and in the scale of what could be offered by those organisations still in operation. This then indicates an on-going year on year increase on the part of HPLC for funding more intensive, service-user-focussed interventions, resulting in a greater degree of impact and lasting benefit in those service users' lives.

The sharp rise in the demand for Debt & Money Management support for the years 2018-to-23, indicates the on-going problematic impact across Birmingham and Sandwell of the implementation of Universal Credit (UC), both in terms of the length of time for claims to be approved, and the often reduction in amounts of benefits awarded. Added to this, the cost of living crisis has had a strong negative impact on the quality of life of many on low incomes and/or dependent on benefits' income. Furthermore, we can see an even sharper rise in the demand for services offering Food & Household Goods Distribution and we can infer this may be due to the same impacts outlined above. To address this for the year 2022/23 any organisation successfully awarded grant funding in the final round, solely addressing either of the grant priorities: "3) Debt and money management" or "4) Food and Household goods distribution" (or a combination of both) had their award fully funded. These organisations were awarded grants ahead of any organisations addressing the other two grant priorities, namely "1) 16-24yr-old NEET provision" or "2) Service for older people". Many organisations, poet-pandemic crisis, still have scaled back services and/or have not re-recruited to their staffing teams. As with the last few years, a lot of the organisational support still necessarily takes a 'light touch' form, often remotely, and so again some of the lasting benefit to be gained from any intensive support (that HPLC often funds) is unavoidably lost.

By Individual Grant Support

Again, there is little to be gained from making any direct comparison with comparing these figures to any activity from 2020 to 2022. The total figure for 2022/23 is **136.3%** of that achieved in 2018/19 (the last fully budgeted year), however of these, there were 103 individuals who were supported through the Hardship Grant made to the residents, funded separately from the grants budget. Once the figure is adjusted to exclude these, the figure for 2022/23 is only **90.7%** of that achieved in 2018/19. To mitigate any performance risk to the charity, the Charitable Activities Committee (with the support of the Full Board) transferred £5,372.30 from the Individual Grant budget to the Organisational Grant budget. There has been a very slow pick up in the number of applications made by support organisations calling on HPLC's individual grant programme, but numbers of applications have yet to return to pre-pandemic levels. This may be down to many organisations having scaled back services for individuals, or even suspension/cessation of such services.

Strategy, 2024 to 2025

Before making any adjustment to last year's grant priorities, a lot of research relating to trends in deprivation in the parishes we cover was considered. In summary, it was found that in the parish areas we cover, there continues to be high levels of deprivation and high unemployment levels, along with low school attainment and a high number of people with no qualifications. In both Birmingham and Sandwell, pensioner poverty has seen a small improvement on figures from the early years of the century, but a worsening over the last fifteen years. However, a disturbing development has been the increased numbers of applications that show evidence of domestic violence (DV). As with the previous post-pandemic period, this is likely a consequence of the lockdowns imposed by the government to help tackle the pandemic crisis. A common feature of grant applicants is dysfunctionality in their lives, and when forced to share (often small and cramped) living space, the likelihood of conflict builds. Child poverty still sees further worsening over the past decade, and is still the highest proportion of all groups measured. Child poverty impacts on both physical and mental health of individuals and affects educational achievements.

Notably, the shock to the UK and global economies in the post-pandemic period continues to have a negative impact. Estimates of the cost of government measures announced so far range from about £310 to £410 billion (this is the equivalent of c.£4,600 to £6,100 per person in the UK). This spending was directed towards vaccine development and national roll-out/delivery, to financially propping businesses and industries across the country as they were unable to trade, and towards funding the many thousands of UK workers who were furloughed over the height of the pandemic. Despite these measures, an unprecedented number of people lost their jobs as businesses either downsized or folded entirely. At the time of writing, the UK is still the only European country to not have employment figures return to pre-pandemic levels, and the only G7 country to have a shrinking economy in 2023. There is some hope though as the downward slide of the economy hasn't been as bad as predicted, and there is an indication of a reversal of this slide into 2024. Even more families are now living in poverty through higher levels of unemployment, or worse still those in work with limited financial resilience are now in poverty, and many have to turn to foodbanks, this year being the highest numbers of applicants on record, surpassing last year's shocking record several-fold.

To worsen matters, continuing destabilisation in Ukraine as a result of Russia's on-going military incursion has both detrimentally impacted the global economy, and resulted in a massive cost increase to energy supplies, both domestic and commercial, that is predicted to move as many as 10 million people from living affordably into poverty for the first time, and driving those already living in poverty further into deprivation. Even if the political situation is quickly resolved (which is unlikely), the negative impact on the economy will take a great many years to recover; the UK has only 40% of the natural gas storage capabilities of its European neighbours, as these facilities were privatised and have not been maintained, and so UK's utilities providers are at the mercy of widely fluctuating prices, and face the possibility of power outage over the winter months.

The impact of poverty

Living in poverty contributes to those on lower incomes experiencing poorer physical health and being more likely to have mental health issues. Over a quarter of working-age people in the poorest fifth of the population experience depression or anxiety. The pressures of living in poverty cause considerable stress, which is often linked to poorer mental health as well as strained relationships within families. The long-term effects of poverty culminate in people in deprived areas having significantly lower life expectancy than those in better-off places.

In addition to having lower incomes week to week, people in poverty are also much less likely to be able to build up savings to help cover unexpected expenses, invest in improvements to their homes or access opportunities. One in three of those in the poorest fifth have no savings at all. People on low incomes are also more likely to get into problem debt through falling behind with bills and credit payments. One in six people in the poorest fifth of the population report that they are in problem debt, most commonly falling behind with Council Tax payments, rent or utility bills. In 2022 to 2023 fuel-utility bills saw a massive increase as a result of the war in Ukraine, hitting those in poverty the worst. In the closing months of 2023 and into 2024 these utility costs rose sharply again.

People claiming Universal Credit (UC) must currently wait a minimum of five weeks for their first payment. Aside from one week admin/processing time this is due to the policy that UC is paid monthly, in arrears, on the often erroneous assumption that a claimant has enough money to cover living expenses for this waiting period. As UC has been rolled-out across the region, the DWP whilst dealing with many UC claimants' grant applications, the issue of 'log-jammed' claims has not been resolved. It is clear that the five weeks' waiting time for a decision is rarely been even met, with claimants still having to wait too long for a decision (sometimes as long as six months), living without the money they need to cover essentials and stay out of debt.

Current findings: National

The data published in June 2023 by the *Joseph Rowntree Foundation (JRF)* is the most recent *"Cost of Living Tracker, Summer 2023"*, and focusses on the deepening effects of the cost of living and fuel cost crises on the nation's poorer population. Their previous research highlighted low-income households' finances continue to buckle under the pressure of the cost of living crisis, as 7.2 million are going without the basics, and 4.7 million are behind on their bills. They also found that households on the very lowest incomes are struggling the most, with three quarters of those in the bottom 20% of incomes going without food or other basic essentials like clothing or toiletries. This new research shows that the impact of rising prices while having low incomes and no savings, especially for food, has meant 5.5 million low-income households have had to cut down on or skip meals because they can't afford food. Four million reported going hungry, and 2.7 million have reported having a poor diet because of these crises.

Low-income households are struggling to afford their bills, with 4.5 million in arrears, and 2.6 million holding high cost credit loans with loan sharks, doorstep lenders, payday lenders or pawnshops. Given the economic outlook of inflation falling slowly and interest rates remaining high for some time, we are concerned about low-income households' access to the lifeline of affordable credit, as 2.8 million have been declined loans in the last two years. JRF's report outlined the concern regarding the health and wellbeing impacts of the crises, with millions unable to afford a healthy diet, and those going without essentials more likely to need NHS healthcare services. For low-income households on UC, around 90% are going without essentials for the third survey in a row, despite the usual uprating of benefits with inflation and temporary cost of living payments. These levels of hardship cannot become 'baked in' as the UK's new normal.

JRF is again calling on the Government to implement an Essentials Guarantee, to ensure that, at a minimum, the basic rate of UC at least covers life's essentials and that support can never be pulled below that level. People on UC, private renters and young adults are all seeing rising and worrying levels of hardship. The report makes clear that the government support provided so far in the cost of living crisis hasn't been sufficient to stem the rising tide of hardship for millions of families on the lowest incomes up and down the country, and this they warned the government about, back in May/June 2022.

The JRF report shows that for all low-income households in the bottom 40% of incomes:-

- 7.2 million households (62%) are going without essentials. This means that they have reported going hungry, or cutting down the size of meals or skipping meals in the last 30 days, or going without basics like showers or adequate clothing,
- 4.7 million households (41%) are in arrears with at least one household bill and the average level of arrears remains above £1,600,
- 4.3 million (37%) are going without essentials and are in arrears with at least one household bill, and;
- Over 3 million households (28%) have not been able to keep their home warm since June 2022 because they couldn't afford to.

They report that households in the bottom 20% of incomes across the UK are facing even worse and worrying levels of financial stress and deprivation, which have risen significantly. They state that on average, prices (measured by the CPI) increased by over 18% between April 2021 to April 2023, with rises in energy prices being replaced by record food inflation and housing costs continuing to soar, and that three quarters of households have reported going without essentials, up from 67% in May 2022. A fifth have reported going hungry often in the last 30 days, up from 13% in May 2022. Over half (53%) are in arrears, up from 39% in October 2021 and 47% in May 2022. Around four in ten (39%) have no or very low levels of savings. They highlighted the same three groups with a sharply rising risk of going without and getting behind with bills: people on UC, private renters and young adults. Households with members from BAME backgrounds, people with children, disabled people, and people with a mental health condition all also face stubbornly high, if not rising, risks:-

- Almost every low-income household on UC is going without the basics (90%), either experiencing food insecurity, or going without basics like a warm home and essential journeys. This rises to 95% where deductions are being made, for example to repay debts to DWP. They believe the UK's social security system should be a safety net for when times are tough, but instead, it's too threadbare, and people are 'falling through the cracks'.
- High and rising housing costs are contributing to low-income households falling behind on their bills, taking on debt and going without the basics. 85% of low income private renters are going without essentials, and almost two thirds are in arrears with household bills; a quarter are at risk of being evicted into a brutal rental market.
- 18-to-34yr-olds are facing a very different cost of living crisis to older adults. They have seen some of the largest rises in hardship over the last two years, post-pandemic, and it shows no sign of slowing down. A lack of savings, living in the private rented sector, living in cities, and receiving lower levels of government support all contribute to a poor financial outlook for the UK's young adults.

The JRF states financial scarring from this crisis is a big risk. A quarter of low-income households (2.9 million households) have a high-cost credit loan usually with a loan shark, payday lender, doorstep lender, or pawn shop, and around half are in arrears with their loans. 4.2 million households are trying to earn more money, all while cutting back on their spending. Of particular concern is over a third of low-income families with children cutting back on food for their children; this is a last resort and something a family is forced into. In trying to find temporary reprieve from the crisis, many households are also being forced to erode future financial resilience, for example 22% are taking on debt to pay bills, 24% of working-age households on low incomes are cutting pension contributions and 22% are cancelling insurance products. With each phase of their research, the JRF's results worsen, and they state the outlook is grim. 7.2 million families are already going without the basics, with the coldest months of winter and further price rises to come.

Their standing recommendation to address this, and stop the rising tide of hardship, is that the government must fill the gaps left by the past two years' Budgets with five priority measures:-

1) Provide additional support to people struggling the most, including an additional cost of living payment of at least £450, this winter to narrow the gap between expenses and income for struggling households. Struggling households can't wait until April 2023 for relief.
2) Make changes to UC so that the basic rate of support, even after deductions such as debt repayments to the government, can never be so low that people are unable to afford essentials, such as food, utility bills and basic household goods.
3) Unfreeze local housing allowance and at a minimum reset it at the 30th percentile of local rents, to help people keep up with the rent payments.
4) Run a large campaign to increase the take up of benefits, so that more people who need support, and are eligible for it, claim it over the coming months.
5) Stop making deductions from benefits at unaffordable rates.

In addition, JRF calls for government to:-

1) Unfreeze Local Housing Allowance and, at a minimum, realign it with the bottom 30th percentile of local market rents, and;
2) Ensure that the Renters Reform Bill does not allow landlords to raise rents within tenancies to unaffordable levels for renters as a loophole to evictions.

Current findings: Our Area

In light of the on-going cost of living crisis and aftermath of the pandemic we have seen an increase in applications from people self-referring who would not normally be referred to us. Many of whom may have spent many years in work but have recently lost their jobs or have been able to manage financially but rising costs have pushed them into poverty, and through the pandemic years this has proven to be an on-going trend. As was expected, the kind of support requested has been more immediate in nature, particularly requests for cash grants which we cannot currently provide. Also, both Birmingham and Sandwell councils face unprecedented pressures on their spending, and in the absence of central government support, can only turn to freezing of budgets or further budgetary cuts through 2024/25 to save revenue.

The national picture of a problem with poverty continues to be reflected at a local level. The most recent Index of Deprivation data published in 2019 by *'.gov'* shows Birmingham is still ranked 6th out of 326 authorities across the UK, representing an increase (detrimentally so) in ranking from 2010, and Sandwell is now ranked 8th (where 1 is the most deprived), also representing a shocking detrimental increase of four positions on last year's 12th ranking. Authorities across the West Midlands looked at 7 indicators of deprivation, to measure this:-

- Income deprivation
- Employment deprivation
- Education, skills and training deprivation
- Health deprivation and disability
- Crime
- Barriers to housing and services
- Living environment deprivation

Unfortunately, the single most deprived Sandwell ward, (which falls within the worst 10% of national scores), remains Soho & Victoria, the residents of which mainly fall within the HPLC geographical catchment. Following that, the Smethwick ward is in the top third of deprived wards in Sandwell.

JRF carried out a four-year study that investigated possible solutions to the problem of poverty in the UK (results published in 2020). They found that 14.5 million people (22%) are living in poverty, after housing costs are deducted (AHC), and looking specifically at children: 4.3 million (31%) are living in poverty, AHC. They report that over the past ten years the cost of living (housing, food and fuel prices) increased three times faster than the average wage. As a result, there has been a rise in the number of working households in poverty in that time, with many low paid workers being in insecure jobs with no training opportunities. They outlined a 5-point plan to solve poverty in the UK:

- Boost incomes and reduce costs
- Deliver an effective benefit system
- Improve education standards and raise skills
- Strengthen families and communities
- Promote long term economic growth benefiting everyone.

Child poverty – In Birmingham, over 1 in 3 children are still living in poverty, above the national average. Birmingham's Child Poverty Commission was set up to remove some of the barriers which lead to poverty and inequality. In a report published in June 2016, they stated that tackling child poverty was a key priority as they work towards creating a fairer city, though little progress has been made. In general, Birmingham's Vision and Priorities improvement plan continues to aim to reduce the number of children in care or moved into care, and to see a higher proportion of children in need supported to live within their own family. The first report, covering performance up to 2018, shows that after initial successes, the improvement plan is falling behind targets, for all measures. This is, rather unfortunately, particularly true for children's services, with performance across multiple KPIs at 25% below planned improvement targeted for 2018; a deadline long missed.

In 2015, 29% of children in Sandwell were living in low income families, an increase on the 2013 figure. Sandwell's Anti-Poverty Action Plan 2016 identified 7 key aims to address child poverty:

- Help people and families to maximise their income and reduce costs,
- Create pathways into local employment,
- Create stronger communities as a means of meeting local need,
- Local agencies use their powers to address anti-poverty,
- Respond to food poverty,
- Work together to share information, maximise impact and maximise use of resources,
- Develop collaborative information and take up campaigns and use local intelligence to influence policy.

It is clear that Sandwell has not been able to address all of the problems these 7 key aims were set out to tackle. The JRF research also showed that nationally, about a third of children were living in families lacking the resources for their minimum needs, and they state that child poverty has been rising since 2011. Now, 4.1 million children live in poverty in the UK (an increase of 500,000 in the last five years). This is much faster than would be expected based on population growth. The total number of children had risen by 3% while the number of children in poverty had risen by 15% by the early years of this decade.

Virtually all of this increase in child poverty has occurred across working families. In the last decade, poverty rates have risen for every type of working family; lone-parent or couple families, families with full and part-time workers and families with different numbers of adults in work. This is the first period in the last two decades when this has happened. While the proportion of children living in families where no-one works has fallen steadily, the risk of poverty for these families has increased significantly. In 1996/97, 83% of children in workless families lived in poverty. By 2012/13, the risk of poverty for those children had fallen to 63%. Since 2012/13, the risk has grown again; now, 73% of children in workless families are living in poverty.

Pensioner Poverty – There are still a substantial number of pensioners who have a low standard of living, especially if they are disabled or in ill health. The general trend, over the past 50 years has shown an improvement in (reduction of) pensioner poverty, however the number remains high, and this improvement has faltered in recent years. Since the last measure, 1 in 6 pensioners (1.9 million) in the UK now live in poverty; an increase of 330,000. This again may be due to many reasons, including people living longer, being isolated and poor uptake of benefits. There has also been a significant rise in pensioner poverty amongst the BAME communities, particularly within the Asian communities.

Fuel Poverty – At the time of writing this strategy the nation is facing a rising fuel cost crisis, driven by pressures from overseas gas suppliers, and the government's lifting of the fuel price increase cap in December 2023. In some cases, home fuel costs have tripled, severely impacting those already living in poverty. This in turn is driving a rise both in debt problems and individuals/families needing to access food banks.

Homelessness – The encouraging evidence from the most recently available Homelessness Monitor report that the HRA is enabling councils to help more people in housing need. This is offset by further evidence that there is still rising homelessness in some areas across the country. One of the areas identified is Birmingham, and that this adverse trend continues to affect Central and Eastern European migrants. Ukrainians with refugee status fleeing the conflict are likely to be the next large migrant group that both local authorities will be looking to house and support.

West Midlands Combined Authority (WMCA), and 'Levelling-Up' Funding

Since its creation, the WMCA continues to move forward the infrastructure projects into 2024 and beyond, namely: the slowly on-going extension of the tram system through the centre of Birmingham as far as Five Ways and the planned reopening of the Hazelwell rail-line to passenger/commuter traffic from the city centre out to the south of the city. It may be of note that both schemes are now under way, but are still encountering delays and escalating costs.

The Commonwealth Games were considered a cultural success and any positive impact on the city's/region's economies remains to be seen, however most economic commentary sources observe that there is no sign of any positive impact on the region's economy, with the event ultimately costing the region more than it can afford.

The government announced in March 2021 that there would be two rounds of levelling up funds nationally available, set at £4.8 billion, and over the past year these payments are being made. As part of the region's 'Deeper Devolution Deal', the WMCA states the West Midlands has become the first region in the UK to get new 'Growth Zone' powers capable of generating more than £1.7 billion for local councils to spend on levelling up the most deprived areas and driving future growth. Central government has approved three 'Growth Zones' (Dudley/Sandwell, Walsall and the third will cover parts of East Birmingham and North Solihull), to be set up with councils able to retain business rates for 25 years, and using the money to help rebalance and grow the regional economy while also tackling long-standing issues causing deprivation, fuel poverty, jobs, skills and health. The three zones have the potential to generate £1.7 billion for regeneration investment, create 60,000 jobs and deliver 4,500 new homes.

Alongside the recent announcement of Investment Zone status for the West Midlands, this has seen powers and financial controls transferred from Whitehall to the West Midlands and taken together with the Chancellor's recent announcement for a West Midlands Investment Zone, means every local authority in the region will benefit from new financial powers to meet the priorities for their communities and businesses. 'Investment Zones' supporting sites in Wolverhampton, Birmingham and Coventry/Warwick and accompanied by funding for new infrastructure, tax breaks and other incentives for companies and business rate retention for the local councils, will have the power to drive up to £5.5 billion of growth across the region, and more than 30,000 new jobs by 2034. The Zones have been developed jointly by the local authorities and the WMCA working closely with the Department for Levelling Up, Homes and Communities ('DLUHC'), based on regeneration priorities and making the most of key transport corridors including forthcoming Metro extensions and highway connections around Junction 10 of the M6. WMCA state this is the first time that government has deployed Growth Zones, enabling local councils in a region to retain 100% of their business rates for 25 years to support comprehensive regeneration that could include new development, job opportunities, community facilities and housing.

The HS2 project has had its northern section extensions suspended, but this will not impact the West Midlands phases, but as these are still planned for 2029-33, there will be little benefit apparent for some time yet. The WMCA has, to date, not greatly moved any significant direct employment funding/programmes, and so far has had little effect on alleviating poverty in the region, which is currently driven by national factors. The planning rationale may be to ensure that effective infrastructure will support new economic growth, as and when that's implemented.

'*Brexit*'

The ability to do business with the EU continues to be greatly impeded. The greater part of the community of economists state this severing of ties has slowed the growth of the UK economy, with a very real possibility of pushing the UK economy into recession. HPLC has already noted the continued difficulty in accessing many of the goods it provides to grant recipients that were previously easy to get hold of.

HPLC contingency planning for a recession still has the charity well-placed and ready to weather an emerging poorer economic condition. The cost of the goods and services HPLC provides are continuing to rise, which is certain to reduce the numbers and/or extent of grants available, and the damage to the UK economy will likely to continue to have a detrimental effect on the poorest members of our society. This same economic damage would likely result in even further cutbacks to any government funded statutory support. The actions suggested in the *JRF's* briefing (published 13th January 2021) for Government to implement were largely ignored.

Post-pandemic Economy

The COVID-19 pandemic has resulted in very high levels of public spending. Current estimates of the cost of the government measures in place since 2020 range from about £310 to £410 billion, and this has been a driving factor is pushing up inflation rates to levels not seen since the 1980s. HPLC continues to note the increase in cost many of the goods and services it provides to grant recipients. In addition, many individuals have reduced (or even ceased) their contact with support organisations that HPLC fund, impacting performance, but more importantly, putting those individuals much further away from the support they need.

On-going Unstable Geo-political Future: Russia and Ukraine

The protracted Russian military incursion into Ukraine has detrimentally impacted the global economy, and has contributed to the on-going massive cost increase to energy supplies putting financial pressure on HPLC's service users, both those supported through the Grants Programme and its Almshouse residents (those without HPLC's bulk-purchase advantage). This has been a second driving factor is pushing up inflation rates even more, and the greater part of the community of economists agree the nation is facing a 'cost of living' crisis as many individuals and families struggle to cope. There has been a marked increase in requests from individuals across the Ancient Parish for direct financial support; when queried, this is usually attributed to this rise in the cost of living.

Changes to welfare benefit system

The following changes to the benefit welfare system are mainly geared to spending freezes, and have already impacted those already struggling individuals/families:

- The Benefit cap introduced in April 2016 is still in place, and currently stands at a maximum of £486.98/week (up from £423.46) for all eligible benefits, which is likely a direct consequence of the cost of living crisis, but still represents a real-term drop in income, given the effect inflation has on the economy. Most working-age benefits and tax credits have been frozen for five years already, however, many families are still struggling to make ends meet and often have to cut back, even on essentials.

- Universal Credit (UC) is paid monthly in arrears and includes Housing costs (rent, but not Council Tax). If the household has two adults, married or living as a couple, there is one monthly payment for both of them. Under UC, individuals are responsible for passing payments on to their landlords for their rent. Those claimants with children are expected to prepare for work when their youngest child turns two, and to look for work when their youngest child turns three, with support from Jobcentre Plus. The monthly UC Living Element amounts are, currently:-

Single and under 25	£311.68
Single and 25 or over	£393.45
For a couple, both under 25	£489.23 (for both)
For a couple and either are 25 or over	£617.60 (for both)

  Most impactful, is still the length of time many claimants have to wait for a decision to be made, often without any up-front crisis payments. The roll-out period has long passed and the delivery of this benefit should be efficiently actionable by now, but clearly isn't. These on-going delays have resulted in a marked increase in the demand for crisis support, particularly with users of food banks, attendance at community cafés and people needing debt support.

- There continues to be a lot of problems reported with the process of awarding Personal Independence Payment (PIP) is still subject to long waiting times for assessments and assessment centres not still being accessible for those with limited mobility. Also, claimants report not being treated with dignity by the assessors, that claimants' testimonies and applications still being 'misrepresented' by the assessors, and assessors continue to be, outwardly apparently, unqualified to make sound medical judgements regarding the claimants and people suffering financial hardship as a result of the delays.

- The DWP is continuing to focus on moving claimants in receipt of 'legacy benefits', identified as:-
  - Income-based Jobseekers Allowance

- Income-related Employment and Support Allowance
- Income Support
- Housing Benefit
- Child Tax Credit
- Working Tax Credit

-onto UC. Given the on-going delays and difficulties identified above, and in the absence of any apparent solution to those difficulties, it is highly likely that many individuals and families will experience further detrimental impact to their lives and an increase in poverty and likely exposure to the risk of debt.

There are also some elements of the benefits system that increase the effects of poverty, including:

- The two-child limit in income-related benefits.
- The benefit cap and the five-week wait for the first UC payment (both mentioned above).
- Unaffordable debt deductions from benefits.
- Local housing allowance rates (frozen since April 2020) again breaking the link between housing costs and benefits.

Since 2022, there have been piecemeal (but relatively large) amounts of local welfare support funding for councils, but the suspicion is that this has not reached many hundreds of thousands of struggling families left behind in receipt of legacy benefits or UC, particularly as there is little evidence of this spending being made in Birmingham or Sandwell/Smethwick. Also, the £20 emergency increase to the standard UC payment was withdrawn in 2022, and this has had a detrimental effect on those who were in receipt of it. There is likely to be a spending freeze or even cuts to welfare spending in the Spring Budget, due in March of 2024. On the plus side, the inflation rate has (at time of the writing of this strategy) been steadily reducing, and is at the time of writing this strategy 5.3%, with a forecast to fall perhaps as low as 3-4%. The recent inflation high of 11.7% has had a lasting and damaging impact on the economy, and is a core factor in driving the cost of living crisis.

4.0 Cuts to Council Budgets

In January 2024, tens of millions of pounds of further cuts may have to be made across Birmingham City Council (BCC) to deliver a legal budget, in addition to the already heavy planned cuts of £300 million since the issuance of a Section 114 Notice on the 5th September 2023. This means the city is facing the prospect of serious degradation of most of its services. The state of council finances were published in the interim finance officer's report presented to the city council's Cabinet on the 16th January 2024. BCC cites rising demand for services, the equal pay legal ruling, plus the failed implementation of a new IT and finance system, and poor financial management in previous years, following on from years of austerity cuts. BCC's interim finance chief had previously flagged that the council needed to make £200 million of savings this year, and £100 million next year, to ensure it could produce a 'legal budget'. At the writing of this strategy, BCC have identified £149 million of cuts for this year, and £81 million for next year, still leaving them short of their target. However, the officer identified a gap of tens of millions more. Hundreds of council jobs will likely also be lost as part of the process, perhaps to reach as high as 1,800, depending on the ratification of the budget. BCC may be forced to request a central government loan facility, which would certainly need to be paid by for years to come, and which could possible attract penalty rates.

BCC's *'Medium Term Financial Plan'* for 2021-2025 (adopted February 2021) had set a balanced budget for 2021/22 and a target for the Delivery Plan to achieve £38.5 million of savings to balance the budget for 2022/23 and highlighted a significant structural budget deficit for the financial years beyond 2023/24. The plan is likely to be swept away by the new budget's need for far more stringent cuts. There remains significant uncertainty over the level of resources available to BCC beyond 2024, mainly due to the on-going reforms to local government financing. The previous settlement agreed by central government was designed to provide more to councils with higher spending needs and/or less ability to raise Council Tax (such as Birmingham) and councils in deprived areas have received a relatively larger share of the grant, with Birmingham being allocated around 3% of the national total, namely £24.7 million. It is government's intention to consult at a later date on the distribution of this, and therefore for planning purposes. It has been assumed that Birmingham will receive a similar proportion of the £822 million national sum resources in future years. Council Tax is therefore assumed to increase, in real terms, by 2.99% beyond 2024.

The Government had intended to introduce 75% Business Rates retention nationally from 2021/22 alongside a planned periodic reset of accumulated Business Rates growth, redistributing local Business Rates growth across all local authorities based on need. In October 2021, the Secretary of State for Levelling Up, Housing and Communities announced that Government had abandoned its plans to allow local authorities to do this as it would conflict with the levelling-up agenda. The government announced it would instead review the mechanism for redistributing funding to the authorities most in need. BCC's planning assumption is for the Business Rates Retention Pilot to continue, however the reset of business rates baselines in 2024, will mean BCC is still likely to lose resources of around £11.3 million.

Birmingham's Corporate Plan 2022 to 2026 provided a common basis for strategic planning and focusses on tackling inequalities and creating opportunities for the city's residents to live longer, healthier, and happier lives. It replaced the Council Plan 2018 to 2022 and is meant to present an improved set of priorities for 2022 to 2026, to address the impact of the COVID-19 pandemic, tackle inequality and support the 'levelling up' of the city.
The strategic outcomes and priorities are:-

- *"A Prosperous Birmingham"*; support inclusive economic growth, tackle unemployment, attract inward investment and infrastructure, maximise the benefits of the Commonwealth Games.
- *"An Inclusive Birmingham"*; tackle poverty and inequality, empower citizens and enable the citizen voice, promote and champion diversity civic pride and culture, support and enable children and young people to thrive.

- *"A Safe Birmingham"*; make the city safer, protect and safeguard vulnerable citizens, increase affordable/safe/green housing, tackle homelessness.
- *"A Healthy Birmingham"*; tackle health inequalities, encourage and enable physical activity and healthy living, champion mental health, improve outcomes for adults with disabilities and older people.
- *"A Green Birmingham"*; improve street cleanliness, improve air quality, continue on the 'Route to Net Zero', be a 'City of Nature'.

Through the council's delivery, enabling and influencing roles, they aim to strengthen Birmingham's position as a thriving, young and diverse global city.

Sandwell Metropolitan Borough Council (SMBC) still has a welfare rights budget of c.£1 million, however, the authority is facing further cuts to spending, and rising costs, and saddled with pay freezes means funding cuts to its advice providers.

SMBC currently spends c.£317 million each year on day-to-day services, such as bin collections, street cleaning, running libraries and leisure centres. Of this, around 60% of the budget funds vital services for adult social care and looking after vulnerable children, etc. SMBC announced in November 2023 they must make further savings of £13 million to ensure a balanced budget for the year 2024/25. This is resulting in strategic cuts to funding to some services in full, rather than 'injure' a broad range of services. SMBC has not been able to publish up-to-date budgetary data, so for the purposes of this strategy, data from 2022 and briefing notes from 2023 are used. SMBC is still facing continuing reductions in some of the non-adult care government grants forcing it to review services, having a direct impact on its residents. SMBC is also responding to the Government's rising adult social care costs settlement by increasing Council Tax by an additional 1.99% for 2024 and by introducing a different version of the Better Care Fund. SMBC has, since 2018, implemented a 3.99% increase in Council Tax in 2019/20 with the intention to implement a further increase of 1% in 2021/22 and 2022/23, flattening and spreading (but not reversing) the 4.99% blanket increase previously planned for 2017/18.

SMBC continued the £16.7 million cuts implemented in 2022, and the updated tax policy won't raise any more revenue than predicted. In addition to the £50 million already cut since 2015, SMBC also made the expected 1,250 job losses between 2021 and early 2023, with more forecast for 2024. Overall, SMBC have budgeted another deficit for the year, and will need to make cuts to other services aside from the commitment to adult care secured through the Government settlement.

SMBC implemented severe cuts as a consequence of the COVID-19 crisis, outlined in a report to Sandwell Council's emergency committee predicting the borough will continue to suffer from the pandemic's financial impact for the foreseeable future. The report stated the council "will need to review which services it continues to deliver with the reduced financial resources available, with an immediate focus placed on the continued delivery of statutory services."

The financial cost of COVID-19 means SMBC needs to spend an extra £14 million, while suffering a loss of income for 2021 to 2023. The report further states “Reduced income from council tax collections, increased costs of implementing the council tax reduction scheme, business rate arrears, commercial rents, housing rent arrears, etc. and increased demand for council services as a result of the economic downturn will impact the current year and future years’ budgets.” SMBC also warn children services are expected to see a rise in demand as wider job losses in the economy push up the number of children being referred to social workers.

5.0 Grant Priorities

In light of this data and contextual information, it seems reasonable for the charity to keep the same grant priorities:

1) 16-24 year old NEET provision or provision for those of school age at risk of becoming NEET.
2) Services for older people.
3) Debt and money management.
4) Food and Household goods distribution.
5) The charity will continue to deliver the individual grant programme to those in need.

In addition, the following priorities will be considered if application levels for the main priorities are low:

- Core Funding for organisations who work with disadvantaged groups who have been impacted by local and national cuts in funding may be considered if application levels for the other priorities are low.
- People with mental ill health.

6.0 Budget

HPLC is satisfied that the financial impact of the COVID-19 crisis on the charity lessened enough through 2022-to-24 that it continues, with minimal risk, to set the grants’ spending at previous levels. The charity’s total budget for the 2024/25 financial year is £270,000, consisting of:

- £215,000 Grants to Organisations
- £55,000 Grant to Individuals (individual applicants may apply once per year).

If any of the budget for the 2023/24 financial year is unspent/uncommitted by 30th June 2024, the Trustees are to review the reinvestment of that surplus into the grants budget for the 2024/25.

If the remaining organisational budget for the final grants round of the year is less than the total value of all the applications made for that round, the remaining budget is shared equitably around the successful applicant organisations, with their output/outcome targets adjusted equally equitably. Where an organisation has successfully applied for £3,000 or less, it is a reasonable inference that they would find it difficult to scale down their delivery activities, should their award be equitably reduced in line with the other successful organisations. In such cases, these organisations will receive (budget allowing) their full award of 'up-to/including-£3,000', but their targets will remain in line with their original application.

7.0 Key Dates

The Charitable Activities Committee continues to advocate two grant rounds per year, going forward. The Board of Trustees have taken the decision to update the Terms of Reference for the Charitable Activities Committee to approve any organisational grant application, before passing to the Board. This adds a further robust layer of governance to the process of assessing and approving (or declining), but it necessarily adds time to the process. As a result the deadlines need to be moved more in line with when the committee and board meet. Given the on-going high demand on HPLC for organisational grant support, it is appropriate that this pattern is maintained, to continue to effectively manage the budget across the year. Therefore, grant applications will likely be taken in two rounds across the year as follows:

1st July – new financial year

- 1st deadline: **Friday 6th September 2024**. Approved applicants will be notified in **December 2024**, for start of delivery **1st January 2025** (or earliest date, post New Year's Day).
- 2nd deadline: **Friday 7th March 2025**. Approved applicants will be notified in **June 2025**, for start of delivery **1st July 2025**.

These date are now in-line with the yearly calendar cycle of sub-committee meetings being held in advance of full board meetings, allowing the Charitable Activities Committee to assess organisational applications and can then present a summary to the board, alleviating the burden of making these assessments on the full board.

All officers submitting an application will receive a formal notice of receipt of said application. If an applicant organisation has not received this notice by the date of the deadline, they must contact the Grants Officer immediately and as a matter of urgency, to ensure the Grants Officer is actually in possession of said application.

Should there be any remaining funding past March, it will be passed forward to the following year's organisational grant budget. The Grant Strategy is reviewed annually and presented at the February board meeting.

8.0 Application Process

Organisational Applications

HPLC will conduct focus-group consultation with local stakeholders ahead of the start of each year's rounds of grant funding, to contribute to the co-designing of the strategy, to ensure that once grant funding is awarded it is reaching the wider community (and responding to need) that might not have been addressed through HLPC's existing referral/application processes. The consultation will still pay close attention to the grant priorities, as outlined annually in the Grant Strategy.

Organisations wishing to submit an Organisation Grant Application should contact Peter Hardisty, Grants Officer (0121 426 1600, 07773 304631, or peter.hardisty@hplc.org.uk) for an initial pre-screening conversation and to request an application form. HPLC is happy to receive applications by e-mail, however, all applications must be sent to HPLC as a hardcopy, preferably by 'signed for' post.

All applicants must submit their most recent audited accounts, or management accounts if the audited accounts are more than twelve months old. Newly formed organisations without any accounts to show must provide a comprehensive breakdown of the spend for the project. All applications must be submitted in full by the dates outlined above.

Applications will go through a two-stage assessments process.

- Stage 1: Applications will be compliance checked, including legal compliance with statutory bodies. Non-compliant applications will be rejected.
- Stage 2: The charity's Grants Officer will visit applicants to gather information for a qualitative report for the Charitable Activities Committee to approve, and a summary then delivered biannually to the Board of Trustees for final approval.

The kind of grant funding HPLC can give is very specific with regards to the goals of the organisations we fund and the area they cover, aligning to the priorities listed above. HPLC seeks to support established (or newly established) organisations to relieve need within the Ancient Parish of Harborne, in order to protect known and/or valuable services at a time when they are threatened by a reduction in funding from other sources.

Applicant organisations may apply for funding within a grant round once per year (defined as no less than twelve months since the award date of any previous grant, such that the organisation may continue uninterrupted delivery of an ongoing project, should they be successfully awarded such funding). The charity will examine any further applications for a third year and beyond for indications of any growing dependency on HPLC funding, on the part of the applicant organisation.

Individual Applications

Individuals wishing to receive grant support must be assessed by an officer of an outside support agency where possible (social worker, health visitor, welfare rights officer, etc.); individuals may only self-refer if they are receiving no support from any agency. The Grants Officer will signpost any self-referred individual to connect with one of a range of external support agencies, to refer back to HPLC on behalf of the applicant. The Grants Officer will maintain contact with the external support agency used, to ensure the applicant is progressing through their referral process. If this doesn't happen in a timely manner, the Grants Officer may signpost the individual to connect with a different external support agency and/or encourage the individual to seek referral from similar agencies themselves.

During the pandemic HPLC's Grants Officer was making limited 'doorstep' visits with grant applicants, allowing the officer some access (with appropriate PPE/distancing measures in place) to those applicants, and thus allowing some measure of further assessment of the applicants' needs. As of 1st January 2023, the normal grant visit process was re-established, with the caveat the Grants Officer continues to use appropriate PPE and observes sanitising and social distancing guidelines as much as possible, and referral organisations/officers must adhere to their own safeguarding and post-pandemic procedures.

The support agency's referral officer must be fully aware of the eligibility criteria of potential grant recipients, and the scale/scope of support HPLC can offer, and they must make this assessment themselves, with their client, before submitting an Individual Grant Application. HPLC follows the guidelines set down in the document: *'Income threshold for individual grant applicants'* (agreed by the Charitable Activities Committee, at their meeting of 9th November 2017) when benchmarking the measure/definition of poverty. Namely:

> The Charity Commission's guidance 'The Prevention or Relief of Poverty for the Public Benefit' suggests that: *"The meaning of 'poverty' has to be considered in the context of an organisation's aims, whom the aims are intended to benefit, and where the organisation carries out its aims…*
> *For a charity carrying out its aims in England and Wales, 'people in poverty' might typically mean households living on less than 60% of median income… [after housing costs are deducted]… This includes those people who, despite working, may still fall into this category and people may quality for assistance …whether or not they are eligible for state benefits."*
>
> *Also, and in line with ".gov.uk" guidance, former/current mobility related benefits (DLA, ESA, PIP and Attendance Allowance) are tax free and are not considered as employability related benefits, and thus are not included in the assessment of an individual grant applicant's income.*

Furthermore, the Charitable Activities Committee revised (at their meeting of 1st August 2019) the upper limit/threshold for savings for any individual grant applicant to have, below which they could be considered eligible for support. The committee decided to set these figures as:-

- £3,120 per single adult (18+ and resident in the household referred) and/or;
- £6,240 for someone disabled with complex needs.

These figures will be increased annually in line with CPI, and written into the following year's Grant Strategy.

The referring officer must submit the application to Peter Hardisty, HPLC Grants Officer (0121 426 1600 or peter.hardisty@hplc.org.uk) by secure means, in line with GDPR legislation established in 2018. Applications for an individual may not be made more than once per year (defined as twelve months since the award date of any previous grant), and no more than three grants can be made for an individual/household in any rolling ten-year period (from date of approval of the first grant).

Applications will go through a two stage assessments process.

- Stage 1: Applications will be compliance checked. Non-compliant applications will be rejected, and the referral officer encouraged to reassess the client's needs and/or correct the form.
- Stage 2: The charity's Grants Officer will visit applicants, accompanied by the referral officer, to gather information for a qualitative report to the Chair of the Board of Trustees. On the occasions the presence of the referral officer is not possible the Grants Officer will ask for an HPLC colleague or an appropriate trustee to accompany them. In extremis, the Grants Officer may choose to make a 'door step' visit to the applicant, and not enter the property.

Applications for individual grant support have no deadlines; there is a rolling process of application, assessment and award. The Chair of the charity's Board of Trustees will review the reports weekly, with the CEO, and approve or decline any grant request. Any case that the Chair and Grants Officer believe exceeds any devolved powers either the Chair or any individual officials of the charity have been granted to act upon (such as, an unusually large single award), is shared with the Charitable Activities Committee to assess and decide. Thus, HPLC can demonstrate a fair, transparent and robust level of assessment for any such case.

HPLC aims to guarantee a turn-around time of 15 working days from receipt of the application to the awarding of successful grants. The charity's Grants Officer will record and monitor all applications and their outcomes, and report this to the Charitable Activities Committee. The Charitable Activities Committee, with the Grants Officer, will report this to the Board of Trustees, quarterly.

Any conflicts of interest regarding any grant application are to be declared, and another appropriate officer selected to carry out the necessary duties.

9.0 Further Information

If you require any further information please contact Peter Hardisty (peter.hardisty@hplc.org.uk, 07773 304631) or Steven Simpson (steven.simpson@hplc.org.uk) or call the charity's head office on 0121 426 1600.

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