

Project Overview

Project Title	Mayor's Cost of Living Emergency Fund
Main Funding Programme	Combined Authority's Gainshare Allocation
Current Forecast Project cost	£3 million to May 2024
Funding Applied from the Combined Authority	Indicative approval sought of £3 million Nov 2022 to May 2024 of which: <ul style="list-style-type: none"> £1 million is a phase 1 expenditure approval for Nov 2022 to April 2023 and £2 million is phase 2 expenditure for May 2023 to May 2024
Other public sector funding amounts and sources	£0

Our region's most pressing economic concern – and indeed a key downside risk to the national economic recovery - is the cost of living crisis. At the same time, our voluntary and community sector - which is central to providing practical support to our most disadvantaged communities, is experiencing falling donations and increasing demand for its support and services.

The Mayor and Leaders therefore proposed at the end of August to utilise gainshare to establish an emergency Fund which would enable WY LAs to work with their established VCSE sector partners to provide additional emergency support to our most economically disadvantaged and vulnerable groups.

The support provided will be delivered through established West Yorkshire Authority networks of voluntary and community and social enterprise sector organisations (the VCSE sector).

This proposed scheme responds to the cost of living crisis by providing funds from 01 November 2022 to directly help those most adversely affected by rapid inflationary pressures and at risk of economic exclusion, namely those in workless households and those in in-work poverty. In the longer term, by helping West Yorkshire people to remain in work, and to move others closer to accessing employment opportunities, the effects of economic scarring resulting from the crisis will be reduced.

The scheme is to be delivered through the gainshare fund.

Business Case Summary

Strategic Case

In March 2021, the Combined Authority endorsed and adopted the Inclusive Growth Framework as a part of the Strategic Economic Framework (SEF). Promoting inclusivity is at the heart of the purpose of the Combined Authority and is embedded in the SEF. The Inclusive Growth Framework aims to shape and influence the national, regional, and local context, as well as policies and funding programmes, to ensure that as many people as possible contribute to, and benefit from, economic growth. As set out in the Economic Recovery Plan, Inclusive Growth is one of two 'golden threads' to drive our plans, and reach our vision of 'a fair, just and lasting recovery for West Yorkshire.

This proposal is central to delivering an inclusive economy, i.e. enabling everyone to benefit from and contribute to the economy. The fund will be targeted to help workless households get closer to the labour market and prevent people in in-work poverty from falling into unemployment.

This project is a key element of the Mayor's emergency response to the cost of living crisis facing all households and employers in West Yorkshire, alongside other flagship interventions such as significantly lowering Bus Fares

It builds on the region's Inclusive Growth Framework and learning from other policy led interventions, such as Liverpool City Region's Households into Work Fund and the national Troubled Families programme.

The Framework recognises that where an individual, household or community faces multiple barriers such as poverty, poor health and inequality, their journey to good work, or remaining in secure but often low paid employment, depends upon foundational steps, such as building confidence and trust as a route to robust physical and mental health.

The proposed scheme aligns strategically with the Mayor's pledge to Support local businesses and be a champion for our local economy in the following ways:

- As an economic sector in its own right, the VCSE employs around 29,700 full time equivalent posts, larger than the finance and insurance industries and which makes up 3.6% of employment across WY. In addition, there are an estimated 121,000 regular volunteers in the region giving their time and energy in support of their communities.
- To be a champion for an inclusive local economy. The region's Inclusive Growth Framework acknowledges the pivotal role of the region's 14,900 VCSE organisations in driving social and economic inclusion.

Economic Case

The financial problems facing our most disadvantaged communities through the cost of living crisis, including the rising cost of heating and food, are being caused by accelerating inflationary pressures, increasing the risk of workless households - and those in in-work poverty - sinking into problem debt.

The core purpose of the fund is to provide economically vulnerable communities with support for foundational things such as food, heating and mental health. The fund will make a meaningful and immediate regional contribution to ameliorating some of the most pressing socially and economically damaging aspects of the cost of living crisis. It may also help VCSE organisations to provide valuable basic skills and training to the target groups, e.g. money and debt management skills.

Supporting the VCSE sector at a time where its services are in increasing demand and donations are also falling in turn supports people from the most disadvantaged communities in the region and helps to increase the resilience of the local economy.

Pro Bono Economics has found that the targeted support provided to communities helps to reduce public spending on health and benefits and raise tax receipts – giving at least a £2 fiscal return on every £1 spent.

Commercial Case

The project will be delivered by our LAs in partnership with their established contracted networks of VCSE organisations as the LAs have longstanding commercial relationships with VCSE sector organisations in their districts that can be scaled up to enable immediate delivery and the VCSE sector is ideally placed to access the hardest to reach communities in need of emergency aid and advice during the cost of living crisis.

Financial Case

It is proposed that the project is delivered over two Phases (Phase One - Nov 22 to April 23; and Phase Two - May 23 to May 2024), with monitoring and evaluations an important facet of this project - both to capture the economic and fiscal impact it is having and to create learning and implement best practice as the project is delivered over its term.

The total scheme costs are £3,000,000 and will be funded from the Gainshare Fund. Phase 1 is £1,000,000 and Phase 2 £2,000,000.

Management Case

Delivery arrangements have been developed in consultation with senior officers in each West Yorkshire LA. Delivery of the proposed support packages will be commissioned locally by the individual LAs through their established local networks of VCSE organisations. These VCSE sector partners are considered to be ideally placed to provide emergency support to the target groups because they know their local residents well and so can quickly identify need, especially those in our most deprived communities that are also hard to reach and seldom heard.

An Emergency Fund Project Board will be established to provide project management, with senior officer representation appointed by each LA and the MCA.