

Cabinet

28 February 2023

Cost of Living Challenge

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

Local Councillor(s): Cllr L Beddow, Culture, Communities and Customer Services

Executive Director: A Dunn, Executive Director, Corporate Development

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Report Status: Public

Brief Summary:

In response to a request from Cllr Spencer Flower, Leader of the council, this paper sets out proposals for various activities and schemes which will provide immediate and medium-term support to Dorset residents hardest hit by the cost-of-living crisis. The proposals are costed at £2m in total, to be funded from council reserves. The proposed activities and schemes would supplement the support provided to date by central government and by Dorset Council.

Recommendation:

It is recommended that Cabinet members approve the proposed activity and funding for this from council reserves, to support Dorset Council residents who are hardest hit by the current cost-of-living crisis.

Reason for Recommendation:

Extensive support has been provided to Dorset Council residents over recent months to help them cope with the impact of rising prices, particularly affecting energy bills, fuel, food and housing costs. This support is outlined below in Appendices 3 and 4.

However, the scale of the cost-of-living crisis is such that we know that additional support is needed. For instance, the recent tranches of Household Support Funding (round 3) were fully claimed by eligible residents within hours of going live, which shows the high level of need. Our voluntary sector partners, such as Citizens Advice

Dorset and Age UK Dorset, also report on the high level of needs in communities currently.

In addition, we have identified several gaps in the support provided to date, and the proposals outlined in this paper aim to fill those gaps.

It should also be noted that the proposed support can be seen as a preventative intervention that aims to help households, families and individuals avoid falling into deeper crisis which could lead to consequences such as homelessness, debt, mental illness and so on.

1. Background

- 1.1 Many Dorset Council residents are directly affected by the cost-of-living challenge. In many ways, Dorset residents are facing the same issues as people across the country. However, our research data shows one factor which we know affects Dorset Council residents more than elsewhere: the high cost of housing relative to earnings. This has been felt in higher rental and mortgage payments, which lead to lower or, in some cases, no disposable income with which to absorb any price increases to fuel, energy bills and food.
- 1.2 Dorset Council's housing teams have experienced a 31% increase in approaches due to homelessness compared to the same quarter 12 months ago. In January 2023, a record 403 approaches were recorded.
- 1.3 The Citizens Advice in Dorset partnership (commissioned by Dorset Council) have reported that compared to Q3 21/22, they have seen an 98% increase in clients helped for the same quarter for this financial year. This includes the support offered to households claiming support from the Government Household Support Fund (HSF) who are receiving help to support the cost-of-living increase.
- 1.4 The full Quarter 3 Citizens Advice report is in **Appendix 2**. The top three advice issues Citizens Advice have supported in Q3 are:
 - Charitable support and food banks which includes HSF but also referrals to local grants and food security support
 - Benefits and tax credits; including new claims, entitlement, and challenging decisions
 - Debt; including non-priority and priority debts, debt solutions and remedies
- 1.5 Over the last twelve months Citizens Advice Dorset has helped Dorset Council residents to secure an additional £9.5 million in financial support.
- 1.6 Across the southwest, it has been reported in a report by national Citizens Advice that 1 in 5 households are being disconnected per month and forced on

to pre-payment meters. (source: Yonder for National Citizens Advice, data broken down by region).

- 1.7 According to the ONS Census 2021, the majority of households (67.1%) in Dorset are on mains gas only, lower than nationally (73.8%); 8.4% have central heating that uses electricity only; 8.7% that uses oil compared with national (3.5%) and regional (7.1%); A total of 2300 (1.4%) of households declared as having no central heating. The department for Business, Energy and Industrial Strategy data shows that Dorset has a total of 42,390 properties off grid 24% (2019 data).
- 1.8 National government made several significant funds available to local authorities to provide targeted support for the most vulnerable residents. A full list of these is in **Appendix 3**.
- 1.9 Dorset Council are working closely with our statutory and voluntary & community sector partners through the 'Dorset Together – Cost of Living' network to support residents with the challenges they are facing. This includes direct financial aid, better access to housing services, urging people to act early to seek help, and signposting to support with money (debts, benefits, budgeting), food, housing, and mental health. This has developed into four workstreams:
 - 1.9.1 Keeping warm and well
 - 1.9.2 Food security
 - 1.9.3 Support to increase volunteering
 - 1.9.4 Keeping homes warm and energy efficient.
 - 1.9.5 A full list of Dorset Council Dorset Together – Cost of Living support is in **Appendix 4**.

2. Proposals

- 2.1 Cllr Spencer Flower, Leader of the council, asked officers to develop a list of proposals for various activities and schemes which could provide immediate and medium-term support to Dorset residents hardest hit by the cost-of-living crisis.
- 2.2 A detailed list of the proposed projects is in **Appendix 1** totalling £2m including how each one will help meet our priorities for Dorset. Here is a headline summary of the proposed projects:

Proposal	Amount
Targeted supermarket vouchers	£380,000
Healthy Homes Dorset	£500,000
Discretionary Housing Payment allowance	£200,000
Disabled Facilities Grant - Energy	£320,000
Food security	£70,000
Small energy efficiency adaptations	£30,000
Additional pre-school hours for 3-4 year olds	£100,000
Off grid energy discretionary vouchers	£280,000
Targeted 'ready to thrive' locality programme	£120,000

2.3 The proposals are costed at £2m in total, to be funded from council reserves. The proposed activities and schemes would supplement the support provided to date by central government and by Dorset Council and would fill identified gaps in that support.

3. Financial Implications

Dorset Council has General Fund reserves of £33M which are supplemented by additional earmarked reserves as detailed in the [draft Outturn Report 202122](#). The earmarked reserves are used mitigate against specific organisational and financial risks. The Section 151 officer is satisfied that £2M can be repurposed from the risk mitigation reserves (on a one-off basis) to fund cost of living activities.

4. Environmental Implications

In line with one of the council's key commitments to the natural environment, climate and ecology, the proposals for improving the energy efficiency of homes will not only achieve cost savings on energy bills for householders but will also lead to reduced energy usage over coming years. In programmes such as Healthy Homes Dorset, this environmental impact will be measured alongside the strong social outcomes.

5. Well-being and Health Implications

The proposed support aims to be a preventative intervention, helping households, families and individuals avoid falling into deeper financial crisis which, in turn, could lead to negative health consequences such as mental

illness, domestic abuse, and physical illness due to poorly heated accommodation and/or malnutrition.

6. Risk Assessment

HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

7. Equalities Impact Assessment

Proposals are targeted at our most vulnerable residents. Means testing will be used where possible to ensure the additional funding reaches those in greatest need

Our research team has done extensive data modelling to identify those households in greatest need during the cost-of-living challenge. Using this data, we have been able to identify gaps in national government and local support to date. We are also working closely with our VCS partners such as CA & Age to reach their client base (those identified as struggling at this time).

8. Appendices

Appendix 1 – A list of the proposed projects of support from Dorset Council

Appendix 2 – October – December 2023 quarterly contract report Citizens Advice in Dorset for Dorset Council

Appendix 3 – National Government Support

Appendix 4 – Dorset Council Support

Appendix 5 – Household Support Fund round 3 allocation summary

Appendix 6 – A full list of Community Warm Welcome spaces in the Dorset Council area. Source Alacrify Foundation 7th February 2023.