

**6 July 2022**

<b>Report of</b>	<b>Assistant Director, Communities Assistant Director, Customer</b>	<b>Michelle Tarbun &amp; Samantha Preston</b>
<b>Title</b>	<b>Addressing the Cost of Living Crisis</b>	
<b>Wards affected</b>	All wards	

## 1. Executive Summary

- 1.1 The “Cost-of-Living” crisis continues put an increasing strain on residents and communities. The highest level of inflation seen in a generation, low wage growth and inequalities exacerbated by the Covid pandemic are being compounded by particularly high increases in everyday household expenses, food and energy. The cost-of-living crisis is disproportionately affecting those on low incomes with the likely effect of further entrenching and widening inequalities in our Borough.
- 1.2 “The cost-of-living crisis needs an immediate response, from every level of Government, with partners and at pace. This Cabinet will prioritise support for those faced with terrible choices, between food or warmth or other essential needs, working with communities and through our community partners to build community wealth. This will include continuing to work with partners, strengthening the capacity of the Council’s high performing welfare support team and leveraging resources to provide targeted help for those in extreme difficulty, acknowledging rising demand for help and support for the most vulnerable.” – Cabinet Vision and Priorities 8 June 2022.
- 1.3 The UK government has announced a package of support measures, however, there is a clear role for CBC to take in addressing the crisis in collaboration with our key partners in ONE Colchester, Tendring District Council, Essex County Council, Active Essex and the North East Essex Health and Wellbeing Alliance through increasing the support available through programmes and projects tackling inequalities in our communities.
- 1.4 Our proposal to address the crisis consists of a three-point plan, as follows:

### 1.5 Crisis Support

- With rising demand and falling donations, we will intervene immediately to **support foodbanks in Colchester** and continue to work with partners to ensure demand is met and premises are secure.
- We will deliver a targeted and personalised **communications campaign**, with a high-profile **social media** strategy designed to reduce hardship and private sector rent arrears/eviction.

## 1.6 Increase help available

- Establish a **Crisis Coordinator** role to identify those in greatest need and navigate holistic support from across the system to provide early help to avoid extreme hardship
- Focus on **maximising income and benefits** for those in greatest need and often new to the benefits system, exercising discretion where possible
- Strengthen our influence with **system partners** to increase impact, through joint funding, the new Alliance Director role and locally through **neighbourhood teams**
- Review the **Local Council Tax Support Scheme** with a view to provide additional support for residents in 2023/24.

## 1.7 Reduce further hardship

- Maximise the benefits of the Local Delivery Plan in promoting **exercise, good health and wellbeing**
- Seek out innovative local solutions to help people find an **affordable home**
- Support residents suffering with **fuel poverty** to access energy efficiency and active travel options to reduce their energy costs and help tackle the climate emergency.
- Secure wider opportunities, from the Town Deal and Levelling Up funding, to achieve a step change in **tackling inequalities** including community wealth building and inclusive economic growth supporting training and employment opportunities

## 2. Recommended Decision

- 2.1 To approve the three-point plan outlined above and enable Officers to plan and deliver an integrated programme of work with partners.

## 3. Reason for Recommended Decision

- 3.1 The plan outlined above makes use of existing partnerships, structures, workplans and programmes to support our residents through this crisis.

## 4. Alternative Options

- 4.1 To reject the plan or agree an alternative.

## **5. Background Information**

- 5.1 Tackling inequalities is not something new to Colchester Borough Council - it has long been a council priority and is embedded within our ONE Colchester strategic approach to working with communities ('Communities Can') which is based on the principles of Asset-based community development (ABCD).
- 5.2 In December 2020 Full Council passed a motion to tackle growing inequalities in Colchester.
- 5.3 In September 2021 Cabinet approved a proposal to accept funding from the Clinical Commissioning Group and the local hospital trust (ESNEFT) to tackle inequalities – the amount of funding has since increased and is being used to recruit new posts focussing on issues such as housing as well as in providing direct support to individuals and communities in vulnerable situations.
- 5.4 Further work including the Heart of Greenstead project, our work with Active Essex through the Local Delivery Pilot and bids to the UK Government's Levelling-Up fund further support our strategic priorities in this area.
- 5.5 Despite all of our efforts, the national and international situation are likely to exacerbate existing issues of equality and equity most notably through the cost-of-living crisis.
- 5.6 Nationally:
- Around 9 in 10 (87%) adults reported an increase in their cost of living over the previous month in March 2022 (16 to 27 March 2022), an increase of 25 percentage points compared with around 6 in 10 (62%) adults in November 2021 (3 to 14 November 2021).
  - Nearly a quarter (23%) of adults reported that it was very difficult or difficult to pay their usual household bills in the last month, compared with a year ago, in March 2022 (16 to 27 March 2022); an increase from 17% in November 2021 (3 to 14 November 2021).
  - Focusing on the latest period, among those who pay energy bills, around 4 in 10 (43%) reported that it was very or somewhat difficult to afford their energy bills in March 2022 (16 to 27 March 2022).
  - Of adults currently paying off a mortgage and/or loan, or rent, or shared ownership, 30% reported that it was very or somewhat difficult to afford housing costs, and 3% claimed to be behind on rent or mortgage payments, in March 2022 (16 to 27 March 2022).
  - Among all adults, 17% reported borrowing more money or using more credit than they did a year ago, in March 2022 (16 to 27 March 2022).
  - Among all adults, 43% reported that they would not be able to save money in the next 12 months, in March 2022 (16 to 27 March 2022); this is the highest this percentage has been since this question was first asked in March 2020 (2 March to 6 April 2020).
- 5.7 Locally:
- Colchester already has the busiest foodbank in the East of England
  - Donations to the foodbank are down 12% since Ukrainian crisis
  - Yet demand has been increasing by 12% in this period.
  - The foodbank therefore has dwindling stock reserves
  - The foodbank suffers from insecurity in the tenancy of their premises
  - The foodbank has serious concerns about winter (cold weather and rising fuel prices)
  - Colchester Borough Homes (CBH) anticipate great pressure on social tenants and higher rent arrears are likely
  - Private sector housing rents very high/unaffordable and this is likely to lead to financial difficulties for those who rent privately, yet it seems that there is more support via the

Discretionary Housing Payment taken up by those in housing association. This is likely down to lack of awareness of the option for those in the private rented sector.

- Around 3,000 applicants are on the Housing Register, with applications renewed annually to review need.
- There are low levels of housing that become available – especially 3-bed family homes.
- 370 families are classified as in high need (currently in a priority band on the Housing Register).
- Applicants can bid for properties through the Gateway to Homechoice system. The number of bids for available properties range from 3 for a bedsit studio to 383 for a 3-bedroom house.

#### 5.8 CBC Customer insight indicates that residents in greatest need of support are:

- Often in-work (min wage and zero hours contracts, on threshold of benefit entitlement)
- Very difficult to identify
- In deep and serious debt
- Ignoring the problem
- Unaware of support or how to access it
- Facing extreme remedies e.g. eviction
- In need of immediate income support/advice
- Seeing an increase in mental health issues

#### 5.9 The National response

- £15 billion support package from the UK Government including:
  - One-off £650 payment to 8m low-income households on Universal Credit, Tax Credits, Pension Credit and legacy benefits, with separate one-off payments of £300 to pensioner households and £150 to individuals receiving disability benefits
  - Universal support increases to £400, as the October discount on energy bills is doubled and the requirement to repay it over five years is scrapped
  - extra £500m of local support, via the Household Support Fund, extending it until March 2023. This brings the total HSF to £1.5 billion.

#### 5.10 The local response – see Appendix A: Current Support – Cost of Living

### 6. Equality, Diversity and Human Rights implications

- 6.1 Given that the proposal augments existing workstreams and projects there are no new equality, diversity and human rights implications.

### 7. Strategic Plan References

- 7.1 This proposal synergises with much of the Strategic Plan, most obviously the priority to: “Tackle the causes of inequality and support our most vulnerable people”.

## **8. Consultation**

8.1 Not applicable.

## **9. Publicity Considerations**

9.1 A communications campaign is central to our proposals, ensuring that vulnerable citizens have the information they need on help that is available to them.

9.2 Nationally, a toolkit has been created for cost of living crisis support that can be localised (using local images and case study information). It has been created to support councils that are planning to support residents through the crisis. The digital assets are free and cover a wide range of messages, offering support, offering financial tips and signpost to local support.

9.3 The CBC Communications Team is currently putting together a communications plan highlighting that “We’re Here to Help” with the main themes being: food, energy, money.

## **10. Financial implications**

10.1 Up to £170,000 will be made available in 2022/23 for this project. This will be funded from a combination of increased revenue from an in-year review of Sales, Fees and Charges income and, if necessary, the draw-down of unallocated reserves previously budgeted for use in 2021/22, whilst ensuring services remain competitive.

10.2 System partner funding and existing budgets will be deployed where possible to maximise the impact of the programme

## **11. Health, Wellbeing and Community Safety Implications**

11.1 In directly addressing detrimental determinants of health, wellbeing and community cohesion, the proposal will improve community safety, health and wellbeing.

## **12. Health and Safety Implications**

12.1 None.

## **13. Risk Management Implications**

13.1 None.

## **14. Environmental and Sustainability Implications**

14.1 None.