

Report to: **Executive**

Date: **15 September 2022**

Title: **Cost of Living Crisis**

Portfolio Area: **Cllr Judy Pearce  
Leader**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y / N**

Date next steps can be taken:

Author: **Isabel Blake and Ian Luscombe** Role: **Head of Housing and Head of Environmental Health**

Contact: [isabel.blake@swdevon.gov.uk](mailto:isabel.blake@swdevon.gov.uk) and [ian.luscombe@swdevon.gov.uk](mailto:ian.luscombe@swdevon.gov.uk)

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#### **RECOMMENDATIONS:**

##### **That the Executive:**

- 1. nominates Cllr Hopwood to be appointed as the Council's lead Member to respond to the cost of living crisis;**
- 2. requests that the Council mobilises its resources and works with partners to ensure a responsive, co-ordinated approach to the cost of living challenges faced by residents; and**
- 3. instructs the Leader of Council to lobby Central Government to substantially increase the funding it is providing to address the cost of living crisis, including supporting the Local Government Association in its call for a solution to address the cost of living crisis to reduce the need for emergency support.**

#### **1. Executive summary**

- 1.1 In September 2021, the Council unanimously adopted its Better Lives for All Strategy, focused on supporting our communities to recover from a global pandemic.
- 1.2 The strategy includes specific actions to address economic, wellbeing and environmental impacts known at the time. The

strategy could not however have predicted the significant increases in the cost of living currently impacting all our residents.

- 1.3 This report considers the support the Council has already put in place and sets out proposed further steps that we take in ensuring our residents are supported over the coming months.

## **2. Background**

- 2.1 The dramatic increase in the cost of living is beginning to have a significant impact on residents across the district. Price rises driven by energy price increases will already have impacted on most households.
- 2.2 On 1 April 2022, the energy price cap was increased by 54%. A further significant increase, in the order of 80%, has announced for October and further increases expected in January 2023. This will amplify the challenges our residents face through Autumn and Winter.
- 2.3 Some estimates suggest that following the predicted October 2022 increase in prices, as many as half of all households nationally will be paying more than 10% of their income on energy, which is an established indicator of fuel poverty.
- 2.4 Inflation reached a 40-year high in August at 10.1% and is forecast to increase further in the coming months. In turn, this will likely result in an increase in interest rates.
- 2.5 Against a backdrop of recovering from the financial and health impacts of a global pandemic, this is likely to further increase inequalities and disproportionately affect the District's most deprived communities.
- 2.6 In September 2021 the Council adopted its Better Lives for All strategy setting out our priorities for supporting all residents. It is now clear that the actions within the plan will not address the imminent threat and we therefore need to take further, urgent steps and lead a district wide approach to supporting our residents.

## **3. Action we have already taken**

- 3.1 As through the Covid pandemic, the Council has been quick to respond to supporting our residents both with local support and in progressing Government support packages.
- 3.2 Quickly processed Government energy bill rebates of £150 through Council Tax with 18,011 of eligible households now having received payments totalling over £2.7m
- 3.3 Launched a discretionary Council Tax rebate scheme for those households not eligible for the main scheme. This has seen a further £10,950 of grants paid out to date to 73 households.
- 3.4 Launched a Household Support fund to provide rapid, short-term financial support to meet immediate needs with food, energy or water bills and other essentials.
- 3.5 Promoted a Devon County Council scheme for continue with free school meals throughout the summer holidays

- 3.6 Made a one-off payment of £90 to householders of state pension age who are already in receipt of council tax reduction, seeing 2,360 residents supported.
- 3.7 Promoted schemes that will increase the longer-term energy efficiency of properties within the district (as set out in the Housing report on the Executive agenda today)

**4. Recommended next steps**

- 4.1 It is realised that our role in providing direct support in response to the cost of living challenges is limited, however there is a clear community leadership role in co-ordinating partners and ensuring that we highlight all available support to residents.
- 4.2 It is proposed that we immediately lobby Government to highlight the challenges that our community face and to seek support for, for example, residents and businesses impacted by the rises in energy costs and to secure more funding to improve and future proof our housing stock.
- 4.3 As through the Covid-19 pandemic, the Council stands ready to support the Government in delivery of any further support to residents and will realign resources to prioritise this work.
- 4.4 It is recommended to designate a senior officer to work with the Lead Member, Cllr Hopwood, on developing our response and overseeing its implementation.
- 4.5 This report sets out an initial framework for our response (Appendix A), this continues to develop as more information is known. It is recommended to work with partners to further build on this as a matter of urgency. The detailed response plan will then be considered by the Executive at their next meeting on 13 October 2022. In the interim, Officers will continue to support the Lead Member in taking all appropriate action to provide support.
- 4.6 It is also recommended that the Council join the Local Government Association in lobbying Government and local MP’s for both urgent additional support for residents in meeting the current forecast energy price increases but also for longer term solutions to the cost of living and addressing UK energy security.

**5. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	There are no direct legal / governance implications
Financial implications to include reference to value for money	Y	The Council will work with partners to develop a comprehensive and joined up response to supporting our residents in respect of the increasing cost of living. While there are no direct financial implications as a result of this report, the further update in October is likely to require some finance to support our response.

Risk	Y	<p>The most significant risk arises if we do nothing. This report sets out proposals for a co-ordinated response to the cost of living in order to address this risk.</p> <p>There is also a risk that significant resource will be required to deliver and co-ordinate this response. This will be quantified in the next report.</p>
Supporting Corporate Strategy	Y	Community Wellbeing, Homes, Council Services
Climate Change - Carbon / Biodiversity Impact	Y	No direct impacts although the longer-term solutions that we will lobby Government for include the de-linking of energy costs from renewable energy from non-renewables, therefore reducing the cost of energy supplied through renewable sources.
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity	Y	All residents will be impacted as a result of the Cost of Living however there will be a disproportionate impact on those lower income families who have less scope to adapt to the increasing cost of living.
Safeguarding	Y	It is possible that as financial pressures increase on families, instances of family breakdowns could increase. A co-ordinated plan will ensure partners work together to minimise the impacts.
Community Safety, Crime and Disorder	Y	Ensuring that we do all we can to support our residents will reduce the risk of increased crime and disorder.
Health, Safety and Wellbeing	Y	It will be important that the Council does all it can to support our residents. Having a co-ordinated plan, we will work with partners to de-stigmatize getting help when needed, ensure that residents know where to go for help and use data to give us a good understanding of the impacts.
Other implications	N	

### **Supporting Information**

None

### **Appendices:**

Appendix A: - Framework for Financial Wellbeing Plan

### **Background Papers:**

None