



Borough of Telford and Wrekin

Cabinet

13 October 2022

Cost of Living Strategy

Cabinet Member:	Cllr Shaun Davies – Leader
Lead Director:	Felicity Mercer – Director: Communities, Customer and Commercial Services
Service Area:	N/A – Council wide
Report Author:	Felicity Mercer – Director: Communities, Customer and Commercial Services
Details:	Tel: 01952 384300 Email: felicity.mercer@telford.gov.uk
Wards Affected:	Borough-wide impact
Key Decision:	Yes
Forward Plan:	Yes
Report considered by:	Cabinet – 13 October 2022

1.0 Recommendations for decision/noting:

- 1.1 That Cabinet approve the Cost of Living Strategy, noting the support already delivered or funded by the Council to date, and endorse the additional support and funding proposed in the strategy.
- 1.2 That Cabinet grant delegated authority to the Director: Communities, Customer and Commercial Services, in consultation with the Member Cost of Living Group chaired by the Leader, to take the necessary steps to implement these recommendations, including the approval of spending the Household Support Fund Grant allocations and Council Tax Hardship Fund.
- 1.3 That Cabinet grant delegated authority to the Director: Housing, Employment and Infrastructure, in consultation with the lead Cabinet member for Neighbourhood Services, Employment and the High Street, to

take the necessary steps to implement the proposed additional support for businesses set out in the strategy.

2.0 Purpose of Report

2.1 The purpose of this report is to set out the Council's response to the cost of living crisis.

3.0 Background

3.1 People across the UK are facing an unprecedented cost of living crisis with the Bank of England predicting that the rate of inflation will hit 11% in October 2022. Data from the Office for National Statistics (ONS) shows that 87% of households in the UK reported an increase in their cost of living in August/September 2022, meaning that the crisis is affecting the vast majority of people.

3.2 However, the combined effects of the increasing costs of energy, food, road fuel, rents and other essentials, are already having a disproportionate impact on those who can least afford it, such as people on low incomes and single parents. In Telford & Wrekin, over a third of households have an estimated annual income below £20,000, almost double the percentage nationally, and well below the minimum acceptable standard of living for even a single person, calculated by the Joseph Rowntree Foundation to be £25,500 in 2022.

3.3 Demand for support is increasing locally, for example there has been a 117% increase in crisis assistance applications since April 2022, and greater numbers of requests from local foodbanks for emergency food parcels.

3.4 Local businesses are also struggling with rising costs, particularly small and medium enterprises (SMEs), which account for 98% of employment in Telford & Wrekin, compared to 60% nationally. Local manufacturing companies have seen their energy prices rise by up to 400%.

3.5 The same challenges are also being felt by community and voluntary sector organisations, many of whom stepped in during the Covid pandemic to provide vital services to their communities, and are now struggling to sustain this support.

4.0 Summary of main proposals

- 4.1 The Council has made a clear commitment to Protect, Care and Invest to create a better borough, and to be on the side of residents. This approach is at the heart of the attached Cost of Living Strategy, which sets out the four key elements of the Council's response to the cost of living crisis:
- a) Directly providing targeted support to help residents and organisations most affected by the cost of living crisis;
 - b) Working in partnership to coordinate support locally and maximise the impact;
 - c) Raising awareness of the support that is available across Telford & Wrekin;
 - d) With other councils and partners, making the case to Government for increased and sustained investment into long-term solutions to the cost of living crisis.
- 4.2 The strategy summarises the extensive support already delivered or funded by the Council, a mix of long-standing services that have been in place for more than a decade, and newer schemes introduced during Covid, or more recently as the cost of living crisis has started to have an impact. Examples of the support that the Council has provided to Telford & Wrekin residents include:
- Freezing Council Tax for 2 years, already the lowest in the Midlands;
 - Funding energy rebates for more than 5,200 additional households who would not have otherwise received help with their energy costs through the Government's scheme;
 - Awarding supermarket vouchers to nearly 11,000 households on low incomes, both pensioners and families, since April 2022;
 - Providing long-term funding (3 years+) for a wide range of support services provided by voluntary and community organisations, including 7-day a week foodbank provision, debt and benefits advice, and support with school uniform, coats and shoes;
 - Helping nearly 1,000 people in crisis since April 2022 through the Council's own emergency welfare fund, providing gas, electricity and food vouchers, beds, and white goods;
 - Supporting more than 600 residents in housing need over the last year to avoid eviction or to move to a more affordable home with a Discretionary Housing Payment;
 - Enabling residents borough-wide to stay healthy and active on a budget, for example through free swimming for all residents

under 25, a programme of free community events, and over 70 free biking activities at Telford Bike Hub.

4.3 However, the Council recognises that the scale of the crisis means that there is once again a need to quickly mobilise and step up additional support. Despite the financial impacts of the crisis on the Council's own budgets, the strategy details a comprehensive package of new measures to help local residents across the borough, including plans to:

- Immediately invest an additional £128,000 funding into the Council's emergency welfare assistance fund to meet the rapidly increasing demand from people in crisis;
- Urgently provide an additional £90,000 of in-year funding to local foodbanks to help with rising demand and falling donations;
- Launch a new £150,000 cost of living community grant scheme to enable local organisations to put on or extend existing activities, as well as providing hot food, and a welcoming place for people to socialise and get support;
- Provide a further one-off reduction to 2023/24 Council Tax bills for more than 10,400 households that receive Council Tax Reduction due to being on low incomes;
- Continue to provide supermarket vouchers in every school holiday to eligible families up to and including Easter 2023, and make a further award of supermarket vouchers to pensioners on the lowest incomes in January 2023;
- Deliver a range of programmes (more than £2.2 million funding in total) to improve the energy efficiency of eligible homes across Telford & Wrekin, following a successful pilot scheme in Sutton Hill where more than 50 homes with the poorest energy efficiency have already been upgraded;
- Distribute free low energy (LED) lightbulbs to up to 3,000 households in areas with high levels of fuel poverty to provide immediate practical assistance with energy costs;
- Introduce a new Work Express bus link, providing an affordable, direct and fast route between South Telford and the main industrial estates.

4.4 For businesses, the approach will be to build on the strong track record of being a 'Business Supporting, Business Winning Council'. This has included giving free business advice to 1,800 local companies, awarding more than £850,000 in grants to support High Street businesses, and helping to secure in excess of £2 million investment from a range of funding sources, with the creation of more than 220 jobs.

4.5 Additional support for businesses will particularly focus on help with energy costs. The Pride in Our High Street eco grants will be extended and increased to up to £1,500, or up to £5,000 for insulation works. An additional £500,000 of grant funding for Telford & Wrekin businesses and community organisations has also just been secured that will provide grants of up to £20,000 for energy efficiency and renewable energy measures. Local businesses and community organisations from across all sectors will be invited to an Energy Showcase with information, best practice and support, and SMEs will have access to a free energy health-check.

4.6 The strategy also highlights the key role that the Council can play in increasing the community's awareness and take-up of the support that is available, including the support provided by other organisations across the borough. This will be achieved through:

- Co-ordinated cost of living communication campaigns for both residents and businesses. Both campaigns will promote practical suggestions for how people can help others, if they feel able to;
- Cost of living web-pages for both residents (www.telford.gov.uk/costofliving) and businesses (in development), offering a one stop shop of cost of living information and advice;
- A special cost of living edition of the Totally Telford magazine, which will be sent to all households from mid-October;
- Cost of living roadshows in areas with the most households on low incomes;
- Targeted direct communications to ensure that as many eligible people as possible are benefiting from Free School Meals, pension credit, and Small Business Rates Relief;
- A cost of living training programme to enable Council and partners' front line staff to signpost residents to support.

4.7 As a Co-operative Council, this work will where possible be delivered in partnership with other organisations, many of whom are already delivering much needed support, often at a neighbourhood level. By engaging with networks such as Town & Parish Councils, the Chief Officer Group for the Voluntary and Community Sector, the Chamber of Commerce, the Federation of Small Business and Telford Business Board, the Council will identify where there are opportunities to collaborate.

4.8 However, the Council recognises that lasting solutions to the cost of living crisis require increased and sustained Government support. The strategy sets out the Council's 12 'Asks of Government', and makes a commitment

to continue to make this case to Government for the benefit of everyone in Telford & Wrekin.

5.0 Alternative Options

5.1 The alternative option would be to do nothing and not respond to the cost of living crisis. However, this could lead to serious reputational risks for the Council as a community leader. Taking no action to mitigate the impact of rising costs on residents and businesses would also potentially lead to significant cost implications for the Council and other public services as a result of more people getting into financial difficulties and needing more support services for a longer period. Doing nothing would also lead to a negative impact on the health, social and economic wellbeing of Telford and Wrekin businesses, communities, and residents.

6.0 Key Risks

6.1 The key risks associated with the cost of living crisis are set out in the strategy, and include widening existing inequalities, increasing poverty, causing more people to get into debt, causing or exacerbating health conditions linked to cold homes, and adversely impacting on people's mental health and wellbeing. For local organisations and businesses, risks include insolvency, reduced profitability and restricted ability to grow and invest, with a direct knock on effect onto residents and consumers, as businesses are forced to put up prices and reduce the range of goods and services they produce.

7.0 Council Priorities

7.1 The cost of living strategy supports all Council priorities, but in particular a community-focused, innovative Council providing efficient, effective and quality services.

8.0 Financial Implications

8.1 The actions and measures outlined in this report and the strategy to respond to the cost of living crisis will be funded from a combination of existing budgets, one off funding and grants such as the Household Support Fund Grant and the Council Tax Hardship Fund. The Council already has an annual budget for Emergency Welfare Assistance and Discretionary Housing Payments and these will be supplemented by additional one off monies. Communication campaigns will also be funded from existing budgets and reserves.

- 8.2 Any further actions or initiatives that are identified and are unfunded will need to be considered as part of the Council's Medium Term Financial Strategy.

9.0 Legal and HR Implications

- 9.1 The creation of a Cost of Living Strategy will assist the Council to meet its statutory obligations to residents in need of support. The report and strategy document set out the many different ways in which the Council will act for our residents. All of the measures set out in the strategy are in furtherance of the Council's statutory duties and the Council has the power to undertake such activities. Any measures which allow the Council to meet current and future needs in a more cost-effective way demonstrate the Council is meeting its duty to act prudently and in a financially responsible manner. Legal advice has been and will be provided on an ongoing basis.

10.0 Ward Implications

- 10.1 Borough wide impact

11.0 Health, Social and Economic Implications

- 11.1 The cost of living crisis will have a significant impact on the health of Telford and Wrekin's residents as well as on their social and economic wellbeing. The Cost of Living Strategy sets out a wide range of existing and proposed support measures that are designed to benefit residents and businesses' health, social and economic wellbeing.

12.0 Equality and Diversity Implications

- 12.1 The Cost of Living Strategy takes account of the legal requirement to pay due regard to the aims of the Public Sector Equality Duty. Key to this is consideration of people's specific needs based on their protected characteristics. People who share protected characteristics of age and disability are expected to be disproportionately affected by the cost of living crisis and its consequences. The success of the strategy activity relies on active participation by the whole community. Steps are taken to make sure that cost of living support is inclusive and the differing needs of individuals are considered so that support can be effectively targeted.

13.0 Climate Change and Environmental Implications

- 13.1 The rising costs of energy highlight the need to accelerate the installation of energy efficiency and renewable energy measures in both homes and

businesses in the Borough. The Cost of Living Strategy sets out a range of existing and planned measures to support householders and businesses to reduce their carbon footprint, whilst also benefiting from saving money on energy costs.

14.0 Background Papers

14.1 Not applicable.

15.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	29/09/2022	29/09/2022	RP
Finance	29/09/2022	30/09/2022	MB