

Briefing Paper for the Health and Wellbeing Exec

8 November
2022

The Cost of Living Crisis and Bradford District's Anti-Poverty Strategy

Summary

- The Cost of Living crisis is driven both by higher prices, especially energy, fuel and food, but also by a real terms fall in incomes. Inflation hit a new 40-year high of 10.1% in September (food inflation hit 15%).
- The Bradford district is particularly vulnerable to the cost of living crisis given it has high levels of poverty, poor housing, reliance on public services and a low wage economy. A new poverty landscape is emerging as the cost of living crisis hits our families, communities, public services and businesses.
- As the August report to the Executive reported, the crisis affects all our residents but impacts on the poorest hardest. It also affects, public services, businesses and the voluntary and community sectors (VCS). There is a distinct geography to the impact of inflation; cities such as Bradford experience higher inflation rates than the national average and have less resilience. Bradford is highly vulnerable to the impact of the crisis:
 - **Residents:** - very high rates of poverty, child poverty, food and fuel poverty. Our poorest citizens face inflation rates up to 3% higher than national average.
 - **LA and public services:** under real costs pressures as inflation eats into funding settlements, demand rises and revenue raising capacity falls and high numbers of people dependent on public services.
 - **Businesses:** rising costs but also reduction in sales and rises in interest rates, set against background of very weak growth, low productivity and potential recession.
 - **Voluntary & Community Sector (VCS):** rising demand but falling donations and revenue.
- Our new Anti-Poverty Strategy aims to address this new poverty landscape. It sets out an ambitious vision, based on achieving four core goals: protection, prevention, pathways and participation.
- The current economic and policy context remains uncertain. There has been substantial economic and political change in the past two months. There may be further cuts to public service budgets and tax changes. Cuts would further increase pressure on our communities and services.
- We continue to face a range of challenges.
 - Our District is highly vulnerable to the cost of living crisis.
 - Programmes such as the HSF depend on national funding streams which are short-term and ad hoc.

- Projects and programmes are fragmented, sitting in a wide range of strategies and across sectors. There are multiple lines of governance and reporting.
- The basic reality is that support programmes are insufficient to meet the level of need. At the same time, the capacity of public and voluntary and community services to meet this need is being eroded by cost of living pressures.
- The current economic and policy context is highly uncertain.
- This means that it is all the more important that we join up work at District level, build on what we know works well, work strategically with regional partners and continue to articulate the voice of Bradford with national government.

1.0 Introduction

Purpose:

1.1 This paper:

- provides a brief update on the national picture
- presents the District's Anti-Poverty Strategy
- invites discussion on how to mainstream the APS and ensure joined up working across the District
- invites discussion on next steps and ways that Wellbeing Board partners can support the strategy and help our residents through the cost of living crisis.

Recommendations

1.2 H&WB Executive considers how best to develop anti-poverty work and leverage the capacity of the private, public and community sectors to: protect those on lowest incomes from the harmful effects of poverty, prevent people falling into poverty, provide pathways out of poverty and ensure that our poorest citizens can participate in the social, economic, political and cultural lives of their communities.

2.0 Background:

The Latest National Picture

2.1 The cost of living crisis is being driven both by higher prices, especially energy, fuel and food, and a real-terms fall in incomes. In September 2022, inflation hit a 40 year high of 10.1%. Employment rates are historically high but this is accompanied by low productivity, real-terms wage decline and a record fall in living standards.

2.2 The rise in energy prices has dominated attention but the cost of essentials such as food, clothing and petrol/diesel have risen rapidly over the past year. In September 2022, food price inflation was almost 15%. ONS data shows that Pasta prices rose 60%, tea jumped 65% and chips went up 39%. There were also large price increases for other everyday low-cost items including milk, biscuits and bread.

2.3 Further to this, rents and mortgages are rising. Interest rates have risen and are expected to rise further in the coming months.

2.4 As noted in the August report to this Executive, the cost of living crisis hits the poorest places and groups in society hardest. This is because the poorest groups spend a higher proportion of their income on essentials such as energy and food. The poorest

areas have high rates of poverty, poor housing quality with high energy inefficiency, a heavy reliance on public services and low wage economies. They are far more vulnerable to the cost of living crisis. Institute for Fiscal Studies' (IFS) analysis shows that in October this year *the poorest tenth are expected to have faced an average inflation rate of 14% compared to 10% for the richest tenth* (this factors in the Energy Price Guarantee).

- 2.5 The Bradford district is particularly vulnerable to the cost of living crisis given it has high levels of poverty, poor housing, reliance on public services and a low wage economy. Our strategy provides a detailed poverty profile showing this vulnerability.
- 2.6 The cost of living crisis also affects businesses, local authorities, public services and the voluntary and community sectors. For local authorities such as Bradford, inflationary costs far outstrip government funding and council tax increases. This poses a serious challenge to the capacity of local authorities and wider public services. As demand for services rises, capacity is challenged. Analysis conducted over summer by the Local Government Association shows that inflation, energy costs and projected increases to the National Living Wage (NLW) will add £2.4 billion in extra cost pressures onto council budgets this year, rising to £3.6 billion in 2024/25.
- 2.7 The Government response to date can be broadly split into four phases:
 - Earlier in the year, a range of energy support measures were introduced alongside some tax and benefit changes. The broad impact of these changes was progressive, benefitting the poorest the most.
 - On the 8th September, in response to further rises in energy prices and forecasts that bills could rise still further, making them unaffordable for many millions of households, the Government introduced the Energy Price Guarantee (EPG). This capped the unit price of gas and electricity for the next two years, meaning typical homes would face an energy bill of around £2.5k. (A similar scheme for business but also including public services and voluntary and community sector organisations was introduced, lasting for six months).
 - On the 23rd September, the “fiscal event” or mini budget introduced a range of tax cuts as part of the Government’s Growth Plan.
 - On October 17th, the Chancellor’s statement; bringing forward measures from the Medium-Term Fiscal Plan and updating the Growth Plan 2022.
- 2.8 The market turmoil following on from the mini budget of the 23rd September was followed by policy changes, the appointment of a new Chancellor and a subsequent reversal of almost all the tax cuts introduced as part of the mini budget. This was followed by the resignation of the then current Prime Minister and a new Prime Minister being appointed.
- 2.9 The reversal of the 23rd September mini budget measures were outlined in the new Chancellor’s statement (17th October) bringing forward measures from the Medium Term Fiscal Plan. Only the abolition of the Health and Social Care Levy, the increase in the Stamp Duty threshold and removal of the cap on Bankers bonuses remain.
- 2.10 As a result of the reversals, the EPG, originally introduced for two years, will now end in April 2023. There will be a Treasury review and a “new approach” introduced from April to reduce the overall cost to government whilst prioritising those in most need. There will also be a greater emphasis on energy efficiency.

- 2.11 The EPG now protects households from the full impact of future energy price rises for the next six months. Under the EPG a typical household bill is expected to be around £2,500. However, this still means that energy bills have doubled in a year. Even with the EPG more people will fall into fuel poverty and for those already struggling there is no additional support. The latest national data from the energy regulator Ofgem shows that by the end of June, 2,347,511 households were behind on their electricity bills and 1,858,585 on their gas bills. Both totals rose by about a quarter in just three months, and by almost two-thirds since the end of 2020. Nationally, in September 2023, Citizens Advice saw a record number of people who could not afford to top up their prepayment meter – the eighth time this record has been broken in the last nine months. There has also been a rapid rise in people forced on to prepayment meters, these are more expensive and can easily run out of money.
- 2.12 Once the six-month protection ends in April 2023, a typical household bill is expected to rise to between £4 - £5k. It is not yet clear what will replace the EPG. Further, it is not yet clear how businesses and public services will be protected from the worst effects of energy price increases from April 2023.
- 2.13 More generally, the reversal of the cuts in the mini budget and the effective end of the Growth Plan will not substantially change the pressures felt by our communities and public services facing the cost of living crisis. For example, even if benefits are uprated in line with this September's 10.1% inflation figure (and this is by no means certain at the time of writing), the Institute for Fiscal Studies argues the real value of benefits will still be six percent lower than pre-pandemic levels. This amounts to a £500 decrease for an out of work claimant.
- 2.14 The Resolution Foundation forecasts that absolute poverty will increase by an extra 2.3 million people even if the Government increases benefits by 10% in April 2023. By 2025-26 it estimates a typical household will see its income fall by £1k as a result of all the tax and benefit changes announced to date during this parliament.
- 2.15 The Chancellor has warned of difficult decisions yet to come on public spending and taxes. The Fiscal Plan to be announced on 31st October will outline these decisions. It is likely that there will be further cuts to public service budgets which could be in the order of tens of billions. This at the same time as the cost of living crisis continues to bite and further increases pressure on our communities and services.

3 THE NEW ANTI-POVERTY STRATEGY

- 3.1 The strategy sets the following vision:

“By working together, we want to make sure that Bradford District is a place where everyone, regardless of background, can realise their potential and lead fulfilling and prosperous lives free from the scarring effects of poverty and inequality.”

- 3.2 To realise this vision, the strategy connects all district wide work under four goals:

- **Prevention:** through early intervention and support which helps to build the resources, skills and capacity our people and communities need to avoid falling into poverty.

- **Protection:** from the harms of poverty through maximising income, minimising expenditure and providing access to goods, services and opportunities that ensure our poorest citizens can live a decent and secure life.
- **Pathways:** to help people out of poverty through providing clear pathways that develop the skills, capacities, jobs and opportunities through which people can prosper. For example, ensuring digital inclusion, developing the skills necessary to progress in the workplace and providing decent, well-paid jobs.
- **Participation:** to ensure our poorest citizens can take part in the full social, political, economic and cultural lives of their communities. This means expanding the public realm – providing goods, services and facilities that ensure all our citizens can participate in their communities.

3.3 To work toward these goals, there are seven work themes. The themes are designed to allow read-across with the District Plan and key district-wide strategies. The themes are:

- Financial inclusion
- A great start and a great education
- Better skills, good jobs and a growing economy
- Better health, better lives
- Better housing and inclusive and sustainable communities
- Supporting vulnerable groups
- Participation and voice

3.4 The work themes bring together a range of strategies, policies and programmes. The aim is to ensure that poverty is addressed through ALL of the Council's strategies and plans, reflecting our adoption of the socio-economic duty in our equalities strategy.

3.5 Attached to the work themes is a detailed action plan. Below, we pick out some of the programmes that are currently running or in development. Firstly, we select those which focus on the goal of protection and our immediate work on the cost of living crisis. Secondly, we select some of the programmes which have longer term goals of prevention, providing pathways out of poverty and ensuring all our citizens can participate in the full social, political, economic and cultural life of their communities.

3.6 Central to the whole design of the strategy and the way in which it works is:

- working in partnership with our communities and partners. We are working to embed co-production at the heart of all we do;
- building our communities and partners into the design, delivery and evaluation of all we do;
- building on what we know works and what we learned from our work with our communities and partners during the pandemic. We are building on our expertise in partnership working and the skills and capacities we have embedded in our communities, and across the Council and our partners.

3.7 The strategy sets an enabling framework for this and is a live strategy. It will evolve and develop in response to the cost of living, changing policy environment and our ongoing work. Throughout the crisis we will ensure our communities can access help and support; our policy responses are constantly adapting to the cost of living crisis as it continues to unfold. Our cost of living survival guide, for example, is updated every day and available at <https://costoflivingbradford.co.uk/>

3.8 Our strategy seeks to join up work across the district but also join up regionally and nationally. For example, we are

- working with the Mayoral authority to obtain additional funding for welfare services;
- joining up our anti-poverty work with wider regional and national work through the Health Inequalities Alliance and work with Act Early;
- working with our combined authority partners through participation in a regional cost of living working group, sharing best practice and developing a common advocacy approach to the ask of national government

4 WHAT WE ARE DOING

PROTECTION: Priorities: Food and Fuel Poverty, Maximising Income, Minimising Costs, Protecting Vulnerable Groups:

Delivering the Household Support Fund (HSF).

4.1 This is a national grant that is locally designed and delivered. Introduced in October 2021, initially for six months, it has since been extended twice and will now run until March 2023. In total, almost £17m worth of support will have been delivered from October 2021 to March 2023 across Bradford District.

4.2 Grant conditions for the October to March 2023 phase of the fund were announced in the last week of September 2022 and a plan was formulated based on a needs analysis, feedback from previous schemes and elected member involvement. The latest tranche of funding has fewer grant conditions but an element of the scheme must have an application process for those experiencing the greatest hardship.

Household Support Fund Projects from October – March 2023:

- **Voluntary and Community Sector Funding (£1.1m).** Focused on food provision, around a 100 voluntary and community organisations have been mobilised across the district. They have been tasked with working with vulnerable/disadvantaged families in need of food and are providing healthy food hampers both for collection and by direct delivery.
- **Warm Spaces Initiative (£320k).** This will provide for smaller community and faith organisations not delivering as part of the funding provision above to apply for a one-off £500 or £1,000 grant to enable them to provide access to a warm space and hot drink for local people. This type of grant funding could enable small organisations to expand their current provision or set up a warm space. A communications toolkit is available for any organisation to use, regardless of whether they receive a grant or not at: <https://www.bradford.gov.uk/health/health-advice-and-support/warm-spaces-communications-toolkit/>
- **Additional support for our foodbanks (£300k).** Funding provided to Storehouse to ensure foodbanks are able to support our most vulnerable residents. There is a specific focus on supporting the faith sectors and underrepresented groups such as BAME, LGBT, refugee and asylum seekers and Roma communities. There is also provision for foodbanks to provide white goods where people are unable to cook.
- **Smaller schemes for specific groups (£510k).** We have identified specific groups of people who will need additional support and have partnered with VCS organisations to provide a specific offer. These include family carers with Bradford

Carer's Resource, uniform savers with the Credit Union, Warm Homes, Child Safe Sleeping with Baby Bank, care leavers and a fuel assistance / white goods scheme with an application process for those most in need through the Council's own Revenues and Benefits Service.

- **Help with Fuel Costs (£3.55m).** The majority of the grant will be spent on direct payments to support low income households with the cost of energy and food. To ensure we support as many people as we can, this scheme will make a payment of £65 to all households in receipt of Council Tax Reduction towards increased fuel costs, with an additional £20 one-off payment per child in the household for food. A one-off post office voucher for both sums will be posted automatically in December 2022 – there is no need to apply.

Welfare Assistance and Advice

- 4.3 A £2m funding package has been provided to recommission welfare advice services across the district and reconfigure how such advice and guidance is provided. Public Health commissioners are funding a comprehensive information, welfare advice and guidance service. This includes a number of pilots across the district which utilise digital technology to allow faster access. We are also working with the Mayoral authority to access a further funding stream for welfare advice support.

Cost of Living Public Information Campaign

- 4.4 A cost of living guide booklet was published on the 10th October in partnership with CABAD. The booklet has an associated mobile website and app that can be kept updated with the latest details of local groups and assistance. The Council is working with public, private and voluntary sector partners to develop a shared district wide approach to the information, advice and guidance we give out to ensure access to support is made as easy and straightforward as possible and that all information is in real time.
- 4.5 As part of this we are currently reviewing additional opportunities for promoting take up of benefits.

Financial Inclusion

- 4.6 In addition to the measures contained in the Household Support Fund, we continue to support a range of projects aimed at maximising people's incomes and reducing the costs they face. In the longer term, we aim to bring all projects together into one coherent and complimentary district wide financial inclusion strategy.

Key projects:

- **Bradford Credit Union:** continues to develop its membership – now at 9,000. Of these, 2,500 members would face total financial inclusion without the support of the credit union. The credit union, supported by the Council and working with a range of partners, has developed and continues to develop a range of innovative schemes.
 - For the academic year 2021-2022 a Uniform Savers project has supported 285 families; this has been nationally acclaimed. This project has been extended for this academic year.

- **Poverty Proofing the School Day:** this project is currently running with 18 schools and is developing ways of reducing the costs of schooling for our poorest communities.
- **Warm Homes/Health People:** this programme combines national and local funding and has been extended for 2022-2025. It is aimed at helping alleviate fuel poverty.
- **Support for social supermarkets and foodbanks:** we work closely with our VCS partners to support foodbanks across the district and develop new schemes such as FoodSavers. The food parcels vary in size, providing food to individuals and families which can last from a day through to a week.

PREVENTION, PATHWAYS AND PARTICIPATION

4.7 In addition to the immediate support the strategy sets out longer term goals of preventing people falling into poverty, providing pathways out of poverty and ensuring that all our citizens, regardless of circumstances, can participate in the full social, political, economic and cultural life of their communities. The strategy contains a wide range of programmes and plans including:

- Developing a 0-5 Early Years Programme and an Early Childhood Services Outcomes Offer;
- Implementing the Raising Attainment Strategy for Bradford schools. The 5 Year Strategy will look to raise attainment by investing in seven areas of focus for the duration of the strategy. Over the 5 years it is planned to invest a total of £26 million in a range of projects;
- Investing £3.57 million in funding Skills House;
- Working closely with our partner organisations such as the NHS, schools and the voluntary sector to develop mental health services for young people;
- Implementing the Digital Inclusion Programme, supporting communities with access to devices, internet and digital skills to engage in the digital world. Working closely with the VCS, NHS, local and national organisations to reduce the digital divide across the district;
- Levelling Up Strategy: over £60 million of levelling up funding successfully bid for to date supporting redevelopment of Shipley and Keighley and integrated health and leisure provision on Squire Lane and 'mini hub' mental health and support services in Manningham and Tong;
- Collaborative working through the Act Early Consortium.

5. OTHER CONSIDERATIONS

5.1 Individual consultation has taken place with organisations and groups who have delivered support, and with residents who have been in receipt of financial support between 2020 and 2021. Some of the strengths identified during the consultation which supported the development of a strategy were:

- the availability of support within local communities has meant people, many of whom were not known to services, have been able to seek support at the earliest opportunity;
- trusting and valued relationships have been established between the Council, organisations within the third sector and with residents;
- there has been a good level of advice, information and support for households experiencing financial difficulties;

- there has been strong partnership working to ensure a diverse offer of support, information, and joined up working;
- residents described the support they have received as a lifeline, without which they would have plunged further into debt and crisis. The quotes utilised in the strategy are taken from residents who have received support from the Covid support grants.

5.2 Through this consultation we also learnt that:

- too many households are already experiencing crisis at the point they ask for help;
- in some instances, information about where families can access support has not felt accessible enough. Residents and delivery partners expressed that ease of access and improved communication channels would support more instant support, reducing the number of services residents pass through to get the support they need;
- in some instances, digital exclusion has been a barrier to accessing support.
- the impact of Covid-19 and the increased cost of living on financial hardship is still emerging;
- sustainability based on uncertainties regarding future funding means many smaller organisations are struggling to plan for their future.

5.3 The outcome of this user consultation has supported the need for a strategy to support immediate financial crisis and develop a system of secondary prevention.

6.0 FINANCIAL & RESOURCE APPRAISAL

6.1 Proposals will be funded from within existing budget allocations and from the Household Support Fund. The Household Support Fund is a government grant of £5.69m from October – March 2023 with grant conditions, all of which are met in the plan described above.

6.2 The Executive should note that the Household Support Fund is short term grant funding to March 2023 and on its expiry the schemes will no longer be funded; activities will need to cease unless alternative funding can be identified.

6.3 Final grant determination documents for the Household Support Fund were received by councils on 30th September 2022. The scheme was therefore formally approved under Part 3D, Article 11 – Special Urgency of Bradford Council’s consultation to allow expenditure to begin on 1st October 2022. A decision note has been lodged with the City Solicitor.

6.4 There are no direct legal implications arising from the report. The creation of the Anti-Poverty Strategy will assist the Council in meeting its statutory obligations to residents in need of support.

6.5 Any such strategies that allow the Council to meet needs and reduce future needs in a more cost-effective way is a recognition of the Council’s fiduciary duty to act prudently and in a financially responsible manner.

6.6 Experiencing financial hardship and poverty has an impact on emotional health and wellbeing and hence on motivation, quality of life and opportunity. This strategy will support intervention at the appropriate level to provide financial support where needed, either directly or through our partner organisations. The strategy aims to support and empower individuals to build their own resilience through accessing support.

- 6.7 No sustainability implications arise from the recommended decisions.
- 6.8 No greenhouse gas emissions implications arise from the recommended decisions.
- 6.9 There is a correlation between deprivation and areas of our district that experience the highest level of crime. This has increased the need for focus on prevention of poverty within the district's new strategic approach.
- 6.10 The Anti-Poverty Strategy is key to mitigating inequalities caused by financial deprivation and poverty. The strategy sets out the long term vision for the district working with partners to improve the lives of all those living in the district and is centred on tackling poverty and inequality. The proposed strategy offers an opportunity to adopt a more personalised approach to engage with individuals and groups to ensure accessibility to services offered and remove barriers to accessing support and advice. The key principles of the strategy will ensure the diverse needs of the residents of our district are met, leaving no one behind.
- 6.11 Establishing the Anti-Poverty Strategy embeds a collaborative approach based on work with local communities, empowering people and a commitment to involvement, to address the cost of living crisis and greater inequalities which is in keeping with the Human Rights Act 1998.
- 6.12 No trade union implications arise from the recommended decisions in this report.
- 6.13 The Anti-Poverty Co-ordination Group will work directly with Council officers with a direct remit for developing and monitoring ward action plans.

16. AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

- 6.14 Children in Care are one of a number of groups most affected by poverty and reduced life chances. The report identifies specific measures to support children in care and care leavers.

None.

- 6.15 The Executive is recommended to:
1. Adopt the Bradford District Anti-Poverty Strategy 2022-27 including any updated comments received from the Executive.
 2. Endorse the approach to the cost of living crisis set out in the Anti-Poverty Strategy and provide comments.

20 APPENDICES

Appendix 1 The Bradford Anti-Poverty Strategy.

21. BACKGROUND DOCUMENTS

None.

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