

Meeting date: 7 November 2022

Report to: The Resources and Delivering Value Scrutiny Board

Report title: Solihull's response to the Cost of Living Pressures

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

Exempt by virtue of paragraph:

1. Executive Summary

- 1.1 The purpose of this report is to update members of the Resources and Delivering Value Scrutiny Board on Solihull's response to the cost of living pressures. This follows a motion to Full Council on the 11 October 2022, which asked the Chief Executive to provide officer and infrastructure support as necessary to ensure the warmth and safety of our residents this winter. Full Council resolved to refer the motion on to the Resources and Delivering Value Scrutiny Board for consideration.
- 1.2 The rising cost of energy, food and other essentials are combining with existing disadvantage and vulnerability within our communities to put more households at greater risk of both immediate hardship and reduced opportunity and wellbeing.
- 1.3 The co-ordination of Solihull's response began in September 2022 and is via a group of officers from across the Council and its partners, including Solihull ICB and the Fire Service, who meet weekly to gain an up-to-date picture of the local impact of the changes to the cost of living. The group regularly review the current offer of support from the council and its partners, including Voluntary and Community Sector support, to ensure it remains responsive to any emerging issues.

1.4 The Council is also committed to supporting the development of places where people can go this winter to do a range of activities and get a warm welcome.

2. Decision(s) Recommended

2.1 The Resources and Delivering Value Scrutiny Board is asked to note the approach to supporting residents through the winter and to provide any comments or additions to the Cost of Living Pressures plan and the proposed dashboard which can be seen at Appendix 1 and 2 to this report.

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3. Matters for Consideration

- 3.1 There are a range of impacts that can be anticipated on the physical and mental health of households associated with the rising cost of energy, food and other essentials, such as an increase in the number of excess winter deaths, the deterioration of existing health conditions (e.g. respiratory and cardiovascular), as well as increased demand on the social care and health systems.
- 3.2 The Council, working alongside our community, will continue to do what it can to support people, by targeting help at those facing the most complex challenges. It is hoped that this will help to alleviate some immediate hardship that households may face, as well as help to reduce and prevent anticipated demands on statutory services.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 National Context - The 'cost of living crisis' refers to the fall in 'real' disposable incomes that the UK has experienced since late 2021. This is predominantly caused by high inflation outstripping wage and benefit increases and it is further exacerbated by recent increases in energy costs.
- 4.2 Inflation is expected to remain high for the next two years, with the Bank of England anticipating that inflation will not reach its 2% target until the third quarter of 2024. A rapid increase in energy costs, particularly the wholesale price of gas, has been a key driver of the recent increase in inflation. Cost pressures have also been more apparent since mid-2021 when many countries re-opened their economies from the coronavirus lockdowns.
- 4.3 Local Context – A range of financial wellbeing and employment indicators improved across the country during 2021. Solihull was particularly resilient, with better than average outcomes for many of these measures. As the direct impacts from the covid pandemic receded, below average levels of deprivation and benefit dependency meant that overall the Solihull population fared better than many other areas of the country. The latest median gross annual earnings for Solihull are £35,516, above the England figure of £31,490 (Source: LG Inform).
- 4.4 At December 2021, 12.4% of the Solihull aged 16-64 population were claiming Universal Credit, compared to 14% across England. For the latest month available (July 2022), 15,851 people were claiming Universal Credit in Solihull in July 2022, 4% lower than in July 2021.
- 4.5 While Solihull is in a stronger than average position overall to weather the cost of living crisis, lower income households are the most vulnerable and there are considerable variations in the levels of income and poverty across Solihull.
- 4.6 The vulnerability of lower income households as cost of living pressures increase can be seen in increased claims for assistance and signs of financial stress. For example:

- 4.6.1 1,465 Council Tax Reduction Claims were received between 1st April and 30th June 2022, an increase of more than 50% compared with the same period in 2021. The spread of successful claims by geography, age and household type follows the overall pattern of poverty across the Borough.
- 4.6.2 An 87.9% increase in the number of applications received for the discretionary housing payment scheme between 1st April and 30th June 2022, compared with the equivalent period in 2021.
- 4.6.3 A 17% rise in the number of referrals received for the Homeless Prevention Fund between 1st April and 30th June 2022, compared with the equivalent period in 2021.
- 4.6.4 Solihull Community Housing reported that rent payment direct debit recalls have increased from 325 between 1st April and 30th June 2021 to 537 between 1st April and 30th June 2022.
- 4.7 Further analysis of the data suggests that we may be seeing a particular increase in claims from those whose incomes are just above the thresholds for assistance. For example, there was a particular increase in Council Tax reduction claims that were cancelled, ineligible or defective (26% of all claims), with numbers of ineligible claims highest in the wards with greater numbers of low-income households. Those with income just above threshold may not be sure about how to obtain information, advice and assistance and we may need to target information and advice at these groups.
- 4.8 In order to respond to the above challenges facing many of our residents, the Council needs to have a coordinated response in place.
- 4.9 The Council has therefore established a lead officer group, with representatives from across the Council and its partners, to coordinate activity across four key themes:
- **People** - Support people to manage income, reduce costs and access financial support;
 - **Collaborate** – Work with the wider Public Sector, VCSE sectors and our communities to develop a shared response;
 - **Business** - Work with businesses to protect jobs and support employees;
 - **Places** – Support energy efficiency measures in homes and businesses.
- 4.10 A high-level action plan has been developed and is updated weekly. This plan which can be seen at Appendix 1, will continue to develop and input from Scrutiny Board members is encouraged to contribute to this.
- 4.11 The plan helps to focus existing resources and activity in the best way to address the cost of living impact on households, shape and create new activity, as well as coordinate the multi-agency response.
- 4.12 Through a mixture of Government grant funding and deployment of reserves, the Council is providing a broad range of support for low income and vulnerable households, which is helping them with the rising cost of living. This includes help with food, bills and household essentials, holiday activities and childcare, home improvements and supporting community groups and organisations to continue and extend their support to households.

- 4.13 The Council has started delivering the third round of the government's Household Support Fund, which is distributing approximately £1.4m of financial and practical support to low-income households until March 2023. Schemes that are being supported through this funding include the Winter Warmth campaign delivered by Age UK Solihull, Winter Fuel Scheme delivered by Act On Energy, holiday supermarket vouchers for families with children in receipt of free school meals, food supplies for the borough's foodbanks, as well as increasing the amount of funding available via the Council's Discretionary Crisis Fund and SCH's Emergency Hardship Fund. During the summer approximately 24,000 awards were made to households in the borough.
- 4.14 The Holiday Activity and Food Programme is delivered during the spring, summer and winter school holidays and provides free activities and meals to children and young people in receipt of free school meals. The Christmas 2022 offer to families is still being developed with providers, but it is likely to include food and activity hampers, trips and events, with a more limited range of activities compared to the summer and spring. It is expected that up to 2,000 children and young people will benefit from the offer provided.
- 4.15 Through the Sustainable Warmth programme, the Council is continuing to provide funded home improvements, which can increase energy efficiency for low-income households. Working alongside SCH, homes in Silhill Ward will be benefitting from additional insulation and new windows. Across the borough, homes with no gas supply, low energy efficiency ratings and occupied by people with medical conditions linked to cold weather are being identified to benefit from the delivery of the Home Upgrade Grants, which will improve insulation and provide new heating systems over the winter and spring period. At the same time the Council will start the delivery of the latest phase of the Energy Company Obligation funding to households in Lyndon and Olton, complementing the partnership already in place with West Midlands Combined Authority which is delivering its Sustainable Warmth programme in the Elmdon Ward.
- 4.16 As we saw during the pandemic, voluntary and community sector groups and organisations have a critical role to play in providing help and support to households during the rises in the cost of living. Recognising the importance and value of what our local groups and organisations do, as well as the financial pressures they too are experiencing, the Council is deploying c£180k from its VCSE Development Reserve to support them during the next 12 months. This will provide small grants to help with rises in their core costs, like energy bills and staff costs, to ensure as many organisations as possible can survive the current economic climate and can continue to support communities.
- 4.17 Via the Government funded Homes for Ukraine scheme, both sponsors and Ukrainian nationals are being supported via monthly 'Thank You' payments and initial welcome payments on arrival. Additional discretionary payments are being made to both sponsors and refugees to help meet extra and increasing costs to households, particularly for large families and people with disabilities to help sponsorships remain sustainable.

5 Reasons for recommending preferred option

5.6 The cost of living issue is not a problem that the Council alone can solve. We know from experience in the covid pandemic that working with partners and our community ensures we can respond quickly and effectively to get essential information and advice to communities and provide support to our most vulnerable residents.

5.7 The objectives of this approach are to:

- Horizon scan to assess the short, medium and long-term impacts of cost of living pressures.
- Track impact across a series of local metrics and local intelligence using a dashboard of agreed measures.
- Promote and maintain staff wellbeing and welfare
- Promote and maintain capacity and capability of organisations and services to function and respond to crisis.
- Build capacity to prevent crisis and provide early help.
- Build our capacity to work collaboratively with community groups and local assets, based on the learning from covid.
- Promote and support partnerships and collaborations across services and orgs. to be able to respond to multiple needs.
- Role model response for other organisations/borough in general.

5.8 The Council aims, through this approach, to reduce the worst and longer-term implications of cost of living impacts through:

- Consistent messaging so all are aware of the support available.
- Accurate, timely and accessible advice and help to different groups and household circumstances.
- Sufficient capacity and capability in the system to meet the predicted demands from the impact of the cost-of-living situation.

5.9 Governance – The Council’s Assistant Director, Communities and Partnerships, chairs the weekly Lead Officers Group and will provide regular updates to Members, the Council’s Leadership Team and the Solihull ICS Place Board. Overall responsibility will sit with the Deputy Leader and Cabinet Member for Partnerships and Wellbeing, Councillor Karen Grinsell.

6 Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>This approach will support our residents through a challenging time and will help them to manage and respond to additional pressures by targeting grants and financial support.</p>
<p>Economy:</p> <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. 	<p>Businesses too may find the next few months difficult and by supporting them and their employees to access good information, advice and additional financial support easily may mean that jobs are protected.</p>
<p>Environment:</p> <ol style="list-style-type: none"> 8. Enhance our natural environment, improve air quality and reduce net carbon emissions. 	<p>Not applicable</p>
<ol style="list-style-type: none"> 9. Promote employee wellbeing 	<p>Public sector workers are not protected from these challenges and it is important that as a good employer we do what we can to ensure that they have support to help them.</p>

6.2 Consultation and Scrutiny:

6.2.1 This plan will continue to be developed and contributed to by consulting with a range of partners including Voluntary, Social Enterprise and Community Sector (VCSE) groups and organisations.

6.3 Financial implications:

6.3.1 The Council has a range of grants that it is trying to target and distribute quickly and effectively at the correct people. Currently the Council has the following grants available:

- VCSE Development Reserve (SMBC)
- Household Support Fund (Department for Work and Pensions / Round 3 starts on 1st October)
- Holiday Activity and Food Programme (Department for Education)

6.4 Legal implications:

6.4.1 There are no legal implications associated with this report.

6.5 Risk implications, including Risk Appetite:

6.5.1 We have not identified any risks associated with this report.

6.6 Equality implications:

6.6.1 The Council's response to this issue needs to be inclusive and proportionate and will be determined by local data and evidence of need.

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1 Clearly this is an area that affects all parts of the country and we will be looking how other parts of the UK are addressing matters, to bring good practice to Solihull.

7 List of appendices referred to

7.1 Appendix 1 – Latest Action Plan

7.2 Appendix 2 – Cost of Living Pressures Dashboard

8 Background papers used to compile this report

8.1 None

9 List of Other Relevant Documents

9.1 None