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# Cost of Living Update

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**Report being considered by:** Health and Wellbeing Board

**On:** 11 July 2024

**Report Author:** Sean Murphy

**Report Sponsor:** Sean Murphy

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**Item for:** Decision

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## 1. Purpose of the Report

The 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 high cost of living.

## 2. Recommendations

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 provide an update to the Board at its next meeting.

## 3. Executive Summary

- 3.1 The Board has now received four updates on the local response by the Council and voluntary sector partners to support residents facing challenges due to financial pressures. The most recent was on the 2<sup>nd</sup> May 2024. This report updates on matters since the May report was presented to Board.
- 3.2 In April 2024 the Office for National Statistics reported that the headline Consumer Price Index (CPI) rate in the year to May 2024 stood at 2.0%. This is in line with the Bank of England target and lowest rate for two years. The biggest contributor to the fall was the slowdown in the increase of food prices and reduction in energy costs. Services costs were up by 5.9% and owner-occupier housing costs by 6.7%.
- 3.3 For the period from 1<sup>st</sup> April 2024 to 30<sup>th</sup> June 2024 the 'energy price cap' was reduced to £1,690 per year, which amounts to a reduction of £238 per year (12%) for the typical household. For the period 1<sup>st</sup> July 2024 to 30<sup>th</sup> September 2024, it has been reduced further to £1,568 which is a further reduction of £122 per year for the average household. It is predicted that the cap could start to rise again in the next review period, but it is now significantly lower than the peak.
- 3.4 Fuel prices have fallen slightly since the last meeting. A typical cost for unleaded petrol is around 144p per litre and around 148p per litre for diesel in the Newbury area.
- 3.5 Whilst many of these baseline indicators show an improving situation, it is nevertheless the case that voluntary organisations and charities assisting those

struggling financially are reporting significant increases in demand for support and advice. This is also borne out by demand for personal / family grants from the Household Support Fund.

### 4. Update Report

#### Household Support Fund (HSF)

- 4.1 In March 2024, the Government announced that West Berkshire Council has been allocated **£694,849** to meet the stated aims of the Household Support Fund of supporting the vulnerable or those that cannot pay for essentials. The funding period for this round of funding runs from April until 1<sup>st</sup> October 2024.
- 4.2 At the last meeting of Health and Wellbeing Board, the Board was notified that the allocations for the grants were set to be approved by Individual Executive Decision. Those allocations were made on the 2<sup>nd</sup> May 2024 and the details can be found here: [HSF May 2024](#).
- 4.3 The allocations included a combination of targeted support delivered in partnership with local voluntary organisations. This included help with white goods, furniture, carpets, utility costs and for pensioners and those in emergency accommodation. There was also a further allocation made to the joint Cost of Living fund with Greenham Trust to support the local voluntary sector further with new projects and increased demand. Finally, there was an allocation for four weeks of vouchers for those on free school meals for four weeks over the summer holiday period.
- 4.4 These allocations left a total of £202,849 to be administered in the form of individual grants by the Council with one eligible grant being permitted limited to £300 per family and £150 per individual. The total allocation was based on demand for 2023/24 and was felt to be sufficient to cover the six-month period.
- 4.5 The period for individual / family applications commenced after the decision on 2<sup>nd</sup> May 2024. Between then and the end June 2024 a total of 753 applications had been processed compared to 150 in the comparable period of 2023/24. Work is being undertaken to break down this data further and a verbal update will be available at Board. However, this unprecedented demand, if it continues at current pace, means that the remaining budget will be spent by halfway through the grant period.

#### Voluntary Sector Update

- 4.6 On 28<sup>th</sup> June 2024, the joint 'Poverty and Cost of Living Hub' met to discuss the current situation with the Household Support Fund and demand on the voluntary sector providers. It was attended by a range of organisations as well as Greenham Trust and various Members and Officers from West Berkshire Council, including the Executive Portfolio Holder for Housing. The meeting was arranged by the Volunteer Centre.
- 4.7 The feedback from the voluntary sector indicated every rising demand for support and advice. There was also a discussion regarding the increased demand for HSF grants. It was felt that this in part was down to rising indebtedness exacerbated by costs over the autumn and winter months.
- 4.8 Contributions from partner organisations during and subsequent to the meeting included:

- The Community Resource Centre reported continued high demand for support under the essential household goods scheme. Of the 142 requests (an increase of 18% year on year) for support 30 related to carpets and an arrangement was in place to get donations of new carpets from a major supplier but the fitting costs were a big expense. The CRC also reported a big demand for beds and mattresses and an increase in issues relating to damp and mould. The latter point was echoed by Citizens Advice West Berkshire.
- The West Berkshire Winter Homelessness Project 2023/24 provided 37 people with a total of 1,324 bed/nights. The age range of those assisted ran from nineteen years old to sixty with most of those supported being in their twenties and thirties. The partnership between the Council, CRC, Newbury Soup Kitchen, Loose Ends and Greenham Trust has now been evaluated and the findings will feed into future winter programmes.
- West Berkshire Homeless reported receiving between fifteen and eighteen requests for support per day. For the period of April-May, expenditure has risen from £2,835 to £13,879 in a two-year period. Demand remains high and to manage demand against income, maximum payments have been reduced to £20 on any one occasion and are now typically less than that. It is reported that 70% of those seeking support have children.
- Citizens Advice West Berkshire report a significant increase in demand for advice on debt with an increase in Q1 from 87 to 140 (61%) clients seeking support. After debt the largest increases were in financial services and capability (increase from 94 to 131 or 40%) and charitable support (increase from 51 to 75 or 47%). Housing support was up 27% from 99 to 126 clients. Examining the latter in more detail, many clients are renting privately and the biggest proportion had possession action issues that would appear to be linked to landlords needing to increase rents or selling properties.
- All organisation reported an ongoing increase in the number of cases involving mental health issues.
- Greenham Trust reported that at the current time the Cost of Living joint appeal had around £80K to support local charities in delivering against increased demand or for new projects.

4.9 There was also discussion around concerns being raised by residents about housing issues and in particular the levels of damp and mould reported. The offer was made for further support from the Public Protection Private Sector Housing Service to support awareness raising to help with prevention and increase reporting.

4.10 In summary, it was considered that although there was some improvement in inflation and energy costs that the numbers of residents facing indebtedness and housing issues were still rising as were demands for support from voluntary sector partners.

### **Public Donations**

4.11 The issue of public donations has been raised at the previous Board meeting. The public can donate directly to the shared Cost of Living Appeal here [West Berks Cost of Living Crisis Appeal – Greenham Trust](#).

4.12 Other routes to donation are the Newbury Community Resource Centre ([NCRC Donate](#)) for furniture, electrical equipment, cycles etc. as well as West Berkshire Foodbank ([Donate food | West Berks Foodbank](#)) for food, toiletries and household products and the Homestart Baby Bank for baby products <https://homestartwestberks.org.uk/baby-bank/>

## 5. Conclusions and Next Steps

The headline figures for inflation and energy costs are significantly better than they were 12-18 months ago. However, the evidence set out above suggests that for some residents and those organisations supporting them it is still very challenging. The increase in demand for Household Support Fund payments will be subject to further analysis and future reports will cover this. There is however a very good collective understanding of the issues facing residents and a desire to move to a position where residents in need are supported to have acceptable living and housing standards.

## 6. Appendices

None

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### Background Papers:

None

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### 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.

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