

# CABINET



Report subject	<b>Cost of Living Pressures</b>
Meeting date	26 October 2022
Status	Public Report
Executive summary	<p>This report sets out the impacts of cost of living pressures on the Council and our communities and describes some of the Council's responses, working with key public and private sector partners to support our communities.</p> <p>Pressures are being seen across our communities arising from the significant increase in energy prices and the effects of rapidly increasing inflation on a wide range of items and commodities. The Council itself is also suffering from these impacts with increasing costs and therefore faces the need to increase fees and charges to reflect the increased cost of production and of providing services.</p> <p>This report describes the pressures and our responses.</p>
Recommendations	<p><b>It is RECOMMENDED that Cabinet:</b></p> <p><b>(a) Notes the pressures that are being felt by many of our communities and supports the actions taken to alleviate those.</b></p> <p><b>(b) Supports the proposed approach to reassessing fees and charges levied by the Council for services</b></p>
Reason for recommendations	The council is providing significant services to support our communities through the effects of the rising cost of living, but is also suffering the effects through increased costs.
Portfolio Holder(s):	<p>Councillor Drew Mellor, Leader and Portfolio Holder for Finance &amp; Transformation</p> <p>Councillor Jane Kelly, Lead Member for Communities</p>
Corporate Director	Graham Farrant, Chief Executive
Report Author	Bridget Webber, Head of Policy
Wards	Council-wide

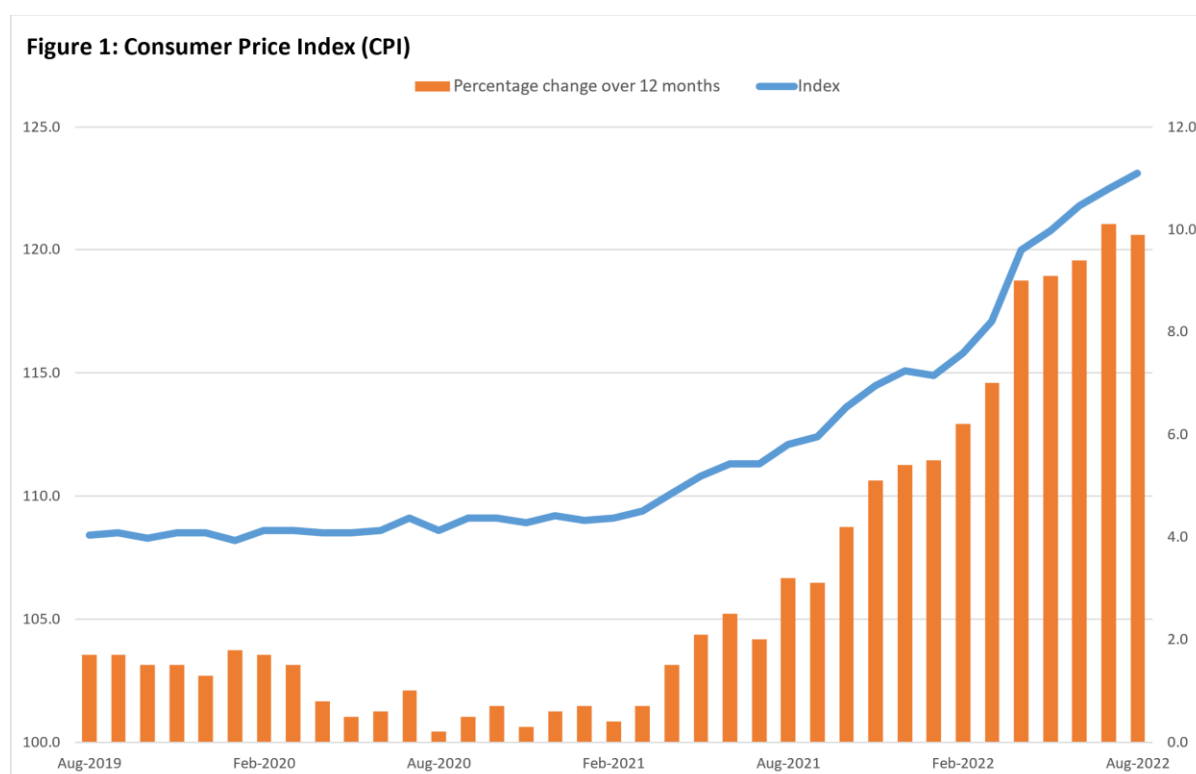
Classification	For Decision
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## Effect on communities:

1. The impact of the cost of living crisis is felt by communities locally and nationally. Detailed analysis has been completed to build a picture of the local impact and need arising as a result. Key points to note are set out below.

## Inflation

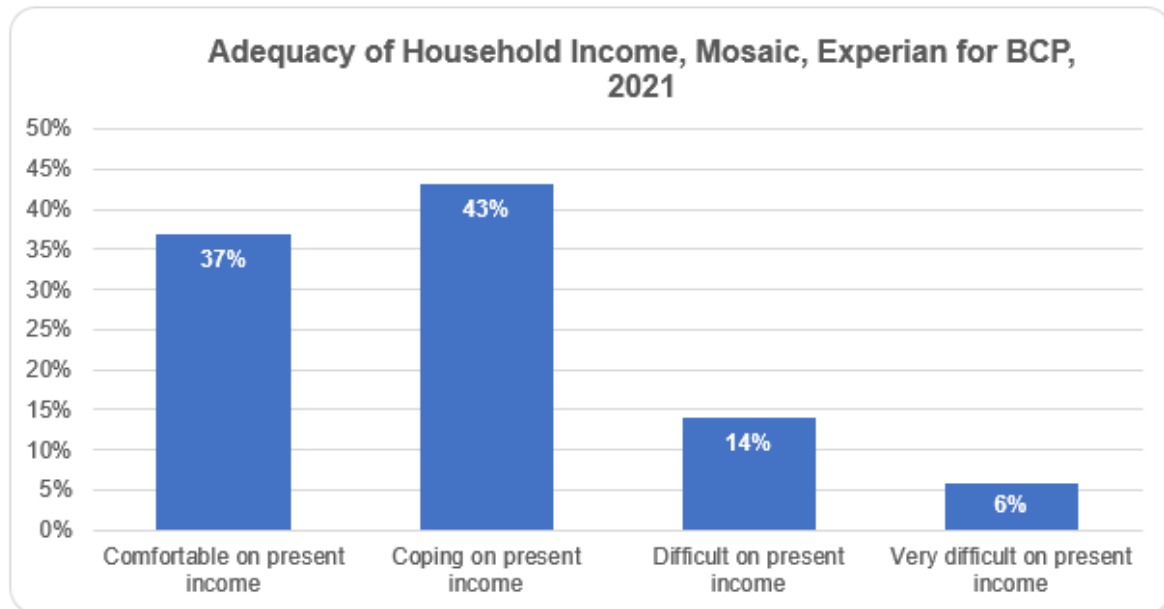
2. The Consumer Price Index (CPI) has increased by 9.9% over the last 12 months to August 2022. In relation to economic growth, provisional figures suggest the economy grew by a modest 0.2% in July following a contraction of -0.6% in June 22. Interest rates are rising with the Bank of England base rate currently 2.25% (Sept 22), but forecast to rise. As costs are increasing across the board, general pay levels are not keeping up with inflation and this is putting further pressure on household bills, particularly given the high rise in the cost of energy consumption. Regular pay reduced by 3% when adjusted for inflation in April - June 2022.
3. CPI has increased significantly since around May 2021 and July 2022. The Consumer Price Index is the official measure of inflation of consumer prices of the United Kingdom.



## Adequacy of household income 2021

4. Based on Experian's data<sup>1</sup> it is estimated around 20% of households are currently finding it difficult or very difficult to cope with the cost of living based on their current income. This pressure will increase as the cost of fuel and food increases in the coming months.

**Figure 2: Adequacy of household income 2021**

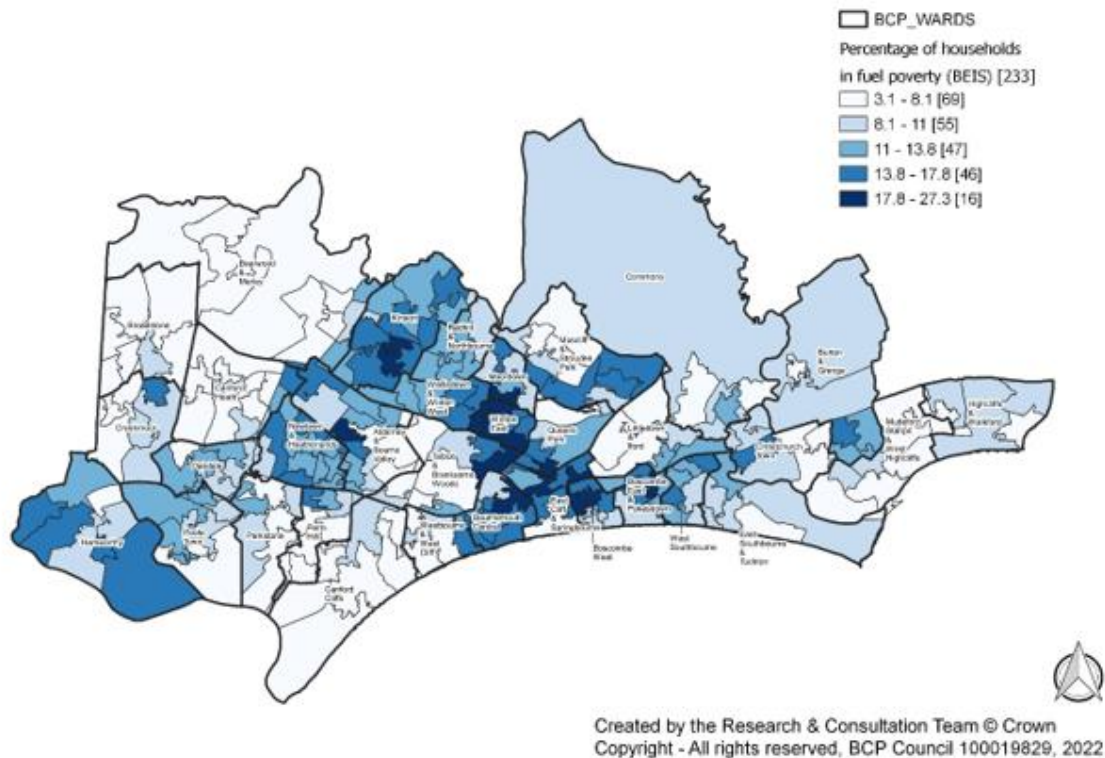


## Fuel Poverty

5. The wards where we see the highest percentage of households in fuel poverty correlate to our priority neighbourhoods - those in the 20% most deprived under the Indices of Multiple Deprivation 2019.
6. A household is defined as being fuel poor if it is living in a property with an energy efficiency rating of band D, E, F or G and the household disposable income (after housing costs and energy needs) is below the poverty line, which is defined as an equivalised disposable income of less than 60% of the national median.

<sup>1</sup> Experian's Mosaic data uses geodemographic classifications of households. Particular characteristics including likely household income can be identified.

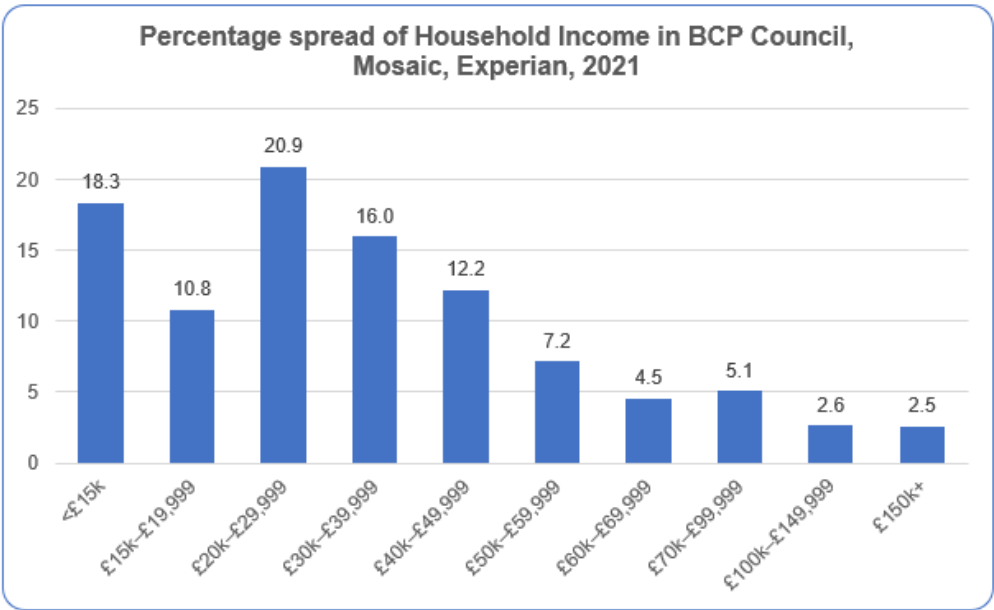
Figure 3: Fuel Poverty in BCP by ward



Household income in BCP

7. Nearly 50% of households in BCP are estimated to earn less than £30K per annum. Figure 3 highlights the percentage of households experiencing fuel poverty per ward with Bournemouth, Christchurch and Poole. Based on the assumption that households who use more than 10% of their income on fuel, the new £2.5K energy cap now suggests that around 30% of BCP households are classified as being fuel poor.

Figure 4: Household income in BCP



## Hardest hit

8. Research from the Joseph Rowntree Foundation<sup>2</sup> details that those hardest hit by the cost of living crisis are those already on the lowest income or experiencing income deprivation. The pressures created by high inflation are further exacerbated by increased costs of goods and energy, putting further pressure onto household budgets alongside a reduction of the range of goods in store, particularly budget items, forcing households to buy more expensive items or go without.
9. National research has identified a “Poverty Premium” where those living in poverty are more likely to have to pay more for certain products than households in less deprived areas. Further research has identified a link between the poverty premium and particular protected characteristics. It is recognised that there is a risk of those on low incomes being charged more for banking and credit related products. This is likely to include being on non-standard payment methods for energy or costly tariffs, a risk of underinsurance due to the costs, geographical based premium (insurance will cost more in deprived areas where premiums may be higher due to risk calculations) and facing a high cost for credit due to the having a poorer credit score. Tenure (renting) and digital capability was also seen as factors which could mean certain groups ending up paying more.
10. The risk of paying a poverty premium was found to be greater among those with certain protected characteristics – including race, age and disability as well as health, migration history, sex and religion. The national research commissioned by Fair by Design<sup>3</sup> and undertaken by Bristol University found that across the constituencies covering Bournemouth, Christchurch and Poole its estimated that the average cost of this “premium” to a household in poverty is between £384 and £440.
11. Although this report was written during the pandemic the findings are also relevant to the current cost of living crisis. The report recognises that certain minority groups including the younger population, the more elderly, females and disabled are more likely to be impacted. The particular protected characteristics are listed and explained below.
  - Sex – Women generally are paid less per hour and work far fewer paid hours over a lifetime. Women are also more likely to lose paid income due to caring responsibilities. This means single women, pensioners and single parents are very vulnerable as a result of low incomes. In BCP around 8%<sup>4</sup> of females are in single person households. A further 7% of the population are in households with a female lone parent.
  - Race – Some minority populations are more likely to work in low-paid occupations, there are also higher unemployment rates in some BAME groups while black workers are more likely to have insecure work. In 2011 around 5.8%<sup>5</sup> of the population in BCP classified themselves as black or minority ethnic with an additional 5.8% classified as White Irish, Gypsy or Irish Traveller or Other White.
  - Age – it is noted that certain pensioner groups are more likely to be in poverty. This includes Asian or Black pensioners, single female pensioners and pensioners with

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<sup>2</sup> [Not heating, eating or meeting bills: managing a cost of living crisis on a low income | JRF](#)

<sup>3</sup> The Inequality of Poverty – Exploring the link between the [poverty premium](#) and protected characteristics Sara Davies and David Collings, University of Bristol, February 2021

<sup>4</sup> Household composition in BCP, 2011 Census

<sup>5</sup> Ethnic Group, 2011 Census, ONS

disabilities. It was however the under 35s that were found to be at most risk of poverty as they are more likely to be in low-paid work, housing costs are higher for this age group than for previous generations and they are not accruing wealth through homeownership. In BCP around 22%<sup>6</sup> of the population are aged over 65 with 11.5% of the population aged 25-34. In 2011 over 53% of household heads aged 25-34 were renting in the private sector.

- Disability – the research also found a strong relationship between poverty and disability with mental health prevalence far higher among those in poverty. Across BCP there are nearly 17,300<sup>7</sup> individuals eligible to receive Personal Independence Payments (PIP) with over 6,700 in receipt of this benefit to support psychiatric disorders.

12. The research also explained the importance of intersectionality with those included in a larger number of protected characteristics more likely to be impacted by the poverty premium.

### **Strength Based approaches to working with communities**

13. As part of the Council's transformation, the Communities and Partnerships workstream has been looking at how we work with other public, private, and voluntary sector organisations, residents, and community groups across Bournemouth, Christchurch, and Poole, to deliver positive outcomes for the area and our communities.
14. The strength based approach to working with our communities is at the heart of how we will take these elements forward. It has incorporated best practice, such as strength-based working, which builds on the assets, resources, skills and experience which already exist in communities and empowers local individuals, communities and organisations to address local need and deliver positive outcomes.
15. The BCP Health and Wellbeing Strategy 2020-2023 has a priority to 'empower and engage with communities with the highest need in order to improve healthy life expectancy'. In June 2021, the Board approved the development of the Vibrant Communities Partnership Board to oversee the strategic development and delivery of key workstreams to enable the growth and development of Vibrant Communities.
16. The Vibrant Communities Partnership Board takes a partnership approach to developing vibrant communities in the Bournemouth, Christchurch and Poole area by:
  - overseeing the delivery of the Community and Voluntary Sector and Volunteering Strategy across Bournemouth, Christchurch and Poole ensuring that volunteering and social action is strengthened
  - overseeing the delivery of the Community Engagement and Consultation Strategy across Bournemouth, Christchurch and Poole, ensuring that there are meaningful, accessible routes for residents and partners to engage with each other so that everyone's voice can be heard
  - supporting the development of vibrant communities in our priority neighbourhoods using strength-based approaches via a dedicated Community Development Team
  - championing the use of strength-based approaches across all partners, focussing on what's strong, not what's wrong, in our communities and enabling communities to do more for themselves

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<sup>6</sup> Mid-2020 Population Estimates, ONS

<sup>7</sup> Personal Independence Payments, Stat Xplore, February 2022, DWP

- ensuring that we use the Lived Experience to shape our services and embracing co-design
- promoting partnership working between local public services, the voluntary and community sector and local communities to enable greater support for those in need

### **Impact on the Voluntary and Community Sector**

17. There has been a significant decrease in donations to community food settings such as food banks as more people struggle with household costs. Surplus food from supermarkets has reduced and is likely to be further reduced by the recent agreement to remove best before dates on food. Alongside this, there has been a significant increase in people seeking support through community food settings. This is causing several local food settings to pay for more food to supplement existing stock supplies. The lack of storage space, particularly for Poole based food settings, as well as store restrictions on bulk buying restricts food settings from building up resilient stores for the winter.
18. The increased costs of goods and energy bills impacts on voluntary and community sector organisations and groups, as well as the volunteers that help to run this work. Although charities can apply for rate relief they are only eligible for 80% as a maximum relief which can equate to £6,000- £8,000 of a charity's funding being spent on business rates each year.

### **Winter Challenges**

19. The cost of living increase may get worse before it gets better, hence the need to develop longer-term resilience within our communities, based on the assets and strengths they have, rather than an over reliance on financial support.
20. It will also affect businesses, which presents a risk of potential business closures or reductions and ultimately job losses. We are more likely to see these in areas such as the hospitality industry, which are dependent on discretionary spend, and in small businesses which have already been hit hard by the pandemic.
21. Surveys by charities suggest the cost of living crisis is having a significant impact on the victims of domestic violence. In July 2022 the charity Refuge<sup>8</sup> reported that 73% of frontline workers said the cost of living crisis was increasing the barriers to leaving a perpetrator. 75% of respondents said the crisis meant survivors needed to use foodbanks for essentials and 92% said it is pushing survivors into further debt.
22. An August 2022 survey by Women's Aid<sup>9</sup> found that 96% of survivors responding had seen a negative impact on the amount of money available to them as a result of the cost of living increases. Two-thirds of survivors reported that abusers were using the cost of living and concerns about financial hardship as a tool of coercive control and around 73% of women living with the abuser said that the cost of living crisis had prevented or made it harder to leave. There are also risks relating to exploitation, along with an increase in fraud, scams and acquisitive crime.
23. With less money to afford the everyday essentials there is likely to be an increase in loan shark activity, particularly for those already on the lowest incomes, with families. Loan

<sup>8</sup> <https://refuge.org.uk/news/cost-of-living-crisis-is-impacting-survivors-of-domestic-abuse/>

<sup>9</sup> <https://www.womensaid.org.uk/the-cost-of-living/>



shark activity is very difficult to detect and tackle as the loan sharks use fear, intimidation and violence as a means to remain undetected. National research from the Think Tank Centre for Social Justice<sup>10</sup> estimates as many as 1.08M people could be borrowing from an illegal money lender with victims experiencing multiple deprivation including low income, already owing money to a legal creditor and having a long-term health condition. Data from the Citizen Advice Centres shows that across BCP currently the most common form of debt the CAB helps with is energy debts<sup>11</sup>. There has been an upward trends in online scams and fraud which is the subject of targeted activity by the Trading Standards Service, particularly where our most vulnerable communities are impacted. In addition, this trend has been identified within the annual strategic assessment of the Safer BCP Partnership and programmes for preventative action are in development.

24. There is likely to be an increase in avoidable hospitalisations and winter deaths, particularly among the elderly and those with an underlying health condition and on low incomes as they may choose to 'eat over heat', leaving them susceptible to health conditions such as pneumonia whilst living in cold/damp conditions.
25. It is possible that we will see an increase in evictions, repossessions and homelessness applications as people are unable to pay their rent or mortgages due to the lack of income and the protections afforded during the pandemic are no longer in place. We are already seeing increased consumer borrowing as people look to use credit cards and loans to help with the cost of living. This year mortgage repossessions have returned to pre-pandemic levels and are on course to match the total number for 2019. Approaches due to the end of private rented sector (PRS) tenancies are at an average of ninety-two per month in 2022, up from seventy-six in 2021. These PRS figures are inclusive of all factors. For rent arrears related reasons specifically the monthly averages have stayed approximately the same across the past three years. Whilst the expectation is that these rates will rise, we do not yet have the data to clarify. We are seeing a steady increase in families presenting to the Council as homeless or being threatened with homelessness.
26. As we saw during the pandemic, there may be an increase in substance abuse as people turn to drink and/or drugs to deal with the pressures they are experiencing. BCP has higher than national average at presentations to A&E with alcohol related conditions - 862 admissions per 100,000 for BCP against 644 admissions national average in 2020/21. Good pathways and close liaison is in place with the hospitals covering BCP, but the majority of individuals do not engage with treatment although alcohol is impacting on their circumstances
27. The cost of all food, but particularly fresh food such as fruit and veg has increased, which may result in changes in eating habits such as consuming less fresh fruit and vegetables and more processed food containing higher fat and sugar levels. The British Medical Journal detailed in an article on 22 September 2022 that a survey of over 500 paediatricians found "*almost two thirds (60%) believed that the crisis was already affecting the health and wellbeing of children and young people. Paediatricians have reported seeing rising mental health concerns in patients and their families, increased poor nutrition, and a rise in families being unable to attend medical appointments as transport costs rise*"<sup>12</sup>. The sale of microwavable meals has increased due to the affordability and reduced energy required to cook them and these are also more likely to

<sup>10</sup> <https://www.centreforsocialjustice.org.uk/wp-content/uploads/2022/03/CSJ-Illegal-lending-paper.pdf>

<sup>11</sup> <https://public.flourish.studio/story/1634399/>

<sup>12</sup> <https://www.bmj.com/content/379/bmj.o2286>



have a higher fat content and be less nutritionally balanced. This may have a follow-on effect in future years as people develop unhealthy eating habits, resulting in increases in obesity, diabetes etc.

28. Suicide, suicide attempts, mental wellbeing and depression may also increase, exacerbated by the potential contributing factors highlighted above including financial worries, family break down, substance mis-use etc. Research from the Money and Mental Health Policy Institute in July 2022 found that 59% of UK adults surveyed said that the cost of living crisis has had a negative impact on their mental health, such as leaving them feeling anxious, depressed or hopeless<sup>13</sup>. Its previous research highlighted *“People in problem debt are three times more likely to have considered suicide than people who are not in problem debt and Long-term factors such as persistent poverty and financial insecurity can put people in at risk of becoming suicidal, as can sudden triggers like the intimidating and threatening letters people receive from lenders”*<sup>14</sup>

## Action Being Taken by the Council and Partners

### Cost of Living Conference

29. In July 2022, the Communities Team held a conference for over 100 frontline workers in the BCP area to raise awareness on the forthcoming cost of living situation and highlighted the range of support already available. The aim of the event was to enable frontline workers to signpost residents to support if they identified someone struggling with the cost of living as part of their day-to-day role. Most of the frontline workers were unaware of the wide range of support available to communities or how it could be accessed. All were given a USB stick with information about the existing support and took away pledges to share that information with their colleagues. The event was deemed a success and at the request of the attendees more are planned during the autumn to share information about new and emerging support, including the Household Support Fund.

### BCP Access to Food Partnership

30. The partnership was formed under the Together We Can programme in April 2020 and has a strength-based Vision to create:

*“a Bournemouth, Christchurch and Poole where everyone is able to feed themselves and their family nutritious food, all of the time”*

31. The partnership is led by a steering group of BCP Council, Faithworks Wessex, Public Health Dorset, Community Action Network and local Community Food organisations. The broader partnership is made up of over 200 individuals from over 90 organisations, many of which have signed up to the Access to Food Partnership Charter. The partnership received Lottery funding in April 2022 to continue its work over the next three years. Key elements of the partnership mission are:

- To ensure everyone can access food when in crisis,
- To equip individuals & families with the confidence, skills & resources to consistently feed themselves nourishing food.

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<sup>13</sup> [Cost of living crisis effect on mental health - Money and Mental Health](#)

<sup>14</sup> [Financial difficulty and suicide - Money and Mental Health](#)

- To bring local communities together to identify needs, seize opportunities and solve problems, using local strengths and community assets,
  - To share good information about the local community food offering
  - To make access to food a priority in local policy and decision making.
32. BCP Council employs a Community Food Coordinator to support the partnership to:
- Raise awareness of the support available for those experiencing food insecurity to access free food resources in their communities.
  - Build stronger working networks and share resources across the conurbation to improve access to such services and support.
  - Work with various organisations, groups and local communities, to identify gaps and opportunities to improve how those most vulnerable in our communities can access these food choices.
  - Work holistically, listening broadly and listening deeply to capture lived experience and look to develop sustainable solutions to food insecurity.
33. Since the partnership formed in 2020 over 1,152 frontline staff have been trained in food resilience and how to access community food offers. 81% of schools across Bournemouth, Christchurch and Poole are now linked to a local food setting. The partnership has also distributed £192,000 of Household Support Funding to community food settings to enable them to support communities directly during the current financial year.
34. The partnership has developed an Access to Food map, which identifies a range of community food support available across the conurbation and how residents and frontline workers can refer to and access it. This includes over 58 community food settings such as foodbanks, community fridges, social supermarkets, community meals, food parcels, community growing projects and cooking workshops. Since its launch it has been accessed over 49,000 times with 20,000 hits in the last quarter. The map is available as an app version to download to your phone via [www.bpcouncil.gov.uk/accesstofoodpartnership](http://www.bpcouncil.gov.uk/accesstofoodpartnership)

### **Together We Can (TWC) Steering Group**

35. The TWC steering group was established in 2020 to lead the community resilience response to the pandemic. It has continued to meet on a monthly basis and has now agreed to move to fortnightly meetings to ensure it can deliver a multi-agency co-ordinated approach to supporting our residents over the winter months. Membership of the steering group currently consists of representatives from the teams in Communities, Housing, Communications, Adult Social Care, Customer, Policy & Performance, Early Years and Emergency Planning. The group also includes representation from a wide range of statutory and voluntary and community organisations including Citizen's Advice, Community Action Network, Clinical Commissioning Group, Faithworks, Dorset Race Equality Council, Prama, Public Health Dorset and the NHS. Membership is fluid based around the current focus of the group and would expand to bring in additional partners around fuel and energy under the proposed governance structure below.
36. The following details the governance structure for the TWC Steering Group overseeing the winter resilience response work:



## Household Support Fund (HSF)

37. Household Support Fund 1 ran between October 2021 and the end of March 2022 and focussed on providing support to two cohorts of residents - households with children and households without children - with support in accessing food and keeping warm over the winter. Through the scheme 63,408 vouchers were issued to households with children and support was provided to 9,166 households through a range of methods such as vouchers, support from community food setting and access to warm clothing depending on the individual needs.
38. The Communities team are currently delivering HSF 2 which ran from April 22 until the end of September and focussed on providing support to households with children, households with pensioners and 'other' households. At the mid-way monitoring point in July 2022, we had issued 24,695 vouchers to households with children, 3,002 to households with pensioners and 4,199 to other households. HSF3 runs from October 2022 to March 2023 and this fund is not ringfenced to specific groups as in previous rounds, but there is an increase in the level of monitoring information that is required. This will put pressure of those delivering the scheme. Funding amounts have been confirmed as the same amounts as for the previous schemes - £2,653,367.04 and are part of a wider package of support under the new Prime Minister. It is proposed that activities set out under the 'Further Work in Development or Underway' section of this report, which require additional funding, are funded through the Household Support Fund, in line with the guidance.

## Safe and Well Visits

39. It is extremely likely that residents will start to use alternative ways to keep themselves warm during the winter months to reduce heating costs such as electric heaters or open flame fires - these all come with an increased risk of fire to the residents and their properties. There is also concern that more people will run household appliances during the night when fuel costs are lower, which is a fire hazard concern.
40. Safe and Well visits are a free service offered by Dorset & Wiltshire Fire and Rescue Service (DWFRS) to help keep people safe in their homes. Residents can request a home visit to get advice around the following topics:

- Using electricity safely
- Cooking safely
- Making an escape plan
- What to do if there is a fire
- Keeping children safe
- Good practice – night-time routine and other points relevant to you
- Identifying and discussing any further support needed

41. DWFRS also operate the Safe and Independent Living (SAIL) scheme, which is a signposting service offering support to help people live independently and safer in their own homes. It is an online referral tool which enables people to access information around a range of subjects such as lunch clubs, money worries, warmer homes, online scams, stop smoking and many others. [Dorset & Wiltshire Fire Service | Safe and Well visits \(dwfire.org.uk\)](https://www.dwfire.org.uk)

### **Bournemouth Christchurch and Poole Affordable Warmth Partnership**

42. This multi-agency, Climate Action Team co-ordinated group delivers energy, poverty and home safety assistance to residents. The Council works with local provider, Ridgewater Energy, that deliver schemes including [Local Energy Advice Partnership \(LEAP\)](#), Healthy Homes Dorset, LEAP Boilers, ECO-Flex grants and others. Residents who meet the eligibility criteria can access services such as free loft or cavity wall insulation and heating improvements, emergency boiler replacements and LEAP Home Energy Advice visits. LEAP give advice and install free energy saving measures such as low energy LED lightbulbs, reflective radiator panels, shower savers and draught-proofing. These activities regularly achieve inward investment, energy and health savings of approximately £3m per year and reduce emissions by 3,000 tCO<sub>2</sub>e.

### **Homelessness Reduction Partnership**

43. The Homelessness Partnership is made up of over 45 services and organisations from all sectors, with the overall aim of preventing and relieving all forms of homelessness. The partnership has co-produced a Homelessness and Rough Sleeping Strategy. It has formed the Homelessness Reduction Board (HRB), Homelessness Forum and various action groups. The work of the partnership has been commended by DLUHC and national organisations such as the Centre for Homelessness Impact, Crisis and Homeless Link.

44. The partnership, led by the HRB, has placed increasing focus on the prevention of homelessness, including upstream prevention, with growing concerns about the cost of living. One of the action groups specifically relates to financial resilience, with focus on helping people including family households remain in their homes. They provide targeted information regarding early intervention and help with budgeting and other monetary concerns. In addition, the partnership has a Meaningful Occupation action group to help people find employment and training. There are also strong links to the Access to Food partnership.

45. A wider Prevention Action Group was launched on 22 September which encompasses an even broader range of homelessness prevention activity and is being facilitated by Crisis. This follows on from the inaugural Homelessness Partnership conference on 14

September where the overall theme was prevention, with around one hundred attendees from over forty local services and organisations.

46. All this partnership activity supplements the prevention work undertaken by the council's housing options team which includes working closely with landlords and other providers to help prevent evictions – including those driven by rent arrears.

### **Citizen's Advice (CA) in BCP**

47. CA provide a wide range of free support to BCP communities and in 2021/22, supported 12,322 BCP residents with 31,665 issues. Using the Government's approved financial modelling this equates to an economic and social value of £28,588,649. The financial value of this work equates to £10,837,954 and the saving to government and public services is £3,577,659. CA have seen a 72% increase in demand for their services between 2020/21 and 2021/22. They are recognised nationally as one of the flagship CA services in the UK and the funding that the council provides for their core staffing enables them to also apply for and deliver funding from DWP, Money Advice Service, Pension Wise, Macmillan Cancer support, Sovereign Housing, Big Lottery, Wessex Water etc. Support can be accessed via face to face appointments, drop-ins, web chat, email or through outreach at community locations, including the Urban Advice Vehicle.  
[Home - Citizens Advice Bournemouth Christchurch & Poole \(citizensadvicebcp.org.uk\)](https://citizensadvicebcp.org.uk)

### **£150 Rebate**

48. Approximately 140,000 residents within Bournemouth, Christchurch and Poole are eligible to receive the £150 energy rebate announced by Government in February 2022. Despite there being no system to process the rebate payments, Procurement, ICT and Revenue and Benefits worked together to swiftly procure a system which allows residents who pay by Direct Debit (DD) to receive their rebate automatically. Libraries and customer contact centres have been supporting residents who do not pay by DD to claim their rebate. All eligible residents were paid by 30 September, approximately 92,000 were paid automatically, 31,000 had the rebate paid into their bank account and 17,000 had the payment credited to their council tax account. In total we paid £20.95m.
49. To ensure all eligible residents received the rebate, those who did not submit an application for the rebate, had the £150 credited to their Council Tax before the closing date of 30 September. Associated with this will be clear messaging that any second homeowners who are ineligible will need to repay the amount credited.
50. In addition to the Energy Rebate Scheme the Council was awarded £816K to create a Discretionary Scheme to be paid by 30 November. This scheme applies to taxpayers in Band E to H properties and in receipt of Council Tax Support or Disablement Reduction who are entitled to a £150 rebate. The next phase of this scheme will be published shortly.

### **Cost of Living Working Group**

51. A cost of living working group has been set up with registered housing providers that have stock in the BCP area and involves: Sovereign Housing, Abri Housing, Housing 21 and Sandbourne alongside BCP Homes. The purpose of the group is to:
  - understand the impact of the cost of living on our residents

- share good practice and innovative ideas
- keep abreast of the national picture and updates
- share knowledge, funding streams and resources
- understand opportunities for joint working and projects

52. There was recognition from the group that the impact is wide reaching and will negatively affect income collection levels as residents have to make tough decisions on whether to heat their homes, feed themselves and families or pay their rent. Some will choose to switch off their heating systems which will increase levels of damp and mould within the properties, increasing repair and maintenance costs, impact residents' health and increase pressures on the health services and social care. As well as deterioration in physical health it is expected to have a huge impact on resident's mental health.

53. Areas discussed for consideration among the group were:

- A hardship fund – with clarity required on the criteria and what this should be used for, a couple of providers were operating this since COVID and can share the details.
- Void standard – currently all properties are unfurnished without carpets, with many new tenants unable to afford flooring and do not have the required furniture. This has only been exacerbated by all nominations currently being from the homeless pathway. New residents are signposted to existing upcycling charities to help furnish.
- Under-occupation with many having to heat homes bigger than they require. Sovereign have an under-occupation scheme that can pay for removals, clear arrears etc. BCP Homes have a scheme that can be extended out to the Housing Associations to fund the removals if BCP Council have the nomination rights to the property vacated, identified joint work where Sovereign could clear the arrears and BCP Homes would support and fund the removals. This scheme is currently operating in the Poole neighbourhood has been successful moving on average 40 households a year and likely to be extended across Bournemouth.
- Tenancy Sustainment/support teams that assist residents in maintaining their tenancies, these services will be under even further pressures with those that are working as well as those on benefits being impacted on and requiring assistance. This alongside an increasing number of tenants moving into the social housing stock with complex needs and vulnerabilities. Additional capacity has recently been secured to provide more case management of BCP tenancies but this may still not be enough.
- Welfare Benefit Advice and Financial Inclusion, with the maximisation of income and awareness of various funds available. £1,281,425 additional income was achieved within the Poole neighbourhood from the Your Money Team, and £149,373 additional income through one Financial Inclusion Officer in the Bournemouth neighbourhood within BCP Homes last financial year, but there is recognition that there won't be enough that can be done to support some residents that simply won't be able to afford the cost of living.

### **Further Work in Development or Underway**

#### **Provision of information on the support that is available – for residents, staff and frontline workers including**

54. The Communities Team are currently updating online and offline information points with clear simple links to key support as previously developed under Together We Can during the pandemic. There will be a further Cost of Living event in the Autumn for frontline workers to raise awareness of the support that is available to communities and ensure we have effective signposting across the system to support colleagues on how to access

support in the correct ways. A programme of sharing information at community events and locations will take place alongside information sharing on the intranet and via the Senior Leadership Network to support available to staff and managers in BCP Council.

55. Work is taking place with partners to support and share the goodwill of the Community, connecting individuals and groups that want to help with those in need such as food and financial donations, community activity, facilitating "I need and I can give you" offers

### **Communications campaign**

56. A communications campaign is being developed to raise awareness of existing and new support, ensuring we are using both digital and non-digital content. This will include using community locations people already go to such as libraries and GPs surgeries, utilising community buildings across the Integrated Care System.

### **Funding through grant schemes**

57. The details of the Household Support Fund 3 are now confirmed. The council will work with the community and voluntary sector to develop and deliver support based on the needs of the community.
58. We are awaiting the outcome of our business plan submitted for the UK Shared Prosperity Fund which contains proposals to support energy efficient measures in community buildings and additional support for the community and voluntary sector.
59. Increased promotion of existing energy grants that are available through national schemes and other existing partnerships such as LEAP, Ridgewater Energy and BCP Council.

### **Develop a network of 'A Warm Welcome' spaces**

60. There is a growing movement across the country to develop a network of warm welcoming locations where people who are struggling to afford energy bills can go to warm up. We are proposing the development of a network of 'A Warm Welcome' spaces across BCP, including the promotion of existing support such as lunch clubs, social activities etc. and a directory of Warm Welcome spaces such as the recent announcement of a Warm Welcome space at Rossmore Leisure Centre. Through the Household Support Fund we will explore helping additional groups, communities and businesses to open up and/or extend access to warm space.

### **Access to hot food and cooking facilities – community kitchens and community meals**

61. The Access to Food Partnership will continue to develop a network of locations where people can prepare bulk food together, either as a community or as a household, through open drop in session or organised events. It will continue to help additional groups, communities and business to open up their kitchens as community kitchens – understanding the barriers, creating guidance sheets and linking to support such as food hygiene training/environmental health etc.
62. It will continue to promote cooking clubs, lunch clubs and other community meals and available courses and using the partnership's small grant funding scheme to fund



equipment that enables cheaper home cooking such as air fryers (distributed through community food projects).

### **Access to food supply**

63. The Access to Food Partnership will work with supermarkets and the food supply chain, engaging with retailers to enable bulk buying for community food settings such as Food Banks to enable them to build resilient stores for the Winter. It will also work with the Access to Food network and local employers to identify additional food collection points to make food more accessible for those working shifts, weekends and evenings when community food settings are traditionally closed. Working closely with communities and partnerships it will work to identify our most vulnerable groups and ensure they have access to food through a range of community settings and solutions.

64. It will also link surplus food and produce from allotment and community growing to community food projects, proactively making these connections and ensuring food is shared and reducing food waste. Alongside this it will look at how we can make food go further, sharing ideas and support to help food go further, such as batch cooking, preserving and other ideas.

### **Effect on colleagues:**

65. The council is aware that its staff will be feeling the significant impact of the increase in cost of living. We are mindful that 57% of the workforce are receiving an *actual* annual salary of less than £25K and this may be the sole income for a household.

66. Some of the initiatives and support provided to colleagues is set out below.

### **Information and advice**

67. Our internal Employee Assistance programme provided by Health Assured offers several services to support financial wellbeing and provides other information on services available to BCP colleagues. It has been brought together and promoted internally through the Wellbeing pages on the HR hub and includes:

- Our benefits – employee discounts and savings scheme
- Travel discounts
- Managing money and debt advice
- Food support
- Childcare support
- Housing, Council Tax and benefits advice

Sessions offering support, advice, and guidance on managing finances, household budgets and sharing ideas are being run for staff during October and November.

### **National pay award**

68. Negotiations between the National Employers and the unions representing the main local government NJC workforce are expected to conclude by mid October.

69. The offer includes the following:

- With effect from 1 April 2022, an increase of £1,925 on all NJC pay points.
- With effect from 1 April 2022, an increase of 4.04 per cent on all allowances
- With effect from 1 April 2023, an increase of one day to all employees' annual leave entitlement
- With effect from 1 April 2023, the deletion of pay point 1 from the NJC pay spine

This offer would achieve a bottom rate of pay of £10.50 with effect from 1 April 2022 (which equates to a pay increase of 10.50 per cent for employees on pay point 1).

Everyone on the NJC pay spine would receive a minimum 4.04 per cent pay increase and across all colleagues this offer equates to a 5.4% increase for our workforce.

The deletion of pay point 1 on 1 April 2023, would increase the bottom rate to £10.60 (providing 10p headroom above the current upper-end forecast for the national living wage on that date), pending agreement being reached on a 2023 pay award.

Two of the three negotiating trade unions (GMB and UNISON) are in the process of consulting their members on this final pay offer with a neutral stance on whether the offer should be accepted or rejected. The third negotiating union (Unite) have consulted their members with a recommendation that the offer should be rejected.

## **National and Real living wage**

70. Since its introduction in 2014, the national living wage has presented a huge challenge for local government in managing to maintain headroom between the bottom pay points and the statutory national living wage. Local government is almost alone in the public sector in having this challenge. Other public sector pay structures' lower rates of pay are far enough above the national living wage for it not to present the same pressure as we face and involve a far smaller proportion of those sectors' workforces than is the case in local government.
71. Through our work on the Pay and Reward programme we are taking the opportunity to explore options, subject to the Medium Term Financial Plan, to pay our lowest salaries at least equal to or higher than the real living wage.

## **Pay and Reward & Employee Benefits**

72. The implementation of pay and reward will also see the introduction of a new suite of employee benefits as part of the Total Reward package offered to colleagues. This will include salary sacrifice schemes that will enable colleagues to access tax and NI savings on various products and services. The schemes also include a new Financial wellbeing benefit that offers colleagues the opportunity to improve their financial wellbeing by:
  - accessing via their salary, financial resources and tools
  - affordable loans and opportunities for debt consolidation
  - advances on pay
  - flexible savings accounts with access to tracker apps

We are exploring options to bring this in as early as possible ahead of the wider implementation of the pay and reward programme as we recognise that colleagues could benefit from this now.

## **Our new ways of working**

73. Our new ways of working offer several colleagues choice over how and where they work, presenting opportunities to reduce commuting costs and commuting time, improving both home and work life balance
74. Our new HR policies and guidance for managers support and encourage colleagues to explore these options and to think about how different ways of working can benefit both them and the service they are providing.
75. Consideration has been given to the car mileage allowance that is reimbursed to colleagues when undertaking business travel to ascertain whether the amount claimable at least meets and covers the cost of both fuel and the wear and tear of the vehicle. As it stands currently, it is considered that despite the rising cost of fuel, that the amount claimable does still cover these costs and the mileage rates claimable therefore remain unchanged.

## **Income**

76. The Council raises considerable income, in the order of £30m each year from charging fees for services and goods, which represents a significant proportion of our overall income, which is used to fund revenue services. As a result of the inflationary effects on the costs of energy, materials and supplies we are working on the basis of increasing all fees and charges by a further 10% on top of the current fee levels, including the most recent increases. A target 10% increase for all fees and charges will be implemented by officers between January and April.
77. This will include reviewing proposals to finalise the harmonisation of car parking charges, including the proposals to standardise rates between similar types of car parks to remove many of the anomalies that exist, and will also include a review of new areas of charges, including the potential to introduce overnight parking fees and additional areas of controlled parking near to the most popular sites.
78. Officers will also carry out more in-depth benchmarking to ensure that our fees and charges are comparable with other authorities, as well as ensuring they do cover the full costs of providing the service wherever possible. Recent benchmarking has shown the opportunity to increase the fees for some services such as green bins and some significant anomalies in the prices charged by local authorities for some regulatory services.

## **Policy for Fees and Charges**

79. As a matter of policy, we should be maximising our income to cover the cost of services provided implementing the following hierarchy of decisions:
  - a) Charge where we can, using cashless methods wherever possible
  - b) Full cost recovery, calculated to cover all ancillary costs, not just direct costs
  - c) Maximise commercial return, and use market comparisons to set fees
  - d) Increase all fees by inflation each year in January-March
  - e) Lobby government where statutory fees do not cover the full cost of the service

Officers will now implement this strategy in full for all services where fees are charged.

### **Summary of Financial Implications**

80. A decision was taken on 30<sup>th</sup> September 2022 by the Chief Executive of BCP Council under Part 3 (Responsibility for Functions), Delegations to Chief Officers, line 68, in the revised Constitution, to accept the £2,653,367.04 allocated by the Department for Work and Pensions under the current Household Support Fund 3.
81. The funding is to provide support between October 2022 and March 2023.
82. The funding is to be allocated in line with the funding guidance in consultation with the Chief Operations Officer and relevant Service Directors.

### **Summary of Legal Implications**

83. None identified

### **Summary of Human Resources Implications**

84. The impact on council colleagues is set out in the body of the report.

### **Summary of Sustainability Impact**

85. None identified

### **Summary of Equality Implications**

86. All protected groups are impacted by the cost of living pressures and section 10 of the report particularly notes the impact of the poverty premium on race, age and disability as well as health, migration history, sex and religion.

### **Summary of Risk Assessment**

87. No risks have been identified