

Subject:	'Ease the Squeeze' support package	Status:	For publication
Report to:	Council	Date:	16 November 2022
Report of:	Chief Executive	Lead member:	Leader of the Council
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1. RECOMMENDATION

That Council consider and approve the package of support proposed to address the current cost of living pressures for Rossendale residents.

2. EXECUTIVE SUMMARY

- The council acknowledge the significant financial pressure being experienced by many residents as a result of the significant increase in energy costs, inflation and associated price rises in 2022 and would like to provide appropriate support to alleviate this.
- The council is keen to complement the current support being offered by Government.
- The council is proposing to work with the local voluntary sector to provide a package of support to ease the financial pressures being experienced by residents.
- The package of support will be available until 31 March 2023.

3. BACKGROUND

- 3.1. The 'cost of living crisis' refers to the fall in real disposable income that the UK has experienced since late 2021. It is being caused predominantly by high inflation and a significant surge in energy costs outstripping wage and benefit increases. In February, May and September 2022 the Government announced a package of measures aimed at supporting individuals and businesses to lessen the impact of the financial pressures.
- 3.2. In the 12 months to July 2022 the Consumer Prices Index (CPI) is at 10.1%. The Bank of England forecast has inflation peaking at 13.1% in the fourth quarter of 2022. Inflation is expected to remain high for the next two years but this is difficult to predict accurately.

4. GOVERNMENT SUPPORT

- 4.1. The Government has introduced a number of measures to help individuals. This includes:
- A 'Energy Price Guarantee' – from October 2022 this will mean energy bill's for a typical UK household will be capped at £2,500 per annum, the cap was originally set to be in place for two years, but it will now be reviewed in six months. This is automatic and applies to all households.

- Energy Bill Discount - £400 off energy bills for households in from October. The discount will be applied in six instalments between October 2022 and March 2023.
- Cost of Living Payment - households on means tested benefits, including Universal Credit, Pension Credit and Tax Credits, will receive a payment of £650 this year, paid automatically in two instalments, one in summer and another in the autumn.
- Disability Cost of Living Payment - individuals on disability benefits will receive a one-off £150 payment in September to help with extra costs, such as for specialist equipment or transport.
- Pensioner Cost of Living Payment - in the winter months qualifying pensioners usually receive between £100 and £300 to help pay heating bills. This winter, they will also receive an extra one-off £300 Pensioner Cost of Living Payment, which will be paid as an automatic top-up to the Winter Fuel Payment.

4.2. The Government have announced its intention to support businesses. A six-month scheme for businesses and other non-domestic energy users (including charities and public sector organisations like schools) will be offered support. After this initial six-month scheme, the Government will provide on-going focused support for vulnerable industries (although these have not yet been defined).

5. 'EASE THE SQUEEZE' PROPOSED SUPPORT PACKAGE

5.1. The council has no statutory responsibility to support vulnerable people in the current cost of living crisis. However, the council has a long track record of seeking to alleviate the worst impact of poverty in specific circumstances and these have had a positive impact on local people, particularly some of the some vulnerable. This has included; hardship support through the Covid pandemic, financial grant support for Citizens Advice and local credit unions and signposting individuals to wider support through its Communities Team. However, the council is keen to do more in the current climate. The council is proposing to introduce the following specific measures:

5.2. **Energy rebate donation scheme** – some residents in receipt of the £150 energy rebate (from Spring 2022) and anticipated future energy rebates, feel they do not need it and may be prepared to donate it. The council will work with the voluntary sector to set up and promote a donation scheme to take receipt of residents' donations. These funds will be used to financially support activities in the overall package of support.

5.3. **Foodbank donation** – in 2022/23 the council has have already provided £43k to foodbanks (£20k to Raft and distributed £23k to smaller foodbanks). This contribution will be increased to a total of £103k to enable the foodbanks to better cope with an anticipated increased demand and lower contributions from the public and other organisations.

5.4. **Citizens Advice support** – in 2022/23 the council have already provided an annual grant of £35k, £21k for provision of a debt advisor and a further £37k towards their crisis management provision. It is proposed to contribute a further £20k for crisis management provision. This will make contribution of £113k in 2022/23.

5.5. **Affordable Warmth Fund** – the council received an allocation of £63k from the Government's Affordable Warmth Fund which provides funding to improve home energy efficiency such as insulation and central heating. The council is proposing to partner with

Homewise, our local Home Improvement Agency, to deliver the programme on our behalf. In addition the Council is contributing a further £50k towards this scheme.

5.6. As part of the overall approach the council has started signposting residents to energy efficiency, debt, hardship and other advice. This will enable residents to access a wider range of support and advice. The council will also promote all of this support under a media campaign across the Autumn and Winter to raise awareness of the support and advice.

6. RISK

6.1. If the additional financial support isn't provided there is a serious risk of some of Rossendale's most vulnerable residents being exposed to health risks if they reduce their residential heating in the coming months.

7. FINANCE

7.1. The package of support totals £328k.

Funding Breakdown	
	£
Foodbank Donations	102,950
Citizens Advice	112,575
Affordable Warmth Fund	112,587
Total Expenditure	328,112
Funded by	
Houshold Support Fund	209,950
Affordable Warmth Fund	62,587
RBC Own Funds	55,575
	328,112

7.2. In order to minimize the risk to the council's own financial position, the council has maximized the use of external funding to provide this package of support. The council's contribution remains as was approved in the February 2022 Medium Term Financial Strategy.

8. LEGAL

The report has no specific legal implications.

9. POLICY AND EQUALITIES IMPLICATIONS

The package of measures is aimed to help some of Rossendale's most vulnerable residents. It supports the wider strategic aim of the council to have 'healthy and proud communities'. Agreement to these measures is likely to reduce the exposure of vulnerable residents to health risks if they reduce their residential heating.

Background Paper	
Help for Households	https://helpforhouseholds.campaign.gov.uk/
HM Government	