
Poverty and Cost of Living Update

Report being considered by: Health and Wellbeing Board

On: 5 December 2024

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Item for: Decision

1. Purpose of the Report

The purpose of this report is to help the Health and Wellbeing Board keep a watching brief on cost of living issues and the collective response to the impact on residents in West Berkshire.

2. Recommendations

That the Health and Wellbeing Board:

- (a) **IS INFORMED** about the current position.
- (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 six 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 12th September 2024. This report updates on matters since September.
- 3.2 In November 2024 the Office for National Statistics reported that the headline Consumer Price Index (CPI) rate in the year to October 2024 stood at 2.3% up from 1.7% in September 2024. Transport costs have fallen by 2% in the year to October 2024. This is largely due to a decrease in the cost of fuel (average cost of unleaded petrol around £1.36 and diesel £1.40), but this has been offset by an increase in the cost of second hand cars.
- 3.3 CPIH, which includes owner occupier's housing costs rose by 3.2% in the 12 months to October 2024 which was up from 2.6% in September. The largest contributor to this increase is from electricity and gas prices. Food and non-alcoholic beverage costs continue to rise and are up by 0.1 % to 1.9% since September 2024. This increase is primarily attributable to an increase in the price of vegetables.
- 3.4 For the period from 01 July to the 30 September 2024 the 'energy price cap' was reduced to £1,568 per year for typical households which was £122 per year lower than the price cap of £1,690 set from the 1st April to 30th June 2024. However, from the 1st October to the 31st December, this increased again to £1,717 per year an

increase of 10% and added around £12 per month to the average bill. It has also been announced that the price cap will rise to £,1738 in January 2025.

- 3.5 The Government have also announced that as of the 2024/25 winter, households in England and Wales will no longer be entitled to the Winter Fuel Payment unless they receive Pension Credit or certain other means tested benefits. It is estimated that only around 14% of pensioners receiving the £200 or £300 payment are likely to continue to do so.
- 3.6 People are still feeling the impact of the cost of living crisis, and this is likely to be exacerbated with the steep increase in inflation in October 2024, and many families are still struggling with debt and continue to sacrifice essentials. The latest official quarterly figures also show that pay grew at its slowest rate for more than two years between June and August, down from 5.1% to 4.9%.
- 3.7 In November, the Bank of England cut rates for the second time in 2024 to 4.75%.
- 3.8 The 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.
- 3.9 The introduction of the Renters Reform Bill is likely to have an impact on the housing rental market. It will bring in new laws for private landlords that are designed to improve housing quality and improve overall protection for tenants. The Decent Home Standard will require landlords to keep homes free from health and safety hazards and be kept in a good state of repair. There will be a specific emphasis on damp and mould.
- 3.10 No fault evictions under Section 21 will be abolished which will mean that landlords will only be able to evict a tenant in reasonable circumstances. The Bill will also see the introduction of an Ombudsman covering all private landlords. Other changes will see a prohibition on rental bidding wars, a ban on in tenancy rent increases and the abolition on blanket bans on tenants with children or receiving benefits.
- 3.11 While the improvements will provide additional security and protection for tenants, the increased responsibilities for landlords might have an impact on the supply of this type of housing. There may also be an impact on tenants in the lead up to the implementation of the Act.
- 3.12 The government had already announced that there will be another £421M of Household Support Funding available from 1st October 2024 to 31st March 2025 for local authorities. Collaborating with local voluntary sector partners, including Greenham Trust, West Berkshire Council has been allocated circa £694K of this funding to distribute. Applications opened on the 18th October 2024.

4. Update Report

Household Support Fund (HSF)

- 4.1 The government announced in October that there was to be a second tranche of funding for 2024/25. The allocation for West Berkshire for tranche 2 is £694K. The allocations for Tranche 2 were agreed by Individual Executive Decision on 18th October 2024. The allocations are set out in the report here: [HSF Individual Decision Report Update October 24.pdf](#)

4.2 Demand for grants under the main fund rose significantly in the first tranche exceeding the whole of 2023/24 in the six month period. It now appears that demand in tranche 2 against the £255K main fund allocation is on a trajectory to exceed that in tranche 1 with 579 applications being received in around six weeks.

4.3 The following table sets out demand in 2024/25 to date:

	Tranche 1 (1/4/24 - 30/9/24)	Tranche 2 (1/10 - 11/11/24)
Households with children	678	253
Households with Pensioners	18	6
Households with disabilities	397	152
Households with single occupants	114	98
Total direct applications received (Tranche 2 correct to 11/11/24)	1207	579
Spend	£307,849	£79,250
Total spend including direct award	£629,849	

4.4 The government has announced in the autumn budget statement that there will be a further round of funding for 2025/26. The amount and grant conditions will not be known for some time.

5. Voluntary Sector Update

5.1 **West Berkshire Homeless** report averaging 10+ calls per day from people in immediate food or utility poverty and who are looking for help whilst more sustainable support can be sought – all those that contact WBH are also signposted.

They also report that there are currently 20 rough sleepers in our area. These rough sleepers come into the single person category and several, although having mental health problems, do not have sufficient evidence to provide to be considered a priority and this does take some time to obtain. WBH understand that, even if vulnerability is proved, there is a waiting list for Two Saints.

5.2 **Citizens Advice West Berkshire** reports the number of clients they have seen increased by 7.14% from Q1 to Q2, suggesting a growing demand for support services. There is an even larger increase in the number of contacts (22.1%) and issues (8.35%) per client points to clients having more complex needs, indicating that they are seeking advice in a multitude of interconnected issues.

The issues clients are dealing with went up by 8.35% from Q1 to Q2, showing that people are facing tougher problems. There has been a big jump in homelessness cases (up 30.2%), those needing help to find housing (up 100%), and council tax debts (up 112%), pointing to growing financial and housing struggles. Meanwhile, the steady need for financial advice shows that people continue to need support with managing money. Overall, the data suggests that clients are increasingly looking for help with basic needs like housing and debt.

5.3 **The Community Resource Centre** reports that the rate of requests for assistance with essential household goods continues to remain high. In the period 1st April to 11th November, a total of 317 referrals to their Essential Household Goods Scheme

(EHGS) were fulfilled at a cost of £95,498. This was for furniture, beds, bedding, white goods etc. During the same period last year, the Centre fulfilled 265 cases at a cost of £86,103. Therefore, cases have increased by 19.62% and expenditure by 10.91%, the average cost per referral however has reduced by £23.66 (-7.85%). Cases range from those on very low incomes moving into properties without furnishings or appliances to families with newborn babies requiring support with furnishings. Other areas of support include following family deaths, those leaving domestic abuse settings or as a consequence of family break ups.

During the same period (April – November 2024) 64.67% (205) of applications received were via West Berkshire Council staff, 24.29% (77) from charities, 4.73% (15) from schools and 6.31% (20) from other referrers (mainly social housing providers). By value, referrals from WBC accounted for 69.78% (£66,645.63) of the total spend. 69.4% (220) of all referrals related to families in need.

As previously reported, financial hardship continues to be by far the most often cited reason for the needs identified. These account for 168 applications (53%). Other reasons include emergency accommodation at 22 (6.94%); domestic abuse at 17 (5.36%) and new tenancy at 16 (5.05%).

As previously reported the CRC report demand and spend is running ahead of the forecast and budget. With only 61.53% of the year elapsed, they have expended 79.58% of the annual budget. The budget anticipated a monthly expenditure of £10,000, it is currently running at £13,172. Giving a projected spend of £158,000 against a budget of £120,000. The £40,000 of HSF funding for NCRC announced by WBC in the recent Residents' Newsletter will, it is anticipated, enable the scheme to be fully funded until the end of March subject to the winter spike in demand not exceeding that experienced last year.

It is reported that the recent Government budget has brought additional financial pressures, with the National Living Wage and National Insurance changes increasing the NCRC's annual staff costs by £66,000.

The supply and fitting of carpets continues, with 70 carpets fitted to date. The CRC still only have one carpet fitter available. and it is taking around two weeks from original referral to fitting being completed. Major problems are being encountered in many properties due to their poor state due to lack of cleaning by residents or hoarding. The supply of carpets is not included in any of the above figures.

Finally, in addition to the Community Resource Centre's EHGS activity they carry out wider work in the community delivering training, supported volunteering opportunities, adult day services etc along with their environmental projects which continue apace.

- 5.4 **West Berkshire Foodbank** have received all their donations from Schools and Churches for harvest festival. Unfortunately, they report that although donors have been wonderful and given what they can current stock levels are seriously depleted. Calculating throughput from 1/9/24 to 11/11/24 their stock in was 33,021Kg and stock out was 27,471Kg, giving us an overall harvest surplus of 5,550Kg. The foodbank is not confident that this level of stock will get them through to the end of year due to increased Christmas demand. They go on to report that the charity will find it exceptionally challenging in the lean months of January through March 2025.

Comparing stock levels this time last year, stock level as on 11/11/2023 was 41,024Kg Stock level as of 11/11/2024 is 26,188Kg, **equating to a year on year decrease in stock of 44%**

The foodbank is gearing up for increased demand in December and have arranged three full days of volunteer collections at all three large Tesco stores in West Berkshire, as well as a collection day at Sainsbury, Newbury and Waitrose, Newbury. Previously these days have proved very successful but use up a huge amount of volunteer hours at our most busy time. Pinchington Lane Tesco for instance will need four volunteers for eight hours for three days, as well as two collection drivers. (Approx 100 volunteering hours for this store alone)

Regarding older residents the foodbank report that they are getting enquiries from over 65 year olds asking if they would be entitled to foodbank support and how they would access that. In response they are explaining their procedures, addressing clients concerns as well as signposting them to the Household Support Fund and Age UK. The numbers of over 65's coming to them is holding steady currently.

Finally, the foodbank has also purchased electric heated throws to allow them to support those who they are most concerned over. This financial outlay has come from their core costs budget and will be a reduced number of units.

Greenham Trust have reported that two grants have been awarded from the Joint Cost of Living Fund from Fair Close (Age Concern) (meal subsidy for seven months) and Berkshire Healthcare Trust (Winter Essential Packs). The current fund balance available is £56K.

West Berkshire Action for Refugees reports a range of issues including difficulty sourcing housing for single person households. In addition, they report that most have their skills under-utilised in employment terms. Many are reported as starting in poverty and affordability of clothing, household goods etc. is an issue. Finally, there are issues faced in relation to accessing intensive English language lessons and digital exclusion.

6. Conclusion and Next Steps

- 6.1 The rise in demand for support from the voluntary sector and the household support fund remains on an upward trajectory. In addition, there is the potential for hardships caused to residents by the withdrawal of the winter fuel allowance especially for those just above the pension credit threshold. Steps are being taken to support people applying for pension credit.
- 6.2 There is also the unknown implications of the Renters Reform Bill and the risk of increased so-called Section 21 'no fault' evictions. There is also the possibility of landlords leaving the sector and an increase in homelessness in the short term.
- 6.3 There are uncertainties about the implications of the budget and in particular the NI increase which could drive through into price inflation. Finally, there is the possibility of a static energy price cap at a level significantly above where it was three years ago.
- 6.4 There is still much for the Council with its partners to have regard to. The Cost of Living / Poverty Working Group is due to meet on 15th November 2024.

6.5 A further report will be produced for the next meeting of the Board should the Board determine it wishes to receive one.

7. 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.
