

Report to: Cabinet

Date: 22 September 2022

Title: Lewes District Council Cost of Living Emergency Fund

Report of: Tim Whelan, Director of Service Delivery

Cabinet member: Councillor Zoe Nicholson, Deputy Leader of Council,
Cabinet Member for Finance and Assets

Ward(s): All

Purpose of report: To consider the proposed Lewes District Council Cost of Living Emergency Fund Scheme

Decision type: Key

Officer recommendation(s): (1) Cabinet approves the Lewes District Council Cost of Living Emergency Fund Scheme, as specified in the proposal at paragraph 2 of this report.

(2) To authorise the Director of Service Delivery in consultation with the Portfolio Holder for Finance and Assistant Director of Finance to finalise the scheme criteria any take necessary steps to implement the Lewes District Council Cost of Living Emergency Fund Scheme.

Reasons for recommendations: Cabinet approval is required for the scheme to be implemented.

Contact Officer: Name: Bill McCafferty
Post title: Lead for Income Maximisation and Welfare
E-mail: bill.mccafferty@lewes-eastbourne.gov.uk
Telephone number: 01323) 415171

1 Introduction

- 1.1 The country is in the grip of a cost-of-living crisis. The annual inflation rate in the UK increased to 9.4% in June 2022, which is the highest rate since 1982. The rate is being driven by the increased costs of fuel and energy as well as rising prices for food.
- 1.2 In its March 2022 forecast, the Office for Budget Responsibility (OBR) expected household incomes after tax and adjusted for inflation to start falling in Q2 of 2022 and to not recover until Q3 2024

1.3 Responding to this, the Council has acted for its residents by:

- Increasing, from April 2021, the maximum Council Tax Reduction from 80% to 100% of a person's liability, meaning the most disadvantaged do not have to pay anything
- declaring a cost-of-living emergency at the Full Council meeting on 18 July 2022
- allocating £500,000 to a Lewes District Council Cost of Living Emergency Fund
- agreed a new £250,000 Cost of Living Crisis Fund, with the first £50,000 immediately being awarded to foodbanks to help meet the unprecedentedly high levels of need in the district now. The remaining £200,000 will be distributed through a grants programme in the autumn and fund the creation of a dedicated officer to coordinate the funding.

1.4 The Government is providing support in the form of:

- A £150 Council Tax (Energy) Rebate to those persons liable for Council Tax residing in a Band A to D property
- A Discretionary Council Tax (Energy) Rebate aimed at those liable for Council Tax in Bands E to H and on a low income
- A Household Support Fund distributed to the Council to help with utility costs and food
- A cost-of-living payment of £650, paid in two instalments, to those households on one of the following benefits - Universal Credit, Income Related Employment and Support Allowance, Income Based Jobseeker's Allowance, Income Support, Pension Credit, Child Tax Credit, Working Tax Credit. It should be noted that those residents in receipt of Housing Benefit or a Council Tax Reduction, but not on any of these benefits, will not receive this payment
- A payment of £150 to those on certain disability benefits
- A credit of £400 to be applied to household energy bills
- An increase of £300 on the Winter Fuel Payment for pensioners

The Council administers the Energy Rebate schemes and has received funding from County to administer a local Household Support Fund.

2 Proposal

2.1 It is proposed that the Lewes District Council Cost of Living Emergency Fund of £500k, £170k of which is allocated to be spent on Lewes District Council tenants, is aimed at those residents on a low income but who do not benefit from the Government's cost-of-living payment of £650.

2.2 The mechanisms of eligibility to a means-tested benefit means that people whose income is just £1 above certain levels will not qualify and miss out on the £650 payment. It is one of the aims of the local scheme to capture those residents who just miss out.

- 2.3 The proposed scheme will make an award to those residents who;
- i. do not receive the Government payment of £650.00 and who have less than £6,000 in savings; and
 - ii. are in receipt of Housing Benefit and/or a Council Tax reduction but not in receipt of any other means-tested benefit, or
 - iii. have weekly net income below the set levels. Those levels are:
 - For a single person - £320
 - For a lone parent - £370
 - For a couple - £420
 - For a couple with children - £470

The eligibility criteria is at Appendix 1.

- 2.4 The rationale for proposing these levels is that they are above the amount at which most families would receive a means-tested benefit or a Council Tax Reduction and below the average earnings for Lewes District.

The average earnings in Lewes in 2020/21, taken from East Sussex in Figures (ESiF) data is £671 per week, which equates to £470 per week after tax and national insurance.

The maximum net incomes have been adjusted to consider the make-up of a household.

- 2.5 The Government have just published draft guidance on the new Household Support Fund which is to run from 1 October 2022 to 31 March 2023 and the Council will be in discussions with East Sussex County Council and the other East Sussex Councils on how this will operate and the level of award.
- 2.6 Once it is decided what the level of award is to be under the new Household Support Fund the Council's Cost of Living Emergency Fund will provide an additional award to top-this up to £650.00.
- 2.7 The scheme will go live on 1 October 2022 and run until the funds are extinguished. Applications will be made online through a Portal to enable efficient processing and reduce the risk of fraud. Support will be available for those who may struggle to make an online application.
- 2.8 Only one award per household during the lifetime of the scheme will be made.

3 Outcome expected and performance management

- 3.1 The fund will support those people who are most affected by the cost-of-living crisis, but miss out on the Government's £650 payment, in assisting them to meet their energy costs, including those households that use oil to heat their homes, and put food on the table.
- 3.2 Monthly monitoring of spend will ensure the budget is not exceeded.

4 Consultation

4.1 Discussions around the scheme have taken place with the Citizens Advice Bureau.

5 Corporate plan and council policies

5.1 The scheme will provide financial support to those residents most in need.

6 Business case and alternative option(s) considered

6.1 The proposed scheme is considered to offer targeted support to those most in need after taking into consideration the other sources of financial support available.

7 Financial appraisal

7.1 There will be a cost involved in setting up the on-line application process and in securing the resources to administer the scheme. This is estimated to be c£1,000.00 for the application and £25,000.00 for the staffing resource. This scheme is cash limited and will cease once the allocated budget is fully utilised.

8 Legal implications

8.1 As the executive, Cabinet has authority to approve the Lewes District Council Cost of Living Emergency Fund Scheme. Delegated powers granted to the Director of Service Delivery should ensure the Scheme is implemented, managed and amended as necessary to maintain overall compliance.

Legal advice given 31.08.22

Legal ref: 011367-LDC-OD

9 Risk management implications

9.1 There are three main risks:

- That expenditure exceeds the budget. This will be managed by regular monitoring of spend and as stated at 7.1 the scheme will cease once the budget has been spent.
- That expenditure does not reach the expected levels. There will be the ability, through delegated powers, to amend eligibility criteria.
- The fund does not reach those eligible. The Council will target those hard-to-reach groups who are most vulnerable and will be working with partners in the voluntary sector to achieve this.

10 Equality analysis

10.1 An Equality & Fairness Analysis has been undertaken on these proposals. This has concluded that the cost-of-living crisis is likely to impact household budgets across the board, with utilities, food products and fuel increasing in price. Working-age people on low-incomes or squeezed budgets are likely to be impacted more as the year progresses, as well as older people particularly by increased heating costs in autumn and winter.

Residents in rural locations who rely on oil to heat their homes will be subject to increased oil costs. People reliant on cars, including those in rural locations, could be impacted by increased running costs. Food items have already seen some price increases, and households – particularly larger ones – are likely to feel that increased cost.

Women are disproportionately affected by domestic abuse and more likely to be the resident parent in separated families.

It is hoped these proposals will go some way towards mitigating the generally negative impacts brought by the cost of living crisis.

11 Environmental sustainability implications

11.1 There are no adverse sustainability implications in this report.

12 Contribution to Community Wealth Building

12.1 Not only will the Cost of Living Emergency Fund help residents manage the cost-of-living crisis but will also increase spend in the local economy.

13 Appendices

- Appendix 1 – Eligibility criteria

14 Background papers

- None