

CABINET

Cost of Living

13th Sept 2022

Report of Chief Executive

PURPOSE OF REPORT			
To request that Cabinet authorises the Chief Executive to develop plans, with partners, to prepare for the likelihood of increasing cost of living developing into an emergency over the autumn and winter.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Cabinet Member	<input checked="" type="checkbox"/>
Date of notice of forthcoming key decision	NA		
This report is public			

RECOMMENDATIONS OF CLLR CAROLINE JACKSON

- (1) That Lancaster City Council considers that the increases in cost of living threaten serious damage to human welfare and should therefore be planned for as an emergency.
- (2) That the Chief Executive is instructed to direct officer capacity, from within existing resources, to work with partners to develop plans that will help our communities and businesses so they can access support that is or becomes available from Government, private sector, the Council and our other partners.
- (3) That the Chief Executive is instructed to direct officer capacity, from within existing resources, to work with partners to consider the existing and emerging evidence and risks and ensure plans are ready to inform a formal emergency response in the event of the pressures of the cost of living crisis escalating into an emergency that would fall within the remit of the Civil Contingencies Act 2004.
- (4) That progress is reported back to Cabinet.

1.0 Introduction

- 1.1 Lancaster City Council's four priorities for the District include-

- An Inclusive and Prosperous Local Economy
- Healthy and Happy Communities
- A Sustainable District

Key outcomes to be delivered from these priorities include-

- Building a sustainable and just local economy that benefits people and organisations
- Empowering and supporting healthy ways of living, and tackling the causes of inequality.
- Supporting wellbeing and ensuring communities are active, engaged, involved and connected.
- Focused on early intervention approaches and involving our communities in service design and delivery.
- Developing housing to ensure people of all incomes are comfortable, warm and able to maintain their independence.
- Taking action to meet the challenges of the climate emergency.
- Supporting our residents to be resilient to flooding and adapt to the wider effects of climate change.

- 1.2 The rising costs of fuel, food and other essentials are combining with existing disadvantage and vulnerability within our communities to put many households at greater risk of both immediate hardship and reduced opportunity and wellbeing.
- 1.3 To provide some context a total of 15.1% of households were already in fuel poverty in 2020 in Lancaster making it the 5th highest in the Lancashire-14 area and the 67th highest in England. This was also somewhat higher than the England average of 13.2% and higher than in 2019. The main factors that determine this are the energy efficiency status of the property, the cost of energy , and household income. [Fuel poverty - Lancashire County Council](#)
- 1.4 Since 2020 fuel costs have of course risen much higher. Ofgem, the energy regulator, has announced that they will be raising the energy price cap by 80 per cent from 1 October, taking typical bills from £1,971 per year to £3,549 per year. This will of course have a knock-on effect on inflation, as well as impact on many more of our residents' household budgets.
- 1.5 The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 8.8% in the 12 months to July 2022, up from 8.2% in June. The largest upward contributions to the annual CPIH inflation rate in July 2022 came from housing and household services (principally from electricity, gas and other fuels, and owner occupiers' housing costs), transport (principally motor fuels), and food and non-alcoholic beverages. [Consumer price inflation, UK - Office for National Statistics](#)
- 1.6 Besides our residents our businesses are also impacted. Many are still recovering from the pandemic. Fuel costs for businesses are not capped. They are seeing costs increase from rising energy bill and customers are being more careful and spending less on their products and services. Businesses having to cut back or close in turn further increases pressures on

all of the above.

- 1.7 The same impacts are also being felt by the Council and partner organisations that our communities rely upon for a wide range of services and support.

2.0 Proposal Details

- 2.1 At this stage we await what intervention the Government will introduce to avoid the worst potential consequences of cost of living increases. Even with direct Government intervention the combination of recovery from the pandemic and the geo-political situation means that living costs will remain high and will create a disproportionate impact on those who can least afford them.
- 2.2 The Civil Contingencies Act 2004 defines an 'emergency' as including an event or situation which threatens serious damage to human welfare in a place in the UK. This includes (amongst other things) an event or situation that causes or may cause (a) loss of human life, illness or injury, (b) homelessness and (c) disruption to a supply of money, food, water, energy or fuel. Until it is known what interventions will be provided by Government it is difficult to establish what the scale of the threat to human welfare will be. Already a number of Councils have pre-emptively declared that they consider cost of living increases will represent an emergency.
- 2.3 As was seen during the pandemic emergency the positive leadership role taken by the Council and its many partners was invaluable source of support. The pressures created by increased cost of living are likely to damage human welfare. Furthermore as outlined above the Council has agreed outcomes for the District that will be impacted upon by the cost of living and its many symptoms.
- 2.4 There is already much in place from individual organisations. As an example the Council's website [Financial support for households - Lancaster City Council](#) provides information on how to access –
- Household support fund
 - Lancaster District Hardship Fund
 - Discretionary Energy Rebate Scheme
 - Council Tax relief

The Council in declaring a climate emergency has already undertaken a number of practical actions on its own estate to reduce CO2 emissions and therefore energy bills. Furthermore as owner of 3800 properties in the District much work is taking place to help manage to energy demands of our residents. The approach of using addressing climate change as a means of reducing CO2 and delivering co-benefits including is one that will continue as a priority.

- 2.5 The positive work during the pandemic was achieved by a partnership of a wide range of partners delivering their areas of expertise in a coordinated way, informed by evidence.
- 2.6 As with any emergency a successful response depends on partners being very clear of the boundaries of their responsibilities and working within these. It is not the responsibility of the City Council to deliver support that should be provided by other parts of national or local Government or the private sector. However the Council and partners can ensure that our communities are aware of what each agency can offer and can easily access it. We can also

show local leadership and present evidence to influence those with whom different responsibilities lie.

- 2.7 Already our partners Lancaster CVS and Citizens Advice North Lancashire have made clear they will work with the Council to develop an emergency plan for the District. Other partners like the Police, Fire and Rescue, NW Ambulance Service and Fire and Rescue meet regularly with the Council and are planning for impacts of cost of living on their services. For the last few months much work has been informally taking place to consider the likely consequences.
- 2.8 It is proposed therefore that this approach is formalised and that Lancaster City Council takes a leading role in working with other community, voluntary and business sector partners from across the District to co-design an emergency plan for communities and businesses in our area. The approach taken will follow the tested principles of planning for an emergency that were used during the pandemic.
- 2.9 The plan will be based on the wealth of existing evidence that the Council and partners already possess. It will take account of best practice from across Lancashire and the UK. It will be guided by direction that comes from the Government. It will identify the existing sources of direct and indirect support that exist. It will identify where there are significant gaps and recommend what interventions are needed. As an example the UKSPF investment plan (which has still to be approved) does make some considerable allocation to cost of living issues.
- 2.10 The Council is also affected by the cost of living crisis which means that it currently is undertaking a systematic review of its finance and resources. Development of the plan, with partners, will be undertaken by prioritisation of existing resources. Delivery of the plan may require some redirection of existing resource, which will of course have a consequent impact on existing services. Any recommendations to that effect will be considered by Cabinet.

3.0 Details of Consultation

3.1 As outlined in the report.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: to work with partners to develop a local plan to deal with expected emergency from increased costs of living	Option 2: to focus solely on normal business and addressing the Council's own cost of living issues.	Option 3: To adopt a different approach
Advantages	<ul style="list-style-type: none"> - Shows leadership - Is consistent with Council priorities - Has support of partners - Ensures community buy in. - Builds on what is 	<ul style="list-style-type: none"> - Ensures a focus on day to day service delivery - Ensures a focus on the Council's own cost of living and wider financial challenges 	

	individual partners are already doing		
Disadvantages	<ul style="list-style-type: none"> - Raises expectation of what the Council and partners can deliver - Will require some deprioritisation of other areas of work - Unlike the pandemic Council staff are all allocated to delivering their services so this will create further demands on our teams 	<ul style="list-style-type: none"> - Inconsistent with the Council's priorities for the District - Does not fulfil the Council's community leadership role - Does not show the Council to be an reliable partner - Fails our communities and businesses 	
Risks	<ul style="list-style-type: none"> - Without significant Government intervention a local approach will not suffice 	<ul style="list-style-type: none"> - The Council fail to deliver its agreed priorities - The Council fails to act as community leader - Existing partnerships are damaged - The impact on our communities is worsened 	

5.0 Officer Preferred Option (and comments)

5.1 The officer preferred option is 1

6.0 Conclusion

6.1 The report sets out a means of working with our partners to support our communities and businesses as we face the damage our people's welfare that will arise from increased costs of living.

RELATIONSHIP TO POLICY FRAMEWORK

As set out in the report

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

As set out in the report. Subsequent action plans will be assessed for impacts

LEGAL IMPLICATIONS

The Council has a number of statutory functions that it must fulfil. Redirection of resources will need to take into account the Authority's statutory functions and ensure that sufficient resources are kept in place for these functions.

FINANCIAL IMPLICATIONS

None as a direct result of this report

OTHER RESOURCE IMPLICATIONS

Human Resources:

Council officers are still dealing with the recovery from the pandemic, as well as delivering our day to day to services. This crisis will create further demands on our staff. Dependent on the extent of response needed redirection of staff may be requested.

Information Services:

NA

Property:

There is potential that some Council buildings may be utilised in some way to support plans. At this stage it is too early to be specific.

Open Spaces:

NA

SECTION 151 OFFICER'S COMMENTS

As noted in the report the City Council already has a number of current, or planned interventions to help and support residents. Clarification and consideration of the exact role the City Council is expected to play in this area would be expected ahead of any formal commitment from either Members or Officers including any call on already limited Council resources.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments to add.

BACKGROUND PAPERS

[Click here and type list of background papers. NOTE: ALL listed background papers MUST be sent to Democratic Services for publication on the Council's website.]

Contact Officer: MDavies

Telephone: 01524 58

E-mail: @lancaster.gov.uk

Ref: [Click here and type Ref, if applicable]