

**Agenda for consultative meeting of the
Poverty Working Panel
Monday, 17th October, 2022, 10.00 am**



Members of Poverty Working Panel

Councillors M Allen, M Armstrong, J Bonetta, M Chapman,
B De Saram, S Hawkins, P Jarvis, D Ledger
(Chair), M Rixson and T Woodward

East Devon District Council
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Venue: Online via Zoom app

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Friday, 7 October 2022

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Until 31st October 2022, the Council has delegated much of the decision making to officers. Any officer decisions arising from recommendations from this consultative meeting will be published on the webpage for this meeting in due course. All meetings held can be found via the [Browse Meetings](#) webpage.

- 1 Public speaking
- 2 Apologies
- 3 Declarations of interest
- 4 Minutes of the previous meeting held on 21 March 2022 (Pages 3 - 8)
- 5 Cost of Living Crisis - Winter Pressures Plan (Pages 9 - 35)
- 6 Social Resilience (Poverty) Dashboard
- 7 Review of Poverty Strategy Actions
- 8 Food Poverty update

[Decision making and equalities](#)

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Poverty Working Panel held at Online via Zoom app on 21 March 2022****Attendance list at end of document**

The meeting started at 10.00 am and ended at 12.58 pm

27 Public speaking

There were no members of the public registered to speak.

28 Declarations of interest

There were no declarations of interest.

29 Minutes of the previous meeting held on 31 January 2022

Minutes of the previous meeting held on 31 January 2022 had been circulated in advance and were noted as a true and accurate record.

30 Update on loan sharks - Libby Jarrett - Service Lead - Revenues, Benefits, Customer Services & Corporate Fraud

The Service Lead – Revenues, Benefits, Customer Services & Corporate Fraud provided an update on loan sharks, which highlighted the following:

- The Illegal Money Lending Team (IMLT) had confirmed that there are no active investigations on loan sharks in the district at this time; this did not mean that they are not active in the area, but they are not being reported.
- Key staff had attended IMLT training on how to recognise loan sharks and how to help residents to overcome barriers that prevent them from reporting. The training would be offered to more staff going forward and resources put in place to facilitate identification of residents at risk or those who are using loan sharks.
- Content would be put out in the residents' newsletter and in social media campaigns, using literature from the IMLT.
- The website had been updated to include information about loan sharks and illegal money lending.
- The Benefits Manager was updating the IMLT on the work that EDDC is doing on poverty and exploring how the Council and IMLT could work together moving forward.

The Strategic Lead – Housing, Health & Environment commented on the good work undertaken in connection with illegal money lending and asked whether there were any credit unions to which the team could signpost residents in need of borrowing. Following discussion, it was agreed as an action point that the Service Lead – Revenues, Benefits, Customer Services & Corporate Fraud would explore this in detail and provide a report to the next meeting.

Comments and questions from Members included the following points:

- A Member asked if there were videos that could help to educate people to ensure they did not get themselves into unfortunate circumstances where they were desperate to use loan sharks. She added that some people might find a video shared on social media more accessible than reports on the EDDC website. The Benefits Manager responded the EDDC website points to the Illegal Money Lending website where there are videos advising people of what not to do.

31 **Energy Briefing Update from:**

The Chair welcomed Sharon Church – Benefits Manager; Martin Prew – Technical Officer for Environmental Health & Car Parks; and Jody Harding – Principal Environmental Health Officer – Private Housing, to the meeting, and invited them and the Service Lead – Revenues, Benefits, Customer Services & Corporate Fraud to present their updates, a report having been circulated prior to the meeting.

The presentations detailed at length the challenges that it was identified residents were facing with household budgets, what was being done to support them, and the wider role of Environmental Health Public Sector Housing in helping to address housing-related forms of poverty.

The following points were highlighted as key considerations:

- There was significant concern around the disproportionate impact of the rising energy bills on certain groups, particularly:
 - Those on lower incomes, who spend a higher proportion of their income on energy bills.
 - Residents in rural areas who do not have access to gas and are therefore reliant on oil and are not protected by the energy price cap. There is a real risk that some will struggle to afford the minimum 500L as this is now circa £750.
- Pressure is likely to get worse, with rising costs across all household bills, and there was concern that some households will struggle to afford day-to-day essentials, including food.
- Whilst helpful, the Energy Bills Rebate and the £200 energy bill loan scheme, announced by the government on 3rd February 2022 to help households with rising energy bills, are not going to be sufficient.
- The Household Support Fund ends on 31st March 2022 and support thereafter would be drawn from the Council's own hardship fund.
- Opportunities were being explored with Devon County Council, Exeter Community Energy and Lendology for providing a scheme for funding oil/off mains gas top-ups, and how residents can move to renewables, for those who are financially struggling.
- Some very positive collaborative working was happening and this was critical in being able to achieve better outcomes for residents.
- There were plans to:
 - Continue to develop the Financial Support Hub on the website to make it easier for residents to know what support is available with household bills.
 - Deliver more proactive communications including via social media, the residents newsletter, and the EDDC app.
 - Include in the Poverty Dashboard data on households with oil, energy ratings, rented and low-income households, to help inform future interventions and targeted support, and to bring about energy efficiency improvements in properties with a low energy efficiency rating.
- Citizens Advice would like to see the government expand its Warm Home Discount and make it more generous for people on low incomes.

It was suggested that Members might wish to consider recommending to Council:

- To lobby government for more support with energy costs, including for a price cap on heating oil so that users are provided the same protections as consumers with electricity and gas.
- To lobby government on further emergency funding to continue to help people to eat, now that the HSF is finishing.

The Chair thanked the Officers for their presentations and remarked that with the energy and financial crises happening now, it was appropriate for the Panel to know what actions were being taken, and how EDDC could help people.

Discussion following the presentation included the following points:

- A Member observed anecdotally that a rising number of private landlords were asking tenants to leave, and changing to holiday lets, and expressed concern that i) tenants were left with nowhere to go; and ii) holiday lets did not come under EDDC's curtain for improvements. Were Private Sector Housing aware of the issues, and how did they handle them? The Service Lead – Revenues, Benefits, Customer Services & Corporate Fraud stated that data had been collated in November 2021 on properties taken out of domestic use, the number of second homes and self-catering holiday units; as an action point, she would update this data to provide a comparison and identify the movement of properties between sectors.
- The Service Lead – Revenues, Benefits, Customer Services & Corporate Fraud commented that Wales was trialling a 300% council tax charge for second home owners; this might ensure second home owners contribute more into the local economy, or dissuade them from retaining a second home. She suggested the Panel might wish to consider asking Council to lobby central government for a comparable system in England.
- Members considered the particular issues of poverty in rural areas including i) rising rural crime, e.g. theft of heating oil; and ii) residents who use LPG being linked to one provider and therefore unable to shop around. It was suggested the Panel looks in depth at rural poverty issues, and that EDDC considers how it can raise awareness of the dangers of rural crime and what security people can take to protect their heating oil supply.
- A Member commented that damp and mould in properties were arguably more pernicious than cold, and challenged whether EDDC was doing enough to tackle the causes of damp, including overcrowding and fabric defects, and counselling people enough in how to avoid damp in their houses. The Principal Environmental Health Officer – Private Housing responded that i) a Winter Resilience Project had supported people in tackling the root causes of damp and mould, and this had been very successful; ii) risk assessments could be done under the Housing Act in the damp and mould low risk category, talking with individual residents about lifestyle changes or taking enforcement action against landlords with properties in disrepair; iii) it was intended to increase engagement with residents around damp and mould issues; iv) funding is available through LAD2, LAD3 and the Sustainable Warmth Project to retrofit and improve the structure of properties, before installing renewable energy; v) EDDC has some old properties that are not well insulated and, with the resources available, the team engage as much as possible with affected residents through the complaints process, on a case by case basis.
- The Housing Service Lead drew Members' attention to a useful and informative Ombudsman report on damp and mould, which would be circulated to Working Panel members outside of the meeting.
- The Housing Service Lead stated that they were embarking on a Stock Condition Survey which would give a clearer picture of the challenges and the retrofit measures required. It was expected that significant investment would be required for a lot of the housing stock and, in the meantime, the Housing Leadership team were considering carefully the complex and multi-layered issues around potentially deciding not to let properties which have significant issues, balanced against a competing need for housing. Members discussed the logistics of carrying out the Stock Condition Survey work robustly and in a timely fashion.
- It was expressed that the Housing Task and Finish Forum could consider how to push forward on retrofitting and the specification of housing development.
- An extensive scoping piece of work was underway to highlight potential development sites with a view to building new homes, to support the Housing Service in ensuring homes are fit for purpose for tenants.

- In response to a Member's question, it was confirmed that a register of private sector housing does not exist, and EDDC is unable to proactively offer inspection visits to ensure that private sector housing is suitable. Landlords are the legal entity responsible for ensuring compliance with legislation and any intervention from EDDC is reliant on tenants making contact. It was suggested Members could consider lobbying MPs for a Landlords' Register.
- A Member highlighted that half of people in poverty are disabled and asked that the Panel considers disability-related poverty issues at a future session, particularly whether the Disabled Facilities Grant could be extended to heating and a range of other equipment. It was recognised that the disabled and elderly are least able to take measures to reduce their energy use.
- One Member remarked that people should not feel ashamed to put on warm hats, extra layers of clothing and sleeping bags, and could be encouraged to accept a lower temperature in the home, to help them make their money go further. A counterview was expressed that this is not appropriate for the elderly, disabled, babies or young children, who can die this way and need their homes to be kept warm.
- A Member suggested a briefing could be provided to Council outlining the high quality extensive work being done by officers on poverty and energy issues.

RECOMMENDATION

Following the discussion, the following recommendations to Cabinet were agreed:

- To lobby government for more support with energy costs including for a price cap on heating oil and LPG so that they are provided the same level of protections that consumers have with electricity and gas.
- To lobby government on further emergency funding to continue to help people to eat, now that the Housing Support Fund is finishing.
- To lobby government to impose a 300% council tax charge for second home owners.
- To lobby government for a register of private sector landlords.

32 Poverty Dashboard presentation from:

The Chair welcomed George Whitlock – Information and Data Analysis Officer, to present the Poverty Dashboard together with the Benefits Manager and the Service Lead – Revenues, Benefits, Customer Services & Corporate Fraud.

The presentation included:

- The dashboard brings together a wealth of data and outcomes, updated on a monthly basis, to enable the team to identify at a glance what is going on in the district, across areas of financial, housing, health and employment.
- The officers demonstrated the interactive functionality of the dashboard and explained that the Benefits and Financial Resilience teams can run reports of the data to inform future interventions, strategies, and the work of the Working Panel.
- The dashboard remains a work in progress and it is intended that additional data sets will be added over time.
- The full dashboard will not be publicly available for reasons of data protection but a version will be published with sensitive data extracted.

Questions and comments following the presentation included:
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- It was felt that this is a very impressive piece of work and a very useful tool in the quest to tackle poverty in the district.
- The approach could be sold and used as an income stream; it is very well designed for proactive work.
- It would be helpful for key headlines and trends to be communicated to Council and Cabinet to help inform policy.
- One Member suggested that information is shared with members on a ward by ward basis so they can ensure targeted supported is available. The Benefits Manager expressed that high level data could be provided for certain wards but it would not be appropriate to share detailed information for reasons of data protection.

Subsequent to the discussion, the Service Lead – Revenues, Benefits, Customer Services & Corporate Fraud stated that the Poverty Dashboard would be brought to the Working Panel again with updated feedback on trends, following the addition of more data sets.

33 **Forward Plan**

The Forward Plan, as discussed at the previous meeting, had been circulated to Members in advance of the meeting. The Chair invited Members and Officers to suggest any further items for the Plan, and to prioritise in what order the items should be discussed at future meetings.

In discussion, it was agreed to add the following items to the Forward Plan:

- Consideration of rural poverty issues.
- Consideration of disability-related poverty issues including whether the Disabled Facilities Grant could be extended to heating and a range of other equipment.
- To receive an update from the Community Safety Partnership on domestic abuse which may have increased as the rising cost of living puts a lot of families under pressure.
- To receive an update report on digital inclusion.
- To receive an update on the new business plan for council housing, after it has been through Housing Review Board.
- To consider wider cost of living issues.

The Chair indicated that she would liaise with officers outside of the meeting with a view to prioritising the items in the Forward Plan.

34 **Date of the next meeting**

It was confirmed that the next meeting will be held on Monday 30 May 2022, and Members were reminded that Working Panel meetings will start at 10.00am.

Further dates for the rest of 2022 will be arranged following the annual Council meeting.

Attendance List

Councillors present:

M Allen

M Armstrong (Chair)

M Chapman

B De Saram
M Rixson

Councillors also present (for some or all the meeting)

P Arnott
P Faithfull
P Millar
J Rowland
E Rylance

Officers in attendance:

Sharon Church, Benefits Manager
Jo Garfoot, Service Lead Housing Task Force
Amy Gilbert-Jeans, Service Lead Housing
John Golding, Strategic Lead Housing, Health and Environment
Jody Harding, Principal Environmental Health Officer
Sarah James, Democratic Services Officer
Libby Jarrett, Service Lead Revenues and Benefits
Sarah Jenkins, Democratic Services Officer
George Whitlock, Data Analyst
Martin Prew, Technical Officer for Environmental Health & Car Parks

Councillor apologies:

P Jarvis
T Woodward

Chair

Date:

Report to: Cabinet



Date of Meeting 5th October 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Cost of Living Crisis – EDDC Winter Pressures Plan.

Report summary:

This report considers the cost of living crisis in the context of our Poverty Strategy and alongside our commitments to support our vulnerable residents through what will be challenging financial times with the cost of many essential items exceeding household incomes. The report proposes the adoption of a series of short-term measures to be implemented this winter and to be incorporated into a Winter Pressures Plan to help combat the worst impacts on vulnerable households.

The developing cost of living crisis requires government interventions and changes to social and welfare policy, recognising that we have a limited ability to increase household budgets, but we do have influence in ensuring that a 'welfare safety net' is in place by the use of the various tools at our disposal and that are consistent with our Poverty Strategy.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

To adopt the Winter Pressures Plan set out in the report and implement the actions designed to mitigate some of the factors impacting on vulnerable households and avoid them going into poverty, and

Refer the Plan to the Poverty Working Panel to oversee the implementation of the Plan.

Reason for recommendation:

To mitigate the worst effects of the increasing cost of living crisis and ensuring that at risk households can access affordable food, housing, warmth and meet other basic needs.

Officer: John Golding Strategic Lead – Housing, Health & Environment.

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning

- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact High Impact

Covered by the EIA undertaken on the Poverty Strategy.

Climate change Medium Impact

Risk: High Risk

Links to background information The Poverty Reduction Strategy can be found here: [Poverty Reduction Strategy](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1. Background

- 1.1 The cost of living crisis will lead to more households struggling to afford basic essentials. This will impact most on groups in society who have limited resources and means to protect themselves, especially low income households who are going to find it hardest to protect themselves against these spiralling prices of increasing costs of some commodities and services. This is about life's essentials for these groups, not 'nice to have' or consumer goods that meet aspirational needs.
- 1.2 The Big Issue defines a cost of living crisis as "a situation in which the cost of everyday essentials like groceries and bills are rising faster than average household incomes. The think tank Institute for Government defines the UK's cost of living crisis as "the fall in real disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021".
- 1.3 The cost of living crisis is being stimulated by price inflation and wages/benefits not keeping pace with the cost of essentials such as food, fuel, heating, etc.
- 1.4 There is a widespread and particular concern about this coming winter and low income and vulnerable residents' ability to keep warm and well fed. This suggests that as a Council with a stated intention to reduce the negative impacts of poverty, we should work up a short term crisis or **Winter Pressures Plan** to support households through what is predicted to be a difficult period for many.
- 1.5 It must be recognised that much of the solution to this issue is in the power of central government who steer social policy and make decisions on welfare benefits, price caps and hardship funding. However, we can play a useful role in ensuring resilience in our voluntary and community groups, supporting at risk households and operating a safety net for the least resilient households.
- 1.6 Our Poverty Strategy was intended for delivery over a period of time, but the current and very real cost of living crisis calls for an urgent and related response to deal with the worst and immediate effects of rapid inflation and clear evidence of households struggling to maintain a reasonable standard of living.
- 1.7 I am proposing that we rapidly develop a 2022 Winter Pressures Plan that supports our residents vulnerable to cost of living trauma and provides a 'safety net' for households most in need.

1.8 An outline of this Plan is shown in **annex 1**. I am suggesting a simple purpose and a number of actions:

Purpose – Keep Warm, Keep Fed, and Keep a roof over your head.

- 1) Co-ordinate Government Support to ensure it reaches those people who need it.
- 2) Exercise discretion when providing welfare support and advice to support those people who could potentially go into crisis.
- 3) Utilise Council resources set aside for poverty relief towards hardship payments and advice on debt relief.
- 4) Maximise partnership working and coordinate efforts with our partners in the statutory, voluntary and community sectors towards poverty prevention.
- 5) Promote affordable warmth, insulation and energy saving schemes, to improve heat retention and better insulated homes.
- 6) Use our annual Communities Together event to focus on cost of living crisis actions.
- 7) Liaise with others including Devon County Council and local NHS organisations to help maintain and support residents in good physical and mental health, including engaging in community-led health & wellbeing initiatives, volunteering and socialising via local initiatives.
- 8) Liaise with others to support access to food and nutrition, including healthy eating exercises/initiatives, organising a community garden to grow produce, setting up of a Community Larders or providing extra support to local food banks to meet unmet need.
- 9) Prepare for a possible 'rent shock' or increased Council Tax arrears as households in the district may prioritise between heating and eating instead of paying their rent or council tax.
- 10) Increase capacity to provide housing advice that focuses on tenancy sustainment and preventing homelessness.
- 11) Utilise Housing Community Centres as community facilities that support residents and communities combat cost of living threats.
- 12) Working with TeamDevon, Town and Parish Councils and the voluntary sector to explore the warm places project and how that can be delivered in East Devon.
- 13) Assist tenants in furnishing and providing white goods in their new homes and avoid furniture poverty.
- 14) Implement the Corporate Debt Policy to help residents avoid going into debt.

1.9 This needs to be a dynamic Plan such that it can be flexed in accordance with local intelligence and information appearing on our **Poverty/Resilience Dashboard**.

1.10 The **Institute for Government** has recently produced a briefing paper that analyses and explains elements of the cost of living crisis. I have reproduced much of this paper in **annex 2**.

2. Practical advice and support

- 2.1 Central to our approach are key points as set out below. The measures we are bringing together, are built on the partnerships we have formed and our track record of always being able to respond as a system with maturity and by putting people at the centre of everything we do. Our approach is as follows:

Cost of Living:

- 1) Continue co-ordinating Government Support to ensure it reaches those people who need it.
- 2) Continue to work in conjunction with Team Devon to influence how government discretionary funding is used to target support to those people most in need.
- 3) Build upon existing partnerships working and established systems to provide targeted support in localities where there is a particular trend and need, implementing a targeted approach.

Preventing Crisis:

- 4) Maintain Good Health – whether that be referrals for mental health support, discounts at our gyms and swimming pools, engaging in community-led “wellbeing” initiatives, volunteering and socialising via local initiatives.
- 5) Access to food and nutrition – whether that be participating in healthy eating exercises/initiatives, organising a community garden to grow produce, setting up of a Community Larder or providing extra support to local food banks to meet any unmet need.
- 6) Promoting financial resilience and early financial intervention/support to avoid indebtedness and the use of loan sharks.

- 2.2 We believe progressing and continuing with these measures now, provides us all with the best opportunity to help our communities come through this crisis. We will of course continue to monitor the changes to people’s lives carefully and continue to respond swiftly and decisively where we can. We will keep this plan under review and update it in response to emerging need, also ensuring that it is reviewed during the winter when we have further information on the pressures and effectiveness of our response.
- 2.3 Currently in our toolbox we have the following forms of assistance:

The **East Devon Action on Poverty** fund provides one-off grants of up to £5,000 to support community-led ideas and initiatives across the area of East Devon administered by East Devon District Council. Applications must work towards the aims within the council’s Poverty Strategy. Properly constituted not for profit organisations can apply. A minimum of 50% of the total funding for the project must come from elsewhere. The first closing date for applications is 30 September 2022, all applications received before then will be considered at a decision making meeting in November 2022.

Hardship and Household Support fund - The Department for Work and Pensions have indicated there will be a third round of Household Support Fund that will apply between October 2022 to March 2023. This funding will be allocated to upper tier authorities and will be administered through a Team Devon approach as per previous funds. We are working with Team Devon to agree how this funding will be used. Like the previous schemes it is anticipated that we will have some funding to administer an application based scheme for help with household essentials under a Devon wide framework.

- 2.4 EDDC’s **Financial Resilience Team** (FRO) will be managing the applications, alongside our other available discretionary funding, to help tackle poverty in our district and work towards

rebuilding the financial resilience of those who are struggling financially, in line with [East Devon's Poverty Reduction Strategy](#).

- 2.5 There are four Financial Resilience Officers. The financial resilience team aims to help support East Devon residents by identifying and addressing the root causes of poverty and financial hardship by maximising income, minimising expenditure and working with partners including those in the voluntary sector to achieve this. As part of their work they will link in with other teams and external organisations to access various discretionary funds that sit within revenues and benefits. This ensures that we are taking a holistic view of the residents needs and taking the best route to address them.
- 2.6 Examples of this work includes completing income and expenditure form with the resident and highlighting areas where savings can be found or other income maximised (welfare benefits, earnings, maintenance, allowances, etc.). Referrals to partners are made when required, e.g. Exeter Community Energy for energy efficiency savings advice, help with energy debts, support with white goods and property improvements/repairs. Citizens Advice East Devon for help appealing/claiming other welfare benefits, debt advice and support. Residents may also be referred to other partners such as; Devon's PCN Mental Health Teams, Early help, Social Services, South West Water who work in partnership with the FRO team to address and solve underlying causes. Referrals are received from applicants direct and from partner agencies including those already mentioned, schools, foodbanks, charitable organisations, internal services, etc. All referrals and applications are tracked on our Social Resilience (Poverty) Dashboard to allow for the gathering of key data to inform our ongoing poverty work and relevant policies/strategies.
- 2.7 The report to Cabinet on 5th January 2022 set out the range of discretionary funds to support financial vulnerability.
- 2.8 Our Poverty Strategy has funds available and we are making available financial support for Rent Deposit and supplying furniture to new tenants. We have also supported food banks.
- 2.9 The **Chartered Institute of Housing** has produced a document on the cost of living crisis that focuses on the impact on social housing tenants. I have reproduced this as **annex 3**.
- 2.10 Obviously our own **Housing Service** has a crucial role in supporting our tenants. We are already seeing some tenants in the 'just about being able to afford' bracket now moving into the bracket where they cannot cope.
We are not seeing evidence yet through reduced income collection levels, but anticipate that we will imminently. A number of indicators are being closely monitored by our Rental Team, such as the number of direct debits being cancelled weekly. This is obviously one of the first indicators that income is about to reduce. We set up a few additional indicators to keep a watch on this during Covid so it is important we keep these live.
- 2.11 Rental Officers are doing more budgeting/income-outgoings advice than ever before, with much more pro-active support as opposed to just looking at taking rental payments/ensuring people can pay their rent. There are signs that we are evolving into a type of money advice service, with Rental Officers doing more signposting, ensuring that benefits are maximised. This is also present in other teams, Mobile Support Officers (MSOs) are doing more financial resilience work with tenants - recently an MSO had two PIP appeals successfully overturned for two sheltered housing residents - life changing for the residents concerned – who are now literally thousands of pounds a month better off. The rental team are looking at pro-active budgeting sessions out in the community, trying to encourage people to plan ahead, and we are looking at a joined up approach with others. This is all outlined in the Poverty Strategy, but it feels like we need to accelerate this now, which has been considered with the rents team recently on their away day.

Obviously an enhanced void standard, setting people up in a home as opposed to a 'shell' is integral and also being considered to ensure tenants have access to carpets, basic furniture, white goods etc.

- 2.12 We are exploring promoting as an alternative to Credit Unions-[Westcountry Savings and Loans](#) There is a social housing arm to this and interestingly most Members of Advantage South West are now signed up. Our Membership fee helped set the service up. We are keen to explore how we support people better who are living in properties that we know are not energy efficient and are in our upgrade programmes. We are considering creating a fund that can help them with increased bills they will have in the winter. As a responsible landlord our rationale will be about recognising that some of our stock is not energy efficient and that we are compensating and helping people with that situation prior to getting the works done, which of course is our intention, but the reality is that this will take years to complete the programme. We have the ability to identify these at risk people now and target help.
- 2.13 A focus on damp and mould from a pro-active perspective. I would like to see a damp and mould policy position developed, the Housing Ombudsman released recently a good practice guide- we could adopt this, but would obviously need to prepare for it accordingly. CIH are active in this area, some really useful content in here [0508-cost-of-living-crisis-voltwo-v5.pdf \(cih.org\)](#)

3. Cost of living and cost pressures support

- 3.1 The Local Government Association (LGA) recently launched a cost-of-living hub which includes a series of case studies, resources and data to help councils support their residents. The LGA will be launching a Cost Pressures Bulletin which will highlight the latest updates from Government and Parliament on cost of living and council finances, and new resources and case studies to help councils deliver support to their residents. It is worth highlighting that East Devon District Council is included as a case study for our innovative use of Discretionary Housing Payments in District Council Network's The Power of Prevention report.

Cost-of-living hub: <https://www.local.gov.uk/our-support/safer-and-more-sustainable-communities/cost-living-hub>

Sign up to Cost of Pressures Bulletin:

https://public.govdelivery.com/accounts/UKLGA/subscriber/new?topic_id=UKLGA_345

The Resolution Foundation have also recently published a useful analysis of the cost of living with a series of recommendations for Government:

[In at the deep end • Resolution Foundation](#)

- 3.2 We have bid for funding under the terms of the **Shared Prosperity Fund**. A summary of the bid is shown below:

E13 - Action on Poverty Fund

Poverty is holding back many East Devon residents, with lower wages and higher living costs compared to many other parts of the UK (see Challenge 1). The Action on Poverty Fund is an existing scheme (managed by the Council) that provides one-off grants of up to £5,000 to support community-led ideas and initiatives across the area of East Devon that work towards the aims within the council's Poverty Strategy. The scheme is open to properly constituted not for profit organisations with a minimum 50% match-funding requirement. The scheme is currently open, with a

closing date set for late September 2022, and monies spent by the end of the 2022/23 financial year.

Our intention is to use our UKSPF allocation to extend the scheme into 2023/24 and 2024/25. The criteria of the scheme will change in some areas to better fit the objectives of the UKSPF. Eligible projects to be supported will include: projects that tackle hidden poverty and those struggling with a higher cost of living; projects to provide sustainable support to residents in fuel or water poverty by helping them to reduce their energy and water costs; projects that provide recognised and qualified advice on budgeting, money and debt issues; and projects that seek to understand and address the causes of food poverty.

We are aiming to provide grants to at least 28 not for profit organisations to deliver eligible projects. These projects, in totality, should support at least 100 households in East Devon, with support regarding energy efficiency provided to at least 25 households, yielding at least a 10% reduction in household carbon. Other outcomes include a 10% reduction in food poverty and a 10% increase in take-up of healthy eating initiatives, and a 10% reduction in financial hardship and those in severe debt. By extending the Action on Poverty Fund into two further financial years, we aim to help dissolve the pockets of poverty that exist within our local communities. By enabling us to action the recommendations in our Poverty Reduction Strategy, we can help support as many local residents as possible climb themselves out of hardship in a healthy, sustainable and carbon-neutral manner.

- 3.3 We also bid under the fund to strengthen our community and voluntary groups through the creation of a Community and Voluntary Service.

4. Summary

- 4.1 The cost of living crisis is occurring now for many households and is predicted to worsen. We know from our poverty prevention work that whilst East Devon is a largely affluent area, a significant number of our residents are affected by poverty. We cannot resolve poverty, but we can mitigate the impact on some households through the implementation of our Poverty Strategy and a more focused and urgent Winter Pressures Plan.
- 4.2 This report has been produced in advance of the Government's eagerly awaited cost of living plans. I will review the proposed local interventions in the light of the changes to social and welfare policy being proposed at a national level to support households maintain a decent standard of living.

Financial implications:

To be completed by Finance.

Legal implications:

The report does not raise any legal implications requiring comment.

Annex 2 - Cost of living explanation

What is the cost of living crisis?

The 'cost of living crisis' refers to the fall in 'real' disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021. It is being caused predominantly by high inflation outstripping wage and benefit increases and has been further exacerbated by recent tax increases.

In early February, the government announced some measures to respond to high energy prices, a particular flashpoint of the crisis. At the spring statement, the chancellor announced some more general policies to support squeezed household budgets. A much larger package of household support for energy bills was announced by the chancellor in late May. After accounting for these policies lower income households will be more-or-less fully protected from the increase in inflation. But for many other households inflation is still expected to increase more quickly than post-tax and benefit incomes this year.

How high is inflation?

Inflation is calculated as the average change in the price of typical goods and services purchased by UK households over 12 months. This is tracked using the Consumer Price Index (CPI), calculated by the Office for National Statistics using a sample of 180,000 prices of 700 common consumer goods and services. The latest data has the current CPI at 9.4% in the 12 months to June 2022. The Bank of England aims to keep the CPI rate of inflation at 2% plus or minus 1% (i.e. between 1% and 3%) and adjusts interest rates to achieve this.

However, CPI excludes the cost of housing. An alternative measure of inflation produced by the ONS, the Consumer Prices Index with Housing (CPIH), is in some ways a better measure of inflation as it includes owner occupiers' housing costs. Current CPIH is currently a little lower than CPI, at 8.2%.

How is inflation expected to change in the coming months?

The latest Bank of England forecast has inflation peaking at 10.2% in the fourth quarter of 2022. This is largely driven by the £693, or 54%, increase from 1 April of the energy price cap and a forecasted further increase of 40% in October. Inflation is expected to remain high for the next two years: the Bank expects that inflation will not reach its 2% target until the third quarter of 2024.

Which prices are increasing fastest?

A rapid increase in energy costs, particularly the wholesale price of gas, has been a key driver of the recent increases in inflation. Housing and household services (which include electricity and gas) and transport (which includes motor fuels) contributed to over half of annual CPIH inflation in June. The weekly average price of gas peaked at 15.3p per kilowatt hour in early March, a tenfold increase on the price a year previously, although the price has decreased to 6.9p per kilowatt hour in the latest data. Average petrol prices were the highest on record in June 2022, at 184.0p per litre compared with 129.7p per litre 12 months earlier.

Why are prices increasing rapidly?

Cost pressures have been apparent in the economy since mid-2021, when many advanced countries reopened their economies from coronavirus lockdowns.

Gas prices have increased because of a number of factors. Increased demand for gas from Asia, depleted gas storage supplies in Europe, unexpected outages in Liquefied Natural Gas (LNG) production and the war between Ukraine and Russia (a major supplier of European gas) have all contributed to the large price increases since mid-2021. Gas is an important source of energy in the UK: nearly 80% of households in England are heated by mains gas and a third of electricity is generated in gas power stations.

Disruption to global supply chains has also increased prices. Pandemic shutdowns of factories in Asia have caused a shortage of semiconductors, an important component in common consumer goods. Global shipping costs have also increased, as shipping firms reduced capacity by 11% during the pandemic in anticipation of reduced demand. The average cost of shipping a large container increased fourfold in the 12 months to September 2021. This has increased the price of commodities such as timber and other imported products.

The Russian invasion of Ukraine has significantly exacerbated these economic stresses. Many international companies have permanently ceased operations in Russia either to comply with economic sanctions or due to reputational risk. The dangerous security situation in Ukraine has also prompted many companies to temporarily close factories. European industrial production has declined due to a shortage of essential parts from Ukraine, such as wiring harnesses that are used in cars. Along with the semiconductor shortage, this has substantially pushed up the price of second hand cars as consumers switch demand towards used vehicles.

Although the UK imports only around 13% of its total fuel (oil, gas, LNG, electricity) from Russia, it is still vulnerable to any disruption to the supply of energy to the EU, which is more reliant on Russia for its energy. Due to the integration of energy markets, UK and EU gas and electricity prices move together. The recent announcement by the European Commission to phase out EU imports of Russian oil will likely push up prices in other markets the UK uses, such as Norway and Qatar.

Ukraine is also a major exporter of agricultural commodities such as grain and sunflower oil. Disruption to the supplies of these commodities could lead to significant increases in global food prices.

Are incomes increasing as quickly as prices?

On the whole, no. Inflation is outstripping increases in nominal wages so incomes will fall in real terms. Wage growth in the last year has not been sufficient to keep pace with inflation, with underlying pay growth of only 4% in February 2022. The Bank of England forecasts wage growth of 4.75% in 2022 while inflation is over 8%.

Households that receive a large part of their income from the government, through working age benefits or the state pension, see their incomes updated each year. Benefits and state pensions increased by inflation in April 2022. But the increase in April was only 3.1% because that was the CPI inflation rate measured by the ONS last September, the usual reference month for deciding the annual April increase in benefits and the state pension.

The government's recent measures will shield households from these real income falls to some extent. Recipients of benefits will now be fully protected from higher inflation.

Research from the Institute for Fiscal Studies shows that some households, such as those on the national living wage and claiming universal credit, will be better off this year in real terms than last year, following the special measures.

How have tax changes contributed to the cost of living crisis?

The tax increases announced in 2021 were larger (as a share of national income) than those announced in any year since 1993. In the March spring statement, the chancellor unwound only around one sixth of the proposed tax increases. A one-year increase of 1.25 percentage points in National Insurance contributions (NICs), ahead of the new health and social care levy coming into force in 2023, was partially mitigated by raising the income threshold of when people start paying NICs.

The income tax personal allowance and higher rate threshold will be frozen for four years from April, instead of increasing in line with inflation as planned. This amounts to a tax rise as many more people will be dragged into higher rates of tax as their incomes increase faster than the thresholds. However, the chancellor announced that the basic rate of income tax will be reduced to from 20% to 19% in April 2024.

Are poorer households worse affected by the cost of living crisis than richer ones?

Poorer households are currently experiencing higher inflation – on average – than better-off households. The Institute for Fiscal Studies estimated – based on the share of budgets spent on different broad product groups – the annual inflation rate for the poorest 10% of households to be 10.9% in April. By contrast, the richest 10% of households had the lowest rate of inflation, at 7.9%. This is because energy costs – the major driver of recent inflation – makes up a greater proportion of household budgets for low-income households. Anti-food poverty campaigner Jack Monroe has argued that the situation for poorer households is even worse than this because the price of the lowest-cost food items on which these households rely have increased further or the cheapest products have been unavailable in stores. Experimental statistics from the ONS suggest that the rate of inflation for the cheapest, everyday products online is similar to food inflation as a whole, although it is possible that these goods are less available in stores. Even if inflation rates were similar, the impact of inflation on poorer households might be greater anyway. A richer household might be able to absorb higher energy costs, for example by reducing how much it saves, but that option will not be available for many low-income households. Once the government's new measures come in, starting in July, support will be greater for poorer households than the rest so they should be better protected from the crisis this year than most other households.



Poverty – Winter Pressures Plan 2022

Purpose – Keep Warm, Keep Fed, and Keep a roof over your head.

The national cost of living crisis has created an urgency to implement some aspects of our Poverty Strategy urgently and dynamically, and for the 2022 winter to ensure that vulnerable groups are able to keep warm, fed and well housed, therefore we will:

- 1) Co-ordinate Government Support to ensure it reaches those people who need it.
- 2) Exercise discretion when providing welfare support and advice to support those people who could potentially go into crisis.
- 3) Utilise Council resources set aside for poverty relief towards hardship payments and advice on debt relief.
- 4) Maximise partnership working and coordinate efforts with our partners in the statutory, voluntary and community sectors towards poverty prevention.
- 5) Promote affordable warmth, insulation and energy saving schemes, to improve heat retention and better insulated homes.
- 6) Use our annual Communities Together event to focus on cost of living crisis actions.
- 7) Liaise with others including Devon County Council and local NHS organisations to help maintain and support residents in good physical and mental health, including engaging in community-led health & wellbeing initiatives, volunteering and socialising via local initiatives.
- 8) Liaise with others to support access to food and nutrition, including healthy eating exercises/initiatives, organising a community garden to grow produce, setting up of a Community Larders or providing extra support to local food banks to meet unmet need.
- 9) Prepare for a possible 'rent shock' or increased Council Tax arrears as households in the district may prioritise between heating and eating instead of paying their rent or council tax.
- 10) Increase capacity to provide housing advice that focuses on tenancy sustainment and preventing homelessness.
- 11) Utilise Housing Community Centres as community facilities that support residents and communities combat cost of living threats.
- 12) Working with Team Devon, Town and Parish Councils and the voluntary sector to explore the warm places project and how that can be delivered in East Devon.
- 13) Assist tenants in furnishing and providing white goods in their new homes and avoid furniture poverty.
- 14) Implement the Corporate Debt Policy to help residents avoid going into debt.

Poverty Strategy high level Actions:

- 1 Helping people on low incomes to maximise their household income and minimise their costs, building financial resilience and reducing indebtedness.
- 2 Strengthening families and communities, including supporting groups of people that are more likely to experience poverty, and community and voluntary groups working to combat poverty.
- 3 Promoting an inclusive economy, by raising skills and improving access to a range of employment opportunities for people on low incomes.
- 4 Addressing the high cost of housing, improving housing conditions, creating affordable warmth and reducing homelessness.
- 5 Improving health outcomes for people on low incomes, including access to good diet, health care and ill health prevention.



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Chartered
Institute of
Housing

COST-OF-LIVING CRISIS

**How is the cost-of-living crisis affecting
social housing tenants?**

A briefing from the Chartered Institute of Housing

June 2022

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How is the Cost-of-living crisis affecting social housing tenants?

Annual inflation reached 9% in April, jumping two percentage points in one month. It was the latest marker of a cost-of-living crisis that affects everyone, but poorer households were hit the hardest.

This CIH briefing is the first in a series. The briefings will address the question: “what is the impact of the cost-of-living crisis on social housing tenants - and how should the sector respond?” This edition looks at how the crisis is growing and why, the effects on household bills, how much help the government is providing, and evidence of how the crisis affects social tenants in particular.

Future briefings will look at issues including what social landlords are doing in response to the crisis, how changes in benefits have reduced the help available, and how the sector should handle the next round of rent increases.

Feedback on these briefings is very welcome. Please email policyandpractice@cih.org with any suggestions.

Cost-of-living and inflation

How high is inflation and will it grow any further?

Households are facing the highest inflation in four decades, and it has been growing faster than expected. Only in March, the Office for Budget Responsibility (OBR) said that it expected CPI inflation to peak at close to 9% late this year. In May, the Bank of England (BoE) was forecasting 10% inflation later in 2022 (Figure 1). Both forecasts came before the April figure of 9% was published and may now be revised.

Britain is experiencing higher inflation than most other developed countries and also has one of the lowest growth rates.

Even so, official bodies expect the crisis to be short-lived. Both the OBR and BoE expect inflation to fall in 2023 and then to stabilise at around 2%, despite uncertainty because of factors such as the Ukraine crisis. The National Institute for Economic and Social Research (NIESR) says that, on a scenario of tougher sanctions related to Ukraine, CPI inflation could rise above 10% in October and reach 10.9% in 2023.

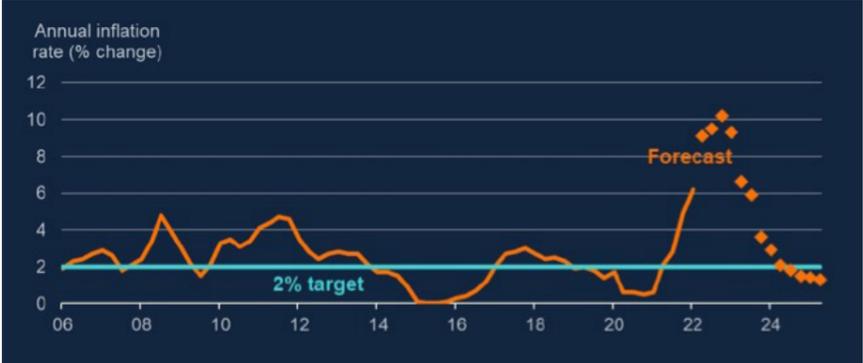


Figure 1: Bank of England inflation forecast, May 2022

How does inflation affect poor households and social housing tenants?

The headline inflation figure is only part of the story. Analysis by the Institute of Fiscal Studies (IFS) suggests that the poorest are facing an inflation rate of nearly 11% (Figure 2). That is because they spend a large fraction of their budget on energy and food.

The difference in the way inflation affects the poorest could get worse in the Autumn if predicted increases in fuel prices take place (see below). The IFS says the effective inflation rate for those in the bottom income decile could reach 14% (compared with 8% for the richest households).

A high proportion of those most affected are social housing tenants. The bottom three income groups (the 30% of all households on the lowest incomes) are experiencing average inflation of about 10%. About one-third of all households in these three groups live in social housing.

The poorest UK households face an inflation rate three percentage points higher than the richest 10 per cent

The year-on-year change in Consumer Price Index by household income decile, April 2022

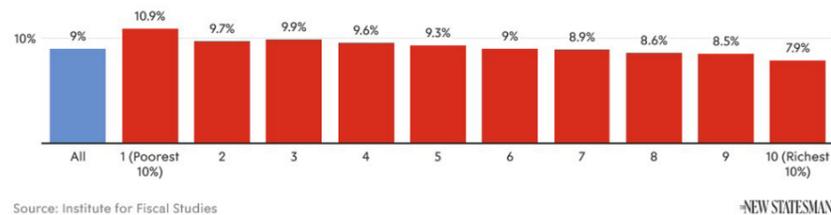
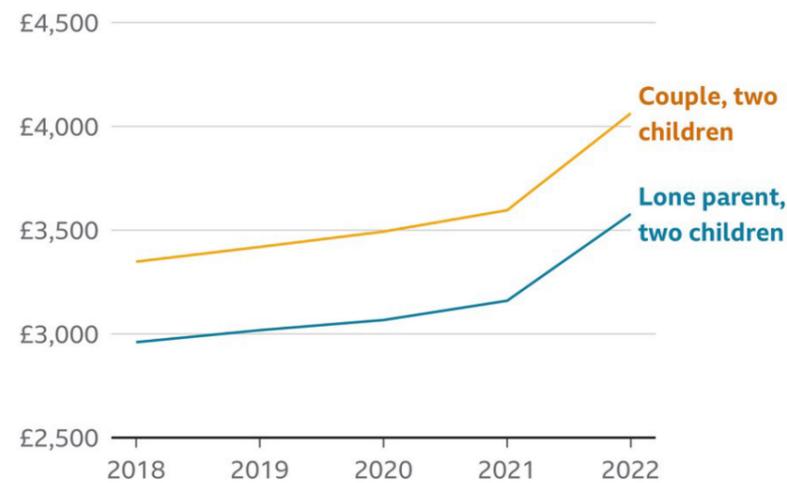


Figure 2: CPI inflation by income decile



Note: Costs based on one primary school child and one child aged 2-4
Source: Minimum Income Standard data, Loughborough University

Figure 3: Monthly household budget for a minimum acceptable standard of living

What is the effect on household budgets?

Another way of looking at the effects of inflation is to calculate the budget needed to maintain an acceptable minimum standard of living for typical families of different sizes.

Loughborough University's Centre for Research in Social Policy, which makes this calculation in research supported by the Joseph Rowntree Foundation (JRF), indicates that the cost is now 13% higher year-on-year (Figure 3). For a family with two children, the extra monthly cost compared with a year ago is about £400.

Has pay kept pace with inflation?

No. Household incomes are growing, but not enough.

Average incomes are expected by the OBR to increase by 4% in 2022, up from 3.8% in 2021. But because wage growth is failing to keep up with inflation, real household disposable income is falling sharply. OBR points out that real incomes have been stagnant since early 2019 and are expected to remain so until 2024/25.

The OBR concluded that, in 2022/23, families face the **fastest fall in living standards** since the 1950s.

It is expected real disposable incomes will fall by

2.2%

a cut of about £1,000-1,200.

Similar estimates were made by the BoE, National Institute of Economic and Social Research and, for non-pensioner households, by the Resolution Foundation (RF).

These estimates took into account the measures announced in the March Budget. Later we look at the effects of the new measures announced on May 26.

What about the low-paid?

Official figures show that 41% of universal credit claimants have jobs, while JRF calculates that

68% of families living in poverty include at least one working adult.

Since April 2017 larger families in low-paid employment no longer receive means-tested support for each child above the second in their child tax credit/universal credit: a loss of £56.44 per week (2022/23) for each child to add to other, recent real-terms cuts in benefits.

Households on low pay are faring worst in the crisis, with increasing inequality in the labour market, according to the IFS. For example, between February and March 2022 the top one per cent of earners saw a pay increase of 2.3% in cash terms, while the bottom 10% saw a cash increase of only 0.1%.

At the bottom of the labour market, the last increase in the minimum wage was by 6.6% - significantly higher than the 3.1% increase in benefit levels but not sufficient to keep pace with inflation.

Work is no longer a guaranteed way out of poverty.



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But aren't more people now in work?

Unemployment is low but it is no longer the simple indicator of the state of the labour market that it used to be. [A report from Sheffield Hallam University's Centre for Regional Economic and Social Research](#) argues that the real level of unemployment is about one million higher than official figures, because of the numbers on incapacity benefits who would be working if there really were "full" employment. The gap is worst in many northern parts of the country, such as Blackpool (the worst case, with 14.7% "real unemployment").

The "gig economy", zero-hours contracts and freelancing mean that job insecurity and variable incomes affect many households.

A 20-year-old housing association tenant writing in Metro explains that she has two jobs, one for a local authority and the other in a bar. Sometimes she only has an hour's sleep between them. She manages to pay her rent and has paid off earlier rent arrears, but now struggles to be able to afford to eat.

The fuel crisis

What is happening to fuel bills?

April's increase in inflation is driven primarily by higher gas and electricity prices. The price of electricity rose 40.5% on the month, and the price of gas rose 66.8%. A typical annual dual fuel bill rose by £693 to £1,971 a year. Figure 4 shows how the cap has risen dramatically.

Ofgem [expects](#) prices to rise again in October, possibly by £2,800 (the price cap for an average customer paying by direct debit). RF says this would mean:

- ▶ numbers in fuel stress rising to 9.6 million households
- ▶ in other words, 40 per cent of households would be spending more than 10% of their incomes on energy bills (after housing costs)
- ▶ the poorest would be worst hit: three-quarters of England's poorest families could face fuel stress by October, compared with just one-in-fifty of the those in the top income decile (Figure 5).

Those whose spending is more than 10% of their budgets are said to be in "fuel stress," which now [affects](#) five million English households.

Energy price cap

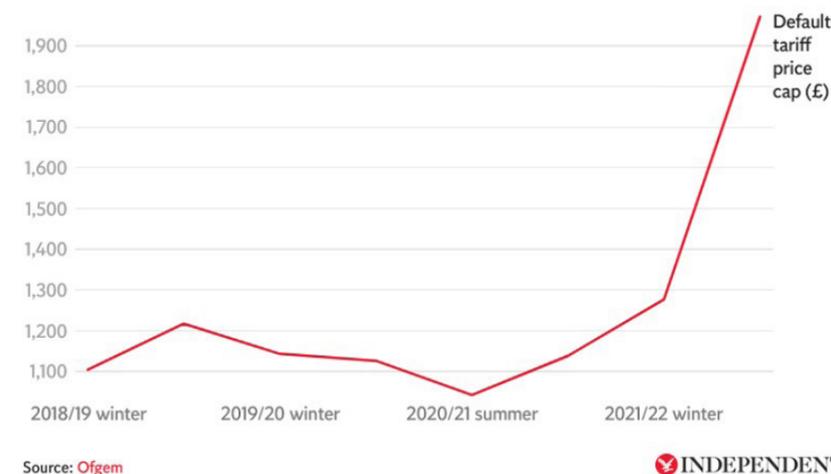


Figure 4: Energy price cap since 2018/19

Energy price rises hit poorer households harder because they spend 11% of household budgets on gas and electricity, compared to 4% for the richest households.

Share of households in fuel stress at different levels of the energy price cap, by equivalised after housing costs income decile England

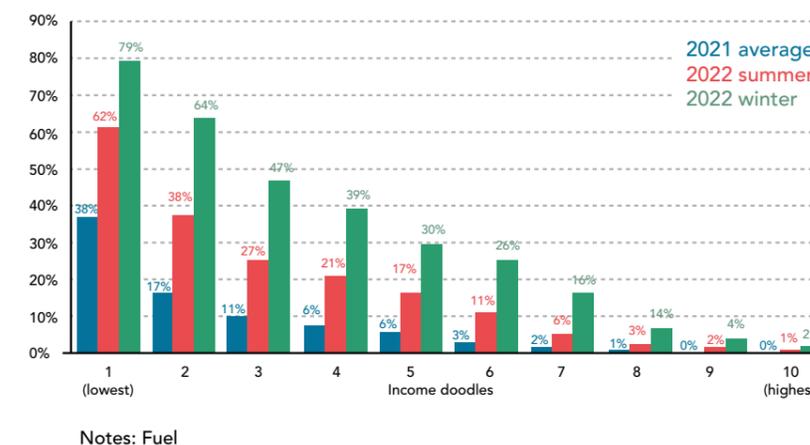


Figure 5: Households in fuel stress with different energy price-cap levels, by income group

Source: Resolution Foundation, 2022, Stressed Out.

E.ON expects almost one in five customers to struggle to pay their bills in the Autumn, when price rises are “baked in”. One million of E.ON’s eight million accounts are already in arrears and they forecast a 50% rise in numbers in October.

The OBR expects prices to fall in 2023 and 2024, with an initial fall of 30 per cent in April 2023 (with much uncertainty caused by the crisis in Ukraine and other factors). The regulator is now consulting on a move to quarterly, rather than half-yearly, revisions of the price cap, which would mean smaller steps up in prices, and potentially quicker steps down if costs of primary fuel fall.

How do fuel cost increases affect social tenants?

A high proportion of social tenants are in lower income groups, but many get some protection from fuel bill increases because they live in more energy-efficient homes. Overall, just 38 per cent of all poor households live in homes with good energy efficiency (EPC bands A-C). But this increases to 56% of poor households in the social rented sector.



What difference does this make to fuel bills?

The typical difference (the “efficiency gap”) between a band C and a band E dwelling is £320 per year, potentially rising to £380 per year in October. Fewer than 20% of households in band A-C dwellings are likely to be in fuel stress at winter 2022 fuel prices, but this rises sharply to 56% in band E dwellings and to 94% in ones in band G (the worst band).

Only 3% of social tenants live in homes in the lowest bands (E or below).

Cuts in funding for domestic energy efficiency work therefore had a significant effect on underlying spending before the current crisis. It is estimated that energy bills in the UK are nearly £2.5bn higher than they would have been if climate policies had not been scrapped over the past decade. According to Ofgem, an average direct debit energy customer under the default price cap pays £1,971 per year, and of this just £153 (7.8%) is for environmental and social obligation costs.

Which households are most at risk?

The North of England and the Midlands have high proportions of dwellings with energy efficiency levels at band D or lower, so these regions may be harder hit. RF also [expects](#) older people and larger families to face the biggest winter fuel bills.

Householders who use **prepayment meters** face particular difficulties.

About 4.5 million people in the UK have prepay meters, and more than half earn less than £18,000 a year.

They tend to pay more for the energy they use (this is called the [poverty premium](#)). The Fuel Bank Foundation [says](#) that many are “self-disconnecting” by sitting cold in the dark. It has helped more than 500,000 people, seeing a 74% increase in inquiries in the first three months of 2022 compared with the same time last year.

[Feeding Britain](#) says people using prepayment energy meters are increasingly being pushed into destitution by rising costs, punitive debt collection rules and disproportionately high standing charges. Cases include a single mum who disconnected her

heating and electric because she could not meet a combined debt of only £15, and a man who self-disconnected after running up an £8.75 debt.

Citizens Advice told the Guardian it had seen more than

3,600

cases of people unable to top up their prepayment meter so far this year, more than all of 2021.

Self-disconnections began to rise rapidly last October when the £20-a-week boost to universal credit was withdrawn.

Another group facing higher costs are homes served by **heat networks** (or district heating). Heat Trust [warns](#) about possible price increases of 400%, taking heating bills next winter from £50 a month to £250 a month. Some could experience price rises as high as 700%, they claim, calling on the government to regulate the costs charged by suppliers.

People **already in debt or using doorstep lenders** are also vulnerable. Citizens Advice says the average energy debt now stands at £1,450, up from £1,330 in 2020. Research from British Gas and YouGov shows 40% of adults struggling to make fuel payments.

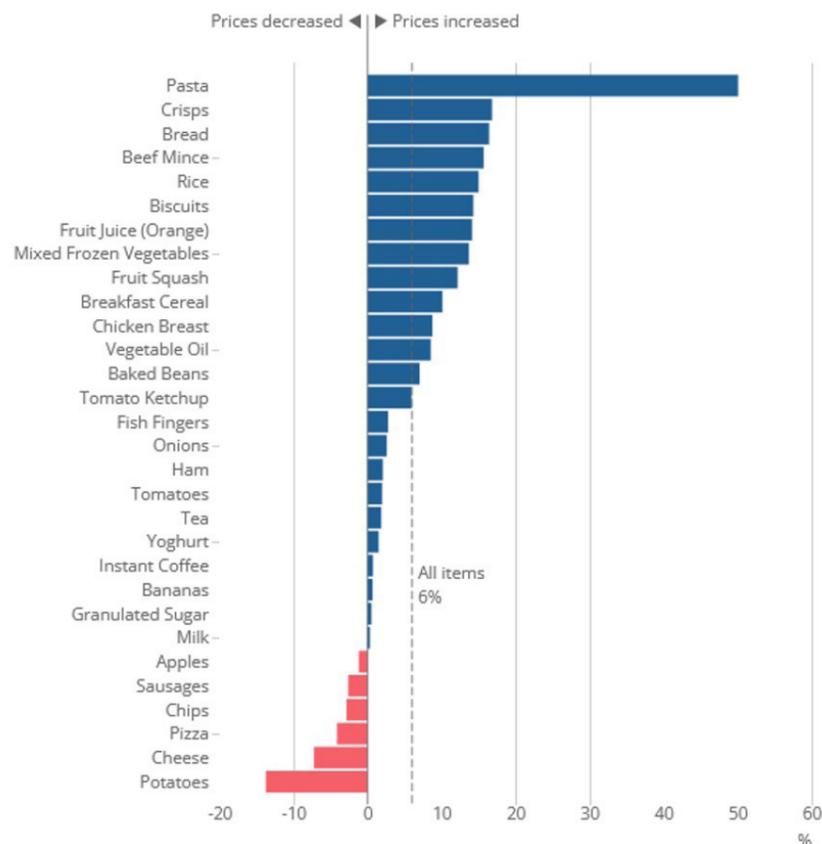
40% of UK adults will struggle to make their next fuel payment

How are food prices affected?

Food price inflation at 6.7% year-on-year [is at its highest since May 2009](#) but we can expect double-digit inflation in coming months. ONS data [suggest](#) pasta prices have increased by as much as 50% and bread by 16% (Figure 6). [Which?](#) [found](#) that some 265 grocery lines had price rises of more than 20% over the last two years (before the most recent increases). This is a real challenge for those on low incomes who cannot afford to trade up if value items are not available.

Polls indicate that **one in four** people are skipping meals.

Lowest price of selected 30 everyday groceries, item-level price changes, April 2022 compared with April 2021



Source: Office for National Statistics – Tracking the lowest cost grocery items

Figure 6: Year-on-year inflations in prices of certain foods

Tim, 36, from London works in a high street shop and gets universal credit. He says:

“I’m really worried about what the next few months could be like as the Cost-of-living gets higher and higher. I’m trying to make the best out of the situation but have already had to use a food bank. I’ve also made the decision not to turn my heating on to save money and to go without certain types of food.”

The governor of the Bank of England [warns](#) of an “apocalyptic” increase in global food-price rises because of the Ukraine crisis, which is [battering a global food system](#) weakened by [COVID-19](#), [climate change](#) and an [energy shock](#).

António Guterres, the UN secretary general, [warned](#) that the coming months threaten “the spectre of a global food shortage” that could last for years. By April the UN’s Food and Agriculture Organisation was measuring an overall 34% increase in global food prices compared to the year before.

Government advisers are [warning](#) that the UK is unprepared for shortages of key foods, likely to occur soon, and that supplies of donated food by charities and community groups could run out.

The [Trussell Trust](#) charity says it is witnessing an “accelerating crisis” across the UK: in the past six months more than 830,000 parcels were provided for children, a 15% increase from 2019/20. January to February 2022 saw a 22% increase in comparison to the same period in 2020.

The number of children eligible for free school meals has sharply risen to 1.9 million in England, 22% of pupils.



Are some groups more vulnerable to inflation than others?

Even public sector workers such as [police officers](#) or [NHS workers](#) are using food banks, but some groups are much more severely affected. [Disabled people](#) often need more heating to stay comfortable, extra electricity to charge assistive technology devices and petrol to get about due to limited transport options. The disability charity Scope estimates the extra costs at almost £600 each month.

[Survivors of domestic abuse](#) may also find that an abusive partner has stronger justification for managing household finances, making it more difficult for an abuse survivor to become independent.

OpenDemocracy reveals that almost 90,000 [care users](#) in England have fallen behind with their payments, facing action from aggressive debt recovery agencies. One in four 'chargeable' care users have been sent reminders or warnings, and hundreds referred to debt collectors.

Until the May 26 measures take effect, benefit recipients have seen the value of their benefits fall dramatically in real terms while prices rise, especially since the removal of the £20 a week uplift provided during the pandemic.

This was on top of a four-year freeze on benefits rates which followed three years where the uprating was capped at 1%.

Basic benefits are worth 11% less than they were a decade ago.

After considering other cuts to family benefits over the same period the real losses are:

- **£400 per year for a single person**
- **£620 for a couple**
- **£1,200 for the first child**
- **£620 for the second child**
- **£3,200 for each additional child above two**

And even this ignores the effect of other changes such as the benefit cap and the "bedroom tax."

How are Cost-of-living increases affecting social housing tenants?

In April, most English housing associations made the 4.1% rent increase allowed by government policy and so did a large proportion of local authorities (although some adopted lower increases and two councils, Wandsworth and Dartford, froze their rents). Scotland and Wales saw lower social sector increases than England, and in Northern Ireland the Housing Executive's rents were frozen.

It is too soon to assess the overall effect on rent arrears of the cost-of-living crisis together with these increases. At the end of March, the Regulator of Social Housing [reported](#) that arrears in England were only at the same level (3.4%) as they were a year earlier.

However, many social landlords are making their own assessments of the hardship experienced by tenants. This evidence and landlords' response to it will be covered later in this series of bulletins.

A survey by L&Q of its residents, in which 800 people took part, gives an indication of the issues social renters are facing:

- four-fifths of those responding have an income of under £25,000
- 25% regularly find paying their rent unaffordable
- two-thirds find their rents less affordable now than they were a few years ago
- 35% either have nothing left each month after essential costs are met, or have to borrow
- 72% are unable to save money each month; 70% would be unable to make a one-off payment of £500
- however, most (83%) had not used a foodbank in the past six months.

What new government help is available?

After the widely criticised measures in the March Budget, the Chancellor [announced](#) a new raft of cost-of-living measures on May 26. They are set out in detail for CIH members in a [What you need to know](#). Briefly, they are:

- one-off payments of different amounts for the most vulnerable - the elderly, those with disabilities, and those with the lowest incomes
- £400 discount on energy bills for all households (with the previous loan scheme scrapped)
- £650 for those on the lowest incomes (supported through benefits) via two lump sums (July and Autumn)
- £150 for those on disability living allowance
- £300 for pensioners who receive winter fuel payments
- local authority household support fund increased by £500 million.

The Chancellor also confirmed that next year's benefits uprating will rise with this September's inflation.

How much will the new measures help?

CIH gave a general welcome to the measures as going much further than those in March; they are also aimed more directly at the most vulnerable. Most other commentators agreed with this assessment.

The IFS [said](#) that, on average, the poorest households will now be approximately compensated for the rise in the Cost-of-living (see Figure 7). Many low earners will be better off this year than last, while high earners still tend to be worse off. As an example of the combined effect of the March/May measures, low-income pensioners with a disability will get £400 off their energy bill, a £650 payment for means-tested benefit recipients, a £150 payment for disability benefit recipients, a £300 top-up to their winter fuel payment, and a £150 council tax rebate. That's £1,650 in total.

Low and middle earners, and those out of work, will now typically see real incomes broadly maintained (or better) this year

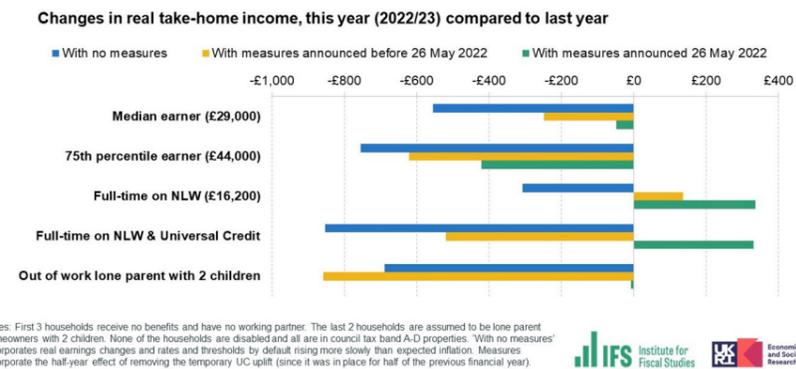


Figure 7: IFS assessment of impact of May 26 government measures

The Fuel Bank Foundation [said](#) that more help should have been given to households on the lowest incomes who are most affected by high fuel bills and most likely to have to use prepayment meters. They added

“Analysts predict that we are in a period of high energy prices, rather than at a peak that will subside quickly. It’s therefore essential that government addresses the amount of energy households use, since this is also a way to reduce bills. Following on from today’s statement, we welcome the opportunity to assess how additional longer-term funding is made available to better insulate homes, at pace, of some of the poorest in society so we can move beyond having to provide crisis financial support to keep homes warm.”

The RF [pointed out](#) that the combined effect of various measures is that households in the bottom two income deciles (the lowest 20%) will gain on average £1,195, compared to £799 for households in the middle two deciles, while the top deciles on average lose £456. The government has offset 82 per cent of the energy price rise, rising to 93 per cent for poorer households. The one-off payments are likely to be more beneficial than the other option of “bringing forward” next April’s benefit increases to Autumn 2022.

However, using flat payments creates some “rough justice” for benefit recipients. They are a diverse group and the percentage increases they receive vary widely: 17% will get support equivalent to an increase of more than 50% in

their means-tested benefits. But for 4% of them, it is less than 5%. Among working-age households receiving benefits, households with three or more children will see energy bills pushed up by £500-plus a year more than those without children, but will get the same one-off payment. Uprating all benefits would have helped large families more.

The Child Poverty Action Group [said](#) the measures were a “good start” but criticised the fact that they are only a temporary solution. “If the chancellor is serious about supporting those who are struggling then he will need to make long-term changes to the structure of the social security system and restore the value of benefits to something that families can really live on.”



What is CIH calling for?

CIH is still pressing for the long-term reforms presented in our [spring budget submission](#). The government should:

1. Provide enough help with housing costs so people can access an affordable, decent place to call home and permanently restore the £20 uplift for people on universal credit to ease the pressures of fuel poverty
2. Bring forward investment with clear, long-term plans to tackle homes with poor energy efficiency
3. Invest in a long-term strategy to end homelessness in all its forms and provide good quality temporary accommodation
4. Invest in existing and new supported housing to meet a range of support needs.
5. Increase grant levels to provide the number of homes at social rents we need each year.

We will be assessing the effects of the new cost-of-living measures and setting out what more help will be required. We will also (through this series of briefing papers) be raising a debate on how the sector itself should respond to the crisis.





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Date of Meeting 11th October 2022

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Exemption applied: None

Review date for release N/A

Emergency Winter Housing Plan

Report summary:

This report outlines our plans to respond to the cost of living crisis and our commitment to support our vulnerable tenants throughout the winter period. Given the dramatic increases in gas and electricity prices, and the sharp rising costs of many essential items for many the cost of basic survival needs will exceed household income.

The report proposes the adoption of a series of short-term measures to be implemented this winter and the creation of a Housing Winter Pressures Hardship Fund to help combat the worst impacts on vulnerable households.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

- (1) That the Housing Review Board recommend to Cabinet and Council the approval of a budget of £50,000 to allocate towards delivering this project and to designate as a Housing Winter Pressures Hardship Fund.
- (2) To give delegated Authority to the Strategic Lead- Housing, Health and Environment and the Housing Service Lead to approve the detail and criteria of the hardship fund and the grounds on which funds will be allocated to households.
- (3) To approve the other actions highlighted in the report that will deliver housings contribution to the EDDC Winter Pressures Plan.

Reason for recommendation:

To respond quickly to the worsening affordability crisis being faced by housing tenants. We wish to support and attempt to mitigate the worst effects of the increasing cost of living crisis by ensuring that at risk households can access affordable food, housing, warmth and meet other basic needs.

Officer: Yusef Masih – Interim Housing Services Manager. ymasih@eastdevon.gov.uk/

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
 Coast, Country and Environment

- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Medium Impact

An equality Impact assessment will be completed on development and delivery of the project.

Climate change Low Impact

Risk: High Risk; Not responding to the cost of living crisis places our tenants at serious risk, including the risk of not being able to access food and warmth.

Links to background information

[\(Public Pack\)Agenda Document for Cabinet, 05/10/2022 18:00 \(eastdevon.gov.uk\)](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1. Background

1.1 A report on the cost of living crisis and EDDC winter pressures plan will be presented to Cabinet on the 5th October 2022. This report considers the cost of living crisis in the context of our Poverty Strategy and alongside our commitments to support our vulnerable residents. The report will propose the adoption of a series of short-term measures to be implemented this winter and to be incorporated into a Winter Pressures Plan to help combat the worst impacts on vulnerable households. Cabinet are likely to adopt the Winter Pressures Plan set out in the report and the implementation of the actions designed to mitigate some of the factors impacting on vulnerable households and to avoid them going into poverty (this will be confirmed at the meeting) . The proposals outlined within this report set out our response to the objectives deliverable by the housing service within the Winter Pressures Plan:

- Exercise discretion when providing welfare support and advice to support those people who could potentially go into crisis.
- Utilise Council resources set aside for poverty relief towards hardship payments and advice on debt relief.
- Maximise partnership working and coordinate efforts with our partners in the statutory, voluntary and community sectors towards poverty prevention.
- Promote affordable warmth, insulation and energy saving schemes, to improve heat retention and better insulated homes.
- Liaise with others including Devon County Council and local NHS organisations to help maintain and support residents in good physical and mental health, including

engaging in community-led health & wellbeing initiatives, volunteering and socialising via local initiatives.

- Liaise with others to support access to food and nutrition, including healthy eating exercises/initiatives, organising a community garden to grow produce, setting up of a Community Larders or providing extra support to local food banks to meet unmet need.
- Prepare for a possible 'rent shock' or increased Council Tax arrears as households in the district may prioritise between heating and eating instead of paying their rent or council tax.
- Increase capacity to provide housing advice that focuses on tenancy sustainment and preventing homelessness.
- Utilise Housing Community Centres as community facilities that support residents and communities combat cost of living threats.
- Working with Team Devon, Town and Parish Councils and the voluntary sector to explore the warm places project and how that can be delivered in East Devon.
- Assist tenants in furnishing and providing white goods in their new homes and avoid furniture poverty.

2. Emergency Winter Housing Plan

The proposals outlined within this report set out more specifically a series of measures that will form housings contribution to the Winter Pressures Plan.

2.1 Project Officer

We are in the process of recruiting a fixed term (6 months) Project Officer to lead on, consult, co-ordinate and deliver the housing services response to the Winter Pressures plan. We intend to fund this via staffing cost savings within the Housing Revenue Account that have arisen due to vacant posts. This approach was approved via SMT+ who recognised the need to press ahead at pace with developing this project in order to ensure we are able to support people quickly as winter approaches.

2.2 Project development

Due to the immediate need to create this project, the details of how we will actually deliver this on the ground are still very much emerging but the actions below are areas that we are now working on. We intend to run this project through to March 2023.

The Project Officer will:

- Consider what additional measures can be put in place to support tenants through the coming months; consulting with residents, the voluntary sector as well as our Corporate Financial resilience and support team.
- Set up a hardship fund to deal with immediate support that residents may need, and design an appropriate policy, procedure and a process for it. This may target our properties that are the most poorly insulated as we recognise the higher risks to tenants that reside in these properties.
- Risk assessing and opening Community centres to provide warmth, social interaction, broadband access and hot drinks, this may extend into providing additional food provision.
- Promote the work of the project both internally and externally, ensuring timely and relevant press releases, information and leaflets are produced; the information on the website is relevant and social media is used to best effect
- Work with other teams to deliver support services at the Community Centres including benefit maximisation, financial advice and resilience, foodbank, energy efficiency

- Co-ordinating external and internal support to ensure it reaches those people who need it.
- Design and deliver a toolbox talk for contractors entering our properties to help them identify signs and concerns that tenants may not be coping and how they should liaise with us when they come across these properties.
- Consider an extension of the current food poverty work we already undertake.
- Monitor outcomes of the project, this will be reported on a monthly basis to the Housing Leadership Team.

2.3 Consultation with involved and not involved tenants

We have consulted with tenants both involved and not involved by holding a workshop to discuss this topic, this happened on the 27th September 2022. The outcome of the consultation was that tenants would like the project to consider:

- The provision of scarves, socks, gloves and blankets
- We ensure areas where we only have a small number of properties are not excluded
- The provision of draft excluders
- Ensure we consider the needs of tenants who cannot easily walk to community centres
- The provision of energy efficient light bulbs
- Communication of where the foodbanks / community larders and how they can be accessed.
- Consider including the provision of pet food
- Provide utility support advice to tenants with electrical equipment that supports their health
- Hardship telephone number to be able to immediately access support
- The consider funding groups already in place so that they can provide hot drinks / warm places and snacks (libraries, pubs other groups, Parish halls)
- The recruitment of good neighbours with boundaries who could support and help
- Information packs for tenants
- Volunteers helping at community centres with opening / closing
- Enhanced cleaning / provision of toilet rolls in centres
- Provide reasons / activities for people to come to the centres
- Special winter newsletter with details of support that can be accessed.
- Educate tenants to keep warm
- Consider support for younger members of the household
- Provide support to tenants who cannot manage money

The Project Officer will consider the above to look how these measures can be incorporated into the project. The session was extremely beneficial and has helped us to develop current proposals as well as given us new ideas that could be quick to implement.

2.4 Further considerations.

The day to day work of the housing service touches on much of the work outlined in this report and there are further areas that we are developing that will have an added benefit to tenants and will contribute to what we are trying to achieve with this project;

- Review of the void standard to consider whether we let properties to a higher standard- example- carpets in every property?
- Identify properties with low energy efficiency ratings / in receipt of Household Support Fund and within the poverty index and explore how we can support them (repairs / financial)
- Review of the Furniture Recycling project

- Tenant profiling which will help us understand the different needs of our tenants. In relation to the equality standards, tenants with additional support needs and how tenants wish to communicate with us.

2.5 Resources

The Project Officer will be managed by the Interim Communities Manager and the wider team will also support the project. The Project Officer will work with other managers / officer in order to deliver the agreed projects. They will also seek to identify and enable volunteers to help deliver the projects

It is proposed that the Housing Review Board agree an initial fund of £50K to support the project, this will also include the creation of a Housing Winter Pressures Hardship fund that can be used to directly allocate financial support to tenants.

2.6 Delivery / monitoring / reporting

The Project Officer will report progress to the Housing Leadership Team monthly. A full report on the project will be presented to the Housing Review Board in May 2023.

Financial implications:

There is a recommendation for a supplementary budget of £50k, if approved this will be met from the HRA Balance.

Legal implications:

There are no legal implications on which to comment. (GSalter 29/09/2022)