



**Hinckley & Bosworth
Borough Council**

Forward timetable of consultation and decision making

Scrutiny Commission: 10 November 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 owed 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%. **At September 2022 this is at 81.10%**, but it is anticipated this will drop again as we enter Quarter 3 of 2022/23. Table A below sets out further details.

Where possible, the rent collection team continues to take a supportive approach to rent collection and debt recovery, but the increasing reality is that many of our tenants can no longer afford to pay their rent, and as such their security of tenure remains in question. Owing to the cost of living crisis the rents team is now seeing a growing number of residents in debt with the council for the first time, with little scope to resolve their situation in the immediate or medium term due to the wider economic situation.

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%	75.47%
July	98.84%	76.39%	87.56%	75.10%
August	96.64%	81.41%	79.98%	80.23%
September	98.30%	84.50%	83.11%	81.10%
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 224 tenancies who are in rent debt of £1000 or more, at September 2022.

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 30 September 2022:

2021/2022	£1,299,638
2020/2021	£899,259
2019/2020	£647,227

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, 7 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 in the coming months due to the rise in energy prices.

It is estimated that household energy bills have increased by **54%** since April 2022, and whilst some measures have been confirmed by Government to support people with the cost of living crisis, and particularly in relation to energy costs, 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 who oversee 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.

Whilst detailed data will not be available for 2022/23 until next March 2023, high level data indicates a rising trajectory compared with last year. To keep pace with rising demand, a further Foodbank access point has been opened in Newbold Verdon, and for the first time in 10 years, levels of food donations can not meet demand, requiring Hinckley Area Foodbanks to spend approximately £500 per week to purchase key food items, and are **allocating one and half tonnes of food per month**.

- 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 Cadent, to inform a pilot project, which will deploy a mobile community food hub/van to targeted areas within the Borough.

3.6. Housing demand and Homelessness

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.

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, commenced again May 2022 – September 2022, with a further programme launched on 26th October 2022 which will run until end of March 2023.

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.

3.7.1. Table B

Welfare support provision, delivered by the Welfare Support Officer January 2021 to September 2022

Number of cases dealt with January 2021 to September 2022:

Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	July 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
4	13	31	24	20	15	9	20	17	15	10	43

Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	July 2022	Aug 2022	Sept 2022
58	64	97	40	31	45	104	20	33

Types of provision supported to access/supported referrals January 2021 – September 2022:

Type of provision accessed/supported	Total numbers Jan 2021 – Sept 2022
Benefits Advice	319
Scheme Advice	239
Debt Advice referral to Citizens Advice	115
Covid Winter Grants referral (time bound scheme)	21
Food parcels	120
White goods charity link referral	31
CEV	7
White goods Work Link referral	13
Hardship fund grant	14
Zinithiya 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	182

3.7.2. To add additional context to the data provided, it is worth noting that customer contact to all HBBC key services detailed above, continues to increase as customers face economic uncertainty due to the cost of living crisis. Increasingly customers are advising that they are faced with the quandary of whether to feed themselves and their families, heat their homes or meet their financial liabilities. It is also worth noting that secondary concerns around health and wellbeing have increased as have associated referrals to support services as a result.

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 2** 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:

- During the last 6 months, the cost of living crisis has accelerated, leaving a growing proportion of local residents at risk of significant impacts of destitution, including debt, homelessness, hunger, cold homes and child poverty.

The UK government's energy price guarantee, which caps the average annual household energy bill at £2,500, combined with the £400 energy rebate due this winter, will go a long way to mitigating the very worst predicted effects of the crisis. However, this support is set to end in April 2023, while the cost of energy for a typical household is still £1,000 higher than this time last year.

The reality is that many residents are already struggling with the rises we have seen so far, combined as they are with increases in the cost of food, transport and other essentials.

Locally, we are seeing a significant increase in clients presenting with issues which are indicators of hardship, including benefits, utility bills and the need for charitable support.

- 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. We are seeing a significant increase in demand for support with benefits issues and Universal Credit claims, as residents seek to maximise their income to meet the rising cost of living. In the year to September 2022, we have helped **24% more people** with a benefits or Universal Credit issue compared to 2019/20 and 35% more than 2020/21.
- 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
- The energy price crisis is unprecedented. In the year to October 2022, we have so far helped more people with energy and water issues, compared to the previous two years (2019/20: 134, 2020/21: 140, **2021/22: 260**).
- Charitable support and Food banks - over the past 12 months we have seen a huge rise in people seeking charitable support through the Household Support Fund and food bank referrals. Since January 2022, we have supported **an average of 36 clients per month to access food and fuel vouchers and other charitable support.**

3.9. **Signposting to available support in respect of debt and financial hardship**

To enable our community to assess the range of information, advice, guidance and support available to them in relation to financial hardship, we are continually developing and updating sources of information for our residents. An example of a recent leaflet developed for residents is attached at **Appendix 3**.

In addition we have a **dedicated Cost of Living area on our website** at: www.hinckley-bosworth.gov.uk/info/200411/cost_of_living_support

This is continually updated, and guides residents through the range of support available under the following key themes:

- i) Grants and Support for energy and water bills
- ii) Support with food, including food for pets
- iii) Housing and Welfare Support

iv) Debt, Financial Support and avoiding Scams

We recognise the increased cost of living and money worries may greatly impact on **wellbeing**, manifesting in feelings of despair, and being completely overwhelmed, therefore we are urging residents who are struggling in this way, to reach out to organisations and sources of support that can help, also detailed on our website: www.hinckley-bosworth.gov.uk/info/200411/cost_of_living_support/1874/wellbeing_support

However, we fully appreciate that some residents will need direct help and support to access the provision available. Therefore, we have established a small Welfare Support Team who will prioritise supporting residents who have no one else to support them.

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 **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, going forward we will of course engage with our key partners to further inform this, and in the establishment of an underpinning delivery plan.

- 4.1.1. Since the establishment of this plan in June 2022, the following details some notable progress and achievements to date:

- Development and delivery of a **money advice and wellbeing event on**

Saturday 1 October from 10.00am -1.00pm at The Meeting Centre, in Hinckley, promoted as a free drop in event encouraging residents to come and find out about local support services in a friendly and informal setting. Residents had 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 (over 30 key stakeholders supported the event). The event also helped residents understand how to look after their mental health and wellbeing, as well as ideas for cooking on a budget with taster sessions, etc.

The event proved to be very successful in attracting residents, and feedback was without exception positive from all of our stakeholders, who felt they had opportunity to reach people they hadn't previously, but also to meet and find out what other partners can provide. The event attracted the attention of East Midlands BBC News, who spent a number of hours filming and interviewing residents and stakeholders, with this footage subsequently headlining the local news that evening, highlighting the positive work taking place to support residents of Hinckley & Bosworth.

We are currently working on the delivery of a further event to take place in a rural location.

- Delivery of a **Planning for the Winter**, event for housing tenants on Friday 11 November, 11.30am – 2.30pm at the Hinckley Hub, providing an informal opportunity for tenants to meet the Housing Team, and speak to experts offering advice on preparing for the winter with a specific focus on keeping yourself and your home warm including:

Home energy efficiency; damp and mould advice – prevention and treatment; advice from the Fire Service, as well access to officers who support with rents, benefits and the housing helpdesk. Alongside this hints and tips for cooking on a budget, and information on health, wellbeing and recreational activities and support
- Undertaken a Borough wide survey to understand the offer in relation to those organisations making available a **warm space/hub** for residents over the Winter period - to date we are aware of at least 30 organisations offering this provision. Details of what is available and when, is currently being publicised and will inform part of our ongoing Cost of Living communications campaign.
- Alongside this the Borough Council has launched a **Warm Spaces Grant Funding Programme** to support voluntary & community sector/not for profit organisations, offering a grant of £1,200, to meet associated costs of their warm space offer i.e. support with energy costs, food and drink, and associated activities. To qualify organisations must demonstrate they are offering something over and above their usual offer. Those in receipt of funding will be required to host and distribute HBBC Cost of Living literature/leaflets, to those attending their warm spaces sessions.

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 1 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 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 In the delivery of the Cost of Living action plan, we will seek to deliver support in locations where communities meet i.e. warm spaces/community venues to reduce the need for travel to a central location, plus provide access to information, advice and guidance online where ever possible, and keep printing to a minimum. We will ensure those managing community venues have access to help and advice in ensuring they are operating in an energy efficient way, and are made aware of funding/grant opportunities.

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

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