



WEST NORTHAMPTONSHIRE COUNCIL CABINET

13 SEPTEMBER 2022

**CABINET MEMBER RESPONSIBLE FOR HR & CORPORATE SERVICES:
COUNCILLOR MIKE HALLAM**

Report Title	Cost of Living increase: How West Northamptonshire Council is supporting residents
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List of Appendices

None

1. Purpose of Report

1.1 This report provides Cabinet with an overview of the national drivers and impact of the cost-of-living increases experienced across Europe and the UK on residents of West Northamptonshire, and the actions taken by the Council to support the most vulnerable residents as well as opportunities for future actions.

2. Executive Summary

2.1 Increases in costs such as fuel, energy and day to day living costs are impacting on households across the country. The Council is concerned about the increased cost of living and associated financial

resilience and wellbeing of communities across West Northamptonshire. Whilst there are some measures to mitigate the impacts being implemented at a national level, the Council has been proactive in taking actions to advise and support households and communities, aligned to the work done on the Anti-Poverty Strategy.

2.2 Moving forward, the Council's response will need to be evidence led and dynamic in order to respond to the changing needs of our communities. This requires a corporate response from across a range of teams and will require engagement and links with key partners and our communities.

3. Recommendations

3.1 It is recommended that Cabinet:

- a) Note the contents of the report
- b) Task the all-party Anti-Poverty Working Group to oversee the actions planned for the next year and support the development of other interventions that respond to local need.

4. Reason for Recommendations (NOTE: this section is mandatory and must be completed)

4.1 West Northants Council is committed to ensuring that children, young people and adults will be supported to live their best lives through delivery of a number of aims. Some of these will be negatively impacted if no action is taken to mitigate the impact of the financial hardship:

- Children and young people are supported to get the best start in life with high aspirations promoted for everyone
- When people ask for help, we help them get back on track and regain independence
- Reduced poverty with more help for people in a crisis and greater access to education and employment
- People have access to information and support to help them stay well and make positive choices
- We support families to thrive and provide early help when they face crisis.

This is also underpinned by the Council's Anti-Poverty Strategy aims and approach.

5. Report Background

5.1 The national background

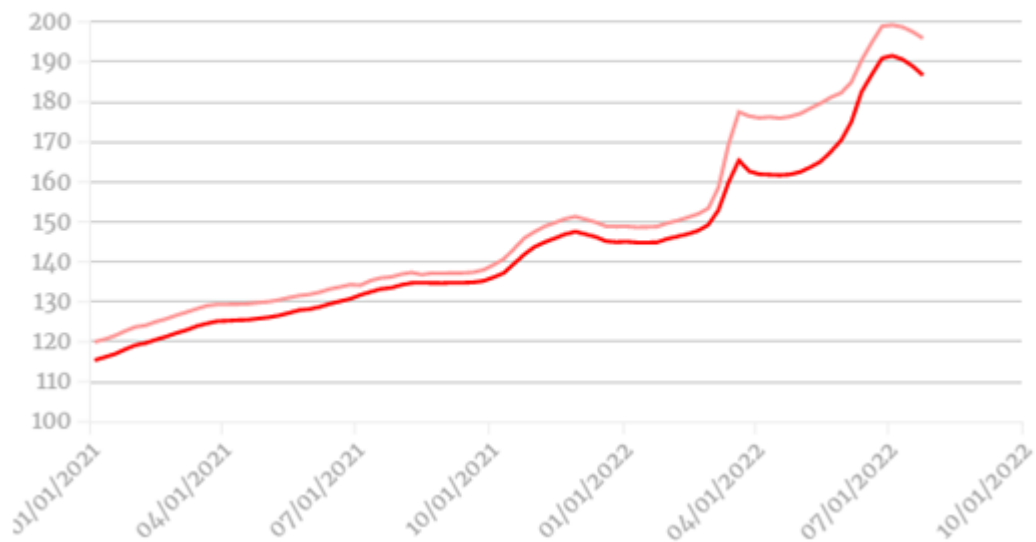
5.1.1 The cost of living is the price you pay to maintain a certain standard of living. This can be affected by a variety of things, including tax rises, inflation and rising energy bills.

5.1.2 Drivers: Currently, this is being affected by well-documented global events: the recovery from the Covid-19 pandemic, the war in Ukraine which has seen a number of European countries cease trade with Russia (with a significant impact on cost of crude oil), and trade routes from Ukraine and Russia (two of the biggest exporters of agricultural produce) disrupted or ceased.

5.1.3 Inflation: The rate of inflation in the UK is currently at a 40-year high, **10.1%** as of July, and expected to continue to rise this autumn. Consumer prices, as measured by the Consumer Prices Index (CPI), were **9.4%** higher in June 2022 than a year before. Increases in the costs of consumer goods, underpinned by strong demand from consumers and supply chain bottlenecks, have been one factor behind rising inflation.

5.1.4 Fuel prices: These have been consistently rising in the past year – please see below.

Road fuel prices in the UK



Source: BEIS

5.1.5 Energy prices: The energy price cap dictates bills for more than 23 million households and provides an estimate of the bill price based on average use. It is predicted that by October this year, the price cap will rise to £3,359 for typical use (this is a 70% increase), with a further rise to £3,616 for typical use in January 2023. This will represent a 163% increase on energy costs in the winter 2021-22.

5.1.6 Impact on households: Poorer households are currently experiencing higher inflation – on average – than better-off households. This is because energy costs – the major driver of recent inflation – makes up a greater proportion of household budgets for low-income households. Low-income households spend a larger proportion than average on energy and food so will be more affected by price increases. Overall, recent Government support for households benefits low-income households the most.

5.2 The local background

5.2.1 Population: The area of West Northants has seen a population increase since the last Census (2011 to 2021) of 13.5%, compared to a 6.6% increase across England. This increase was 30% in over 65s since 2011.

- 5.2.2 **Deprivation:** 14.0% of the LSOAs in West Northamptonshire are considered deprived. 31 of these 32 deprived LSOAs are found in Northampton, the remaining one being in Daventry.
- 5.2.3 **Children living in low income households:** There are approximately 13,858 (2020-21 provisional) children under 19 living in low income families across West Northants - this number has decreased by 2.7% compared to five years ago, compared to an increase of 17.4% across England as a whole.
- 5.2.4 **Businesses:** 90.2% of businesses in West Northamptonshire are micro businesses (0-9 employees), a slightly higher proportion than the England average (89.8%). Micro-businesses are more susceptible to risk and also generate less tax return.
- 5.2.5 **Employment:** In the year to end December 2021, the employment rate in West Northamptonshire rose to 75.7% after two quarters below the England average for the first time since the timeseries began in 2008.

Currently, 11.0% of the resident population of West Northamptonshire aged 16-64 are believed to be self-employed. This is the highest proportion since the year ending June 2020 and back above the England average.

- 5.2.6 **Unemployment:** In West Northamptonshire, the unemployment rate increased faster during the pandemic than the England average but is now showing a sharp dip bringing it closer in line with the national figure. The rate is 4.3% for males (small sample) against an England average of 4.7% and 5.9% for females (also small sample), well above the England average of 4.4%.
- 5.2.7 **House prices:** Currently the average house price in WNC is just under £10K less (-3.3%) than the England average.
- 5.2.8 **Benefits:** 28,184 households claim Housing Benefit or are in receipt of Universal Credit and claiming assistance with housing costs (as of September 2021).

5.3 What residents are telling us

Below is a summary of feedback received at the front door from customers:

- Reliance on the £150 rebate, Free School Meals and the Household Support Fund vouchers
- Reliance on food banks or the food packs from the One Stop Shop (some people have run out of the 5 packs/ year they are entitled to by June)
- Lack of financial contingencies – no savings or alternative sources of income
- Risk of debt and pay day loans
- Inability to afford utilities (internet, mobile phone)
- Reduction in the ability to travel (cost of petrol, bus fares)
- Highlighting the lack of budgeting and cooking skills
- Stigma around any support which can be perceived as ‘charity’ or ‘hand outs’
- Lack of connectivity – language, digital skills, transport, social networks
- Lack of awareness of what help is available (previously had no need to seek support from the Council and services).

6. Issues and Choices – the response provided by West Northants Council

An update on activity carried out to date and underway as part of the Council's cost of living response is included below. This work is constantly under review to reflect the changing economic situation in the country. As inflation rates continue to rise, and we collate better intelligence of impact on services, we will continue to redefine our support offer.

6.1 Customer Services:

- The team is focusing on providing a reliable, easily accessible universal offer which focuses on prevention of issues escalating by giving residents the information they need, and signposting and referring to appropriate services;
- Identifying needs at the earliest opportunity – missed payments, enquiries about additional payments from the Council, enquiries about loans or additional support etc. – whenever possible, we will engage in a more in-depth conversation to find out how else we can support people to prevent them from falling into hardship;
- Putting people in contact with the right services, at the right time, in the right way;
- Helping people navigate the complex landscape of public services by collocating with the relevant providers and being available where people are;
- Resolving as many issues as possible at every point of contact – one contact, several transactions/tasks completed;
- Outreach work carried out between Customer Services, Libraries, Adults Social Care, Debt and Money Advice, Housing and Tenancy Support (Brackley, Weston Favell, East Hunsbury, Moulton, Dodderidge Centre with more locations to follow).

6.2 Communications and engagement

The Council is working to ensure all residents are kept informed and engaged on the range of both local and national support, advice and financial assistance available to them during these challenging times, and is continuing to develop and increase its communications activities across a broad range of channels, working with partners including community groups and parish councils to do so.

Some of the activities already undertaken to date include the following:

Household Support Fund (HSF) publicity - ongoing

Communications for Round One of the HSF included news releases and updates, social media and newsletter articles including the parish and members' briefings, with partners encouraged to share the information on their own channels.

Communications for Round Two are currently underway, including news updates targeted at specific groups who will benefit from the fund. Comms has supported DWP initiatives and administered Government funding via voluntary sector organisations and have planned comms tactically so that these organisations are not inundated with enquiries. The Communications and Customer Services Teams have worked together to coordinate an agreed response for enquiries received through our call centres.

Cost of Living Support – web information and signposting

A [Cost of Living Support web](#) area has been created which includes signposting information on all support available via WNC, the Government and local organisations such as Citizens Advice

and foodbanks. Since the page went live a few weeks ago it has been viewed over 3,000 times by 1,776 unique users. The web section has been promoted via news releases and updates service area meetings, Anna's Blog, social media and Member's and Parish Briefings.

Social media

With over 20,000 residents now following the Council's social media accounts, these channels are playing a valuable role in keeping residents updated. Alongside West Northants social media posts, the Council has been actively sharing Government and DWP posts around the Cost-of-Living crisis as well as signposting to local community support. With the council seeing good levels of engagement, social media and video activity will continue to be developed in line with the situation.

Partner communications

Alongside information being shared in Members and Parish briefings, the service is working on developing further comms resources for Parishes and local communities as challenges continue for residents. The Communications team is exploring how to reach rural areas and 'hard to reach' communities and groups, and expanding what is available to members to then share with residents and their communities. Service areas are being regularly engaged and contacted for updates as the cost of living crisis continues.

6.3 Revenues and Benefits

The Revenues and Benefits team are working with partners to help to support residents with the rising cost of living.

- The team has administered the Government's Council Tax fuel rebate scheme for all those eligible residents in bands A to D. West Northamptonshire Council received an allocation of £21,982,350 and to date £19,985,100 has been delivered to 133,234 residents. This represents 91.89% of the original funding allocation.
- The Council's discretionary fund of £700k will be launched shortly and will be targeted at the most vulnerable households who live in Council Tax Bands E to H. This will be delivered from September onwards and will support around 4,700 residents.
- Discretionary Housing Payments (DHPs) are made by the team to help those residents whose rent may not be covered by Housing Benefit or Universal Credit. We have seen an increase in the numbers of awards: as of August 2022, 379 payments totalling £182,000 compared to 357 awards in August 2021 totalling £139,000. Whilst the cost of living crisis hasn't as yet had a big impact, we are seeing applications from people who are living on the limit of their finances, and this will only get harder during the winter months.
- An exceptional hardship fund has been established by the Council to help vulnerable residents and those who are experiencing financial hardship with payments of their Council Tax. The scheme has been updated to allow more taxpayers to be supported, and to date 149 awards have been made totalling £45,000 compared to 16 awards in 2021-2022 totalling £2,229.
- The Debt and Money Advice team offer a service to some of our most vulnerable residents, including maximising income and financial gains, debt and budgeting advice and working with partners to prevent homelessness and help residents to pay their rent and Council Tax.

The source of referrals to the small in-house team is changing and the team are seeing an increase in demand influenced by many issues including the current cost of living crisis. A full review of current service delivery is underway including the in-house provision and external contracts such as Citizens Advice, with the aim of looking at the need and provision required across West Northants.

6.4 **Communities and Opportunities**

- Within the Housing and Community lead departments it has been noted that there is an increase of customers dealing with difficult financial situations. These customers are being given different links to pages on our website, and others to provide them with up-to-date information.
- There is an Autumn/Winter working group currently being set up by Head of Community Safety and Engagement in Housing and Communities, in readiness for some of the challenges, on what else can be done to allow residents to allow their money to travel further. Ideas are being put forward and they will be meeting soon.

6.5 **Public Health**

There is a clear link between poverty and health – poor health outcomes can be escalated and/ or driven by poverty. It's vital therefore that we try to tackle the causes of the causes of poor health such as money and debt, fuel poverty, and housing issues.

'Poverty Hurts' – Pledging Winter Fuel Payments to the most vulnerable residents

- Working in partnership with Northamptonshire Community Fund (NCF) to support their 'Poverty Hurts' campaign to enable residents who can do so, to pledge all or part of their Winter Fuel Allowance by donating it to the Poverty Hurts Fund.
- Funding raised will be distributed by NCF via grants to local VCS partners who provide support to vulnerable households.
- An ambitious target could be £1,000,000 based on donations of 2500 residents pledging £400 each – but residents will be encouraged to donate part or all of their allowance.
- The framing and communication of this action will be vital to entice residents - who are able to - to make the pledge.
- This action piggy backs into an existing campaign which has high levels of good governance and a track record of delivery, minimising risk to WNC.
- The major action and only commitment required of WNC is to partner in a communications and PR drive with NCF to encourage pledge making and showcase where the NCF are able to allocate the funding to our most vulnerable residents.
- The Poverty Hurts campaign goes live on 1 September 2022.

6.6 **Household Support Fund – phase 2**

- The vouchers for schools were issued w/c 4th July, ahead of the normal distribution period
- The current redemption rate of 86% (vouchers expire 6th September) is the highest achieved to date

- For the first time, the awards have included FSM approved children who are educated at home
- The extra funding provided by Public Health has allowed the weekly allowance to be raised to £20 per week, per child (from £15 per week, per child) and set for the full 6 weeks of the school holidays
- The use of Post Office cash vouchers has been tested during HSF2 for pensioners. Other than a few instances most pensioners prefer the use of the Post Office cash voucher over the standard food vouchers.
- The redemption rate of 55% within 10 days is excellent (the vouchers were issued 9th August)
- NCF have enrolled 36 voluntary organisations across the region to distribute vouchers on a proactive basis. The distribution went live on 29th July.
- The food vouchers reached particular groups of people in hardship that we would not have identified if the distribution had been an open application process.
- The distribution rate has experienced a slow start, but we are now seeing 1,000+ vouchers being issued per week.

6.7 The Anti-Poverty cross-party working group

In order to provide the right levels of governance and oversight to the work carried out by the Council and to ensure that the voice of residents and communities is taken into account when developing action plans, a cross-party working group has been set up. The various work strands emerging across the Council will be updating this group and ensuring that the impact of interventions is visible.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 The Council could choose not to develop a local response to the cost-of-living crisis. This is not recommended as it would not be in line with the Council's commitment to help and support its communities at a time when communities are likely to be experiencing financial pressures.
- 7.1.2 There are no financial implications arising directly from this report. However, resources and staff time will be refocussed/ reallocated to support households as required. (For example, case management team support). Where possible the actions and associated evidence base may be used to seek external funding to support our communities, for example, via the UK Shared Prosperity Fund.
- 7.1.3 The Council must also note that cost of living increases may impact on the ability of households to pay key household costs such as rent and council tax. Every effort must be made to support households who are struggling to ensure they can meet their financial obligations.

7.2 Legal

- 7.2.1 There are no direct legal or governance implications arising from this report. However, any future activities will be subject to further reports to Cabinet and will be compliant with legislation and good governance.

7.3 Equality and Safeguarding Implications

7.3.1 These are set out within section 5.2 of this report and the Anti-Poverty action plan has been developed with these risk factors and at-risk groups in mind.

7.4 Community Safety Implications

7.4.1 There are no community safety issues arising directly from this report.

7.5 Environmental and Climate Change Implications

7.5.1 There are no environmental and climate change implications arising directly from this report. However, the Council must remain alert to the importance of energy efficiency measures, particularly from a housing perspective, in supporting households with rising energy costs.

The Council's lead officers for climate and environment are part of the cost-of-living group and are supporting the ongoing development and delivery of the cost-of-living action plan.

7.6 Other Implications

7.6.1 **Health and Wellbeing Implications:** The cost-of-living pressures facing households are likely to impact on the health, wellbeing and resilience of our communities. The cost-of living plan seeks to address this.

7.6.2 **Human Resource Implications:** There is great appreciation and awareness that the squeeze on household budgets does impact on the Council's own workforce. The pay claim for 2022 has not been settled with consultation and discussion between unions and employers is ongoing. Communication and support are in place and ongoing to ensure colleagues are aware of and access the mental wellbeing and financial support available to them at the right time. Our colleagues provide invaluable services to the community so we will do our very best to ensure they are well supported during this period of uncertainty and financial pressure.

8. Background Papers

None