

Committee(s): Policy, Resources & Economic Development	Date: 14 September 2022
Subject: Cost of Living Crisis	Wards Affected:
Report of: Tracey Lilley, Director of Communities and Health	Public
Report Author/s: Name: Kim Anderson, Corporate Manager Communities, Leisure and Health Telephone:01277 312634 E-mail: kim.anderson@brentwood.gov.uk	For: Decision

Summary

The Country is heading into a cost-of-living crisis and the Council is drafting a response to this crisis in the development of an action plan across both Brentwood and Rochford to support our residents, businesses, and staff. This will involve a mixture of signposting, guidance, and support to the most vulnerable, working in partnership with Essex County Council, health partners and Voluntary and Community organisations.

Recommendation(s)

Members are asked to agree:

R1. That an action plan will be produced by officers and will be presented to a future committee.

R2. That the action plan is regularly reviewed and updated and reported back to the relevant committee.

Main Report

Introduction and Background

1. At Ordinary Council on 27th July the Council recognised the impact of the cost of living crisis on many residents and groups in Brentwood and there could be further opportunities to enhance the support available.
2. The cost-of-living crisis is the result of a number of factors. The global demand for oil and the conflict in Ukraine has resulted in an increase in wholesale energy prices.
3. Energy firms have warned that 40% of the population could fall into fuel poverty. It can be defined using the Low-income Energy efficiency (LILLE) indicator. A household is fuel poor if they are living in a property with an energy efficiency rating of band D or below, and after heating their home to an adequate level, they are below the official poverty line. The official poverty line is considered to be a residual income 60% below the median household income

after housing costs. Adequate warmth is considered to be 21°C (70F) in the main living room and 18° C (64F) in other occupied rooms during daytime hours, with lower temperatures at night. Fuel poverty is not just about access to heating as the definition of fuel is taken to include all expenditure on domestic energy, including that used for hot water, cooling, lights, and appliances.

4. It is estimated that a typical spend will increase by 54% based on average usage and from 1 October 2022 an average energy bill will hit £3549 per year or £296 a month.
5. The price cap used to be reviewed every 6 months, but from the 1 October 2022 it will be reviewed every 3 months, so will be reviewed again in January 2023. It should also be noted that due to the review in January 2023 it will mean that everyone will be paying higher bills more frequently in the winter months.
6. The current rate of inflation is 10.1%. Businesses are experiencing increased transport and energy costs and combined with supply problems, many of these costs are being passed to the customer.
7. Food prices have increased significantly with essential items such as bread, pasta, meat and vegetables rising the most.
8. The cost of petrol/diesel has also risen significantly due to the Russian invasion of the Ukraine.
9. The Bank of England has increased the base rate six times since December 2021 from 0.1% to its current level of 1.5%. This has resulted in a significant increase in mortgage rates.
10. Rents across the UK are at a record high with a 3% increase in the last year according to the Index of Private Housing Rent Prices (PHRP) however Rightmove have highlighted that the rate is in fact higher at a 12% increase as the Index only considered new lets.
11. A temporary 1.25% National Insurance increase came into effect from April 2022. This will be replaced in April 2023 by a new 1.25% health and social care levy. This means that workers will see their NI contributions rise from 12% to 13.25%. Pensioners that are still working will also be expected to pay the new levy.
12. The Government is providing a number of support packages which currently include the following (this list is not exhaustive and likely to change):
 - £400 energy discount – 6 installations of approximately £66 deducted from energy bills from October 2022 to March 2023. This will happen at source, so residents do not need to do anything
 - Council Tax rebate of £150 for those households in property bands of A-D
 - £300 one off payment to pensioners
 - £150 one off payment to people with a disability
 - £200 cost of living payment via the Household support fund

13. Officers have developed a cost-of-living webpage for Brentwood covering the following five key themes:
- Support with bills and money
 - Support with food and essentials
 - Support with wellbeing
 - Go Green
 - Support with work
14. A survey has been sent out to Brentwood's Community Support Network for each organisation to complete and the feedback is currently being collated ahead of the next meeting on the 12 September for discussion.
15. Officers from Districts and Borough Councils attended a fuel poverty workshop at Essex University in August with colleagues from Essex County Council and health partners to discuss priority workstreams and opportunities for collaborative working. These meetings are continuing and officers from Brentwood are leading on the mapping of warm spaces across the County.

Issue, Options and Analysis of Options

16. It is proposed that officers develop a comprehensive action plan with short, medium, and long objectives and outcomes.
17. This action plan will be a live document and once finalised will be presented to Members at the relevant Committee and a regular review and update report will also be presented to members for monitoring.

Reasons for Recommendation

To support our residents, businesses, and staff through this crisis to provide guidance, signposting to support services and assistance. The action plan will provide a clear report to Members on the actions and expected outcomes from each of the thematic workstreams with short, medium, and long-term objectives.

Consultation

Consultation has been undertaken with the Community Support Network in Brentwood to provide feedback regarding the impact to frontline services. As part of the Fuel Poverty Workshop in August consultation was had with borough, District and City Council representatives together with Essex County Council and Health partners. Internal discussion with Corporate Leadership Team and Extended Leadership Team are also being undertaken.

References to Corporate Plan

The Cost-of-Living crisis sits across all the corporate objectives.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer

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Consideration will need to be given for any additional financial support that is provided. Any central Government grants may need to be applied for and will need to be allocated accordingly.

Legal Implications

Name/Title: Steve Summers, Strategic Director and Monitoring Officer

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Any work undertaken by the Council, either by itself or in partnership will be in line with statutory legal guidance.

Economic Implications

Name/Title: Phil Drane, Director of Place

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As there is no energy cap for businesses it is expected that there will be a significant impact on all businesses without Government support.

Equality and Diversity Implications

Name/Title: Kim Anderson, Corporate Manager (Communities, Leisure & Health)

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1. The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
 - a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The proposals in this report will not have a disproportionate adverse impact on any people with a particular characteristic. More funding is likely to be allocated to pensioners and those with disabilities.