

**Report to:** Cabinet

**Date:** 7 July 2022

**Title:** Cost of Living Crisis

**Report of:** Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning

**Cabinet member:** Zoe Nicholson, Leader of the Cabinet and Member for Finance and Assets and Matthew Bird, Cabinet Member for Sustainability

**Ward(s):** All

**Purpose of report:** To provide an update on measures already taken and to agree a range of measures to support local people struggling due to the cost of living crisis

**Decision type:** Key

**Officer recommendation(s):** (1) To note the initiatives undertaken to date to support those in need

(2) To approve that £200k be allocated from the newly created Cost of Living Support Earmarked Reserve, to establish a cost of living crisis fund along with officer time for its administration.

(3) To agree that the Deputy Chief Executive be given delegated authority to allocate the cost of living crisis fund in consultation with the Leader.

**Reasons for recommendations:** To help support those worst affected by the cost of living crisis.

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## **1 Introduction**

1.1 The UK is currently experiencing a range of major financial challenges which have come together to form a significant cost of living crisis for the country. The combination of increased fuel costs, food costs and inflation, coming as people are only just recovering from the challenges of Covid, is putting massive pressure particularly on those with low incomes.

1.2 This report sets out, alongside the range of initiatives that the council has already put in place to help tackle these challenges, a new fund that aims to further help and support those in most need. The council has already done a great deal to address the challenges people are facing. People not having enough money to feed themselves and their families has been an increasing problem in recent months. Fuel poverty is becoming an even more significant issue as energy and petrol costs, which have risen steeply, are set to increase even more dramatically as we head towards the Winter. Alongside this, inflation is having an impact on living costs generally with specific effects on the cost of food. Together these inter-related challenges have created a massive cost of living crisis which will have negative impacts for health, social cohesion and household finances.

## **2 Initiatives to help respond to the cost of living crisis**

2.1 The council has been quick to respond to the cost of living challenges which are facing its residents. In readiness for the new tax year the council previously agreed a council tax reduction scheme that includes 100% level reduction for those most in need. On top of this the council is administering the council tax energy rebate of £150 per household and has been successful in getting these rebates paid to local people very quickly. Unlike many other councils who have been slow to deliver this scheme, the council has (at the time of writing) already paid out £3 million so far to over 20,000 households.

2.2 To further assist those challenged by the current crisis the council is administering locally a fund from East Sussex County Council of £220,000. This forms part of the government's household support fund which enables those people who are eligible to apply for vouchers of £50 per adult, £30 per child and a £100 energy voucher.

2.3 On top of the above the council has earmarked £500,000 to support local households with £170,000 ring fenced for council tenants.

2.4 Recognising the real challenges that people are facing, the council is also working with anyone who does get into arrears with their council rent and council tax. Where this happens, the council will provide help and support, and in relevant cases people are able to apply for discretionary payments from the council to assist.

2.5 The council is in the process of working with other authorities within East Sussex under the banner of the Warm Home East Sussex scheme to deliver home retrofit grants. (allocated under the Green Homes Grant Local Authority Delivery (LAD) scheme 1A, 1B, and the current scheme LAD 3 and the Home Upgrade Grant (HUG)). This programme provides support and funding to help improve household fuel efficiency to residents. The council previously worked with the Greater Southeast Net Zero Hub to deliver a similar (LAD 2) scheme previously. There have been issues with the design and delivery of the schemes to-date and the council will continue to do all it can to work with central government and other bodies in delivering energy efficiency retrofit grants whenever these are

available and ensure that residents of Lewes District benefit as much as possible.

- 2.6 Alongside this, the council's quarterly magazine, District News, has now re-started after the necessary break during the Covid pandemic. This is delivered to every household in the district and is packed full of help and advice related to the cost of living crisis. Residents will find energy saving information, budgeting advice, foodbank information, signposts to free support in communities and affordable recipes all in the latest edition.
- 2.7 The Council has continued to support community sector organisations and groups such as Citizen's Advice, the Lewes District Food Partnership and Community Energy South to target and support fuel and food advice and support to those residents most in need.

### **3. Proposal - Cost of Living Crisis Fund**

- 3.1 The council has, as set out above, already responded in a variety of ways to help local people affected by the cost of living crisis. However, it is recommended that the Cabinet extend the level of Council assistance, on grounds of need and urgency. To this end it is proposed to establish a cost of living crisis fund to help support key local voluntary groups and organisations who are providing front line support to those in need.
- 3.2 To enable the cost of living crisis fund to be administered effectively, and to support enable local organisations in delivery, it is proposed that a dedicated part time, fixed term post be established, to cost no more than £50k. The postholder would work with local organisations to ensure they are equipped and enabled to respond quickly and appropriately to local needs. They would also work to ensure the council's response is both timely, but also considered and within a clear strategic framework. It will be important for the council to ensure funds are allocated with the long-term aim of reducing reliance on food banks, managing fuel poverty and helping tackle living cost issues.
- 3.3 The dedicated officer will also design and coordinate a strategic action plan that will detail steps and timelines around sustainable approaches to fuel and food poverty. This action plan will seek to address need with a view to supporting longer term solutions.
- 3.4 A fund of £200,000 is proposed to support this work. The first £50,000 of this is intended to be available immediately to enable our local food banks to respond to the current unprecedentedly high levels of need in the district. This first tranche will be paid quickly to the local food banks to enable them to provide active support in terms of food, and also with fuel, where they are equipped to do so.
- 3.5 The remaining funds will then be distributed through a simple £150,000 grants process in the autumn of this year, supported by the new post-holder. The Deputy Chief Executive will be given delegated authority to oversee the allocation of this fund in consultation with the Leader, along with other member bodies, such as the Grants Working Party, as appropriate. This will enable the

funds to be distributed with maximum speed and efficiency, within the framework set out in para 3.2.

- 3.6 As work to improve access to council services continues, it is proposed that a portion of the newly established fund be ringfenced to support residents who may be digitally excluded. This may be through a contribution to training and awareness programmes delivered through the local voluntary sector or services such as libraries.

#### **4. Outcome expected and performance management**

- 4.1 The challenges facing local residents as a result of the cost of living crisis are very real and very urgent. The council cannot singlehandedly resolve these complex and national level issues. However, the proposals set out in this report can and will go some way to help alleviate some of the real hardship local people are facing.

#### **5 Corporate plan and council policies**

- 5.1 The Council's corporate plan places a central focus on helping the most vulnerable in our district. Although prepared before the cost of living crisis was being experienced, the council has always prioritised the most needy and continues to do so.

#### **6 Financial appraisal**

- 6.1 The draft out-turn position for 2021/22 has delivered more savings than the target and as a result the Council will be able to build upon its reserves and provide further resilience for future years. As part of the out-turn report it is requested to approve a transfer of £350,000 to a newly created Cost of Living Support earmarked reserve. The cost of living fund of £150,000 will be funded from this reserve in 2022/23.

#### **7 Legal implications**

- 7.1 Following Cabinet approval of the officer recommendations in this report, the persons authorised to manage and implement the cost of living crisis funding must perform those functions on a fair, open and consistent basis; and keep a record of their decision-making process, for audit and accountability purposes.

At the relevant time, the Council's legal team can advise on the need for contract or grant agreements, as applicable.

*Lawyer consulted 09.06.22*

*Legal ref: 011170-LDC-OD*

#### **8 Risk management implications**

- 8.1 A key component of the council's corporate plan is to help the most vulnerable in the district. If the recommendations in this report are not adopted there is a risk that the council will fall short of delivering against this key strategic aim.

## **9 Equality analysis**

- 9.1 The cost of living crisis is likely to impact household budgets across the board, with utilities, food products and fuel increasing in price. Working-age people on low-incomes or squeezed budgets are likely to be impacted more as the year progresses, and older people particularly by increased heating costs in autumn and winter. Residents in rural locations who rely on oil to heat their homes will be subject to increased oil costs. People reliant on cars, including those in rural locations, could be impacted by increased running costs. Food items have already seen some price increases, and those with children may see an increase in their weekly food cost.

It is hoped these proposals will go some way towards mitigating the generally negative impacts brought by the cost of living crisis. The full Equality Analysis is available from the report author.

## **10 Environmental sustainability implications**

- 10.1 Although the primary consideration of this report is the alleviation of hardship. Where residents are in a position to reduce their fuel costs through energy efficiency measures in their home, the current pressures on fuel costs may have the incidental benefit of reducing use of fossil fuels which contribute to global warming.

## **11 Appendices**

None

## **12 Background papers**

None