

POLICY AND RESOURCES COMMITTEE

Wednesday 9 November

REPORT TITLE:	COST OF LIVING ACTION GROUP UPDATE
REPORT OF:	DIRECTOR OF PUBLIC HEALTH

REPORT SUMMARY

This report is an update from actions undertaken by the Cost-of-Living Action Group following a series of recommendations agreed at the extra-ordinary committee on 31 August to address the impact of the increase cost of living on residents and businesses in the Borough.

This supports the pledges in the Wirral Plan:

Brighter Futures to ensure children get the best start in life and are not subject to, as much as possible the impact of families in poverty. The support provided across the system will help families to mitigate the impact of the cost of living crisis.

Inclusive economy by supporting residents and businesses to maintain employment to ensure household income is forthcoming and employment opportunities are available

Active and Healthy Lives to ensure residents do not suffer long term impact of poor physical and mental health as a result of the crisis and help and support is available through partners to prevent this at an early stage as possible

The report affects all wards in the borough.

RECOMMENDATIONS

The Policy & Resources Committee is recommended to:-

1. Note the actions completed by the Cost-of-Living Action Group in addressing the recommendations of the Committee of 31 August 2022.
2. Agree that further reports on actions to address cost of living challenges for residents are reported to the Health and Wellbeing Board to ensure that there is strategic oversight from partners on action being taken to mitigate cost of living challenges.
3. Delegate authority to the Senior Leadership Team to manage the allocation of the Household Support Fund via Officer Decision Notices based on insight from local people.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Following the extra-ordinary Policy and Resources Committee in August, a series of recommendations were agreed with progress being reported back to the Committee.
- 1.2 Taking best practice from the outcomes of managing the cross-Borough response to the pandemic, our partners are seeking the Council to take the Leadership role across the Borough, in coordinating and organising a borough wide response to the crisis. It proposed that this role is delivered via the Health and Wellbeing Board.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The August P&R committee requested a report back on action taken to address cost of living challenges therefore no other option was considered.

3.0 BACKGROUND INFORMATION

- 3.1 The economic backdrop has changed considerably over the past few months with higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China. As reported nationally in the media, this is having a significant detrimental impact on funding and income available for residents and their ability afford their day-to-day bills and expenditure.
- 3.2 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.
- 3.3 The impact of this creates a consequential longer-term impact for residents who may fall into poverty, face eviction from their homes and suffer significant mental and physical detrimental health. This will not only affect the most vulnerable and deprived in the Borough that the Council and its partners would be aware of, but also those who ordinarily would have been able to manage and therefore would not usually have sought support; but are likely to find themselves in more challenging circumstances
- 3.4 At the 31 August extra-ordinary Policy and Resources Committee officers were requested to investigate and report back on:
 - Financial support available to residents
 - Communication plan
 - Warm hubs

Financial support available to residents

- 3.5 There are several schemes in place to support residents including both local and national schemes. These include the Government Fuel Rebate scheme, DWP fuel payments, Council Tax Reduction and Hardship schemes, Discretionary Housing Payments and the Household Support Fund funding streams. Further details of support available is shown below with detail included in Appendix 1.

Funding Details	Total	Allocated	Balance
Household Support Fund (HSF) (DWP – Oct – Mar '23)	£3,049,345	£1,989,000	£1,060,345
Supplementary EFH and Discretionary Housing Payments	£673,000	£673,000	£0
Emergency Financial Hardship (EFH) Fund	£200,000	£200,000	£0
Cost of Living Grants- Community, Voluntary & Faith Sector	£1,200,000	£1,200,000	£0
Fuel Poverty Service Capacity	£500,000	£500,000	£0
Fuel Poverty Allocation	£113,000	£0	£113,000
Total	£5,735,345	£4,562,000	£1,173,345

- 3.6 Of this funding, £1.17m is yet to be allocated. The Cost-of-Living Action Group are in the process of evaluating insight and evidence to determine where the allocation of funding would be the most beneficial for residents. This will include a review of schemes to support residents such as fuel top-ups; whether the frequency and value of support can be increased and the capacity within organisations to deliver additional support to residents to enable as many people as possible to stay warm at home for longer.
- 3.7 The Committee asked for further information on utility costs for council buildings open to the public this information is included in Appendix 2.

Communication plan

- 3.8 The communications plan aims to showcase and signpost the support available across the borough from a wide range of partners, not just the council.

A three-point plan has been developed and will focus on:

- Resources/ signposting for immediate/ crisis support
- Increasing the level of help available
- Reducing further hardship

The content of the communications plan will be led by insight work and will promote partner interventions and local, regional, and national policy updates. Given the wide and varied stakeholder group, it is suggested that this is presented as a visual element – not a brand, but more of a ‘stamp.’ This will build on the already established Health & Wellbeing brand of ‘Keep Wirral Well’ and incorporate a cost-of-living strapline as illustrated below:

Keeping Wirral Well 
Cost of living support

3.9 Warm hubs

As part of the recommendations a request was made to update the committee on the work with our partners including the NHS, police, fire, service, community and faith sector groups, to establish buildings that can be accessed by residents during the winter months to keep them safe and warm. This is being reported on in a separate agenda item to the Committee.

4.0 FINANCIAL IMPLICATIONS

4.1 The current funding available to mitigate cost of living challenges for local people are included within the body of the report. The unallocated sum of £1.17m is earmarked specifically to support the impact of the increase in the cost of living and will not be utilised for any other purpose as per the grant criteria from the Department of Work and Pensions.

4.2 At the August Committee, a recommendation was agreed to review the Council's earmarked reserves to determine whether any can be re-purposed to support mitigate the impact of the increase of the cost of living. As the committee is aware work is underway to set the Council's budget for 2023-24 as part of this process all earmarked reserves are being reviewed and evaluated and will be repurposed to ensure the Council can balance its budget in-year.

5.0 LEGAL IMPLICATIONS

5.1 Many of the services and support mechanisms provided by the Council are carried out through a variety of legal powers that assist those functions, having regard to the public sector equality duty, best value and other requirements.

5.2 As well as exercising its powers under these specific provisions, the Council has a wide-ranging general power of competence that will enable it to act in this way to secure the best interests of the Borough, its economy and the persons resident or present in its area.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 A cost-of-living officer action group has been established to respond to strategic and operational issues being reported by residents and the organisation.

6.2 It is proposed that the Health and Wellbeing Board takes strategic responsibility for the borough's response to cost of living challenges due to the need for a borough wide response as outlined in section 7 of this report.

7.0 RELEVANT RISKS

7.1 Failure to recognise and respond to cost-of-living challenges will put residents at risk from a whole set of consequential impacts, if they are not able to access funding required to afford their basic needs. This includes:

- Falling into poverty
- Poor physical and mental health
- Evictions from accommodation and the impact on health of poor housing
- A decrease in educational attainment

- Loss of employment, business and livelihoods
- Exposure to unscrupulous individuals e.g. loan sharks
- Negative impacts on community safety caused by potential increases in theft, burglary, and other relevant crime
- Increased safeguarding risk of the grooming and exploitation of children, young people, and vulnerable adults, posed by organised crime gangs/county lines activity

7.2 If the Health and Wellbeing Board does not take the leadership role for this work, there is a risk that support provided across the system is unorganised and uncoordinated and may result in duplication, contradiction, and inefficiency

7.3 The Council itself is not insulated from the current situation with a consequential impact on staff mental and physical wellbeing, significantly increasing fuel prices impacting on building running costs, a large reduction in income where customers can no longer afford to pay for services and increased cost of inflation on Council contracts. In parallel the Council is also currently reviewing the impact of these and other increasing operational costs on its own budget situation and service provision. Many programmes of support that have been in place for families throughout the pandemic, with others being established in response to the recent rises in inflation. This will help to mitigate some of the effects of the increased cost of living. The Council has developed, alongside partners, a universal response which focuses on the helping all residents, and a targeted response which focusses support and signposting on specific resident groups most in need.

7.4 Failure of the Council to recognise the impact on itself as a result of the crisis and to plan accordingly will result in poor financial management and potential budget overspends, meaning it will be unable to respond to the crisis effectively and will not be able to manage the budget position

7.5 If the Council does not respond to the crisis in terms of fulfilling its community leadership role, the consequential impact on residents will be long-term and will result in exacerbated financial and capacity pressures on the Council and its partners in the future

8.0 ENGAGEMENT/CONSULTATION

8.1 Consultation is ongoing with partners as to the response to the crisis as part of the normal and frequent dialogue that takes place. Partners have been working together for some time to determine the impact and the mitigations that are already in place and what additional support can be provided.

8.2 As part of the research and evidence base that has been provided, MPs have been made aware of the current position.

8.3 Group Leaders meetings have Cost of Living included as item on each agenda and are engaged and briefed on the progress being made.

8.4 We spoke to local people and the community voluntary and faith sector to understand the challenges they are facing, and the support offer they require. A copy of the full report can be found here <https://www.wirralintelligenceservice.org/state-of-the-borough/cost-of-living-crisis-2022-23/> .

9.0 EQUALITY IMPLICATIONS

- 9.1 The 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. The EIA for this work is attached at <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>.
- 9.2 There is scope for there to be fundamental equality implications as a result of the cost-of-living crisis. Several pieces of insight have been undertaken with local people to inform the work programme ensuring the voice of residents and those who are particularly vulnerable are informing policy and communications. The reports are available to view at the following link <https://www.wirralintelligenceservice.org/state-of-the-borough/cost-of-living-crisis-2022-23/>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 Actions to mitigate the cost-of-living crisis will also contribute towards attainment of Wirral Cool 2 Strategy, and the Council's 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.
 - Initiatives related to supporting people in food poverty may also support the reduction of food waste.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 By its nature, the activity identified in this report will take place across Wirral and will be based around the local public sector and community organisations active in the Borough. There will be an impact on the wealth of residents and businesses from the crisis as available income will be limited and businesses may fail. Anchor institutions will, as part of the system based response will work as much as possible to mitigate any impact from the crisis, but it is inevitable that the implications for community wealth will be detrimental.

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APPENDICES

- Appendix 1 - Current support available to Wirral residents
Appendix 2 - Additional energy cost related to public facing council buildings

BACKGROUND PAPERS

Local Government Association, Cost of Living Evidence Hub: <https://www.local.gov.uk/our-support/safer-and-more-sustainable-communities/cost-living-hub>

Cost of Living Crisis, Wirral Intelligence Service JSNA, Wirral Council:
<https://www.wirralintelligenceservice.org/state-of-the-borough/cost-of-living-crisis-2022/>

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	31 August 2022
Policy and Resources Committee	5 October 2022

Appendix 1 - Current support available to Wirral residents

Council Tax Support Scheme - Wirral continues to offer up to 100% council tax support for our most vulnerable residents, for those on low incomes with capacity to work, support is still available up to 87.5% of the total council tax charge. The amount charged is based on the income of the resident.

Discretionary Housing Payments - The council also administers Discretionary Housing payments which helps residents in rented accommodation with shortfalls in rent/arrears from the Universal Credit/Housing Benefits system. The council receives an annual allowance which determined by central government. The authority is allowed to top the payment pot received by up to 1.5 times. Wirral takes advantage of this and tops up the DHP fund. Many councils limit support to that provided by central government.

The level of this grant varies from year to year which makes planning difficult. The amount of funding available over the past 5 years is shown in the table below.

Wirral DHP Allocations	Gov Contribution	Maximum Spend
2022/23	£ 540,436.00	£ 1,351,090.00
2021/22	£ 610,217.00	£ 1,525,542.00
2020/21	£ 1,102,976.00	£ 2,757,441.00
2019/20	£ 732,041.00	£ 1,830,102.00
2018/19	£ 856,805.00	£ 2,142,013.00

Fuel Rebate Scheme - The council is administering the government scheme to make £150 payments to residents to help with the rising price of fuel. To date the council has distributed nearly 129,000 payments totalling £19.3M. Payment take-up was slower than expected and hoped. An experience which shared by all Local Authorities who have run an application process based on initial government guidance. Processing of the applications received is also complicated by the requirement to verify bank details via an appropriate third party system. This methodology does however provide very significant assurance of the payment process and protects the authority from the risk of losing money through the post payment assurance process.

No resident lost out despite the deadline required by central government on applications, 21,500 payments for eligible properties were transferred to residents' council tax accounts just before the 30 September deadline.

Given the experience from the main scheme Wirral's discretionary scheme will be transferred directly to residents' council tax account. This approach will ensure every eligible resident will receive the £150 payment, in the case of our most vulnerable households (those in receipt of council tax support) will received £170 in total, this process will commence w/c 17 October

Department for Work and Pensions payments - All UK households will get a grant which will reduce energy bills by £400 from October. Initially, this was designed to be a £200 reduction paid back in instalments over five years. Now, the discount has been doubled and there is no requirement to repay. Therefore, from October, everyone's energy bill will be reduced by £400. This will be applied in monthly instalments over six months, with a reduction of £66 in October and November, and of £67 a month from December to March 2023. The discount will be made automatically by your energy supplier. There is no need to apply.

In addition, A £650 payment will be made to more than eight million low-income households

who receive the following benefits:

- Universal Credit,
- income-based Jobseekers Allowance
- income-related Employment and Support Allowance,
- Income Support
- working tax credit
- child tax credit
- pension credit

This will be paid in two instalments. The first, of £326 was paid for most people between 14 and 31 July. The second, of £324, will be paid in the autumn. Those on tax credits will have to wait longer, as the first payment will be in the autumn and the second instalment during the winter.

All payments will be paid automatically into bank accounts - usually marked "DWP Cost of Living". There will also be additional payments for pensioners under the winter fuel schemes

Household Support Fund

The council has bid to the DWP to secure an additional £3 million pounds of funding for the period covering October 22 to March 23. The funding is from an extension to the Government's Household Support Fund and will be targeted at the borough's most vulnerable residents. The funding is the latest from the Department for Work and Pensions which has provided more than £6 million to Wirral since December 2020 under the Household Support Fund Badge.

The previous funding of £3.049 million awarded under the latest phase was spent by 30 September 2022 and was used towards various projects

Breakdown of Household Support Fund spent during the summer 2022 round of funding

Type of support	Summer allocation
Small Grants programme	£550,000
Family Cook off	£200,000
School Food Pantries	£130,000
School holiday hampers	£520,000
EFS spend	£150,000
Fuel Support - Pre paid meters	£50,000
Fuel Support - DD customers	£200,000
Crisis Support Emergency heating	£23,000
Crisis Support with white good	£51,000
Winter Warmer Packs by MFRS	£20,000
Out of school activities	£200,000
Housing Support	£40,000
Over 65s support	£200,000
Over 65s support via Post Office scheme	£700,000
Total spend	£3,034,000

Household Support Fund October 2022– March 2023 £3,049,345

The Government have provided funding via the Department of Work and Pensions (DWP) for Council to bid for to support the impact of the increased cost of living. The Council must submit the autumn bid to the DWP by 21 October 2022. The DWP will then assess the bid and if it is deemed to be in-line with the criteria set by the Government for the funding, the DWP will make the relevant payment to the Council.

The allocation of the fund is determined in part by previous allocations, where we know vital support can be targeted and provided (See the summer allocations in the table in Appendix 1) and by insight and evidence provided by CVF sector on how best to target support to ensure it is prioritised to the most beneficial outcomes.

The unallocated balance of £1,060,345 represents the value that will be determined following the insight and evidence received from the CVF sector. Once this has been received and agreed by the Cost of Living Action Group, this will be fully allocated.

Supplementary Emergency Financial Hardship Fund and Discretionary Housing Payments £673,000

Funding agreed by the Policy and Resources Committee on 31 August 2022. The Cost of Living Action Group will determine the most appropriate split of this funding based on insight available to support residents who are experiencing the impact of the increase in the cost of living. The value of the Discretionary Housing Payment grant provided by Government has been reduced for 2022/23 this is the area of most need and will therefore be front-loaded to that area.

Emergency Financial Hardship Fund £200,000

Previously the Local Welfare Assistance Scheme, this is the Council's recurrent annual budget to support residents in need of emergency help. The main items this fund has been used for is Food, Fuel, Basic Kitchen equipment including white goods, essential items of furniture and clothing. This fund has always been fully spent at the end of each year and is forecast to be no different this year. In benchmarking with other Local Authorities, Wirral is an outlier in having such a fund available on an annual basis.

Cost of Living Grants – CVF Sector £1,200,000

Funded from the Contain Outbreak Management Funds (COMF) to increase capacity within the sector to support residents facing cost-of-living challenges. This funding will allow trusted, third sector organisations to increase the capacity of their services and support those communities and vulnerable residents most in need. The council has worked closely with the CVF Forum regarding the application process which have been asked to address at least one of the following themes that relate to main issues having an impact on residents - food poverty, fuel poverty, warm hubs, debt and vulnerable groups. The grants programme launched in September and closed on 14th October.

Fuel Poverty Service Capacity £500,000

This fund is split between two elements, those on pre-payment meters (£100k) and those who pay for their fuel by direct debit or in arrears (£400k). This reflects the proportions of customers who are metered this way.

Pre-payments Metered Customers

Prepayments meters funding is provided to Fuel Bank to reimburse them for vouchers issued to people on pre-payment metres who are unable to top up meters. This assistance is provided via application to Wirral councils' Emergency Support Team.

Billed Customers

We also support residents with large fuel debts via application to CAB. This is for customers who are not on pre-payment meters. This may enable residents to move to cheaper tariffs. Customers are unable to switch fuel tariffs whilst they are in debt.

Fuel Poverty Allocation £113,000

Agreed as part of the 2022/23 budget setting process, this funding is to support residents facing fuel poverty. Due to the allocation of unforeseen funding allocated to support residents so far this year (HSF and £150 'rebate') this funding was due to be held and allocated during the winter months when the impact of fuel poverty would be felt most. The Cost of Living Action Group will determine how this will be allocated based on targeted insight to ensure it gets to the people who need it most.

Appendix 2 - Additional energy cost related to public facing council buildings

	2021/22	2022/23	
	Actual	Apr-Sept (Actual)	Oct-Mar (Projected)
Libraries	£100,539	£39,049	£54,668
Leisure Centres	£829,960	£743,813	£1,041,339
Museum	£38,704	£17,528	£25,540
Total	£969,204	£800,391	£1,120,547

Costs are included for all libraries except for Leasowe, St James or Seacombe libraries as these are embedded within the rental agreements. Costs for West Kirby Library are embedded within the concourse costs.

SUPPORTING INFORMATION

2.0 REASON/S FOR RECOMMENDATION/S

1.1

3.0 OTHER OPTIONS CONSIDERED

2.1

4.0 BACKGROUND INFORMATION

3.1

5.0 FINANCIAL IMPLICATIONS

4.1

6.0 LEGAL IMPLICATIONS

5.1

7.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1

8.0 RELEVANT RISKS

7.1

9.0 ENGAGEMENT/CONSULTATION

8.1

10.0 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.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1

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APPENDICES

- Appendix 1
- Appendix 2
- Appendix 3

BACKGROUND PAPERS

TERMS OF REFERENCE

This report is being considered by the **X** Committee in accordance with **Section X** of its Terms of Reference, **insert relevant section**

SUBJECT HISTORY (last 3 years)

Council Meeting	Date