

Allerdale Borough Council

Overview and Scrutiny Committee – 14 October 2022

Cost of living measures update

Report from	Alex FitzGerald, Strategic Advisor - Corporate Policy
Wards affected	All
Is this a key decision	No

1.0 The reason for the decision

- 1.1 At their meeting on 16 September 2022 members of the Overview and Scrutiny Committee raised a series of questions about measures being taken to address the cost of living crisis. This report provides a briefing for the Committee on this topic.

2.0 Recommendations

- 2.1 That the Committee notes the information presented in this report.

3.0 Background and Introduction

- 3.1 Overview and Scrutiny Committee have 'Inflation and cost of living impact on Council services' as an item on their current work programme.
- 3.2 At their meeting on 16 September 2022 members of the Overview and Scrutiny Committee also raised a series of questions about measures being taken to address the cost of living crisis for residents.
- 3.3 The cost of living crisis impacting the UK is well documented with households facing the impacts of rising prices, particularly food and fuel, whilst rises in income lag behind (including wages, pensions, working age benefits).
- 3.4 This means that many households are facing a very difficult time ahead with low-income households impacted most severely as food and energy makes up a higher proportion of their total household expenditure.
- 3.5 Energy costs in particular have seen dramatic increases over recent months. The Resolution Foundation's research¹ indicated that 3 in 10 households were already in 'fuel stress' (where they spend more than 10 per cent of after housing cost incomes on energy bills) in April 2022.

¹ <https://www.resolutionfoundation.org/publications/stressed-out/>

4.0 Content

Government intervention

4.1 Government have announced various packages of support over 2021 and 2022 to help households with cost of living pressures. These include:

- Energy Bill Support Scheme – a grant of £400 to all households from October 2022. This replaces the £200 loan previously announced.
- Cost of Living Payment: Means-tested Benefits – 8 million households on means-tested benefits will get £650 paid directly into their bank accounts in two lump sums - one in July, the other this autumn.
- Cost of Living Payment: Pensioners – all pensioner households who currently receive a Winter Fuel Allowance will receive a one-off addition £300 payment.
- Cost of Living Payment: Disability - a one-off payment of £150 to individuals receiving disability benefits.
- DWP Household Support Fund - £1.5bn for Local Authorities to administer schemes to support households in need of food, utilities and household essentials.
- Council Tax Rebate Scheme – announced in March 2022, all households in Council Tax bands A-D to receive a one-off rebate of £150.
- Petrol Duty -12-month cut on petrol and diesel of 5p per litre.
- Energy Price Guarantee – announced in September 2022 to save the typical household £1,000 a year on their energy bill.

Local government thinking

4.2 There are discussions taking place across the whole of local government about how best to take action, what tools can be deployed and where local government should put its limited resources to most effect.

4.3 The Local Government Association has put together a [Cost of Living Hub](#) designed to share best practice and help councils to support their residents with the rise in the cost of living. The hub includes case studies and resources grouped into topics including food insecurity and poverty; fuel and energy; money and debt; health and wellbeing; and skills and employment.

4.4 Examples of interventions include:

- Supporting food banks and food networks
- Expanding existing schemes such as free school meals
- Emergency grant schemes
- Take up campaigns for all entitlements, benefits etc
- Energy efficiency schemes targeting residents in energy inefficient housing
- Using council data to drive intervention and help
- Providing money and debt advice
- Training on signposting for front line staff

Activity the Council is undertaking

- 4.5 The council undertakes a range of support and activity that provides assistance to low-income households and addresses fuel poverty.
- 4.6 Support is provided to low-income households through the Revenues and Benefits team including:
- Council Tax Rebate Scheme – successfully administering the government funded scheme to ensure that all households in Council Tax bands A-D receive a one-off rebate of £150 in 2022. Over 40,000 households have been supported. Funding of £150 per household through the discretionary scheme is to be distributed in Oct/Nov and will provide support for around 1200 households.
 - Council Tax Reduction Scheme (CTRS) – the scheme continues to offer up to 100% assistance with Council Tax bills for those on low incomes where many other local authorities now offer a much smaller maximum percentage.
 - Discretionary Housing Payments (DHPs) – a payment scheme using funding received from government each year to help residents who need extra financial help to meet their housing costs. This is targeted at residents in receipt of benefits who need help to cover their rent payments.
 - DLUHC Hardship Fund – this was awarded in 2020/21 with guidelines that it should be focused initially on reducing council tax bills of working age people receiving Local Council Tax Support. The guidance strongly advised councils that £150 should be awarded to each CTRS recipient. Discretion was allowed with this funding and there was sufficient to provide up to £300 to CTRS recipients in Allerdale. Around £600k was allocated through this package.
- 4.7 Executive agreed a £100k Resilient Communities Grant Fund for 2022/23. This was used to support a small grants scheme for community projects and for core grants to support key third sector agencies (Citizens Advice Allerdale, Allerdale Disability Association, and Cumbria CVS).
- 4.8 Sustainable Warmth Scheme funding – £20m worth of grant funding from the Government's Sustainable Warmth Scheme was awarded across all Cumbrian district councils as a consortium. This combines the Local Authority Delivery Phase 3 (LAD3) to support low-income households heated by mains gas and the Home Upgrade Grant (HUG) focused on homes without access to the gas grid. LAD3 is being targeted at homes where at least 35% anticipated fuel poverty is anticipated in the area and there is a D, E, F or G Energy Performance Certificate (EPC) rating. Grants of up to £25,000 are available for a range of energy efficiency improvements.
- 4.9 Our Housing Options team provide a key service to support with housing pressures - working with at risk households to prevent homelessness and with homeless households to find them suitable accommodation.
- 4.10 Advice and signposting – there is information on the council's website along with links to other agencies' websites about how to find debt or further useful advice on managing household costs. <https://www.allerdale.gov.uk/en/benefits/budget-advice/>

Other activity and support in Allerdale – key partners

- 4.11 Cumbria County Council have a package of support available to help alleviate cost of living pressures. The county council's package includes significant funding through the DWP Household Support Fund. This is has been allocated to Cumbria County Council in three phases: Phase 1: October 2021-end March 2022; Phase 2: April 2022-end September 2022; Phase 3: October 2022-end March 2023. In phase 1 and 2 Cumbria County Council received £3.6m. A similar amount is anticipated for phase 3.
- 4.12 The County Council's package of support is made up of the following components:
- Department for Work and Pensions (DWP) Household Support Fund – circa £7m per annum (April 2022-end March 2023). DWP funds upper tier local authorities to support households with essentials – mainly food and utilities.
 - Free School Meal vouchers during school holidays (each eligible child receiving £3 per day)
 - Ways to Welfare and Council Service Centre providing emergency support to households referred by agencies (typical payment £100)
 - Ring fenced support to pensioner households via Council Service Centre (as stipulated by the DWP).
 - Cost of Living Support Fund - £2m
 - £500k match-funding for Free School Meals (FSM) vouchers to enable comprehensive cover over summer holidays (2022)
 - £500k inflation uplift for Free School Clothing Grants
 - £500k match-funding to Ways to Welfare to prevent funds running out
 - £500k Community Support delivered via Local Committees including:
 - Grants to Citizens Advice Bureaux to provide emergency support to existing clients.
 - £200k for foodbanks/pantries/hubs to bulk purchase supplies (including access to County Council food procurement contracts)
 - Grants to support community organisations providing cash/in kind support to people impacted by cost of living pressures.
 - Public Health fund - £1m - developing portfolio of funding for community organisations impacted by rising demand from people impacted by cost of living pressures.
- 4.13 Third sector and local community organisations continue to offer a huge range of support to individuals and households covering all aspects of cost of living pressures from advice services to foodbanks and local food pantries.
- 4.14 Warmth and energy efficiency schemes include Cumbria Community Foundation's Winter Warmth Fund and Cumbria Action for Sustainability's Cold to Cosy Homes scheme.
- 4.15 Warm spots/rooms/hubs – various organisations are looking at setting these up over the coming winter months including at libraries, community centres and facilities, and village halls.
- 4.16 The Local Focus Hub continue to run a series of Operation Respect Community Days with events organised to give members of the public the chance to engage

with representatives of agencies covering housing, homelessness, crime prevention, fire safety, how to budget, and how to create a cleaner, greener Allerdale. There will also be a focus on food and fuel hardship at all of the Community Days being led local housing partners.

Possible further interventions

- 4.17 The Council has some unallocated funding in three budget pots that could be brought together to support schemes/projects to help address cost of living pressures over the remainder of 2022/23.
- 4.18 Officers are currently exploring options in discussion with the Executive to form a package of additional support. This is likely to include using some funding to support the DHP budget for 2022/23 to prevent funds running out as we are predicting an increase in demand.

5.0 Delivery arrangements

- 5.1 As described in the report.

6.0 Implications and Impact

6.1 Contribution to Council Strategy Priorities, Outputs and Outcomes

Any activity to support households with cost of living pressures would contribute specifically to the Resilient Communities priority theme in the Council Strategy.

6.2 Finance/Resource implications

None directly from this report.

6.3 Legal and governance implications

None directly from this report.

6.4 Risk analysis

Not applicable.

6.5 Increasing satisfaction and service

The Overview and Scrutiny Committee recognises the important contribution it makes to the Council's overall satisfaction.

6.6 Equality impacts

None directly from this report.

6.7 Health and Safety impacts

None directly from this report.

6.8 Health, wellbeing and community safety impacts

None directly from this report.

6.9 Environmental/sustainability impacts

None directly from this report.

6.10 Other significant implications

None from this report.

Appendices attached to this report

Appendix number	Title of appendix

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