



**Hinckley & Bosworth
Borough Council**

Forward timetable of consultation and decision making

Scrutiny Commission: 15 September 2022

Wards affected: All Wards

Cost of Living Crisis

Report of Director (Community Services)

1. Purpose of report

- 1.1 To advise members on the impact of the cost of living crisis experienced by residents, and the subsequent demand for local authority services and support
- 1.2 To introduce the Cost of Living action plan, to help mitigate against the impact of the cost of living for residents of Hinckley & Bosworth

2. Recommendation

- 2.1 That Members note the report
- 2.2. That Members endorse the Cost of Living action plan

3. Background to the report

- 3.1. The local authority has well established work streams and targeted interventions aimed at supporting those who are facing financial hardship, or who are likely to fall into financial hardship. However, the impact of the increase in the cost of living is increasingly evident within the borough, with evidence that there are an increasing number of individuals and families, who are unable to meet certain financial liabilities, both owned to the Council and other parties.
- 3.2. This report seeks to update members on the key issues, where the increase in the cost of living, is having significant impact, and the subsequent demand in the need to access support services and provision. It also outlines some of the measures that are currently in place to support residents, whilst

recognising that more needs to be done to ensure that services and support are accessible and sustained for those most in need within our communities.

3.3. Rent collection rates

The councils rent collection data, is a specific indicator reflecting the impact of increased financial hardship. Prior to Covid-19 average monthly rent collection rates were around 97% to 98%. During and beyond Covid-19 monthly collection rates having been much lower with a significant drop in April 2022 to less than 60% which was no doubt impacted by the increase to the energy price cap introduced in the same month. Further details are set out in Table A below.

3.3.1. Table A

Month	Percentage of rent collected in 2019	Percentage of rent collected in 2020	Percentage of rent collected in 2021	Percentage of rent collected in 2022
January	96.76%	97.20%	91.69%	93.47%
February	97.17%	97.44%	94.55%	96.31%
March	96.59%	97.28%	97.64%	97.83%
April	95.07%	95.65%	59.60%	58.64%
May	91.74%	66.27%	71.53%	70.29%
June	94.53%	76.28%	75.39%	
July	98.84%	76.39%	87.56%	
August	96.64%	81.41%	79.98%	
September	98.30%	84.50%	83.11%	
October	97.72%	85.70%	84.21%	
November	97.45%	90.76%	88.36%	
December	98.11%	90.92%	89.20%	

3.3.2. **Debt profiling information** also suggests that 7% of tenants are responsible for 56% of total tenant debt. This equates to 212 tenancies who are in rent debt of £1000 or more.

3.3.3. Council Tax Debt

The following details the rising levels of Council Tax arrears for Hinckley & Bosworth over the last 3 years (figures at 30th June each year):

2021/2022	£1,502,489
2020/2021	£959,246
2019/2020	£669,945

Detailed quarterly performance management information from Citizens Advice, indicates that Council Tax debt is one of the highest factors in relation to debt issues, even above Credit Card debt.

3.3.4. Debt Respite Scheme

Breathing Space, a debt respite scheme introduced by Government in May 2021 provides someone in problem debt the right to legal protections from their creditors.

A standard breathing space affords a person with protection for up to 60 days. A mental health crisis breathing space is only available to someone who is receiving treatment for a mental health crisis and can last as long as any treatment lasts, plus an additional 30 days.

In 2021, 25 Hinckley and Bosworth residents accessed a standard breathing space. This year to date, 4 people have accessed a standard breathing space, with no residents to date having accessed a mental health breathing space, but it is anticipated this will start to increase, as residents are faced with mounting and multiple financial challenges. This is likely to change as residents are faced with further financial hardships.

3.4. Fuel poverty

A household is considered to be in fuel poverty when its members cannot afford to keep adequately warm at a reasonable cost, given their income. According to BEIS (Department for Business, Energy & Industrial Strategy) it is estimated that **11.4%** of the Borough were considered to be living in fuel poverty in 2019. This figure is expected to rise significantly this Winter due to the anticipated energy cap expected in October 2022.

It is estimated that household energy bills have increased by **54%** since April 2022, and whilst some measures have now been confirmed by Government to support people with the cost of living crisis, and particularly in relation to energy costs, but these are either short term or one off interventions, with energy costs representing only one element of rising living costs.

Alongside gas and electricity costs, the significant rise in the cost of petrol, will impact greatly in terms of the proportion of income that is needed for energy and petrol costs, significantly impacting those on low incomes and zero hours contracts.

3.5. Food Poverty

National research conducted by The Food Foundation, showed that during April 2022, **2.4 million adults did not eat for a whole day** because they couldn't afford or get access to food, equating to a **57%** increase in the number of households cutting back on food or missing meals altogether in the space of just three months. Furthermore, their research indicates that the extremely rapid rise in food insecurity since January 2022, puts families under

extreme mental stress and forces people to survive on the cheapest calories which leads to health problems.

The Trussell Trust with overseeing the implementation of Foodbanks across the country, revealed that from 1st April 2021 to 31st March 2022, Foodbanks in their network provided **2.2 million food parcels** to people facing financial hardship. The Trussell Trust identified the Government's decision to cut £20 a week from Universal Credit, the energy price cap rise and the increase in the cost of living as some of the factors driving the increase in food bank use.

- 3.5.1. Locally in respect of the Hinckley Area Foodbanks, **Appendix 1** provides a detailed breakdown of provision of food parcels from April 2021 to March 2022, indicating that the equivalent of **50,397 meals** were provided to our community via our Hinckley Area Foodbanks. The attached also details the breakdown in terms of how many adults and children were supported, and ward level data.
- 3.5.2. The Borough Council is currently in discussion with Feed the Hungry (a key Charity which works alongside the Hinckley Area Foodbanks to enable access to food and other essential items), and the Rural Communities Council, to inform a pilot project, which will deploy a mobile community food hub/van to targeted areas within the Borough.

3.6. Housing demand

There is significant demand for rented social housing in the borough, and demand continues to increase year-on-year. In terms of meeting the demand, the council currently has a total dwelling stock of approximately 3,220 units of accommodation. On average, 220 properties become void annually, representing an annual stock turnover of around 7%.

- 3.6.1. Alongside this, many landlords within the private sector were adversely affected during the pandemic as the government imposed a moratorium over evictions for a number of months. The consequence of this is that there is less private sector rental accommodation available, increasing overall housing demand and limiting choice for our residents. Anecdotal information suggests that private sector renters are in fierce competition with as many as 20 renters at any one time trying to pursue a single property.
- 3.6.2. In addition, the pandemic has increased the number of homelessness approaches to the council over recent years. The Homelessness Reduction Act 2017 which came into force in April 2018 imposed further requirements on each Local Housing authority to extend its duties in relation to those accessing housing support or presenting as homeless. The new burdens, coupled with mandates from government over the course of the pandemic such as "Everyone In" have again led to increased numbers of people accessing housing options advice and requiring support with the provision of temporary accommodation until settled accommodation can be secured.

- 3.6.3. Through its prevention policy and associated prevention fund the housing options service is able to support both homeless applicants and private sector landlords to make an allocation to a homeless applicant more attractive or more secure for private sector landlords by providing a bond or rent in advance. Yet despite these incentives many landlords are still resistant to providing accommodation to those in need who have come via the homelessness pathway. As a consequence, social housing is often the only option available for homeless applicants.
- 3.6.4. An added pressure to the existing very challenging demand on housing and accommodation, is the responsibility of the local authority under its homelessness statutory duty, to accommodate those who become homeless as a result of the relationship break down between Ukrainian guests and their host family. In recent weeks, we have received an increasing number of calls from hosts indicating that the situation is untenable for a range of reasons. Furthermore, we are gathering evidence via a host family survey, that indicates many host families will not continue the arrangement past the initial 6 months (the minimum requirement of host families).

3.7. Welfare support

The Council introduced a Resident Support Scheme, to respond to a range of residents needs arising during the Covid-19 pandemic, and we have continued to deliver the financial support element of this provision.

This support is provided by our Welfare Support Officer whose role is not only to support people with financial hardship, but also to explore income maximisation. Support is currently available to all residents across the borough regardless of their tenure.

The need for this service is illustrated in **table B** which details the number of cases that have received direct support from the Welfare Support Officer since the role was introduced. It is also worth noting that in March 2022 the highest number of referrals were received by the Welfare Support Officer which would seem to coincide with the energy price cap increase from the 1 April 2022.

Table B also provides a breakdown of the specific support accessed for all cases, with significant numbers seeking support via the Household Support Fund. This fund supports those most in need with energy bills, food and fuel, and was available December 2021 to January 2022. It has now been recommenced and will run May – September 2022.

However, it should be noted that the dedicated Welfare Support Officer role is a temporary post funded until January 2023 and in order to continue this service additional funding will need to be secured.

Table B**Welfare support provision, delivered by the Welfare Support Officer January 2021 to June 2022**

Number of cases dealt with January 2021 to June 2022

Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	July 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22
4	13	31	24	20	15	9	20	17	15	10	43	58	64	97	40	31	45

Specific areas of advice supported/enabled access to January 2021 to June 2022

Type of provision accessed/supported	Total numbers Jan 21 – June 2022
Benefits Advice	252
Scheme Advice	184
Debt Advice referral to Citizens Advice	103
Covid Winter Grants referral	21
Food parcels	101
White goods charity link referral	27
CEV	7
White goods Work Link referral	13
Hardship fund grant	11
Zinthyia Trust referral	3
Mental health referral	3
Disability Grant referral	1
Safeguarding referral	3
Over counter medical needs	2
Liaison with Orbit Housing over debt	1
Salvation Army support	1
Energy Efficiency Grant referral	1
Liaison with school	1
Referral to Private Sector Housing	1
Help with Trust Fund for British Gas	1
Access to Household Support Fund	125

3.7.1. Signposting to available support in respect of financial hardship

To enable our communities to assess the range of information, advice, guidance and provision available to them in relation to financial hardship, we have developed a leaflet setting out this range of provision – **attached at Appendix 2**. We have promoted this on an ongoing basis via social media and the Borough Bulletin, as well as sending directly to all our housing tenants.

3.8. Citizens Advice Support

The local authority has a longstanding SLA in place with Citizens Advice Leicestershire (CA), who provide a range of provision to support our residents including: advice and guidance in relation to welfare benefits; debt, housing and employment issues, as well as support for family and relationship matters, immigration, discrimination, community care and consumer issues.

Attached at **Appendix 3** is a briefing paper prepared by CA which details the impact of the increase in the cost of living, both the national context, and the impact for Hinckley & Bosworth. The following highlights some of the most significant issues/statistics detailed in this briefing paper:

- In 2021/22, CA supported **2,494** Hinckley & Bosworth residents, and dealt with **7,987** issues.
- Helped to secure **£1,403,974** in additional income for local households, through access to benefits and dealing with debt, while **67,399** individuals accessed online advice directly from www.citizensadvice.org.uk.
- CA has seen an increase in the number of clients seeking support, specifically during Q3 and Q4 of 2021/22, including a **250% rise** in clients seeking help to access charitable/one off support for basic needs, and a **180% increase** in those seeking support for utilities issues.
- In 2021/22 CA supported **1,153** Hinckley & Bosworth clients with a benefits issue
- Between December 2021 and March 2022, CA supported **62** Hinckley & Bosworth residents to access the Household Support Fund. Most applicants were seeking help with food or fuel vouchers, and many also accessed other support, such as help with Discretionary Housing
- In Hinckley & Bosworth, **7,062** households were affected by the £20 a week cut to Universal Credit in October 2021, which also removed £7,334,480 annually from the local economy.
- During 2021/22 CA supported **335** Hinckley & Bosworth residents with a debt issue, dealing with **£652,338** of total debt.
- Indications suggest that when the migration of households from legacy benefits to Universal Credit recommences in May 2022, approximately **2,561** households in Hinckley & Bosworth will be affected by the end of the transition period in September 2024.

4.0. Cost of Living Action Plan

- 4.1. Therefore, in order to mitigate against the impacts of the increase in the cost of living, a facilitated workshop on 23rd June 2022, brought together HBBC officers from a range of relevant service areas to help inform an action plan, to help mitigate against the impact of the cost of living crisis.

Whilst it emerged we have a fairly broad offer of support, delivered in conjunction with our key partners e.g. Citizens Advice, Clockwise Credit Union, Foodbanks and other voluntary organisations, etc., it was recognised that given various support provision has evolved overtime, some processes and procedures are fairly clearly defined and understood by officers, others are less so. Similarly, information, advice and guidance, may be clearly

understood and utilised within the service area/section with specific responsibility for that function, but not necessarily by officers across all relevant service areas. Therefore, an immediate and key action arising from this session, is to ensure there is a clear understanding of the 'collective comprehensive offer', in order to ensure and enable a consistent approach in supporting residents.

The outcomes from this workshop have helped to inform an **initial Action Plan in responding to the Cost of Living crisis**. This is detailed at **Appendix 4**, setting out how the authority will refocus its existing capacity and resources, to reinvigorate and enhance some of the existing measures in place to support residents, alongside new initiatives, targeted campaigns, and better join up of across relevant service areas.

Whilst this initial plan has been informed by HBBC officers, we will of course engage with our key partners to further inform this, and in the establishment of an underpinning delivery plan, to enable immediate implementation.

- 4.1.1. Alongside this we are planning a **money advice and wellbeing event for Saturday 1st October from 10.00am-1.00pm at The Meeting Centre, in Hinckley**. Residents of Hinckley & Bosworth will have the opportunity to meet with a range of organisations, including the Borough Council, to access information and advice in relation to: household budgeting, managing debt, managing energy and fuel bills, housing costs, and benefits (to date we have secured 30 key stakeholders to support the event). The event will also help residents understand how to look after their mental health and wellbeing, as well as ideas for cooking on a budget with taster sessions, etc. This is being promoted as a free drop in event, encouraging residents to come and find out about local support services in a friendly and informal setting.

The event will also provide an opportunity for the authority and other partners to gain feedback on what more we can do to help residents access provision, and any existing barriers, challenges etc. This will further inform the action plan.

- 4.1.2. In addition the local authority has submitted an application for the UK Shared Prosperity Fund (UKSPF), as part of the Government's Levelling Up agenda. The submission includes a number of projects/initiatives aimed at supporting the cost of living crisis, specifically, funds to extend the current Welfare Officer post to 2025, and to supplement this with a further p/t Welfare Officer post. The deadline for the submission was 1st August, with feedback on the outcome expected in October/November 2022.

5.0. Exemptions in accordance with the Access to Information procedure rules

- 5.1 To be taken in open session.

6.0. Financial implications (IB)

6.1 Currently work is being done using existing resources. If this position changes additional resource requirements will need approving in accordance with financial procedure rules.

7.0. Legal implications (MR)

7.1 None

8.0. Corporate Plan implications

8.1 The report aligns with the following corporate objectives;

People: Helping people to stay healthy, active and protected from harm

9.0 Consultation

9.1. A focused workshop with key HBBC officers took place on 24th June 2022 to inform the initial action plan. A resident involvement event is planned for 1st October 2022 to further inform this plan.

10. Risk implications

10.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

10.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

10.3 The following significant risks associated with this report/decisions were identified from this assessment:

Management of significant (Net Red) risks		
Risk description	Mitigating actions	Owner
People's inability to afford costs of maintaining a home and associated essential living costs	Development of a focused Cost of Living Action Plan	Edwina Grant/Maddy Shellard

11. Knowing your community – equality and rural implications

11.1 The action plan is informed through a range of ongoing interventions which support our communities, and subsequent evidence of need for support and provision.

12. Climate implications

12.1

13. Corporate implications

13.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: None

Contact officer: Edwina Grant Ext 5950/Maddy Shellard Ext 5746

Executive member: Cllr Stuart Bray & Cllr Michael Mullaney