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# Cost of Living Update

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

**On:** 12 September 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 five 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 11<sup>th</sup> July 2024. This report updates on matters since the July 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 July 2024 stood at 2.2%. This was a slight increase from June when inflation was at the Bank of England target rate of 2%. Food inflation remained static at 1.5%.
- 3.3 For the period from 1<sup>st</sup> April 2024 to the 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. However, the regulator has announced that the energy price cap effective from 1<sup>st</sup> October to 31<sup>st</sup> December will rise to £1,717 meaning an increase in energy costs for typical users of 10%.
- 3.4 Whilst many of these baseline inflation 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.

- 3.5 Significantly the government has announced the end of the winter fuel allowance for those that are not on pension credit. Full details will not be known until the budget in October when will get more detail on any mitigations being proposed. As its stands this will come on top of the £149 increase in the energy price cap.
- 3.6 The government has already announced that there will be another tranche of funding for the Household Support Fund from October. If this is in keeping with current levels of funding, this will be in the order of £700K for West Berkshire for October 2024 to March 2025. Again, the precise details of the scheme are not known at this time.

## 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 The Health and Wellbeing Board the Board was previously 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 of vouchers for those on free school meals for four weeks over the summer holiday period.
- 4.4 Slight adjustments have been made to those allocations as demand for individual grants has been much higher than expected. In total £50K was re-allocated to the general fund.
- 4.5 The period for individual / family applications commenced after the decision on the 2<sup>nd</sup> May 2024. Since May a total of 1,245 applications have been processed and 1,053 granted with a total spend of £256K. At the time of writing, the general fund is expected to be exhausted in the next few days.

## 5. Voluntary Sector Update

- 5.1 West Berkshire Homeless report there is still a delay in gaining mental health support for individuals in this area, citing one client is just progressing following an initial enquiry in February this year. They state they are pleased to say that the Healthwatch cards to gain access to a doctor when homeless are still working well.
- 5.2 Citizens Advice West Berkshire continues to see the same three issues dominating their requests for advice: welfare benefits, debt, and housing. The numbers of clients contacting CAWB about housing issues has also steadily increased year on year and continues to do so. CAWB expect this trend to continue. This includes issues such as private sector eviction ("section 21"), rent arrears, homelessness, housing conditions, and neighbour issues.

- 5.3 The Community Resource Centre (CRC) reports the rate of requests for assistance with essential household goods continues to remain high. In the period 1<sup>st</sup> April to 31<sup>st</sup> August a total of 220 referrals to the Essential Household Goods Scheme (EHGS) were fulfilled at a cost of £70,362, this was for furniture, beds, bedding, white goods etc. During the same period last year, CRC fulfilled 174 cases at a cost of £60,274. Therefore, cases have increased by 26.4% and expenditure by 16.7%, the average cost per referral however has reduced by £36.58 (-7.68%).
- 5.4 During the same period (April – August 2024) 64.5% (142) of applications received were from West Berkshire Council. This is a slight reduction on previous periods with more applications being received from schools (in particular) and local charities, than was previously the case. By value however, referrals from WBC accounted for 70.64% (£49,706.51) of the total spend.70% of all cases related to families in need.
- 5.5 Financial hardship continues to be by far the most oft cited reason for the needs identified. There are however a wide range of reasons given. The top five being as follows:

Reason given by Referrer	% of all cases
Financial hardship	58.72%
Other*	11.47%
Domestic violence	5.50%
Into emergency accommodation	5.50%
Moving into Temporary Accommodation	4.13%

\* Other – these cases mainly relate to individuals with health issues.

- 5.6 With only 41.66% of the year elapsed, CRC have expended 58.63% of the annual budget. The CRC report this is not sustainable as they anticipate the demand continuing for some time to come.
- 5.7 In addition to their EHGS activity, they conduct wider work in the community, delivering training, supported volunteering opportunities, adult day services, etc, along with environmental projects that continue apace.
- 5.8 West Berkshire Foodbank (WBFB) report that client numbers are relatively steady although they have a slight uplift with clients who are disabled and claiming PIP. In the past three months WBFB have seen 157 NEW households come to them for support who have never used a foodbank before. Meanwhile 93.4% of client households have used the foodbank three times or less in twelve weeks. WBFB believe that this is down to robust criteria, budgeting advice and appropriate signposting.
- 5.9 The foodbanks employed welfare and benefits advisor has made an estimated financial gain for clients of £203,321.79 in the past 12 months. In addition, FWB supported 555 families during the school holiday feeding over 1,200 children.
- 5.10 Due to lack of stock WBFB purchased 10,421kg of food and essential items to cover this period. WBFB report have unprecedented low stock currently and are working stock of less than 3 weeks (at current client numbers) for most of their core foodbank items. They report this could improve with an exceptional harvest festival to allow us to recover from our stock deficit.

- 5.11 Finally, WBFB report that they supply 16 schools with either an internal foodbank or breakfast club and it looks unlikely that we will be able to continue this support next year. Likewise, they may also have to stop their regular support to some agencies/charities if they are to prioritise our own clients.
- 5.12 Newbury Christians Against Poverty (NCAP) report a continual steady flow of clients since they re-opened the debt centre in January 2024. Some clients have already been made debt-free by way of the Debt Relief Order (DRO) insolvency route. NCAP report that this looks like being the most common route out of debt for their clients as they have built up debts over a period of time which they cannot afford to repay. The DRO means they will find it very difficult to get credit, but CAP work hard with their clients to agree upon a sustainable budget which they can live off moving forward. For some this means seeking further income and reducing expenditures.
- 5.13 NCAP also report the vast majority of their clients have accompanying health issues and need close support to encourage and support them. They are in the process of planning to make the CAP Money Coaching course available in Newbury, which teaches people how to create their own budgets and how to stick to them. The course enables people avoid getting into debt in the first place. Courses are already scheduled in the Hungerford area.

## 6. Next Steps

- 6.1 The Cost of Living / Poverty working group is due to meet the day after Health and Wellbeing Board. West Berkshire's new Service Lead has been invited to become a standing member of that group and the focus of the next meeting will be to gather further evidence of the impacts of poverty and debt on mental health.
- 6.2 In light of the recent announcement of a further tranche of HSF funding it has been determined to hold a workshop in September with relevant Executive Members and officer service specialists to review how the next tranche should be allocated. The focus will be around the supporting acceptable living standards for residents and how we as a council with Greenham Trust and voluntary sector partners can work together to deliver these over the autumn and winter period. Part of this will include the affordability and impacts of energy costs.

## 7. 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

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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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