

<b>Report to:</b>	Health and Wellbeing Board	<b>Date of Meeting:</b>	Wednesday 14 September 2022
<b>Subject:</b>	Cost Of Living Crisis		
<b>Report of:</b>	Chief Executive	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>			
<b>Is this a Key Decision:</b>	N	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	N		

### Summary:

This report was considered by cabinet on 1<sup>st</sup> September 2022. It is shared with members of the Health & Wellbeing Board for information. The report summarises the impact of the escalating Cost of Living Crisis on local people and outlines the support available and proposed in Sefton.

### Recommendation(s):

(1) Note the report and associated actions.

### Reasons for the Recommendation(s):

For members of the Health & Wellbeing Board to consider the impact of the escalating Cost of Living Crisis on local people note the support available and approve plans proposed in Sefton.

### Alternative Options Considered and Rejected: (including any Risk Implications)

NA

### What will it cost and how will it be financed?

#### (A) Revenue Costs

There are no direct revenue costs as a result of this report.

**(B) Capital Costs**

There are no direct capital costs as a result of this report.

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>								
<b>Legal Implications:</b>								
<b>Equality Implications:</b> The equality Implications have been identified and risk remains, as detailed in Appendix D.								
<b>Climate Emergency Implications:</b>  The recommendations within this report will <table border="1"><tr><td>Have a positive impact</td><td>N</td></tr><tr><td>Have a neutral impact</td><td>Y</td></tr><tr><td>Have a negative impact</td><td>N</td></tr><tr><td>The Author has undertaken the Climate Emergency training for report authors</td><td>Y</td></tr></table>	Have a positive impact	N	Have a neutral impact	Y	Have a negative impact	N	The Author has undertaken the Climate Emergency training for report authors	Y
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Have a neutral impact	Y							
Have a negative impact	N							
The Author has undertaken the Climate Emergency training for report authors	Y							

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: Those with complex care needs may be disproportionately affected by the energy costs. The Council has a number of schemes that may support those eligible during the Cost of Living Crisis.
Facilitate confident and resilient communities: The Council will actively sign post people to where they can access support.  The Council will continue to work with its many partners for example with schools and early years professionals to support families who are living in poverty.
Commission, broker and provide core services: The Council commissions a number of organisations that offer information, advice and support that can be accessed by many throughout this Cost of Living Crisis.
Place – leadership and influencer: The Council will use data and feedback from our communities, children and young people in shaping plans to address the Cost of Living Crisis.  The Council will demonstrate strong leadership and work with partner organisations to work towards common goals to reduce the impact of the Cost of Living Crisis on local

<p>people. Working locally at a strategic level to shape policy and strategy development in a way that will draw out the implications for tackling poverty and put in place sustainable partnership action plans.</p>
<p>Drivers of change and reform: the Council will play a key role in advocating change and reform to improve the position for Sefton residents and minimise the impact on every child's future.</p> <p>The Council will challenge the stigma and negative narratives about people living in poverty.</p>
<p>Facilitate sustainable economic prosperity: There are many people currently that do not have the level of money they need to take care of themselves and their family.</p> <p>Through Sefton@Work the Council will continue to offer a range of free and confidential job-related services to local people aged 16 years plus and provide a free, professional recruitment service to employers in Sefton to help them to recruit locally to find the right person for the job.</p> <p>The Council will continue to champion the borough and encourage investment into Sefton with a view to creating more local job opportunities.</p>
<p>Greater income for social investment: NA</p>
<p>Protect the most vulnerable: Those with complex care needs may be disproportionately affected by the energy costs. The Council has a number of schemes that may support those eligible during the Cost of Living Crisis.</p>

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6912/22) and the Chief Legal and Democratic Officer (LD.5112/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

The Council continues to engage with partners on the matter.

#### Implementation Date for the Decision

NA

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The following appendices are attached to this report:

Appendix A Indices of Deprivation (2019)

Appendix B Sefton Children and Young People Living in Low Income and Poverty

Appendix C Factsheet

Appendix D Equalities Impact Assessment

**Background Papers:**

[What actions are people taking because of the rising cost of living? - Office for National Statistics](#)

<https://www.gov.uk/guidance/cost-of-living-payment>

[Report to: \(sefton.gov.uk\)](#)

## 1. Introduction

- 1.1 Sefton has a unique socio-economic geography. In its entirety it is in the most deprived fifth of English Local Authorities, with 38 of the 189 Sefton Lower Super Output Areas (LSOA) being in the top 10% nationally. This equates to approximately 58,000 residents (21% of the population). Conversely only seven Sefton LSOAs fall in the least deprived 10% nationally (4% of the population).
- 1.2 Seven of Sefton's LSOAs (3.7%) fall in the most deprived 1% of the country, equating to almost 11,000 residents. Six of the seven LSOAs are in Linacre ward and the remaining LSOA spans Linacre and Derby ward. Recent analysis from the Office of National Statistics (ONS) states

*“Those living in the most deprived areas more likely to be using credit.*

*Just over 1 in 10 (13%) people in England reported using credit (such as credit cards, loans or bank overdrafts) more than usual because of the rising cost of living. However, this rose to almost one-fifth (18%) among those living in the most deprived areas and fell to 8% among those living in the least deprived areas.”*

- 1.3 People across Sefton, like many across the country, are living with and facing further challenges in light of the mounting national Cost of Living Crisis. The combination of changes to the welfare system, soaring domestic energy and fuel prices, rising prices in the shops due to inflation has hit households hard, leaving many struggling to make ends meet. Thousands of local people face a tough winter and for some this will mean that they will need to choose between eating and heating, with many going without food so that their children or other members of their family can eat.
- 1.4 Many will be unable to heat their homes and may not have the resources to keep themselves warm as they do not have the money to be able to afford additional clothing, winter coats and blankets.
- 1.5 The impact of this ongoing crisis cannot be underestimated, recent analysis from the Office of National Statistics (ONS) states

*“For those who had seen their cost of living go up, the most common lifestyle changes they had made as a result were:*

- *spending less on non-essentials (57%, around 26 million people)*
- *using less gas and electricity in their home (51%, around 24 million people)*
- *cutting back on non-essential journeys in their vehicle (42%, around 19 million people)*

*More than a third of those whose cost of living had gone up cut back spending on food and essentials (35%, around 16 million people). Almost a quarter (23%, around 11 million people) used savings to cover costs, and 13% (around 6 million people) said they were using more credit than usual.”*

- 1.6 Those on the lowest incomes are disproportionately affected by price rises. These households have to spend a greater proportion of their income on food and household bills, so the increasing food price inflation and the spiralling energy costs disproportionately affect them, many of them are already struggling to get by. Households across the UK will get cash payments to ease cost-of-living pressures. In February 2022 the Government announced support to help households with rising energy bills including a one-off £150 Energy Rebate payment to Council Tax payers in bands A to D. The £150 Energy Rebate payment has now been made to 99,878 households. There are approximately a further 9,500 households having their Council Tax account credited with the £150 energy rebate and have been sent a letter to confirm this and the option to take a refund.
- 1.7 Nationally, eligible low income households will also receive £650 paid in two instalments. The first instalments was to be paid directly into bank accounts from July. The second instalment of £324 will be paid in the autumn. For many this will not bridge the gap as costs continue to rise.
- 1.8 The Income Deprivation Affecting Children Index (IDACI) covers the proportion of children aged 0-15 living in income deprived households. This is defined as households that receive Income Support, income-based Jobseeker’s Allowance, Universal Credit, Pension Credit Guarantee or Child Tax Credit below a given threshold. The IDACI shows Sefton is ranked 108th out of the 317 English local authorities. Sefton’s IDACI rank places it in the second most deprived quintile of local authorities. But IDACI varies across Sefton and thirty-one Sefton LSOAs are in most deprived decile and 5 fall in the most deprived 1%. These LSOAs are all in the south of the borough.

- 1.9 Some families have struggled to feed their children throughout the school holidays and as they return to school some children will arrive poorly nourished and so will find it difficult to concentrate and learn. Childhood poverty is the first step to poor physical and mental health, and the largest impact on infant mortality is poverty.
- 1.10 Disabled people who are accessing therapies, accessible transport and using specialist equipment that take energy to run will be disproportionately affected by the energy costs. The recent ONS analysis states

*“Around 4 in 10 disabled people experiencing rising cost of living cut back on food and essentials*

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*Disabled people were more likely than non-disabled people to have reduced their spending on food and essentials because of their increased costs of living (42%, compared with 31%).*

*Economic factors, such as personal income and the level of deprivation of the area they live in (based on the [Index of Multiple Deprivation](#)), also appeared to affect a person’s likelihood of having reduced spending on food and essentials.*

*Among those who had seen cost of living increases, those living in the most deprived fifth of areas in England were more likely to have cut back on food and essentials (42%) than average (35%). Meanwhile, those in the least deprived fifth of areas were less likely (27%).”*

Disabled people may be eligible for a Disability Cost of Living Payment under the national scheme.

- 1.11 The pandemic exacerbated mental health and wellbeing issues. As more people face financial difficulties as a result of the Cost of Living Crisis the mental health and wellbeing of many will decline further.
- 1.12 The Income Deprivation Affecting Older People Index (IDAOPI) provides the proportion of the population aged 60 and over who are income deprived. Overall Sefton is ranked 83rd out of the 317 English local authorities for this measure.

However, Sefton's overall ranking masks the differing level of deprivation affecting older people across the borough. Deprivation disproportionately affects LSOAs in the south of the borough. Ten LSOAs (all in South Sefton) are in the most deprived 5% of the country and one in Derby ward is in the top 1%. Data from the Pension Policy Institute reveals that pensioners spend a growing portion of their income on housing, bills and food as they become older and less on transport or leisure activities. [Age UK](#) reports that:

*“Among those aged 70+ who reported an increase in their cost of living, the most common reasons given were rises in the price of food shopping (96%), gas or electricity bills (80%) and in the price of fuel (81%). In response to this, over-70s are:*

- *spending less on non-essentials (51%)*
- *cutting back on non-essential journeys in their vehicle (47%)*
- *using less energy at home (45%)*
- *shopping around (40%)*
- *spending less on food shopping and essentials (26%)*
- *using savings (21%)”*

- 1.13 People entitled to a Winter Fuel Payment for winter 2022 to 2023, will get an extra £300 for their household paid with their normal payment from November 2022. Some people will find it difficult to cover the travel costs. The recent analysis from the Office of National Statistics states

*“When asked what was contributing to their increased cost of living between March and June 2022, almost 8 in 10 (79%) people cited the rising price of fuel. Overall, of people whose cost of living had gone up, 42% said they were reducing the number of non-essential journeys they made in their vehicle.”*

- 1.14 Across the generations its further impacts may include increasing levels of social isolation, increasing levels of digital poverty, increasing demand on foodbanks, leading to increasing demand on Council services and community, voluntary and faith organisations.

## **2. Currently In Sefton**

- 2.1 Sefton has a long established Welfare Reform and Anti-Poverty (WRAP) Cabinet Member Reference Group that is chaired by the Cabinet Member for Communities and Housing and its membership includes Cabinet Members for Adult Social Care, Health and Wellbeing and Regulatory, Compliance and Corporate Services, and senior officers for Communities, Health and Wellbeing, Strategic Support and Customer Centric Services.
- 2.2 The reference group provides the main forum for strategic discussions about WRAP including receiving and responding to policy developments, consultations, approaches to work jointly with other organisations, and ideas for local action. The reference group contributes to and works collaboratively with the WRAP



Partnership Steering Group in the development and delivery of the local Partnership Action Plan. The [Welfare Reform Annual Report 2022](#) was considered by Cabinet in June 2022.

2.3 The Council, along with its partners, continue to put communities, local people and businesses at the heart of what it does. The Council provides support through –

Information and Advice - The Council website and Sefton Directory provide information, advice and signpost people to support that is available. The Sefton Support Hub at [www.sefton.gov.uk/seftonsupporthub](http://www.sefton.gov.uk/seftonsupporthub) is a digital One Stop Shop where local people can find help, advice and guidance, as well as financial and social support. The Council also uses its social media accounts to share signposting information to the community and amplifying the messages of Sefton CVS and other community groups that may be able to provide advice and support.

ELAS (Emergency Limited Assistance) – those facing severe hardship can access this scheme to help them meet one-off needs. This includes people in need of urgent help with the cost of food, winter coats, gas, electricity or emergency travel.

Council Tax Support – those on a low income may be eligible to receive support through the Council's Council Tax Reduction Scheme. For people already in receipt of support through this scheme and are struggling they can request an Exceptional Hardship Fund payment due to unusual or extreme circumstances. Under the Council Tax Regulations, a dwelling in which a disabled person lives may qualify for a reduction in the amount of Council Tax actually payable. There are further discounts available for others such as students, sole occupiers and care experienced young people.

Affordable Warmth Scheme - people living in fuel poverty can seek advice and information about the support available from the Affordable Warmth team on 0151 934 2222 or the local Energy Advice line managed by the charity EPlus Freephone 0800 043 0151. They will be able to advise on the simple actions that people can take in the home that will help save energy and money, as well as reducing greenhouse gases, such as carbon dioxide.

Rent & Housing – on occasion the Council may be able to support people facing difficulties paying rent. This support is called a Discretionary Housing Payments (DHP). It is most commonly used for people affected by any national Welfare Reform changes.

Free School Meals – ([Free school meals \(sefton.gov.uk\)](http://Free school meals (sefton.gov.uk))) eligible families can apply for free school meals.

Summer Food - in its seventh year, this much-needed provision has seen Sefton Council and Sefton Council For Voluntary Services (Sefton CVS) put together thousands of packed lunches for children across Sefton. In 2021, more than five thousand meals, in the form of takeaway packed lunches, are served through the scheme. This year families who have had their income significantly affected by the impact of the cost-of-living crisis and the COVID-19 pandemic, were eligible for the scheme. To compliment the Summer Food

offer to families, the Family Wellbeing Centres hosted a number of activities for young people, as well as helpful sessions on topics such as Debt Advice, Wellbeing Days and Mental Health awareness.

The Council has been awarded £1m Holiday Activity Fund from the DfE for 2022/23. Officers coordinate activities in the Easter, Summer and Christmas holidays for children in receipt of Free School Meals to access. As well as children accessing the range of activities they may not normally have access to they also receive food as part of the scheme.

School uniforms – the Council and schools support families with school uniform provision.

Sefton@Work - offers a range of free and confidential job-related services to local people aged 16 years plus. The team also provides a free, professional recruitment service to employers in Sefton to help them to recruit locally to find the right person for the job.

Alongside this the Council will continue to promote the free early learning and childcare support to eligible families.

Commissioned Activity – the Council commissions a range of activities to support local people and families such as debt advice, emotional health and wellbeing support and Living Well Sefton.

Living Well Sefton is a free service with a focus on supporting people with issues that may be affecting their health and wellbeing. It is a collaboration of various Sefton organisations which have the expertise and knowledge to share with local people that may help them at this difficult time.

Kooth is an online counselling and emotional well-being platform for children and young people, accessible through mobile, tablet and desktop computers and is free at the point of use. It was launched in Sefton in July 2019. Kooth is an early intervention resource which targets improvements in young people's emotional and mental wellbeing. It ensures a timely and appropriate response to service requests from a range of individuals and agencies and ensures information about the service is widely available. The service provides structured 1:1 counselling service to young people in need which draw on relevant NICE guidelines, provides secure online counselling and support to young people via the Kooth.com web platform.

Influencing Activity – The Council uses its influence to make sure what we and what others do are in the best interests of Sefton and its residents. This activity takes many forms for example actively warning people not to turn to loan sharks and how to access support when needed.

Mayor's Toy Appeal - Every year hundreds of people across Sefton demonstrate their kindness and community spirit by contributing to the Mayor's Christmas Toy Appeal. Ward councillors also contribute £250 from each ward budget to this appeal meaning that families facing hardship do not miss out on the festive season.

Household Support Fund (HSF) – the Council has been allocated various grants from the Department for Work and Pensions (DWP) to support residents with the Cost of Living Crisis. In April 2022 the DWP extended HSF from 1 April 2022 to 30 September 2022 and the value remained the same as in 2021/22 (£2.435m).

However, the grant conditions changed with the requirement for:

- 33% of the grant to be spent on households with children
- Up to 33% of the grant spent on households without children
- 33% of the grant to be spent on households containing pensioners. The focus remains on food, affordable warmth, help with utility bills and other essential households' items.

In addition, resources have also been allocated to develop projects designed to identify sustainable sources of food to reduce residents' reliance on food banks. The scheme is also being used to fund Winter Pyjamas distribution via Family Well Being Centres, Winter safe packs – contribution to Merseyside Fire & Rescue Service to provide packs to households, contribution to foodbanks, Energy Project Plus – provide meter top up vouchers to be distributed by Energy Project Plus and CVS Winter Coat project – to provide winter coats.

The Council support the Foodbanks and Food Pantry network throughout the borough and are seeking to appoint a Sustainable Affordable Living Project Coordinator to support and coordinate these networks to ensure efficiency and maximum reach to the households that need support the most.

Plans are currently being devised, in partnership with Sefton CVS, to provide residents with additional support during the winter months. The plans include opening various community settings where residents would be given the opportunity to take part in meaning full activities in warm welcoming settings, whilst also accessing free food.

2.4 As well as the areas the Council and its partners are assisting struggling families with, the Council are also proposing that

- A new fact sheet has been prepared at Appendix B this will be available to all Ward Councillors and circulated widely throughout our community networks
- A new webpage will be made available entitled 'Cost of living' to assist families and individuals struggling with the costs of living
- A discretionary payment will be made to certain residents in relation to the Energy Rebate Scheme. This includes payments to households in receipt of Council Tax Reduction Scheme support who did not qualify for the mandatory scheme as their property was in Band E to H, additional payments to households in receipt of CTRS support who have already received a payment from the mandatory scheme and additional payments to all households in receipt of CTRS support which include children. In addition, payments will be

made to households in receipt of a full Council Tax exemption, due to being Severely Mentally Impaired, who did not qualify under the mandatory scheme.

### **3 Equalities**

- 3.1 Members are to consider the Indices of Deprivation (2019) at Appendix A, Sefton Children and Young People Living in Low Income and Poverty at Appendix B and the Equalities Impact Assessment at Appendix D.

Members are asked to note that as the Council puts plans and actions into place there is a need to be clear and precise about our processes, and impact assess potential changes ensuring that the impact of poverty and the experiences of people who are living in poverty are considered in service design and delivery.

### **4 Next Steps**

- 4.1 The Council is developing a Child Poverty Strategy which will be underpinned by a partnership Action Plan. The draft strategy will be present to Cabinet in October for consideration.
- 4.2 Officers will continue to work closely with partners across Sefton to a develop and range of ideas and proposals to support local people in crisis, as well as reinforcing what support is currently available.
- 4.3 The Council will work at the highest levels nationally to influence policies towards tackling poverty and make the argument that poverty impacts negatively on the whole community and impacts significantly on the life chances of Sefton's children and young people.