

People Scrutiny Panel

Meeting Date: 14/07/2022
 Portfolio: Health and Wellbeing
 Key Decision:
 Policy and Budget Framework: No
 Public / Private: Public

Title: Cumbria County Council Cost of Living Programme
 Report of: Deputy Chief Executive
 Report Number: OS.18/22

Purpose / Summary:

To receive information on Cumbria County Council work on cost of living issues.

Recommendations:

Members are asked to:

- Receive information on the work of County Council
- Use the background information provided to support their understanding and discussion on cost of living issues in Carlisle.

Tracking

Executive:	Not applicable
Scrutiny:	People 14/07/22
Council:	Not applicable

1. Background

1.1. Costs of living are rising nationally, this picture is reflected in Cumbria. Impacts of the rising cost of living are disproportionately felt by lower income households. This briefing outlines emerging impacts of the rising cost of living in Cumbria and the response that Cumbria County Council has made.

2. Contribution to the Carlisle Plan Priorities

2.1. "We will continue to prioritise the current response to and rapid recovery from the health and wellbeing impacts of Covid-19 pandemic"

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**Appendices
attached to report:**

**1. Briefing Note for Carlisle City Council People Scrutiny
Panel – Review of Cost of Living**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL –

PROPERTY SERVICES -

FINANCE –

EQUALITY – This report raises no explicit issues relating to the public sector Equality Duty

INFORMATION GOVERNANCE –

APPENDIX 1:

Briefing Note for Carlisle City Council People Scrutiny Panel – Review of Cost of Living Cumbria County Council Cost of Living Programme

Joel Rasbash, Strategic Policy and Scrutiny Advisor, Cumbria County Council

Introduction

The UK is experiencing a significant cost of living crisis in which households are facing the simultaneous impact of tax increases, rising interest rates and inflation outpacing rises in income (including wages, pensions, working age benefits).

The current crisis is impacting low-income households most severely. Benefits claimants will receive an uprating of 3.1% which translates into a real-terms decrease of 5% over the year to April 2023. Additionally, the uprating of the minimum wage by 6.6% is also likely to mean that lower paid workers' income could see a net fall of up to 2%.

The increase in food prices and utilities bills will disproportionately impact on lower income households as food and energy makes up a higher proportion of their total household expenditure. Likewise lower income households in rural areas will be particularly hit by the cost of petrol and oil for home heating fuel.

According to the Joseph Rowntree Foundation an additional 600,000 people are being drawn into poverty, and families in poverty will be £446 per year worse off in 2022-23 than they would have been had benefits been uprated in line with inflation¹. On fuel poverty, the Resolution Foundation estimates that around 80% of the lowest income groups will be in fuel poverty.

The Emerging Picture in Cumbria

The picture in Cumbria matches the national picture, with a significant rise in demand for immediate welfare support and greater levels of intervention.

During the pandemic there was an upsurge of demand on food banks, people applying for benefits and other kinds of support. Although much of this demand receded with the re-opening of the economy, it has left a legacy of greater poverty in terms of:

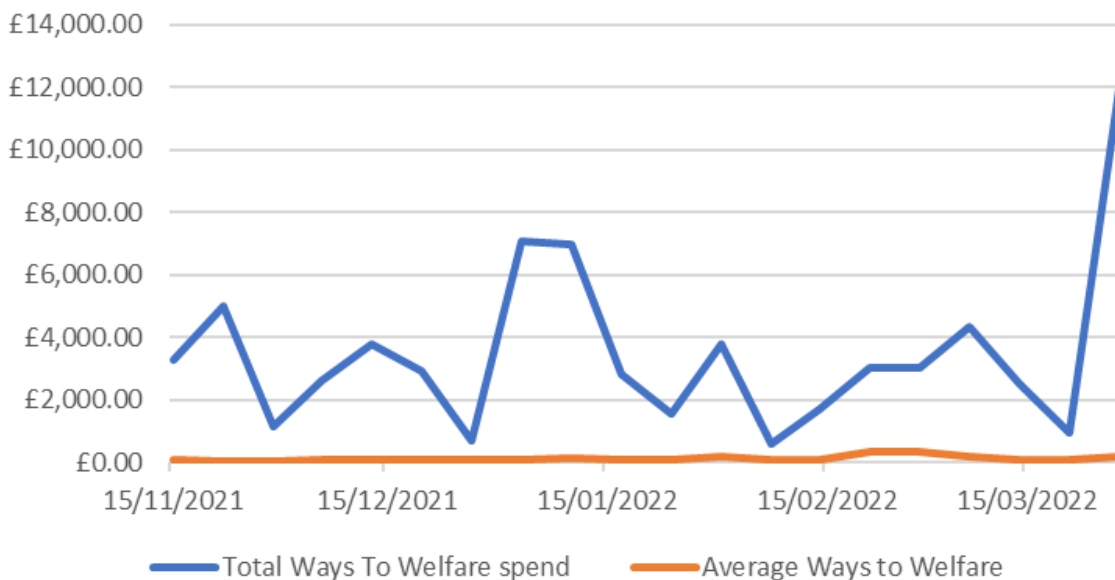
- A significant rise in people in employment claiming UC for over a year (from 2,800 in May 2020 to 8,499 in May 2021, and 9,211 in Feb. 2022)
- A substantial rise in children in households claiming UC from 12,754 in Nov. 2019 to 22,984 in Nov. 2021.

¹ <https://www.jrf.org.uk/press/600000-will-be-pulled-poverty-result-chancellors-inaction>

- A substantial rise in Free School Meal claimants from 10,000 in 2020 to 13,000 in December 2021 to 14,500 in April 2022.

These findings are echoed by the County Council’s Service Centre which is administering the Household Support Fund. Graph 1 below demonstrates the upsurge in demand over 6 months ending 30 March 2022. This upsurge has continued into April and May 2022.

Graph 1: Increasing demand for Household Support Fund (Nov ‘21 – March ‘22)



How the County Council has been addressing the challenge

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)
 - Ringfenced 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. Programme being developed July.

Government Response to Cost of Living Crisis

Response	Description
Energy Bill Support Scheme	All households will get a grant £400 of support with their energy bills through an expansion of the Energy Bills Support Scheme. Payments will begin in October.
Council Tax Rebate Scheme	All households in Council Tax bands A-D to receive a one-off rebate of £150 . This measure was announced in March 2022.
Cost of Living Payment: Means-tested Benefits	All households on means tested benefits will receive a payment of £650 in 2022-23 in two instalments, if in receipt of <ul style="list-style-type: none"> • Universal Credit • Income-based Jobseekers Allowance • Income-related Employment and Support Allowance • Income Support; Working Tax Credit • Child Tax Credit • Pension Credit
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	All disabled households will receive a one-off payment of £150 in September if in receipt of: <ul style="list-style-type: none"> • Disability Living Allowance • Personal Independence Payment • Attendance Allowance • Scottish Disability Benefits • Armed Forces Independence Payment • Constant Attendance Allowance

	<ul style="list-style-type: none"> • War Pension Mobility Supplement
DWP Household Support Fund	<p>£1.5bn for Local Authorities to administer schemes to support households in need of food, utilities and household essentials.</p> <ul style="list-style-type: none"> • Phase 1: October 2021-end March 2022 • Phase 2: April 2022-end September 2022 • Phase 3: October 2022-end March 2023 <p>In phase 1 and 2 Cumbria County Council received £3.6m. A similar amount is anticipated for phase 3.</p>
Petrol Duty	12-month cut on petrol and diesel of 5p per litre