

# COST OF LIVING SPOTLIGHT REVIEW

CORPORATE INFRASTRUCTURE AND REGULATORY SERVICES SCRUTINY COMMITTEE

MARCH 2023

## BACKGROUND

Members of the Council expressed their concern for vulnerable residents following the sharp increase in the cost-of-living experienced since the Coronavirus pandemic and through to 2022-23. All scrutiny members were invited to participate in the Spotlight Review in recognition of the **wide ranging impact** of the cost-of-living crisis.

The focus of the review was to gain a snapshot of the challenges facing both residents in Devon and actions that the Council is currently taking to support them, as well as understanding what the Council as a large local employer can and is doing to support its own staff.

## THE NATIONAL CONTEXT

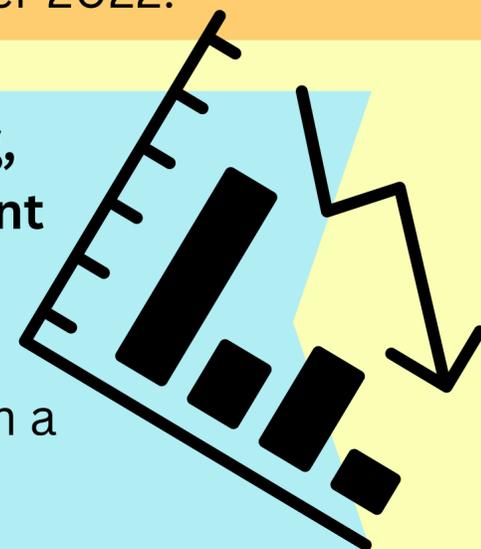
Energy prices (gas and electricity) had risen rapidly with the **Ofgem price cap at £4,279** as at December 2022 (versus £1,137 when it was introduced in January 2019) and the **energy bill support scheme due to end from April 2023**. Petrol prices had also risen a very high amount.



In addition to energy pressures, the **price of food had increased** with **staples such as pasta and milk** having risen in price by **over one-third** from November 2021 to November 2022.

Factors such as these had **combined to create a crisis of living**, with **UK residents being 'squeezed' from both sides by stagnant wages and increased prices**.

A statista survey in January 2023 reported that **92% of UK households were seeing an increase in their cost of living** from a year prior.



At the time of the spotlight review, inflation was at 9.2%, the highest levels since the 1980s. This added another layer of concern to the crisis, with (on the current trajectory) **wages chasing prices, but lagging behind severely**.

# FINDINGS: WHAT DOES THIS MEAN FOR DEVON?



- **Devon's fuel poverty is 13%** (vs. UK average of 10.6%), i.e. people cannot afford adequate heating without falling below the poverty line. Devon houses often have **less modern heating systems**.
- **Changing poverty landscape** with fuel poverty particularly impacting rural / northern coastal area. **Urban areas are still heavily impacted** overall as expected in line with previous crises.

Research by Public Health uncovered the stark reality of the crisis in Devon:

- **food insecurity levels in Devon had increased** from 17% in March/April 2021 to 29% in September/October 2022;
- the **overall proportion of Devon households who had accessed emergency food support** in the past 30 days (at the time of the research) had **more than doubled** (5%, up from 2% from the same research in 2021).
- there is a **strong interrelation between food poverty and fuel poverty** with 80-90% of households experiencing food insecurity also experiencing fuel insecurity



The hardest hit residents include those on low-income, disabled people and those with children.

## CONCERNS FROM THE VOLUNTARY AND COMMUNITY SECTOR

### These included:

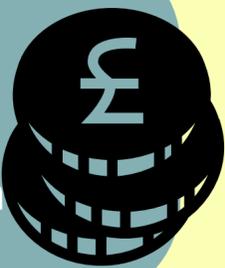
- the social and financial impact of the cost-of-living crisis on those with protected characteristics;
- inadequate funding from government for their work to continue;
- volunteer burnout;
- volunteer apathy (with the cost-of-living crisis being seen as the fault of political actors);
- scope for improvements of collaborative, cross-sector working in addressing the crisis.



## DEVON COUNTY COUNCIL STAFF

The Spotlight Review heard that **more DCC staff were having to use food banks**; and that some staff, particularly those such as social workers, were **unable to afford fuel** near the end of the month and were having to schedule appointments to consider this.

In November 2022, Devon County Council warned that **spending cuts would be inevitable without help from Westminster** (BBC News).



Department  
for Work &  
Pensions



Devon  
Community  
Foundation  
*Giving more locally*

citizens  
advice

# FINDINGS: WHAT SUPPORT IS THERE?

There was **£37 billion of government funding nationally in 2022** with further Cost of Living payments into 2022 and 2023 announced. **65%** has gone to those most vulnerable in the bottom quartile. The Department for Work and Pensions has given **£15 million** under the Household Support Fund to Devon from in 2021-22 with an **additional £10.1 million** pledged from April 2023.

**Council Tax** represents the **largest single source of income** for the County Council with the authority's situation necessitating increases. However **in recognition of the impact of price rises on residents**, all districts had implemented Council Tax reduction schemes usually based on income and Council Tax band to alleviate the financial concerns of the most vulnerable. The maximum possible discount ranged from **75% to 100%**.

The **Voluntary and Community Sector** is ever-present in supporting those most vulnerable, or with protected characteristics; or people who are generally suffering. Much of their work is done **in conjunction with Devon County Council** who support their role as well as being vital in allocation of funds. Organisations such as **Citizens Advice** are there to support people with a wide range of concerns and can for instance **assist with applications** for benefits or **signpost people to other support**.

The Spotlight Review heard of the importance of work that builds **long-term community resilience which** is more effective than **reactive funding in reducing the impact of crises**.

## RECOMMENDATIONS

The Spotlight Review made the following recommendations, asking for a report against progress in 6 months' time:

	Intention	Recommendation
1.	Ensure that people and organisations who are eligible are making use of resources they are entitled to.	a. All Councillors to have a resource list and to be invited to subscribe to Devon Funding News to keep up to date on available resources. b. Wider and regular publicity of the Household Support Fund (HSF)
2.	The Council champions the wellbeing of Council employees.	Write to the LGA to join the lobbying for a local government discount card, similar to the Blue Light scheme for health and social care workers, for all Devon County Council staff in recognition of their valuable role in society.
3.	The Council supports partners in their efforts to help vulnerable people.	That the Council writes to Districts to identify if there is scope to align council tax reduction schemes across Devon.
4.	To help alleviate the energy crisis.	That the councils ask Government to intervene and reduce the energy price cap at the end of March.
5.	To alleviate poverty	Ask Government to review the current mechanisms for supporting those in need.