

25th August 2022

REPORT TITLE:	COST OF LIVING – FUEL POVERTY
REPORT OF:	ASSISTANT DIRECTOR: CONSULTANT IN PUBLIC HEALTH

REPORT SUMMARY

This report seeks approval for the use of Contain Outbreak Management Fund to provide additional capacity relating to mitigating fuel poverty for local communities affected by the cost-of-living crisis.

Proposed actions affect all Wards within the borough and the decision is a key decision.

The activities outlined in this report support the vision of the Wirral Plan 2021-2026, to 'create equity for people and place' and will contribute directly or indirectly to delivering the five themes of the plan:

- Sustainable Environment
- Brighter Futures
- Inclusive Economy
- Safe and Pleasant Communities
- Active and Healthy Lives

RECOMMENDATION/S

The Director of Public Health is recommended to:

- 1) Approve the use of £500,000.00 of Contain Outbreak Management Fund to support local community, voluntary and faith sector organisations to increase support to local communities affected by fuel poverty.
- 2) In consultation with the Chief Executive, agree that the decision be excluded from removal of delegation and reconsideration by Policy and Resources Committee.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The economic backdrop has changed considerably over the past few months with higher oil, gas and commodity prices, fears of rising and persistent inflation. There is significant concern regarding the damaging impacts this will have on local communities through rising living costs. May 2022 data showed Consumer Prices Index (CPI) edging higher to 9.1% while the core CPI rate, which removes energy, fuel and food was 5.9%. While the Retail Price Index (RPI), which measure the change in costs of a representative sample of goods and services, rose to 11.7%. The Bank of England's latest projection sees inflation climbing to 13%, largely influenced by the continuing rise in energy prices.
- 1.2 This is having a significant detrimental impact on funding and income available for residents and their ability afford their day-to-day bills and essential expenditure. Fuel poverty is the condition by which a household is unable to afford to heat their home to an adequate temperature. The number of households affected by fuel poverty has increased significantly as energy prices rise and is expected to continue to grow. There are increasing reports of residents making choices between heating or eating, being isolated in their homes due to no available money to pay for fuel or electricity and having to prioritise food over other basic but important needs.
- 1.3 The community, voluntary and faith (CVF) sector plays a hugely important role in Wirral, providing a wide range of activities and services to residents that improve health and wellbeing and contribute to the local economy. The sector has been critical to the response to the pandemic throughout and will continue to have a pivotal role in supporting community through this emerging cost-of-living crisis. Organisations based within the heart of local communities are well trusted and respected by residents who may not want to access help elsewhere.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Establishing this extra capacity to address fuel poverty reflects the ongoing needs reported by local communities and is also evidenced by data therefore other options, although considered, are not recommended.

3.0 BACKGROUND INFORMATION

- 3.1 The cost-of-living crisis is beginning to have a significant impact on people in every part of our borough. Price rises driven by energy price inflation are having an impact on most households, with those on the lowest incomes likely to be hardest hit (particularly as benefit uplifts and wages fail to keep pace with inflation). The energy price cap is likely to rise again in the autumn, with the potential to precipitate a very real crisis for many people in Wirral during the winter period.
- 3.2 Poverty was increasing before Covid-19 and the pandemic has had a disproportionate impact on the poorest communities, and especially those living in deprived areas, black and minority ethnic communities, and disabled people. Having

already had many temporary support and protections reduced or removed in autumn 2021, many people are now facing a cost-of-living increase which is going to significantly reduce their ability to afford essentials.

3.3 Poverty, poor health outcomes and health inequalities are inextricably linked. Marmot and others have set out that the lower a person's social and economic status, the more likely their health will be negatively impacted. People living in the more deprived neighbourhoods die earlier than those people living in the more affluent neighbourhoods. People living in poorer areas also spend more of their lives with a disability – an average total difference of 17 years. By driving people deeper into poverty, or by pushing those who had previously been coping into financial hardship, it is very likely that the rise in cost of living is going to increase health inequalities that have already been exacerbated by the Covid-19 crisis.

3.4 **UNDERSTANDING IMPACT**

- OFGEM projects that, without mitigations, national fuel poverty could rise to 42% of households after October 2022. If the proportion of households in Wirral experiencing fuel poverty also rose to 42% in line with these projections, this would mean an estimated 60,200 Wirral households could be living in fuel poverty post October 2022.
- Those on prepayment meters are more likely to be vulnerable and are disproportionately affected, unlike direct debt payers, people who have prepayment meters don't have access to energy if they can't pay making them more likely to disconnect themselves.
- Utilita has stated that £50 loaded on a prepayment card last year would have provided 11 days energy, with the October increase, it will provide 3 days and in January 23, around 2 days. Even emergency measures are not helping with the crisis.
- Low-income households are disproportionately affected by the energy price cap due to higher spending on energy and less energy efficient homes.
- Cold weather experienced in the winter months can affect or exacerbate a range of health problems, including respiratory and circulatory conditions, cardiovascular disease, mental health and accidental injury. In some circumstances, health problems may be exacerbated to a degree that they may cause death. Estimates suggest that some 10% of excess winter deaths are directly attributable to fuel poverty.

3.6 Wirral Council has established a 'Cost of Living Action Group' chaired by the Chief Executive to co-ordinate local action. The groups mission is to "mitigate the impact on people already experiencing financial hardship, to prevent others from becoming financially insecure and to prepare to support people when they need help". This group will ensure that the CVF grant funding will compliment and not duplicate national Government funding packages of support to date and in the future. COMF funding is also overseen by a member led working group, who have approved this proposal.

3.7 This additional resource to local communities will enable local organisations already addressing fuel poverty to develop additional capacity to provide support in response to the evolving fuel crisis. Building on learning from the provision of emergency food provision we know that having a co-ordinated approach to a topic across a number

of local community organisations leads to the achievement of better outcomes for local communities. Submissions will be invited that can demonstrate a collaborative and holistic approach to addressing fuel poverty alongside other issues such as benefits, debt, housing. Based on best practice the application for funding will request that practical winter home packs be supplied to support people to stay warm in their own homes, and a tailored communications campaign is developed to ensure all the different groups of people affected are getting the correct information and can access support out of hours which is crucial to many working families who cannot access support within working hours. Submissions will be evaluated by council officers against the above criteria. The funding will be provided by the end of September.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The grants programme will be funded in 2022/23 through the Contain Outbreak Management Fund (COMF) grant, provided to local authorities by national Government, to help reduce the spread of COVID-19 and mitigate the impact of the pandemic on health outcomes. Wirral has received £14,784,032 in COMF grant to date and can be used to fund initiatives until the end of the 2022/23 financial year.

5.0 LEGAL IMPLICATIONS

- 5.1 The COMF remains ring-fenced for public health purposes to tackle COVID-19, both directly through working to break the chain of transmission and indirectly with a focus on protecting the most vulnerable. COMF funding is designed to support Local Authorities to deliver the objectives set out in their Local Outbreak Management Plans. The specific public health activities that can be funded from the COMF are left to the judgement of local authorities in conjunction with their directors of public health.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 No significant resource implication beyond Council Officers time to establish and administer the grants programme.

7.0 RELEVANT RISKS

- 7.1 There is no risk related to funding as the Contain Outbreak Management Fund (COMF) grant allocation for Wirral in 2022/ 2023 has been confirmed. There is a risk to the health and wellbeing of local residents and of an unsustainable increase in service demand if COMF is not utilised to mitigate the impacts of the cost-of-living crisis. There is a risk if COMF is not utilised fully by March 2023, it will have to be returned. Hence the planned timeline for delivery of this programme to ensure sufficient time for the full funding pot to be allocated and spent. We will ensure we minimise risk of fraud throughout the programme delivery to protect public money.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The Services described within this report are designed based on and respond to findings from a range of insight, including research conducted with local communities throughout the pandemic and through working with the Humanitarian Cell and wider Community, Voluntary and Faith Sector.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 The Equality Impact Assessment for these decisions can be found here:
<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

Actions to mitigate the cost of living crisis will also contribute towards attainment of Wirral Cool 2 Strategy, and the Councils carbon net zero target by 2030. For example heating and powering buildings currently makes up 40% of the UK's total energy usage. Support provided to reduce risks of fuel poverty may include improving the energy efficiency of homes, which will have a beneficial impact on reducing carbon emissions. The grant scheme may also reduce home energy use via the provision of warm hubs if established.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 The additional money that this funding provides will improve the health and social outcomes of some of the borough's most vulnerable residents impacted by the cost-of-living crisis. This funding will allow trusted, third sector organisations to increase the capacity of their services and support those communities most in need.

REPORT AUTHOR: **Elsbeth Anwar**
Consultant in Public Health
07554330004
email: elspethanwar@wirral.gov.uk

APPENDICES

None

BACKGROUND PAPERS

Cost of Living Crisis, Wirral Intelligence Service JSNA, Wirral Council:

<https://www.wirralintelligenceservice.org/state-of-the-borough/cost-of-living-crisis-2022/>

The Resolution Foundation, The price is right? The April 2022 energy price rise and the Government's response:

<https://www.resolutionfoundation.org/publications/the-price-is-right/>

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	09/06/2021