

Agenda item 4

For discussion - Cost of Living Crisis: A Town Council Response

Authors: Kate Hellard, Community Development Manager, Cllrs Anne Hills and Mel Usher

Summary

This report summarises what we already know about the impact of the cost of living crisis and support measures that have been announced. The report also sets out some potential questions to be discussed at the meeting that will help to inform FTC's response.

Introduction

The UK is experiencing a significant cost of living crisis due to a number of factors resulting in higher fuel and energy prices, increased food prices and a rise in inflation which is affecting residents in most socio-economic brackets. Whilst we continue to look to the UK government to mitigate the worst impact of these rising costs it is likely that new local innovations and greater local coordination might assist and therefore, we should explore the options open to us.

Nationally

To date the government have announced:

- A £650 one off payment for all residents on benefits (to be paid in two halves)
- A £400 energy grant to all households (non-repayable)
- A £150 Council Tax rebate for all houses bands D to A
- A £300 Pensioner cost of living payment
- A £150 Disability payment

In addition, residents have access to the Winter Fuel payment and Household Support Fund. In Somerset there is currently a discrepancy in the Council Tax Benefit with South Somerset granting 100 % relief and Mendip District Council granting 80% relief.

The headline statistics are that over 31% of all children, in the UK, are living in relative poverty. According to the Joseph Rowntree Foundation a household with two adults and two school aged children, with a mortgage/rent of £800 and gas/electric costs of £160 per month need a combined income of above £35,824 per year to stay above the Minimum Income Standard and an income of £40,400 for a 'decent' income. A two-person household, with no children, needs a minimum income of £27,340 per year, a net income of £485.73 per week, for a minimum decent standard of living (<https://www.minimumincome.org.uk>). The UK average salary at the start of 2022 was £24,600 (HMRC).

In March 2022 nearly a quarter (23%) of adults reported that it was very difficult or difficult to pay their usual household bills in the last month, compared with a year ago (ONS Cost of Living and its impact).

The Local Picture

House prices in Frome are comparatively high and yet the Local Housing Allowance does not reflect this cost as it is based on an average across a wider area. There has been an increase in the number of working individuals and families accessing Fair Frome where 40% of users are in work. A significant majority of users of the Citizens Advice service currently come from Frome electoral wards and of those the majority are seeking disability and welfare benefits advice.

Frome has a comparatively low number of unemployed residents but a high number of sole traders, self-employed and residents working on zero hours contracts.

At the last Somerset County Council count there were 965 school pupils, in the Frome area, who were eligible for Free School meals, an increase on recent years.

The Frome area has more residents in the 0-15 years age group compared to the Somerset average and fewer over 65 years.

Fair Frome recently hosted a well-attended and informative meeting to discuss 'local solutions to local issues' with a particular focus on the cost of living. Participants included representatives from Housing Associations, Citizens Advice, Fair Frome, Fair Housing for Frome, local food projects, Edventure, councillors from all three tiers, other local and regional organisations and interested residents.

A number of potential local solutions were identified at the meeting including a campaign for a Local Lettings Policy for Social Housing, a warm homes initiative, a survey of empty properties, a winter fuel payment campaign and improved information provision.

Somerset County Council are currently looking at ways to further support residents' financial resilience through work with Credit Unions and food resilience using a number of projects and initiatives. There will be other workstreams in the district and county councils and priorities identified by a wide range of local and regional, third sector organisations to further support residents during the cost of living crisis and the practical steps they might take to mitigate the impact.

Next steps

Poverty and the cost of living will loom large in the town over the next few years and could potentially be a significant user of council resources. It would be helpful for the Poverty Theme Group of councillors to receive a steer from the Council about a sense of direction and priority. It is proposed that at this Council meeting we host a short presentation from Citizens Advice, followed by a facilitated discussion focussing on four themes: Income, Food, Fuel and Housing.

Whilst this work alone will not come up with “oven ready” solutions, it will help to expose potential avenues to explore and how to start tackling the problems we all face. In some (maybe many) instances we might not be able to make a meaningful intervention and we need to be brave enough to acknowledge that.

In each of the 4 themes it would be useful to identify:

- What do we think we know about the issue locally?
- Where can we find sufficient local and recent data to allow us to be confident of our next steps?
- Where can we identify local stories that will bring each theme to life?
- Which partners should we be working with, and can we together identify the gaps in provision?
- How do we engage with the town and individuals who are currently having problems so that we don't initiate misguided proposals?
- The first steps to be taken on each theme leading to a fuller report to the Council by the October Council meeting