

Cost of Living summary

Purpose of report

For information.

Summary

This paper gives a brief overview of our developing and ongoing work on the cost of living, to accompany a verbal update. This highlights developments since the last Board

Is this report confidential? Yes No

Recommendation

That the LGA continues to develop a cross-cutting and collaborative approach to developing the evidence base, supporting councils and informing policy development to ensure we are responding as effectively as possible to cost of living pressures

Contact officer: Rose Doran
Position: Senior Adviser
Phone no: 0207 6643073
Email: rose.doran@local.gov.uk

Cost of Living summary

Cost of living summary

1. Resources Board members provided helpful feedback and highlighted key areas of concern at the Board meeting on 2nd March
2. Members agreed that the LGA needed to take a crosscutting approach to the cost-of-living crisis that connected the LGA's work on welfare and financial inclusion with other key policy areas and Boards
3. Cost of living has also been discussed by Group Leaders and LGA Board, who agreed that it should be a crosscutting priority within our current work
4. There are two key themes within our work, both of which are priorities for the Resources Board: the impact on council finances, for example through increased energy costs; and the impact on the communities councils support and serve
5. The Finance team are leading work on cost pressures for councils
6. Colleagues working on support for low-income households continue to work on the welfare system, benefits delivery and financial inclusion as set out at the last Board
7. Key points of contact and collaboration we have identified with other Boards and teams include:
 - Levelling-up, productivity and local economic development. Colleagues working with the Cities and People & Places Boards are hosting of round tables on 'levelling up locally'. The third of these will focus on 'productivity and prosperity' and will consider how councils can lead a sustainable approach that improves outcomes for lower-income households. The team will also consider reducing socioeconomic inequality in its work on the Future of Cities
 - Health and social care – the link between socioeconomic disadvantage and health / wellbeing is well evidenced. Cost of living is a key priority within our work with Government on addressing health disparities. There are also key concerns about the disproportionate impact of financial exclusion on disabled people (Community Wellbeing Board)
 - Housing and homelessness. There is a wide range of relevant work on housing supply, housing support and affordability. The most significant impacts on lower-income households are being captured through our work to contribute to the Department for Levelling Up Housing and Communities' work on 'preventing rough sleeping' (Environment, Economy, Housing and Transport Board)
 - Funding pressures on councils are likely to impact on provision of leisure services, while the importance of access to culture, sport and green spaces, which may be

- curtailed by low-income, is vital to life chances and wellbeing (Culture, Tourism and Sport)
- Employment, skills and remuneration are key to improving life chances for those who are able to work, and to strengthening local economies. The LGA will shortly be publishing its current 'work local' proposals for the post-pandemic economy, with an emphasis on how local leadership and a more responsive, integrated approach to employment support can support economic recovery and sustainability (EEHT)
 - The LGA has highlighted the difference that improved energy efficiency could make to household bills and is working on food sustainability and local food partnerships in response to the recommendations in the national food strategy and the Government's white paper (EEHT)
 - Colleagues leading on Transport have highlighted the importance of affordable public transport, particularly through our work on the sustainability and sufficiency of local bus networks (EEHT)
 - There are a wide range of impacts on children in disadvantaged households. Colleagues working with the Children and Young People Board are working on a range of key pieces of work to improve outcomes, from work on children's food and addressing holiday hunger, through to understanding the demand pressures family disadvantage places on children's services
 - Work is underway to set up an advisory group as discussed at the last Board. Members highlighted the importance of cross-cutting membership and we have therefore agreed to collaborate across the Boards to propose members
8. The Government has now published its guidance to councils on the Household Support Fund. Although this gives councils broader flexibility than previous tranches the funding is still short term and prescriptive and campaigning for a more sustainable approach to both addressing crisis and building resilience continues to be a key LGA priority
9. Group leaders highlighted the importance of reviewing the evidence base on the complexity and sufficiency of the current benefits system, and its potential impact on councils. This reflects the decision in the Spring Statement to give councils further Household Support Funding, rather than putting additional support into Universal Credit, and concerns about whether reforms such as the benefit cap, spare room subsidy and shared accommodation rate were having the intended policy impacts in the current social and economic context. We will be strengthening our work in this area, with collaboration from the advisory group
10. Improvement colleagues have been signposting councils, who have been increasingly raising concerns about how to address cost of living challenges in their place. Approaches to local welfare support, housing affordability and debt have emerged as particular priorities. As set out previously we are delivering action learning on local welfare support, and we are developing an offer on fair and effective debt management