
Local Response to Cost of Living Increases Update Report

Report being considered by: Health and Wellbeing Board

On: 3 October 2023

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Item for: Decision

1. Purpose of the Report

This purpose of this report is to update the Health and Wellbeing Board on the collective response to the impact on residents in West Berkshire of the rise in the cost of living.

2. Recommendation(s)

That the Health and Wellbeing Board:

- (a) **NOTES** the report and the response of partners to date.
- (b) **RESOLVES** that the Service Lead for Public Protection report on progress to the Board at its meeting in December 2023.

3. Executive Summary

3.1 On the 13th July 2023 the Board received an update on the response by the Council and voluntary sector partners to support residents facing challenges as a result of the increase in the cost of living.

3.2 Since the 13th July meeting, we have seen further decreases in the headline rate of inflation. This week it was reported that Consumer Prices Index (CPI) inflation stood at 6.7% in the year to August. However, the inflation rate for food and non-alcoholic beverages stands at 13.6%. This is one of the major causes of financial pressure on households. There has also been an increase in petrol and diesel prices, which continue to tick up. However, fuel prices are significantly lower than 12 months ago. A summary of inflationary effects and drivers can be found here: [Consumer price inflation, UK - Office for National Statistics](#)

3.3 On 1st October, the energy price cap was reduced to £1,923 a year for a typical household who use gas and electricity and pay by Direct Debit. The level of the energy price cap is based on typical household energy use and reflects recent falls in wholesale energy prices. The July 2023 to September 2023 price cap had stood at £2,074 for an average household. Although the trend is downward, the energy price cap (reverting slightly below the April 2022 level) is still significantly higher than the October 2021 where it stood at £1,277.

- 3.4 The other significant issue is the rise in interest rates and the effect on borrowing including mortgages. At the time of writing the BoE 'base rate' stands at 5.25%. In December 2021 it stood at 0.1% and had been below 1% since January 2009 until early 2022. This has had significant affect for those on variable rate mortgages and those on fixed rate mortgages where the fixed period has ended leaving holders with 'Standard Variable Rate' mortgages of around 8.5%. There is some evidence that new fixed rate mortgages are falling slightly, but they are significantly higher than the rates householders previously held or had access too. Inevitably this has impacted rentals which have also risen significantly.
- 3.5 At the meeting on the 13th July 2023, it was also resolved that we should arrange a meeting between the Council, Greenham Trust and voluntary sector partners to discuss challenges faced by the organisations (some of which were set out in the July report), as well as options for working together over the 2023/24 autumn / winter period. Because of the summer holiday period, the earliest that meeting could be organised was the 29th September 2023. Therefore, the outcomes of that meeting will be reported verbally.

4. Household Support Fund

- 4.1 At the July meeting, there was also a discussion regarding the allocation and distribution of the Household Support Fund for 2023/24. It was agreed that more information would be provided to the Board.
- 4.2 The allocation for West Berkshire for 2023/24 is **£1,389,699**. There are guidelines issued with the allocation to create a delivery plan on how the funds should be spent and distributed with a number of priorities being identified including:
- Funds should be spent or committed before 31 March 2024 and cannot be carried over for future usage.
 - Use the funding from 1 April 2023 to 31 March 2024 to meet immediate needs and help those who are struggling to afford energy and water bills, food, and other related essentials. Authorities can also use the funding to support households who are struggling to afford wider essentials including housing costs where existing housing support does not meet this need.
 - It is understood that local priorities for the Fund may change over the course of the Fund Period, including in response to local feedback, such as from professionals working with households.
- 4.3 Having considered the guidelines, the below policy was completed 2 May 2023 and determined that the Fund should be distributed as set out below:

Scheme	Detail	Allocation
Free School Meal Vouchers	7 weeks of support per annum at £3 per day per child. Estimated support c4,000 children.	£420,000
Older people	Targeted funding in partnership with registered providers or other identified charities.	£40,000

Main element	Large Family claim – £300 Family Claim - £250 Household claim – £150 per claim	£740,729
Main element	Set aside funding for distribution through local charities and match funded projects	Up to £50,000
Admin	Max eligible 10%	£138,970
Total		£1,389,699

4.4 The criteria for spend in the main element includes energy, food, clothing and household costs. At the w/c 18th September 2023, the number of applications received was 1,105 with 602 approved and 451 rejected. The remainder were pending. The main reasons for rejection were: duplicate applications, not enough information provided, and those not eligible. The total spend on the main fund is circa £150k. This is expected to rise significantly through the autumn and winter period with the effect of winter energy bills.

4.5 Looking ahead there is a campaign planned to promote the scheme. We are particularly looking at how we can support older people by working with partner agencies. To date the take up amongst this demographic has been low. This is something we also plan to raise at the meeting with the voluntary sector on the 29th September 2023.

5. Conclusions and Next Steps

5.1 The cost-of-living challenges faced by many have not gone away. Food inflation remains significantly higher than wage growth and this is one of the major drivers of pressure on household incomes. Whilst energy prices have fallen this year, they remain over £600 a year higher for a typical bill payer than two years ago. There are also no energy vouchers available this year to mitigate costs for those on pre-paid meters.

5.2 The voluntary sector continues to report increasing pressures. A recent discussion with the Community Resource Centre explored the significant increase in the demand for appliances and whether working collaboratively could help address the demand.

5.3 The issues that people are facing are by and large the same issues that were in part addressed last winter through the Cost-of-Living Hub. The meeting on the 29th September 2023 will explore options for this year and will be reported to the Board on the 3rd October 2023.

6. Appendices

None

Background Papers:

- None

Health and Wellbeing Priorities Supported:

The proposals will support the following Health and Wellbeing Strategy priorities:

- Reduce the differences in health between different groups of people
- Support individuals at high risk of bad health outcomes to live healthy lives
- Help families and young children in early years
- Promote good mental health and wellbeing for all children and young people
- Promote good mental health and wellbeing for all adults

The proposals contained in this report will support the above Health and Wellbeing Strategy priorities by helping to mitigate the impacts of the cost of living increases.
