

Cabinet



Date of meeting:	12 June 2023
Title of Report:	Cost of Living
Lead Member:	Councillor Sue Dann (Cabinet Member for Customer Services, Sport, Leisure and HR and OD)
Lead Strategic Director:	Ruth Harrell (Director of Public Health)
Author:	Rachel Silcock (Community Empowerment and Operational Lead)
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Your Reference:	
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To set out the actions that Plymouth City Council and partners will take to respond to the cost of living crisis that is affecting the City's residents.

Recommendations and Reasons

The impact of Covid-19 and the economic downturn, on top of more than a decade of austerity alongside historically high levels of deprivation, have led to a cost of living crisis in Plymouth.

As the cost of living increases, disposable income reduces and more households start to face serious choices around heating, eating and debt. Even when inflation falls, we are left with a gap between income and outgoings which will leave many people in the city with little or no disposable income potentially for years to come. The cost of financial exclusion is high, both to households affected and to society; poverty is such a strong determinant of future health and wellbeing, and reaches across into so many areas of lives. Even a relatively short term issue (such as over the winter) can have a lasting impact on finances; especially if debts are incurred with high interest rates.

It is recommended that Cabinet;

1. Agree the Terms of Reference for the Cost of Living Working Group
2. Require the Chair of the Cost of Living Working Group to report back to Cabinet in August with an action plan

Alternative options considered and rejected

To not have a cost of living action plan. If the City Council was to fail to respond to the cost of living crisis, this would have a detrimental effect on both individual residents' personal circumstances and the City's economy. The cost of financial exclusion is high, both to households affected and to society. It impacts on general wellbeing and is closely related to poverty and social exclusion.

Relevance to the Corporate Plan and/or the Plymouth Plan

The work described in this paper to develop a Cost of Living Action Plan supports the City's aim to be fair, by promoting a fairer society and better opportunities for all residents. The plan is also part of the Council's collaborative approach, working with partners to ensure we use our collective resources to address the issues facing residents

Implications for the Medium Term Financial Plan and Resource Implications:

There is an allocation of £25,000 in the revenue budget to support the work of the Cost of Living Working Group, specifically to build on the existing Cost of Living Crisis webpage to ensure that all available financial support is clearly signposted and promoted.

There is an allocation of £25,000 in the revenue budget to support the work of the cross-party Cabinet Advisory Group on Child Poverty, to be used to allow Plymouth City Council to build on its existing active commitment to tackling child poverty.

Further funding may come from schemes such as the Government's Household Support Fund which is £4.5m in 2023/24.

Otherwise the action plan will use existing staff resources and budgets, for example, to ensure there is improved visibility of all the benefit entitlements and discounts available to residents of the City.

Financial Risks

None

Carbon Footprint (Environmental) Implications:

One of the areas for the action plan to address will be increased awareness of home energy efficiency measures which will improve the carbon footprint of the housing stock in the city

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The action plan will be developed in partnership with the Child Poverty Action Plan and supports the implementation of this Plan to reduce child poverty in the City

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		1	2	3	4	5	6	7
A	Equalities Impact Assessment							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	1	2	3	4	5	6	7

Sign off:

Fin	DJN. 23.24. 36	Leg	LS/01 735/J P/020 623	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Ruth Harrell (Director of Public Health)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 31/05/2023											
Cabinet Member approval: Approved verbally Cllr Evans OBE (Leader) and Cllr Jemima Laing (Deputy Leader/ Children's Social Care, Culture, Events and Communications) Date approved: 31/05/2023											

INTRODUCTION AND BACKGROUND

The impact of Covid-19 and the economic downturn, on top of more than a decade of austerity alongside historically high levels of deprivation, have led to a cost of living crisis in Plymouth.

As the cost of living increases, disposable income reduces and more households start to face serious choices around heating, eating and debt. Even when inflation falls, we are left with a gap between income and outgoings which will leave many people in the city with little or no disposable income potentially for years to come. The cost of financial exclusion is high, both to households affected and to society; poverty is such a strong determinant of future health and wellbeing, and reaches across into so many areas of lives. Even a relatively short term issue (such as over the winter) can have a lasting impact on finances; especially if debts are incurred with high interest rates.

A Working Group, Chaired by Cllr Sue Dann, will be convened to consider what the issues are that people face, what is already in place to support them, and what more needs to happen.

WHO IS AT RISK?

There are a very wide range of people who are currently struggling with cost of living impacts. Those most likely to experience financial hardship include:

- Households on low incomes
- Households in social housing
- Households entitled to means-tested benefits
- Homeless households
- Single parents
- Single people
- People aged 60+
- People aged 18 to 24
- People with disabilities
- Households where there has been an unexpected event which has caused a significant reduction in income.

As the cost of living increases, disposable income reduces and more households start to face serious choices around heating, eating and debt. Modelling work has been carried out in Plymouth which allows a prediction into the future of which households (using mosaic profiles) are at high risk as the gap between their outgoings and income reduce, and where they are located.

WHAT ARE THE IMPACTS?

There are multiple impacts since poverty is such a strong determinant of future health and wellbeing, and reaches across into so many areas of lives. A cost of living crisis such as this means months of worry for people in Plymouth; scrutinising every penny spent but still running out of money as there simply isn't enough to cover expenses.

Cold homes have an increased risk of a wide range of health problems, from childhood asthma to an increased risk of dying for people with existing cardio vascular, respiratory and circulatory problems. The phrase 'Heat or Eat' is one that so many people are familiar with; and food that is cheap, energy dense and requires little to no preparation is often also unhealthy.

As well as this, stress and worry has a harmful impact on health.

COST OF LIVING THEMES

There are a number of themes that have been developed through working with partners over the last year. These are;

- Managing finances
 - Understanding of and access to financial products, including affordable and responsible credit, an appropriate bank account, the benefits of affordable repayment plans, and the risks of high interest loans
 - To provide financial health checks and income maximisation through various partners across the city, working closely with residents to maximise income and sustain and maintain tenancies/homes, seek stable and secure employment.
 - To ensure all frontline staff are knowledgeable and can offer or signpost residents to appropriate financial well-being advice/services across the city
- Managing at home – housing, heating and eating
 - Reducing fuel poverty both by tackling the causes and by helping to meet the needs of people in crisis
 - To support a joined-up system in each community to provide enough no-cost, low-cost and affordable healthy food in moments of crisis and in long-term low-income households
 - To prevent people from becoming homeless, and support those living in poorer quality housing
- Supporting mental health and wellbeing
 - Recognising the impact on people's mental health and wellbeing and signposting to support available
 - Supporting people in choices which are healthier, within the limitations of their situation

COST OF LIVING WORKING GROUP

Plymouth City Council will set up a Working Group, Chaired by Cllr Sue Dann, Cabinet Member with responsibility for Customer Services, Sport, Leisure and Human Resources and Organisational Development, to lead and steer the development of a Cost of Living Action Plan.

The Terms of Reference for this Cost of Living Working Group are shown in Appendix I.

The Working Group will be supported by Council Officers.

A Cost of Living Forum will be developed, which will include a wide range of those services and organisations who are supporting people through the cost of living crisis. The Forum will provide up to date information from their knowledge of the services offered, people using them and importantly gaps both in support and in the groups of people accessing support; their insight will support the development of the Action Plan.

COST OF LIVING WORKING GROUP TERMS OF REFERENCE

Objectives

In the current Cost of Living crisis, many households across Plymouth are struggling to make ends meet. This can have severe short and long term impacts on health and wellbeing, and it is imperative that people can access support around these issues.

The cost of living working group will seek to:

- Work together with partners, specialist agencies and stakeholders to deliver a range of relevant and supportive financial inclusion services that meets the needs of all residents
- Work to provide a joined up, multi-agency offer with access to other advice services so residents facing financial hardship are supported at the earliest opportunity
- Communicate key messages to promote awareness and improve access, signposting to existing and any new services
- Develop targeted campaigns to promote awareness and improve access to those services available to support people; especially support such a Free School Meals.
- Highlight the relevant issues to national government to campaign for the support Plymouth needs to overcome this challenge.

Membership

- Cabinet Member with responsibility for Customer Services, Sport, Leisure and Human Resources and Organisational Development (Chair)
- Cabinet member with responsibility for Housing, Co-operative Development and Communities
- Cabinet Member with responsibility for Health and Adult Social Care
- Director of Public Health
- Senior Policy Advisor
- Service Director: Community Connections
- Community Empowerment Operational Lead

The working group may co-opt additional members by agreement from within and outside the Council to aid its work

The working group is quorate when at least two Members are present

Activities and timescales

Oversee the development of a Cost of Living action plan for Plymouth (August 2023)

Review quarterly performance against the Cost of Living action plan (December, March, June, September)

Governance and reporting

Working group meetings will be held quarterly – dates to be scheduled

Additional meetings will be scheduled as necessary. Stakeholders may be invited by the group to attend meetings. Key findings and recommendations will be submitted to Cabinet as and when agreed

