

## **REPORT OF THE CHAIRMAN OF OVERVIEW COMMITTEE**

### **COST OF LIVING REVIEW – PROGRESS REPORT**

#### **Purpose of the Report**

1. To provide a progress report on the Cost-of-Living Review currently being carried out by members of the committee.

#### **Information**

##### **Background**

2. Scrutiny review task and finish groups are informal and time-limited bodies and are established to undertake a discrete piece of scrutiny work, and report back to that committee with their findings and recommendations.
3. At the meeting of Overview Committee held on 23 March 2023 the scope for the committee's review around Cost-of-Living was approved.
4. The current difficulties around the cost of living have occurred due to a decrease in households' disposable income. This decrease has been caused by rising inflation which has exceeded the rate of wage and benefit increases. A number of factors have had an impact on households' budgets, particularly rising energy, fuel and food costs and interest rates with the most affected being low-income households. The current situation around the cost of living presents multifaceted challenges, however the focus for scrutiny should be to examine the related issues affecting Nottinghamshire and its residents and to understand life as it is lived by local people.

##### **Review activity**

5. The members of the review group are:
  - Councillor Boyd Elliott (Chairman)
  - Councillor Glynn Gilfoyle
  - Councillor Steve Carr
  - Councillor Kate Foale

Councillor Carr was unable to attend this meeting but will be participating in the future work of the group.

6. The first meeting of the review group took place on Monday 17 April. At this meeting members received a presentation that provided detailed information on:

**Information on the cost-of living situation and Cost-of-Living pressures on the population.**

- The global and domestic factors that were affecting inflation and cost-of-living pressures that included:
  - the conflict in Ukraine
  - Strong global demand for consumer goods (due to the pandemic)
  - Related supply chain disruption
  - Labour costs - low unemployment, high vacancies, return of large numbers of migrant workers, withdrawal of certain groups from labour market participation (e.g. over 50s)
  - Increased energy and fuels costs passed on to consumers
- Other circumstances that were affecting household budgets, that included:
  - The threshold above which people start to pay basic rate and higher income tax having been frozen that had meant that more people might fall into the higher tax threshold as wages rise.
  - How low-income households were affected more by inflation and rising prices as they tended to spend a larger proportion than average on energy and food.
  - That rising interest rates had led to increases in mortgage rates and monthly repayments for homeowners.
  - How private landlords were also being impacted by rising interest and mortgage rates and how they may pass these on to tenants by increasing rents.
- Office for National Statistics data that detailed that amongst the UK adults who had reported a rise in their cost-of-living expenses that the most significant impacts were increased food prices, increased energy prices, increased fuel costs and increased housing costs. This data also showed that in response to these increases in the cost-of-living, that of those reporting an increase that 63% had reduced spending on non-essentials and that 54% had reduced energy use in their home.
- Information on the “Financial Resilience” of the UK population. Financial Resilience is the ability of individuals and families to cope financially when faced with a sudden fall in income or unavoidable rise in expenditure. It was noted that:
  - 12.9 million UK adults had low levels of financial resilience – 1 in 4 (24%). And that this number had increased by 2.2million since February 2020.
  - Some groups in society had lower levels of financial resilience than others. These included – females, the young, unemployed, those employed in the gig economy, renters, and ethnic minorities.

- Royal Society for Public Health data that detailed the possible effects of the cost-of-living increases on the health and wellbeing of the population.
- The Bank of England Monetary Policy Committee and Office for Budget Responsibility's latest predictions on inflation and Real Household Disposable Income (RHDI). It was noted that RHDI per person was expected to fall by a cumulative 5.7 per cent over the two financial years 2022-2023 and 2023-2024, the largest two-year fall since ONS records began in 1956/57.

### **The activity currently being carried out in response to the Cost-of-Living situation by Nottinghamshire County Council**

- The Financial Resilience and Inclusion Project that was being operated by the Council and how this two-year project (funded by Public Health Grant) was currently focused on activity to support and deliver effective collaborative work across the Council to support people and communities with the impacts of the cost-of-living situation.
- Information on activity already delivered by the Council to support residents with cost-of-living pressures, that included:
  - How a dedicated Cost-of -Living web landing page had been established (Internal and External). The external page has received 6,596 views since 15 November 2022.
  - The Benefits Team had attended 21 drop-in events across the County working with District and Borough Councils and partners.
  - A further mailout to 14,600 residents who are in receipt of Pension Credit.
  - Phase 3 of the Household Support Fund had been launched. The dedicated web page has received 16,755 unique views since 17 November 2022.
  - A targeted mailout to 17,900 homes in receipt of free school meals to explain the application process for winter support payments. To date £1.6 million of support payments have been provided
  - Holiday and Activity Fund made available during winter period
  - 5,000 A5 brochures with information/support for those in digital poverty or with limited IT skills had been distributed to 60 libraries, 18 Children's Centres, Benefits Team for events and community workers.
  - Homes for Ukraine scheme enhanced to offer (£726,000) of financial support to hosts recognise increasing cost of living.
  - Top up of £210,000 to District and Borough Councils to support the prevention of homelessness from the Household Support Fund
  - Review of information platforms undertaken to ensure comprehensive and consistent information available
  - Launched staff support communications signposting to support Council staff access information on cost-of-living support.
- Information on current and planned future work being carried out through the Financial Resilience and Inclusion Project.

7. After receiving the information members of the review group took the opportunity to ask questions of Nigel Stevenson, Service Director - Finance, Procurement and Improvement and Sophie Russell, Group Manager for Transformation and Change on the information that had been provided and to discuss the issues that had been raised. Areas of discussion included:
- Members noted with concern the information on how people from ethnic minorities were one of the groups of people more likely to be less financially resilient. Members asked whether further information was available that showed levels of financial resilience broken down by ethnic group. This information will now be shared with members of the review group.
  - How information around the support that was available to support residents with cost-of-living pressures was communicated to residents. Members noted that it was important that communication activity around cost-of-living support should ensure that residents without internet access, who had lower levels of literacy or needed face-to-face interaction, should be able to have equity of access to the information and support that was available around the cost-of-living situation. Members agreed that it would be beneficial if input from the Council's Communications Team were to be received at a future meeting of the review group.
  - How the Financial Resilience and Inclusion Project was successfully working to coordinate activity around the Cost-of-Living situation across the Council.
  - Members of the group agreed that it would be useful if data and information could be provided to the review group that showed how the cost-of-living situation was impacting on different groups of residents across Nottinghamshire. Members were advised that this data set was currently being developed and could be shared with the review group.
  - Members of the group noted that councillors, from the work that they carried out in their communities would have had significant experience in working with and supporting residents who were experiencing difficulties around cost-of-living pressures, and as such would have a good understanding of how the current situation was impacting on communities across Nottinghamshire. Members agreed that that this knowledge and information, if combined and analysed could provide a valuable resource in enabling the review group to gain a thorough understanding of how the cost-of-living situation was impacting on residents. Members were advised that work would be carried out to establish how this information could be gathered so that this information could be considered as part of the review.
  - Members of the review group agreed that it would be beneficial to gain an understanding of the activities being carried out by other County Councils in response to the cost-of-living situation. Members were advised that this information was available and would be shared with members of the review group.
8. Members of the review group were also provided with access to additional written and web resources that provided further detailed information on the issues covered at the meeting.

## **Future activity**

9. Members of the group will be carrying out further work and having future meetings to gather information on:
- The local cost-of-living situation being experienced in Nottinghamshire and its impact on residents, services and Council staff.
  - To gain an understanding of the County Council's role and responsibilities regarding supporting residents and staff who are facing cost-of-living pressures and to gain further understanding of the activity that has been carried out in response by the Council.

Members of the review group will also be holding Information gathering meetings with partner and voluntary organisations to gain an understanding on the level of need being experienced by, and the impact of the cost-of-living situation on residents and to learn about the support that partner and voluntary organisations are providing.

10. A further progress report on the Cost-of-Living review will be brought to the June 2023 meeting of the Overview Committee.

## **Financial Implications**

11. There are no direct financial implications relating to the recommendations of this report.

## **RECOMMENDATION/S**

- 1) That Overview Committee notes the activity that has been carried by the review group so far.

**Councillor Boyd Elliott**  
**Chairman, Overview Committee**

**For any enquiries about this report please contact: Martin Elliott, Senior Scrutiny Officer,  
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## **Constitutional Comments (LPW 10.05.2023)**

12. The recommendation falls within the remit of the Overview Committee by virtue of its terms of reference and in accordance with the Cost-of-Living Scope approved by Overview Committee on 23 March 2023.

## **Financial Comments (SES 09/05/2023)**

13. There are no specific financial implications arising directly from this report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- [Overview Committee agenda 23 March 2023](#)

## **Electoral Division(s) and Member(s) Affected**

- All