

Agenda Item:
Communities, Housing, and Planning Policy Development Panel
14 September 2022

COST OF LIVING RESPONSE

Report Author: Mike Pursehouse
Assistant Director
01508 533861
mike.pursehouse@southnorfolkandbroadland.gov.uk

Portfolio: Community, Housing and Planning

Ward(s) Affected: ALL

Purpose of the Report:

The rise in cost-of-living is being widely reported in the media. This report sets out the potential options for the Council to support residents with cost-of-living rises, and how these fits into the wider Government response.

Recommendations:

The committee is asked to:

1. Recommend that Cabinet agrees the proposed programmes and direction of travel to support the cost-of-living rise, as set out in appendix one, and
2. Comment on other potential areas to explore, as set out in appendix two.

1. Summary

- 1.1 The cost-of-living for Broadland residents has already increased significantly during 2021/22, and with changes to energy prices, and inflation will continue to increase during this year.
- 1.2 With inflation, a likely recession, and still dealing with the effects of Covid, the cost-of-living will likely have an impact on all residents, businesses, and growth.
- 1.3 Due to the size of response required, the main financial support will have to come from central Government, which will be partly administrated by the Council.
- 1.4 Whist the main framework of financial support will be centrally driven, the Council, with its ability to work closely with our communities, is best placed to identify, and support residents who are in most need, and galvanise community capacity and infrastructure.
- 1.5 This report focuses on the Councils response to supporting the cost of living and how we use our resources and assets to enable direct support and lobby Government. This is an initial response that we can start to implement straight away, with a further report to Cabinet once we have investigated options and have an understanding of potential support from central Government.
- 1.6 Many of staff also living in the district and the increase in cost of living will affect them, particularly our lower grade staff, who will also be able to benefit from these programmes. However, staff may also choose to leave lower paid roles, and this may have a potential impact on service delivery. This will be monitored separately.
- 1.7 Officers will be assessing the impact on resources to deal with contact with the Council to ensure we are able to meet demand, which will be part of the Cabinet report.

2. Background

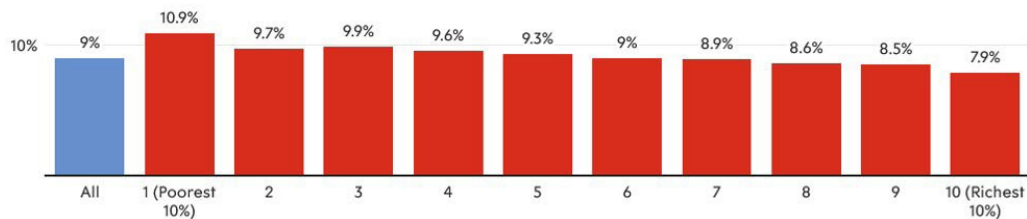
- 2.1 Millions of households across the UK are struggling to make their incomes stretch to cover the rising cost of living. Central Government is providing over £15 billion in further support, targeted particularly on those with the greatest need. This package is in addition to the over £22 billion announced previously, with government support for the cost of living now totalling over £37 billion this year.
- 2.2 This means that almost all of the eight million most vulnerable households in the UK will receive £1,200 of one-off support in total this year to help with the cost of living, with all domestic electricity customers receiving at least £400.
- 2.3 Increases in the cost of living will affect all households however, households on lower incomes will be affected more than richer households. See figure 1 This winter, low-income households will have to reduce their spending by three times as much as high-income households in order to afford their energy bills. This is due to poorer households spending a larger proportion of their budget on energy and food, as fig 2 below shows.

2.4 People aged between 55 and 74 years were more likely to be cutting their energy use than those in the majority of other age groups. Around 6 in 10 of those aged 55 to 64 years (58%) and 65 to 74 years (59%) reported doing so.

Figure 1

The poorest UK households face an inflation rate three percentage points higher than the richest 10 per cent

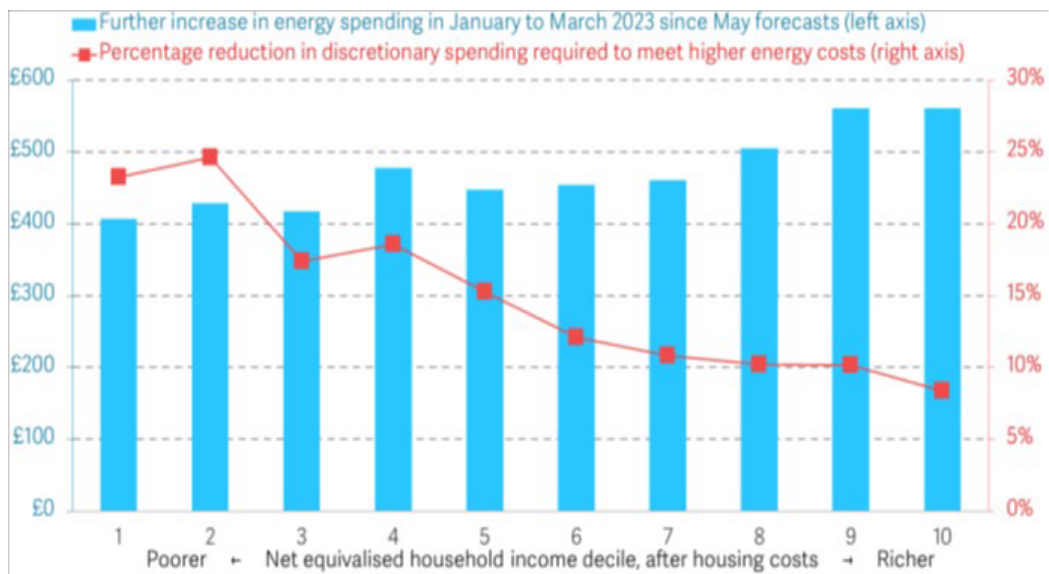
The year-on-year change in Consumer Price Index by household income decile, April 2022



Source: Institute for Fiscal Studies

NEW STATESMAN

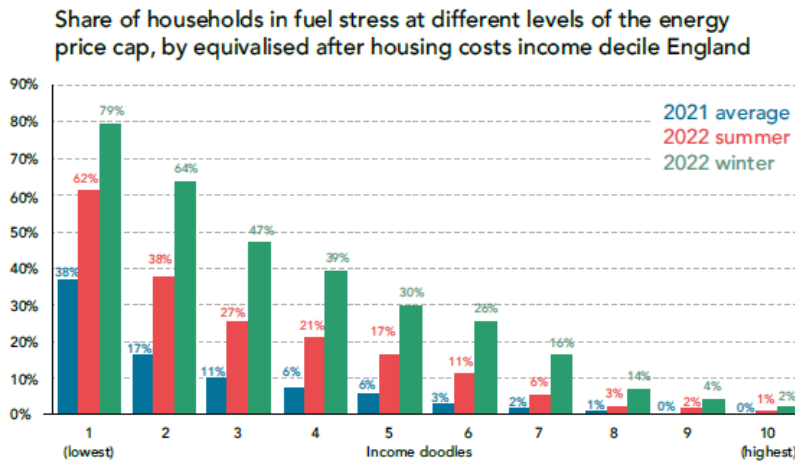
Figure 2



2.5 In terms of energy prices, fig 3 below shows the increase in fuel stress over the last three years. As clearly shown, the lowest income families are harder hit than the richest households.

Figure 3

Energy price rises hit poorer households harder because they spend 11% of household budgets on gas and electricity, compared to 4% for the richest households.



Source: resolution Foundation, 2022, Stressed Out

- 2.6 As part of the overall Government support, the Council is administrating the Household Support Fund, in partnership with Norfolk County Council. An initial fund was allocated between September 2021 and March 2022, with a second tranche allocated in April 2022. Although not confirmed, indications are that the third tranche is likely in October. This fund provides small payment directly to households to provide immediate payments for support including food, energy, transport, clothing. The average payment is currently £150 and is targeted at families who need it the most.
- 2.7 The energy rebate scheme administrated by the Council, provides support according to Council tax bands directly to households. A £150 payment is provided to band A-D properties with a discretionary award available to other households.
- 2.8 Between January 2022 and June 2022, the Help Hub issued 479 food bank vouchers to vulnerable customers. In the first round of the Household Support Fund (December 2021 to March 2022) 464 households were supported with grants to buy food. Whilst we don't have comparative data for the same periods in previous years the size of the numbers shows a significant number of people in severe hardship
- 2.9 In June 2021 the Help Hub had 51 referrals with financial issues listed as a presenting need. In June 2022 this figure had risen to 179.

- 2.10 In July 2021 30 people were referred into the Financial Wellbeing Team for debt or money management support. By July 2022 this figure had risen to 55 for the same period. This includes specialist debt advice and more general budgeting support.
- 2.11 Across all the available data sets from Help Hub services engaged in tackling financial hardship we can see these common trends. The number of people in need of these services is likely to increase in line with increased economic pressures.
- 2.12 Times of domestic financial hardship (food, fuel and energy costs) inevitably lead to potential increases in crime, disorder and community safety concerns. Previous experience of acute economic austerity saw significant additional demands on policing, regulatory, community safety and environmental services to deal with more domestic disturbances and neighbourhood issues, petty and semi-organised crime, and greater needs for environmental clean-ups.

3. Current position/findings

- 3.1 With the onset of winter, and increasing energy costs from September, we are likely to see a significant number of residents affected by the cost-of-living rise. The predictions are suggesting that inflation will start to fall next year and be back to the target of 2% in around two years (Bank of England forecast).
- 3.2 Whilst costs will go up for all residents, we will be using reactive data, as well as using our new modelling tool 'LIFT' (low-income family tracker) to identify cohorts of households that will be the most adversely affected.
- 3.3 Through our help hub approach, we are well placed to respond quickly to need. We demonstrated through the Covid pandemic that we can flex resource quickly to meet demand, and working collaboratively with our partners and communities, provide support locally, right down to street level.
- 3.4 Through the in-year savings we have increased capacity within the help hub triage and assessment team and debt and welfare team to support residents who are in need. While direct payments to households have been invaluable, our approach will continue to be to complement immediate support with resources to help households to support themselves, reducing the likelihood of needing support in the future.
- 3.5 The Warm Homes Programme is able to provide expert advice on saving energy as well as mediating with energy companies on behalf of our most vulnerable residents who are questioning their energy bills or are in energy debt.
- 3.6 The Warm Home Programme is also able to provide insulation and renewable heating systems at no cost to low-income residents living in poor energy efficiency homes. Thereby reducing the amount of energy needed to heat homes and as a consequence lower energy bills.
- 3.7 Through the emerging Health and Wellbeing Partnership, we are utilising covid money to increase hardship support, community capacity, healthy living and supporting secondary care. Staff have also been working with Citizens Advice to

look at further ways we can collaborate to improve joint working and information sharing.

- 3.8 The pilot of two early intervention / antisocial behaviour officers funded until March 2023 is providing for rapid response to new incidents, high visibility and community reassurance in local neighbourhoods, making a strong positive impact with excellent customer feedback. This additional service element in Regulatory services has been kept very busy but is able to prioritise incoming calls during the pilot and respond to escalating cost-of-living related community impacts, working closely with the council's prevention, diversionary activity and help hub services.

4. Proposed action

- 4.1 A framework of support is proposed to be adopted that will support residents through the cost-of-living rise. The aim of our approach will be to:
- Reduce the impact of cost-of-living rise on households
 - Reduce the ongoing impact on Council, and partners agency services
 - Offer community interventions where necessary to protect and keep people safe
- 4.2 While all households will be affected, lower income households will be unduly affected and therefore we will aim to focus particularly on households who are unable to:
- Meet fuel bills
 - Pay rent
 - Buy food
 - Run a vehicle to access work / essential services and medical appointments
 - Ascertained from doorstep early interventions as having specific further needs
- 4.3 Data and intelligence will be critical to identify residents in need. Through Covid learning, it was clear that good quality data, mixed with local intelligence on the ground enabled a targeted approach. Using the new LIFT programme (see 3.2), we will be able to build up a local intelligence picture. Our aim will be to include partnership data where we are able to have access, including DWP and Housing Association data.
- 4.4 We successfully stood up a silver coordination group for both districts, to engage with our partners to coordinate activity. Since Covid, this model has been used to engage the partnership around Homes for Ukraine, Asylum dispersal and will again morph into support cost-of-living rise.
- 4.5 Our approach will be split into three work streams:
- **Crisis minimisation** – immediate response to hardship
 - **Recovery** – formal advice to address need
 - **Crisis prevention** – support households to reduce costs and to increase income.
- 4.6 Our residents need support now, therefore we will focus on key areas where we can mobilise quickly, to support residents during the winter months. This support will be largely within existing resources and utilising existing funding already

allocated from Government. Alongside this, we will explore longer term support options which will require lobbying of Government and strategic programmes.

- 4.7 To ensure we maintain pace, these programmes will be explored and implemented as required through the existing delegation powers within the Council, in consultation with the relevant portfolio holder. Where needed, programmes will go through the formal governance process.
- 4.8 The proposed programmes are at Appendix One which are the initial tranche. This appendix details specific programmes we will be working on and is a high-level summary. An action plan will sit under this programme summary which will look at specific timescales and resource requirement which the portfolio holder will be regularly updated on.
- 4.9 An internal officer working group will start early September to drive forward this programme. Alongside this we will repurposing the partnership silver group, which was set up to deal with Covid, and morphed to focus on Ukraine. This group currently meets monthly but will be refreshed to ensure we have a total partnership response.
- 4.10 As with Covid and Ukraine workstreams, learning and feedback from residents and partners, along with data, will help inform us to amend and develop programmes as we progress through the winter.
- 4.11 We will be working with public health to see if we can request a reserve to support cost of living rise, to provide funding for programmes should we need additional funding. The Norfolk County Community Safety Partnership (CSP) has adopted an underpinning public health model for identifying and addressing root causes of problems, and we will be working with the CSP to monitor and respond to community safety needs.
- 4.12 The opportunities in appendices one and two are the potential programmes we can move forward. Further work will be completed to understand what programmes the resources must move forward now, and which need additional resource or funding, with the intention to bring to Cabinet in November.

5. Issues and risks

- 5.1 **Resource Implications** – There is insufficient resource to support this programme of works. Workstreams that can go ahead with existing resources will be moved forward quickly, other ideas in appendix one and two will need to be further developed and prioritised according to available resources. For major programmes, a business case will be completed for each programme which will include resource requirements.
- 5.2 Officers will also be working separately on resources required to deal with the increase in contact with the Council to present to Cabinet.
- 5.3 **Legal Implications** – There are no known legal impacts
- 5.4 **Equality Implications** – the cost-of-living rise will dis-proportionally affect low-income households and therefore this cohort will be targeted as a priority.

- 5.5 **Environmental Impact** – Whilst there are no direct environmental impacts for this proposal, inefficient homes will cost more to heat as well as producing more carbon emissions. This link will be explored further in the development of these proposals. Household and business financial difficulties are likely to lead to increased fly tipping and potential environmental pollution impacts of localised incidents and poorer maintenance of drainage, waste and fuel storage systems.
- 5.6 **Crime and Disorder** – Cost-of-living will put further tension on households and mental health, which is an underlying factor in crime and disorder. Increasing

poverty is commonly linked with increases in acquisitive crime, anti-social behaviour and environmental offending.

5.7 **Risks** – no specific risk identified.

6. Conclusion

6.1 We are at a crucial time in supporting our vulnerable families through the escalating cost-of-living. The Council is closest to our communities, and as throughout Covid, can react quickly to identify and support vulnerable residents. As well as using our existing resources and our partners/communities' assets, we can look at longer term programmes/lobbying to reduce some of the impact of the cost-of-living on residents.

7. Recommendations

The committee is asked to:

1. Recommend that Cabinet agrees the proposed programmes and direction of travel to support the cost-of-living rise, as set out in appendix one, and
2. Comment on other potential areas to explore, as set out in appendix two.

Appendix one – fully funded, and business as usual programmes Crisis minimisation

Programme	Funding	Timescales
Hardship identification. Learning from Covid, through internal and external sources, we will identify specific cohorts of households who are specifically at risk, who are likely to need immediate support.	Within existing budgets	September
Energy rebate scheme <ul style="list-style-type: none"> • £150 payments to council tax band A- D • Discretionary payment £135170.00 of the total £151200 allocation 	Externally funded	Currently operational To be spent by November 2022
Household Support Fund <ul style="list-style-type: none"> • Small grant payment to provide direct support to pay for essential costs. The average grant is circa £150. 	All funding allocated from tranche two	Second tranche complete in Sep 22, third tranche likely Oct 22.

<p>Discretionary Housing payment</p> <ul style="list-style-type: none"> • Short term payments to assist in shortfall in welfare payments, to allow people to remain in their homes • £39800.00 remaining of the initial £81053.00 allocation 	<p>Within existing budgets</p>	<p>Ongoing</p>
<p>Whatever it takes fund</p> <ul style="list-style-type: none"> • Short term payment to relieve, or prevent homelessness • £32328.00 of the initial £52879.00 allocation 	<p>External funding</p>	<p>Operational, Funding due to run out March 2023</p>
<p>Council tax discretionary relief</p> <ul style="list-style-type: none"> • Short term payment to assist with shortfall in Council tax • £9785.00 of the initial £15k allocation remaining 	<p>Within existing budgets</p>	<p>Ongoing</p>
<p>Rough Sleeper Initiative</p> <ul style="list-style-type: none"> • Direct support to resolve rough sleeping 	<p>External funding</p>	<p>Current scheme operational until March 2025</p>
<p>Temporary accommodation</p> <ul style="list-style-type: none"> • In-house and private sector leased accommodation to provide short terms housing support to resident 	<p>Within existing budgets</p> <p>Current budget deficit</p>	<p>Ongoing</p> <p>Overspend likely to be gross £510,814.00, net £272,592 (across both Councils)</p>
<p>Housing Benefit and Council Tax Support</p> <ul style="list-style-type: none"> • Staff resource to ensure correct payments and support working age claimants into work / more income 	<p>Within existing budgets</p>	<p>Ongoing</p>

Community led support <ul style="list-style-type: none"> Communities Team enabling and supporting communities/ Mutual Aid Groups who offer hyper-local responses as identified including engagement with food banks 	Within existing budgets	Ongoing
Community protection, anti-social behaviour, community safety and Regulatory interventions and enforcement	Within existing budgets plus COMF funding in 2022/23	Review in Q3 2022-23 to decide whether to mainstream the two Early Intervention Anti-social Behaviour Officers from April 2023 following the pilot year

Recovery

Programme	Funding	Timescales
Financial Wellbeing Team, combining Debt Advice, Welfare Rights and money management support. 7 x staff directly focused on tackling debt, supporting financial wellbeing and stability	3 x staff permanent 3 x staff budget until Sept 2025 1 x staff budgeted until June 2023	Scaled up programme until 2025.
Partnership development with Citizen Advice to explore further collaboration including joint bids	£9,750 from Health and Wellbeing Partnership	Proposal ready quarter 4 2022/23
Supporting Norfolk Community Law Service to provide free legal advice to vulnerable residents	£5,000	Ongoing
Support via help hub to access prevention help including, finance, mental and physical wellbeing, domestic abuse and housing.	Within existing budgets	Ongoing
Community Safety focussed problem-solving and reassurance work to maintain order and harmony in locally impacted communities.	Within existing budgets subject to review of Early Intervention Antisocial Behaviour Officers pilot	Ongoing Pilot service review in Q3 2022/23

Prevention

Programme	Funding	Feasibility	Timescales
Improving energy efficiency in the home through retrofitting existing homes and provision of energy and bill saving advice	Externally funded, Government under the Sustainable Warmth Scheme and the Social	Programme agreed	March 2023
	Housing Decarbonisation Fund circa £6m for Norfolk		
Green loans for low-income families to upgrade their home with efficiency measures	Already agreed	Programme agreed	Start quarter 3 2022/3
Food waste Prevention - Recycling Team are looking at proactive work to increase impact to reduce household bills	Within existing budgets	Existing programme	Ongoing
Launch affordable cookbook, cooking for family for four for £40 per week	Within existing budgets	Cookbook being prepared ready for launch	Start quarter 3 2022/3
Pass on suitable bulky waste to Emmaus to recycle to families	Within existing budgets	Within internal existing capacity and skills resources	Start quarter 3 2022/3
Run two 'pop-up' reuse events next year to provide residents with access to free household items	Within existing budgets	Within internal existing capacity and skills resources	Start quarter 4 2022/3
Enforcement of minimum energy requirements in the rental sector. To ensure no property is rented below an E unless an exemption.	Within existing budgets	Within internal existing capacity and skills resources	Ongoing

Improved focus on Scams Partnership to promote about scamming dangers.	Within existing budgets	Within internal existing capacity and skills resources We currently offer free half day sessions on cyber security for personal & business users in partnership with the police. Community Protection focus on deterring doorstep scammers.	Ongoing
Run courses on educating reducing your bills, managing household budgets etc.	£5k	Highly likely if funding found.	Start quarter 1 2023/4
New Business Builder Programme – Broadland small business grants	Norfolk Strategic Fund	Two-year programme Approved by Cabinet July 22 – only in BDC	Start quarter 3 2022/3
One stop shop for business regulatory support for successful start-up and assured compliance.	Pilot funded to January 2023	12-month pilot service to be reviewed in Q3 2022/23	Service beyond January 2023 to be determined
Support and compliance inspection business visits to food, safety and licensed premises, events and activities	Within existing budgets (service subject to review)	Within internal existing capacity and skills resources	Ongoing
Improving energy efficiency in the home through retrofitting existing homes	Externally funded, circa £6m for Norfolk	Funded by Government under the Sustainable Warmth Scheme and the Social Housing Decarbonisation Fund	March 2023 Further funding expected 2023-2025

Appendix two – unfunded programmes which need funding identified or additional business cases

Programme	Funding	Feasibility	Timescales
Improving energy efficiency in the home through retrofitting existing homes	To be agreed	Initial discussions with District Council Network have resulted in a small working group set up to lobby Government to release further funding to districts to retro fit existing homes through loans/grants. Major UK wide programme that would need significant project planning and Government investment	
Employment support for those who are under-employed, including young people and second income.	Choices programme core funded, enhanced will require additional funding - Covid funding in SNC	Current choices programme running, review of future support programme instigated which will include learning from Choices, work4all and kickstart.	Quarter 4 2022/3
Affordable transport	To be determined	One of the key barriers to employment opportunity. Lobbying programme to provide cheaper transport / improved infrastructure options Major programme that would need significant project planning and Government investment	To be agreed
Improving Private Sector rented sector housing	To be determined	Significant reforms proposed in Government white paper which affects both enforcement and supply. Major programme that would need significant project planning	To be agreed

Warm Spaces – provide funding to existing community groups to provide warm, safe spaces to reduce heating costs and links to support services	£15k	Business case being drawn up	Start quarter 3 2022/3
Social supermarket. Access to affordable food and learning how to cook efficiently	£10k	Will need business case and additional funding. Work with our existing foodbanks to explore who have potential access to facilities to offer cookery sessions using the ingredients available within the bank. There is potential to work with the Joy of Food to provide this as an offer.	Start quarter 4 2022/3
Digital courses to support people to access on-line discounts	£5k	Highly likely if funding found. Potential to work with adult learning and libraries	Start quarter 4 2022/3
Proactive assessment and support to ensure older people are claiming the benefits that they are eligible for.	£5k	Within internal existing capacity and skills resources	Start quarter 3 2022/3
Run courses on educating reducing your bills, managing household budgets etc.	£5k	Highly likely if funding found.	Start quarter 1 2023/4
Supporting people with Chronic Obstructive pulmonary disease (COPD) who are in fuel poverty to prevent cold homes aggravating the condition.	To be determined	Raised at the Health and Wellbeing Partnership, discussions progressing,	To be confirmed

Cold winter packs created to provide extra clothing, blankets, food, warm containers to people who need immediate support.	To be determined	The Council has operated these before with NHS funding, this will be explored	Start quarter 3 2022/3
--	------------------	---	------------------------