

For publication

Cost of living crisis

Meeting:	Overview and Performance Scrutiny Forum
Date:	8 September, 2022
Cabinet portfolio:	Covers all portfolios
Directorate:	Health and Wellbeing

1.0 Reason for inclusion on the work programme

- 1.1 At the pre-agenda meeting on 9 August, 2022, the Scrutiny Chairs discussed the impact of the cost of living crisis on residents and there was an expectation that many more residents would be in need of support in the coming months as the winter period approached.
- 1.2 An opportunity arose for scrutiny to play a role in identifying the current support available from the council and/or in connection with partner organisations. This would enable members to be prepared to respond to residents' needs and examine other ideas or plans that the council may wish to consider in response to the cost of living crisis.

2.0 Summary

What is the current cost of living crisis and how is it been caused?

- 2.1 The current crisis has occurred due to a decrease in households' disposable income. This decrease has been caused by rising inflation which has exceeded the rate of wage and benefit increases. The main cost increase driving the current crisis is the rise in energy bills. The energy price cap was raised in April 2022 and energy bills are due to increase further in October 2022 when the energy price cap will be raised again. In April 2022, the average energy bill rose to around £2k per year¹, however it is forecast that average bills may reach £4.2k per annum in 2023.²
- 2.2 In addition to the energy price rises, there has also been price increases in the cost of petrol and diesel, food and interest rates. All these factors have had an impact on households' budgets, with the most affected being low-income households.

¹ <https://www.bbc.co.uk/news/business-62380728>

² <https://www.bbc.co.uk/news/business-62494406>

- 2.3 This report summarises the current support available through government schemes as well as additional support available from the council and other partner agencies and organisations.

3.0 Report details

Overview of welfare and benefits

3.1 Statutory benefits and advice

A number of statutory benefits are provided by the Government which are administered by the DWP and HMRC. The benefits provided by the state are Jobseeker's Allowance and Employment and Support Allowance (including income-based claims), Universal Credit, Income Support, Carer's Allowance, Personal Independence Payment, Disability Living Allowance, Pension (State and Credit), Attendance Allowance, Industrial Injuries Disablement Benefit, Working Tax Credit, Child Tax Credit and Child Benefit.

- 3.2 The Council has a benefits advisor who supports residents in understanding which benefits they are eligible to claim and can assist with completing application forms. [More information is available on the council's website.](#)

- 3.3 Derbyshire County Council (DCC) also provides advice on welfare benefits and tax credits. Their assistance includes providing over the phone support about which benefits a resident can claim and how to claim them, advising on how to challenge decisions made by benefits authorities and helping residents prepare for appeals against decisions. [More information is available on DCC's website.](#)

Additional grants, funds and support

3.4 Help for households campaign

The Government have announced a series of financial support payments to help with the cost of living crises. This includes the Cost of Living payment which is for households on means tested benefits, the Disability Cost of Living Payment for people on certain disability benefits and the Pensioner Cost of Living Payment for assistance with heating bills. More information is available in Appendix 1 and [on the Government website.](#)

3.5 Derbyshire Discretionary Fund (DDF)

The DDF can provide grants or emergency cash payments for people who are in urgent need of financial help following a crisis or disaster. The fund may be able to help during an emergency or crisis situation and to support people to continue to live independently or cope with exceptional pressure when they have no other source of funding. The fund may also provide support to resolve someone's immediate difficulties and puts them in touch with other support and services. [Derbyshire County Council administer the DDF.](#)

3.6 Household Support Fund (HSF)

The HSF is a temporary fund provided by the Department for Work and Pensions to cover the period October 2021 to the end of March 2022, now extended to 30 September 2022. All payments and financial support provided by the fund must be awarded before the fund closes on 30 September 2022. Households facing financial hardship can apply for a grant to help towards their food, energy bills and essential living costs. There has been no announcement on whether the grant will be extended further. [The HSF is administered by Derbyshire County Council.](#)

3.7 Discretionary Housing Payments (DHP)

A DHP is an extra payment that can help towards housing costs. The payments are awarded at the discretion of the local authority and residents can only get it if they are entitled to Housing Benefit or the housing element of Universal Credit. The DHP is available for those who are not receiving enough income to cover their rent, it can also be awarded for one-off costs such as a rent deposit or removal costs to move into a new home. The Council administers the DHP scheme, [more information is available on the council's website.](#)

3.8 Council Tax Support Scheme

The Council has a local Council Tax Support Scheme that provides support to people on low income by reducing the amount of Council Tax they are liable to pay. This scheme is approved and administered by the Council.

3.9 In addition, the Council also has a Discretionary Council Tax Scheme which supports those who are suffering exceptional hardship. The reduction is at the Council's discretion and is only granted in very exceptional circumstances.

3.10 Earlier this year, the Government announced a £150 rebate on Council Tax to support households to pay their energy bills. This was paid to householders in band A to D in Spring 2022.

3.11 Housing and homelessness

The Council's tenancy sustainment team provides tenancy support to existing council tenants including support to stay in their homes and dealing with debt created through rent arrears. The officers also assist tenants to access support from other agencies who specialise in particular needs. [More information is available on the council's website.](#)

3.12 The Council's homelessness prevention team offers help to those who find themselves homeless or threatened with homelessness. This includes where residents receive notice to quit from their landlord or where they are in rent or mortgage arrears and have been threatened with repossession. The team also carry out the statutory duties under the Homelessness Reduction Act 2017 which include considering an individual's housing status and circumstances and supporting them to either maintain their current

accommodation, if it is safe to do so, or help them to find alternative accommodation. [More information is on the council's website.](#)

3.13 Free School Meals

In 2014, the Universal Free School Meals policy was introduced. All children in reception, year 1 and year 2 are entitled to a free meal regardless of personal circumstances. All children between the ages of 3 and 18 in Derbyshire can get a free school meal if they meet the criteria, this is based on the type and amount of benefit claimed. [More information is on DCC's website.](#)

3.14 Food Banks

Within the borough there are five food banks, [the details are available here](#), as well as Gussie's Kitchen and Community Pantry who provide food parcels and meals for a small fee. The foodbanks provide three days' worth of nutritionally balanced emergency food to local people who are in crisis. The five foodbanks listed on the website above are part of a nationwide network of foodbanks that are supported by The Trussell Trust. The foodbanks operate using a voucher referral system and vouchers can be issued by a number of agencies including Citizens Advice, children's centres and health visitors.

3.15 Stop Loan Sharks

Stop Loan Sharks investigate and prosecute illegal money lenders and provides support for borrowers in the UK. [Their website contains more information.](#)

3.16 Marches Energy Agency

Marches Energy Agency (MEA) is an independent charity who work in Derbyshire (and other areas) to support vulnerable householders to live with dignity at home. They aim to ensure that householders are well-informed on how to make their homes more energy efficient, warmer and cheaper to run. Their Facebook page "[Warmer Derby and Derbyshire](#)" provides advice and signposts to information on the support available to help with energy bills. The MEA also provides a helpline for anyone who is worried about their energy bills.

3.17 Equipped to Succeed

Equipped to Succeed is a wellbeing programme that supports people to improve their mental wellbeing, manage stress better, set goals and move forward. Programmes have been run by the Loundsley Green Community Trust and take place over a series of 9 sessions.

3.18 Healthy Start

Healthy Start is a scheme run by the NHS. The scheme helps women who are more than 10 weeks pregnant or people who have a child under 4 buy food, milk and access vitamins. Applicants must also meet other criteria to qualify i.e. receive certain benefits or be under 18. Those that are eligible can receive a Healthy Start card that can be used in some shops to purchase milk, fresh, frozen, and tinned fruit and vegetables, fresh, dried, and tinned pulses and

infant formula milk. The card can also be used to collect Healthy Start vitamins that support women during pregnancy and breastfeeding, and vitamin drops for babies and young children.

Voluntary organisations receiving support from CBC

- 3.19 Four agencies that the council provides funding for are Citizen's Advice Chesterfield, Derbyshire Law Centre, Derbyshire Unemployed Workers Centre and Links CVS. Shopmobility also receives funding from the Council however this will cease in 2023/24.
- 3.20 Citizens Advice Chesterfield
This organisation offers free, confidential and impartial advice for people on issues from money and benefits to housing and employment. Their website has a [dedicated "cost of living" page](#) which assists people with checking what benefits they can claim and signposts people to support with paying bills, rent, food, health costs, children's school costs and travel costs.
- 3.21 Derbyshire Law Centre
The Derbyshire Law Centre provides free legal advice and assistance to the residents of Derbyshire on debt matters, housing and employment. Over the past two years, Derbyshire County Council has allocated additional funding to the Law Centre specifically to tackle the increase in housing cases, citing the knock-on impacts from the Covid19 pandemic and cost of living crisis as catalysts for a potential increase in evictions and homelessness. The report on the most recent grant payments [can be viewed in full here](#) however the statistics from National Citizens Advice are particularly notable as they have predicted an across the board increase in demand for advice, and large spikes of between 10-50% in key advice areas such as debt, redundancy and income protection.
- 3.22 Derbyshire Unemployed Workers' Centre (DUWC)
The DUWC provides free, independent and confidential advice on benefit and credit entitlements, help filling in claim forms, support and representation challenging decisions made by the Department for Work and Pensions through to tribunal if necessary; assistance with Personal Independence Claims, Industrial Injuries Disablement Benefit and Carers Allowance and assistance with queries regarding Pension Credit and Attendance Allowance.
- 3.23 Links CVS
Links CVS provides support to voluntary organisations and community groups operating in Chesterfield and North East Derbyshire. Their support includes everything involved in starting a group such as creating a constitution and establishing roles and responsibilities to registering as a charity. Links CVS also runs its own projects and hosts events including an upcoming "lunch and mingle" on 15 September, 2022 to discuss the cost of living crisis. This event will bring together groups who provide support to hear from speakers and

discuss what the cost of living crisis means for people, what the biggest worries are and what help is available.

3.24 Chesterfield and North East Derbyshire Credit Union (CNEDCU)

One of the projects supported by the CNEDCU has been to provide affordable loans to people to purchase school uniforms through the "Back to School Loan" scheme. In addition, several organisations across Chesterfield and North East Derbyshire have run pop up shops to offer pre-loved uniforms for free or a small donation.

Planned council activity to respond to the cost of living crisis

3.25 The Chesterfield Health and Wellbeing Partnership and "The Great Chesterfield Get 2Gether – Community Food Support Chesterfield"

The health and wellbeing partnership is working with Feeding Derbyshire and local food support groups to try and ensure that, as we approach the winter, we maximise collective efforts and impact.

3.26 Organised by Derbyshire Voluntary Action and supported by the Council, a Food Support meeting took place at the Winding Wheel at the end of June to give local organisations involved with community food interventions the opportunity to come together, build strong relationships with Feeding Derbyshire, further develop peer partnerships, opportunities, and share learning. With winter and financial pressures looming, the meetings are a chance to further discuss what local organisations can do together to address local food insecurity and enhance the community food support network in Chesterfield.

3.27 The comments received from the first meeting indicated that the highest priorities were:

- Food Supply
- Facility Issue
- Funding applications
- Communication
- People (volunteers, support, training)
- More collaborative working
- Cooking on a budget skills/teaching how to cook/skills development

3.28 In addition, a WhatsApp group is being established to support information sharing amongst local food support groups.

3.29 The next meeting will be take place in September at the Winding Wheel.

Possible other areas to consider:

3.30 Indices of Multiple Deprivation – Chesterfield contains six of the 10% most deprived Lower-layer Super Output Areas (LSOA) in England, these are Rother (2 areas covered), Loundsley Green, Middlecroft and Poolsbrook (2

areas covered) and Barrow Hill and New Whittington. Chesterfield has twenty LSOAs that fall within the 20% most deprived in England. Chesterfield ranks at 86th most deprived local authority out of 317, this has improved by one place since 2015.

Document information

Report author	
Rachel Appleyard, Senior Democratic and Scrutiny Officer, rachel.appleyard@chesterfield.gov.uk	
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix 1	Government Toolkit on Communicating Help for Households and Cost of Living Payments