

Report to:	Cabinet	14 November 2022
Lead Cabinet Member:	Councillor John Williams, Lead Cabinet Member for Resources and Councillor Bill Handley, Lead Cabinet Member for Communities	
Lead Officer:	Liz Watts, Chief Executive	

Support for cost-of-living crisis for South Cambridgeshire residents

Executive Summary

1. This report provides Cabinet with a series of recommendations for how the Council could support residents with the current cost-of-living crisis. Existing funding, including a grant from Cambridgeshire and Peterborough Integrated Care System (ICS), is available to deliver the recommended additional work as detailed in the report.

Key Decision

2. No

Recommendations

3. It is recommended that Cabinet approve the priorities and allocated funding set out in paragraphs to support South Cambridgeshire communities during the current cost-of-living crisis.

Reasons for Recommendations

4. The Council declared a cost-of-living crisis at its September 2022 Council meeting. Below are the recommended options that officers have developed following the agreed motion at Full Council and engagement with the Lead Cabinet Member for Resources and Lead Cabinet Member for Communities. The recommendations recognise support for vulnerable people needs to include those who are just about managing in our communities. A number of these are people who have not needed to seek support before. Each option includes cost

implications. Some of the additional work can be funded through a grant provided by the ICS and others will require the use of available funding being earmarked for this purpose.

Details

- 5.** A motion declaring a cost-of-living crisis was presented by Councillor Bill Handley at the Full Council meeting on 22 September 2022. The motion was agreed Full Council and requested officers to carry out additional work to increase support to those who are most vulnerable.
- 6.** The cost-of-living crisis is having a major impact on individuals, families, and businesses nationally, including those living and working in South Cambridgeshire and this report summarises the work that is already been done and recommends additional support.
- 7.** The crisis is having an impact on people with moderate to good incomes as well as those already in hardship. The increase in day-to-day bills, especially energy and food, is pushing those struggling deeper into hardship and poverty. We know from news reports, and from feedback from our own service areas including Housing, Revenues and Benefits, that some families will have to choose between “heating and eating” this winter.
- 8.** We are also hearing reports that this impossible choice may present more problems for our Health Services, which are still recovering from the demands caused by the Covid pandemic. Individuals who are unable to keep themselves warm, or feed themselves sufficiently, many of whom have underlying health conditions or are considered vulnerable, may develop health conditions as a result which require GP or hospital treatment.
- 9.** There is evidence to suggest that some are less able to cope with the cost-of-living crisis so soon after the pandemic. Households, particularly those with low incomes, have run down savings and increased debt since the start of the pandemic. The Office for National Statistics found that by December 2020, nearly 9 million people had to borrow more money than usual because of coronavirus. Groups which are more likely to have taken on more debt since the start of the coronavirus pandemic include renters, people from minority ethnic groups, parents and carers, disabled people, and young people.
- 10.** Although a price guarantee had been introduced by the Government on energy bills for the next 2 years, the new Chancellor has now been reduced this guarantee until April. Regardless of how long this support is provided, the cost-of-living crisis will still mean many households will need additional support.
- 11.** This situation will not improve soon, and it will certainly worsen during the winter months. The Bank of England predicted in August 2022 that the Consumer Prices

index will peak in Q3 at 13% although some economists are now predicting it could rise as high as 18% in 2023.

- 12.** The situation residents face is complex and there are no easy solutions. There are both long-term and short-term causes of the current crisis including:
- The extraordinary rise in the cost of energy and fuel
 - The very high cost of housing which is very evident within South Cambridgeshire and its effects on rents in the area.
 - Rising food prices.
 - Income and wages, including social security benefits, have stagnated and some benefits such as Universal Credit (UC) have been reduced following increases during the pandemic.
 - The longer-term effects of the pandemic.
 - An ageing population
 - The current war in Ukraine (resulting in increased costs across a range of goods, services, foods, and energy).

The Council already supports residents in the following ways: -

- 13.** Dedicated income and money maximisation officer advice - available within Housing Advice and Benefits teams to help ensure people are claiming all support and assistance available to them including pre-tenancy advice and support in terms of managing finances, negotiating the costs of moving into a new home and some collaborative work with housing providers around affordability.
- 14.** Specialist debt advice to residents at risk of homelessness because of affordability and debt (service accessed via the Housing Advice Team), provided by Citizen's Advice Bureau Money Advice Service.
- 15.** Council tax payments – residents can spread payments over 12 instalments rather than 10 instalments as had traditionally been the case.
- 16.** Improved information to increase and maximise income: [Cost of living support - South Cambs District Council \(scamb.gov.uk\)](https://www.scamb.gov.uk) – all information is now in one place to ensure people are aware of support by the Council and other organisations. This is supported by a printed resource.
- 17.** Discretionary grants provision for repairs to owner occupiers on qualifying benefits of up to £10,000 which can include energy efficiency measures to promote warm homes which are managed through the Cambridgeshire Home Improvement Agency.

18. Financially and logistically supporting the creation of new foodbanks within the South Cambridgeshire area and providing grants to other foodbanks to help continue their provision.
19. Supporting residents with Trussell Trust Food Bank vouchers authorising and providing vouchers offering onward support and signposting as appropriate.
20. The Council is also working with partners to ensure good understanding locally of the support available such as:
 - Cambridgeshire County Council on the Household Support Fund that provides one off food and fuel payments. The Council is a trusted partner and able to authorise vouchers.
 - Local Energy Action Partnership (LEAP) who provide energy and money saving advice to residents and onward referrals service for income, benefits debt advice and funded energy efficient improvements.
21. The Council is also working with other Districts and County colleagues to explore sharing data to help identify and support those likely to be in greatest need in coming months.

Focus of additional work to support the cost-of-living crisis

22. Discretionary Housing Payments – this fund supports residents on Universal Credit or Housing Benefit with housing costs. It is awarded where housing costs are not fully met by welfare benefits or household costs are high and the resident is in exceptional hardship.

A Government grant is provided but demand has been exceptionally high. It is likely that demand will continue at the current rate. At the time of writing this report a total of 82% of the annual £110,515 grant had already been awarded.

Council tenants have been awarded £22,000.

Private tenants including RSL (registered providers) have been awarded £68,000.

The primary aim of this funding is to support families and prevent them becoming homeless because of not being able to afford their housing costs. There are currently around 10,000 families on Universal Credit or Housing Benefit in South Cambridgeshire. 13% of these people do not receive their full housing costs as they are 'overaccommodated' or their rent is above Local Housing Allowance rates.

The average monthly gap for private tenants is £125 and £80 for social housing tenants.

Recommendation: an additional budget of £100,000 from Council earmarked reserves is recommended. This would be used until end of March 2024 and would enable approximately 100 families to be supported to afford their housing costs. It is expected 30% of this funding would be used this financial year and 70% in 2023/24.

23. Localised Council Tax Support (LCTS) – this scheme is approved at a Full Council meeting early in the year and provides up to 100% discount to some households. Due to the cost-of-living crisis it is suggested that the review for 2023/24 should increase support. This will be subject to Full Council approval. The review will look to:

- increase the maximum support to 100% for all qualifying residents (it is currently 95% for working age claimants who are not vulnerable)
- align calculations with Consumer Price Index increase
- increase support for working claimants.

The cost of any changes would be shared between major preceptors. The financial cost to South Cambridgeshire District Council (SCDC) is likely to be around £25,000 due to the increased numbers of residents who qualify. Modelling suggests that around 1,100 residents who currently qualify would be better off under schemes amended to reflect cost-of-living increase but owing to the economic climate it is difficult to predict the number of people who might be eligible in the future.

Consultation is required on this proposed change which will include major preceptors, Parish councils, residents, and advice organisations.

Recommendation: These changes can only be implemented from April 2023, Cabinet will receive a report at November Cabinet which will include the measures set out above and will detail the necessary consultation processes. No in year budget requirement.

24. Section 13A Discretionary Council Tax Discounts – this fund supports people who do not qualify for Local Council Tax Support (LCTS) and are in extreme hardship.

Owing to the cost-of-living crisis there is a risk that the Council may find there is an increasing number of applications. However, a more generous LCTS scheme should mitigate this. The cost of the Section 13a scheme falls to SCDC. Any awards made to residents under this provision are not shared between preceptors.

Currently the main qualifying criteria are that residents are in financial hardship; they have taken steps to improve the situation before making an application and have no assets or savings. The policy then considers the effect on the amount of

council tax SCDC will collect and that it's reasonable to make an award taking the interest of other taxpayers into account.

In previous years there have been minimal applications. To make this easier to access it is recommended that an online form and more easily accessible information is introduced, and increased promotion carried out. It is estimated that annual expenditure would not exceed £60,000 although this is difficult to estimate.

Recommendation: Create £60,000 earmarked fund for applications and ensure wider awareness.

25. Charitable Giving – a charitable giving page is created and promoted to residents and business who are financially able to donate. Donations will create a grant fund for use to provide lower cost options for cooking and staying warm, such as slow cookers and electric blankets. Criteria will be created to ensure the most vulnerable families and those just about managing, who often are not known to the Council as not in receipt of benefits, can access support. To ensure the fund can begin to support communities as the winter approaches, an initial £15,000 would be provided.

Recommendation: £15,000 of existing funding secured from the Integrated Care System to be allocated to this project. Further work to develop the proposal is also required in consultation with the Lead Cabinet Member for Communities.

26. Expansion of specialist warm hubs - Cambridgeshire Acre have been appointed to provide warm community spaces in South Cambridgeshire and East Cambridgeshire. These spaces will save people having to heat their own home as much this winter and mitigate to some extent the large increase in energy bills. The initial project would have delivered around 6 warm hubs, but due to the overwhelming response from communities, officers have worked with Cambridgeshire ACRE to increase the number of hubs to around 25, making them more easily accessible across the district. The expansion of the project has increased funding required to approximately £126,000, using funds from the Integrated Care System grant. The £126,000 includes £22,000 being set aside from the ICS funding so well used hubs could expand opening hours or additional hubs could be added.

Recommendation: Formally agree the increased spend on warm hubs to £126,000. This includes retaining a contingency fund of approximately £22,000 to enable increased opening times at Hubs where demand is higher.

27. Warm packs – The Council's repairs contract includes an element of social value. The contractors, Mears, are providing 75 warm packs per year over a 10-year contract. These include water bottle, thermos flask, blanket, thermal socks, gloves and hat. It is suggested that an addition of an electric blanket would be beneficial. The packs are to be distributed to most vulnerable tenants. The warm packs, including electric blanket, could be expanded so additional packs could be

made available to Environmental Health officers to distribute to those residents who need and are living in very cold conditions.

Recommendations: Officers expand the scheme with use of £15,000 grant funding from the ICS.

28. Further support through Community Chest grants – a motion was agreed at Full Council in September to declare a cost-of-living crisis. One element of the motion was to “ask the Grants Advisory Committee to review the Community Chest grant scheme to consider having applications that demonstrate not only wellbeing benefits to their community but also support for those on low incomes and make recommendations to the Lead Cabinet Member for Resources or Cabinet as appropriate.” A paper was presented to October’s Grants Advisory Committee to recommend changes to the community chest criteria to allow bids to include revenue contributions for any project that has a positive impact for communities related to the cost-of-living crisis. The report will also recommend expanding the criteria to allow Parish and Town Councils of any size to bid for Community Chest grants that have a positive impact on issues relating to the cost-of-living crisis. An additional £20,000 of available ICS funding was also agreed and signed off by the Lead Cabinet Member for Finance following the Grant Advisory Committee’s review and recommendations.

Recommendation: Note the changes to the community chest scheme and additional £20,000 funding allocation.

29. Access to affordable food – Councillor Handley’s cost-of-living motion at Full Council in September also called on the Council to “work with partners to give access to affordable food across the District.” The Council has already supported foodbanks being set up and provided additional funding. A further immediate and short-term measure would be to seek to deliver food parcels to those attending the Warm Hubs who are identified as being most in need, in parishes where there is no foodbank already in place. Officers would invite organisations already operating in this space (foodbanks and the like) to tender proposals which would see in the region of 500 food parcels delivered to Warm Hubs across the district between now and the end of March.

Officers are also now exploring whether further work and investment may be required to improve the sustainable food offer and coordination across the district. At this stage officers cannot quantify the opportunity or potential costs and further work is required. Once established further work will be carried out with the Lead Cabinet member.

Recommendations: Officers deliver the Warm Hubs food parcel project with use of £15,000 grant funding from the ICS and continue to assess further sustainable food network and partnership working opportunities.

30. Officer resources – Most of the work to support the cost-of-living crisis can be carried out by existing officer resources. However, to ensure all the additional schemes can be coordinated an extra Project Officer (grade 4) is required. This role will be required until the end of the financial year and can be funded from the money available from the ICS.

Recommendation: Recruitment of Project Officer using £20,000 of ICS grant.

Options

- 31.** Recommended option - accept all the recommendations set out in paragraphs 21 to 30, including the allocation of the available funding to respond to the cost-of-living crisis
- 32.** Cabinet could choose not to progress with any of the recommended options set out in the report and either do nothing or ask officers to carry out further work.
- 33.** Approve some of the recommended options set out in the report Cabinet and provide officers with feedback on those to be prioritised.

Implications

In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered: -

Financial

Each option has been costed and evaluated as part of the package of support that the council provides to residents. If all options were agreed, and funding will be from earmarked reserve of £180,000 The report includes the options which are funded by the Council or resourced by the Council.

Financial Summary of proposals

	Funded by SCDC reserve £	Funded by ICS grant
Discretionary Housing Payments	100,000	
Section 13A Discretionary Council Tax Discounts	60,000	
Charitable Giving		15,000
Initial warm hubs commitment		76,000
Expansion of specialist warm hubs		28,000
Retained funding for further expansion		22,000
Warm hub food parcels		15,000
Warm packs		15,000

Further support through Community Chest grants		20,000
Officer resources		20,000
Contingency	20,000	
Total	180,000	211,000

Risks/Opportunities

This proposal will contribute to mitigation of the current cost-of-living crisis and support those most vulnerable residents, but the council cannot support residents with working with others.

Health & Wellbeing

The cost-of-living crisis will have a direct impact of the health and wellbeing of our most vulnerable residents, additional support provided will have a beneficial impact directly on the health and wellbeing of our residents.

Equality, Diversity and Inclusion

An Equality Impact Assessment (EqIA) has been undertaken in relation to the proposals detailed within this report. This has identified that the proposals have the potential to impact positively on several different protected characteristic groups, especially those who we know to be most vulnerable to the cost-of-living crisis, such as older people and young children, and disabled people. The EqIA has raised some considerations such as how best to ensure that warm hubs and other proposals are made physically, geographically and socially accessible to those of different ages, circumstances and backgrounds, as well as how best to promote the proposals to different groups.

Alignment with Council Priority Areas

A modern and caring Council

The support for cost-of-living crisis links with the priorities that we work with communities and individuals to tackle issues that are affecting them locally.

Report Author: Dawn Graham, Benefits Manager

Telephone: (01954) 713085