

**Report to:** West Yorkshire Combined Authority

**Date:** 9 September 2022

**Subject:** Crisis in the Cost of Living and Doing Business

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 1. Purpose of this report

- 1.1 This report provides information about the latest economic and business intelligence within West Yorkshire, focussing primarily on the issues relating to the cost-of-living crisis across the economy, and the upcoming increase in energy prices. It sets out current and upcoming work at the regional and local levels to address the crisis, and outlines key asks of the Government.

## 2. Evidence

### National Data

- 2.1 The Bank of England raised interest rates by 50 basis points to 1.75% in August, by a margin of 8-1. As well as announcing an increase in interest rates, the Bank of England released updated forecasts:
- **The Consumer Price Index is expected to increase to over 13% in Q4 2022.** Inflation is expected to remain above 5% until Q1 2024;
  - The UK economy is now expected to have five quarters of negative growth across 2023/24;
  - **Real wages are expected to decline by 3.5% throughout 2022 and a further 4.25% fall in 2023.**

## Regional Data

- 2.2 The Combined Authority has access to a Regional Econometric Model (“REM”), which provides forecasts for the area. We have also commissioned updated forecasts to understand how the current cost of living crisis is impacting the wider West Yorkshire economy. The rate of growth in the updated forecasts is considerably lower than the REM, which was produced earlier in the year, for the years 2022 and 2023. The REM predicted growth of 5.7% and 1.7% for 2022 and 2023 respectively across West Yorkshire. The updated forecasts bring these figures down to 2.5% and 0.5%. The expectation then is that long-run growth will be slightly reduced until 2028, compared to pre-cost-of-living crisis, suggesting there will be some economic scarring from the ongoing economic climate.
- 2.3 It is important to recognise that businesses have been dealing with the impact of energy cost rises since October 2021. This is due to them not being subject to the **energy price cap** that has partially restrained increases in the domestic sector. Businesses who were paying £6,000 for their gas and electricity combined in February 2021 face bills of over £28,000 this Autumn.
- 2.4 The Combined Authority has recently surveyed 1,000 businesses across West Yorkshire to understand business sentiment in the current economic climate. The key results are:
- 43% of businesses expect the business climate to remain as it currently is, whilst 30% expect it to worsen;
  - **30% expect to increase employment levels**, whilst only 5% expect employment levels to decrease;
  - The two main barriers to growth cited by businesses were decline in demand (17%) and availability of skilled labour (16%).
  - **33% of respondents expect their wage bill to remain the same over the next 12 months**. Of the 63% that expect their wage bill to increase, over half anticipate wage increases of less than 10%; and
  - **69% expect the prices they charge to customers to increase over the next 12 months**. Over half (51%) expect that price increase to be between 5 and 10%.
- 2.5 Analysis of enquiries into the Growth Hub service (the central Business Gateway Team and the 16 SME Growth Managers who operate at the district-level across the region) show multiple concerns over the ongoing cost of doing business crisis across West Yorkshire:
- Firstly, **businesses that are reliant on high energy usage are not protected from the increases in the wholesale prices (there is no energy price cap policy for commercial use)**. This is putting pressure on margins and creating viability questions for some businesses. For those businesses that are consumer-facing, there is concern over how much of the increased costs can reasonably be passed on to consumers;

- Secondly, **there is a worry that demand from consumers will be reduced due to overall rising prices across the economy.** At a macro-level, the Bank of England is predicting a similar problem, and this concern is becoming evident at a West Yorkshire level too.
- 2.6 Fuel poverty in West Yorkshire was greater than the national average prior to the pandemic (**17% of West Yorkshire households, compared with 13% nationally**). Ofgem announced that the energy price cap will rise from £1,971 to £3,549 from October - **an increase of 80%**. With standing charges in Yorkshire among the highest in the UK, **simply using less power will not solve the problem for many**. West Yorkshire households are in a worse position to deal with these increased costs for two reasons. Firstly, **dwellings with an EPC rating of C or above are lower in West Yorkshire than nationwide (46.9% compared with 53.8%)**. Secondly, **around 33% of the West Yorkshire population fall within the poorest 20% of neighbourhoods in England**.
- 2.7 Data collected by the University of Sheffield in 2021 shows **four out of the five West Yorkshire districts as having a higher share of food insecurity than the national average**. Nationally, 4% of adults went hungry due to not being able to afford food. In Leeds this figure was 2%, it was 6% in Kirklees, 7% in Wakefield and 8% in both Bradford and Calderdale. A further 8% in Leeds, 10% in Wakefield and 12% in Bradford, Calderdale and Kirklees were worried about the cost of food. Since this data was collected, food prices have accelerated significantly, with the cost of wheat-related goods climbing drastically due to the Russia-Ukraine War.
- 2.8 Analysis by the Bank of England in July showed that the poorest 10% of households spent close to all their income on essential goods and services. Cornwall Insight are forecasting average monthly bill reaching £550 a month by 2023 (price cap now is around £300). This would mean the average household paying £100 a month more for their energy bills in the new year than they will pay in Income Tax. **The poorest 10% will need to spend more than their income on essential goods and services, and the poorest 20% will lose most of their remaining disposable income**. Around 30% of the West Yorkshire population fall into the poorest 20% nationally. What this means is that for the poorest people in West Yorkshire, they will have no money left after spending on essential goods and services. In addition to the obvious human cost of this situation, it will also lead to reduced demand for other sectors, causing a knock-on economic effect elsewhere.
- 2.9 **People who use pre-payment meters will pay more than the energy price cap** (105,000 households in West Yorkshire). There is also no price cap on alternative energy sources, such as oil, coal, and LPG gas. **This leaves rural communities more exposed to rising energy costs**. The new price cap means that people no longer have the headroom to pay their energy bills. **In West Yorkshire, we already have 18% of people spending over 90% of their gross income on essential items such as food and fuel**. Yorkshire homes are less energy efficient than the national average.

- 2.10 Employment levels in West Yorkshire have continued to increase. Over the last 12 months, the number of pay rolled employees in West Yorkshire has increased by 3%, in line with national figures. The median wage across West Yorkshire has increased by 7% over the last 12 months from £1,857 to £1,979. Nationwide, the median wage also increased by 7% over the last 12 months. However, **wages have not kept pace with inflation, and this is expected to continue throughout 2023.**
- 2.11 Between Q1 2020 and Q4 2021, **unsecured lending to households in West Yorkshire declined by 18%.** However, low-income households were at greater risk of unemployment and furlough throughout the pandemic, compared to high-income households, suggesting that the reduction has been primarily driven by high-income households paying off debt whilst remaining economically active, with likely reduced commuting costs, throughout the pandemic.
- 2.12 Unlike outstanding personal finance, **outstanding mortgage debt across West Yorkshire increased from Q1 2020 to Q4 2021 by 6%.** Whilst around 75% of this mortgage debt will be on fixed rates, there is a risk for those re-mortgaging or on variable rates, that the increase in interest rates by the Bank of England will put household budgets under pressure when combined with other increases in living costs.
- 2.13 **REBiz**, the CA's resource efficiency support programme (advice and grant investment) for SMEs in the region, has seen **a 50% increase in approved grant applications for energy efficiency and renewable energy measures in the first eight months of 2022**, compared to the same period in 2021. It has also seen many businesses recently re-engaging with the support available following initial engagement several months earlier.
- 2.14 For the first time since the launch of the Growth Service in 2015, the number one source of enquiries to the Business Gateway team in the week commencing 15<sup>th</sup> August 2022, was for REBiz, although the numbers are relatively modest.
- 2.15 The CA's Resource Efficiency Managers report that, on average, the increase in electricity prices is from around 12-15p / kWh to around 40p / kWh (c300%), and for gas from around 2-3p / kWh to around 12p / kWh (c400-600%). There are several examples (mostly from manufacturing companies) of West Yorkshire SMEs experiencing the impact of the price rises. (For further information please see Appendix 1).

#### Health inequalities

- 2.16 As the cost-of-living increases, more of our population will start to feel the effects of poverty on their health, with the poorest impacted the most. We will therefore observe an even greater difference in health outcomes between

those in the highest and lowest socioeconomic groups, i.e., wider health inequalities.

- 2.17 It should be noted that these effects on health are due to a culmination of factors all influenced by poverty, including unstable or unsafe living environment, poor housing, poor nutrition, and adverse childhood experiences.

### Housing

- 2.18 The Northern Housing Consortium report identifies that renters in Yorkshire and the Humber live in the lowest quality housing of any region in England, relying more on the private rented sector than any region outside of London. 54% of those in the private rented sector are at high risk of fuel poverty. The ongoing cost of living crisis will increase bills for those living in poorly insulated, energy inefficient rented property. It is likely that some people will look to other public spaces to keep warm, including libraries.

### Policing & Crime

- 2.19 A recent Women's Aid survey (June 2022) found that 96% of victims say that the cost-of-living crisis is making their abuse worse, and 73% of victims say they are scared to leave their abusive homes because of fears over finance. Struggling with financial security can have profound consequences for an individual's mental health. This includes a likely rise in the suicide rate, particularly amongst males who can be excluded from the labour market. WYP deal with 22,000 calls relating to mental health a year, and this is likely to increase demand on police and partner agencies.
- 2.20 During recession it is clear certain types of crime increase such as acquisitive crime, which also involves an increase in levels of violence. Drugs and alcohol use increases in times of recession because unemployment increases psychological distress. This also has consequences for crime types such as serious violence and domestic abuse. Child and Adult exploitation can increase during recessions as offenders will use individuals' or families' financial insecurity to further their own criminal aims.

### Local Data

- 2.21 Below is a summary of information showing evidence of increased demand for services by local authorities within West Yorkshire.
- 2.22 Bradford:
- Loughborough University and the End of Child Poverty Coalition found that the child poverty rate in Bradford rose by 2% in 2020/21, whereas nationally it fell by 4%.
  - 2 in 5 children grow up in families in relative poverty after housing costs.
  - 70% of homes are energy inefficient, the 3<sup>rd</sup> highest rate of UK cities. This means they will spend between £85-115 more than the government energy support measures provided for in May.

- VCS partners are reporting rising demand in foodbanks, new users as the in work poor turn to services and a range of measures being taken by people such as not cooking or using the fridge to save on energy. Evidence from recent focus group research details the struggles many in our District are now facing.

#### 2.23 Calderdale:

- Citizen's Advice Calderdale (CAC) have noted alarming increase in requests for charitable support and food banks for the period of 1<sup>st</sup> April 2021 to 25<sup>th</sup> July 2022.
- CAC has reported a notable increase in debt in 2022. Between 1/4/22 and 30/6/22, £502,173 problem debt was present by clients, with the average debt per client amounting to £7846.
- In the 12 months to the 1st of July 2022, the Council supported 1,678 households in housing crisis.
- Rise in clients fleeing domestic abuse, rising from 181 (2020/21) to 335 in the last 12 months.

#### 2.24 Kirklees:

- 33% of households live in poverty.
- 17% of households live in fuel poverty.
- 25% of school children are eligible for free school meals (up from 19% in 2019).
- The removal of £20 additional Universal Credit has resulted in a £36m of lost income to Universal Credit claimants in Kirklees.
- Current requests of support to Local Welfare Provision are at the same levels as they were during the peak of the Covid pandemic.
- VCS partners are reporting increasing demands in terms of crisis support for food/housing and energy costs.
- VCS partners are also reporting increasing challenges in terms of paying for their own organisations running costs.
- Data from the Bread and Butter Thing (TTBT) report that across the 19 weeks that the 2 hubs (collectively) have been operating they have distributed a total of 1449 sets of bags, feeding an average of 66 households each week at each hub. An additional 3 hubs are now in the process of being established.
- At each hub, Kirklees have given out an average of 13kg of food in each set of bags. This is equivalent to 44,677 meals. 78% of this was made up of chilled goods and fruit and veg – delivering maximum nutritional benefit for members.

#### 2.25 Leeds:

- Between 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, 64,636 food parcels in Leeds were given out via Community Care Hubs and Emergency Food Provisions.
- People claiming Universal Credit has more than doubled from pre-pandemic levels (33,715 to 70,722).

- Citizens Advice Leeds estimate that the removal of the £20 resulted in £66m in lost income (per annum) to Universal Credit claimants in Leeds alone.
- In April 2022, benefit levels were updated by 3.1 per cent, well below the March inflation level of 7%.

## 2.26 Wakefield:

- ONS shows Wakefield workers to have the lowest median average wages of all West Yorkshire Districts (£528.90 per week). As such a higher percentage of low paid Wakefield working residents are likely to be more significantly impacted in terms of the percentage impact on their incomes than other West Yorkshire Districts.
- 14.3% of working age adults are claiming some form of benefit. This is the 2nd highest percentage figure for West Yorkshire behind Bradford. Risk levels for the impact of cost-of-living inflation will fall disproportionately on Wakefield residents.
- Centre for Cities cost-of-living tracker current local estimate for inflation is 10.6% in Wakefield. The average worker in Wakefield was £86 per month worse off in real terms in July 2022 from July 2021 due to inflation rise.
- Friends of the Earth estimate Wakefield is the 30th most impacted local authority area in the UK in terms of energy price rises, given the need to improve energy efficiency in the district housing stock:
  - 1 in 3 houses are in areas identified as being in 'energy crisis hotspots'.
  - 10,500 houses in these hotspots need cavity wall insulation
  - 8,900 houses need loft insulation.
  - Average energy bill forecast to rise from £2,073 (pre-October 2022) to £3,003 in October – with more rises in the new year.
- 653 Wakefield residents have their benefits sanctioned in some way out of 31,298 claimants.

## **Mayoral Combined Authority and Local Authority partners activity**

2.27 Activity is focused around three areas for action: Relief, Prevention and Resilience:

- **Relief** aims for immediate action targeted at supporting people already in crisis and ramping up existing activity/programmes.
- **Prevention** aims for immediate action targeted to stop more people falling into crisis in the future.
- **Resilience** aims to act now to address medium- and long-term challenges.

## **Mayoral Combined Authority**

### **Bus Fare Affordability**

- 2.28 As part of the Bus Service Improvement Plan the Combined Authority set out a proposal to reduce the daily cap on the MCard ticket to £4.50 from £5.50 and setting the maximum single day fare to £2. The “Mayor’s Fares” apply from the 4th of September 2022. Given the current cost of living crisis, the mayor felt that it was important that individuals and families obtained the benefit of this as soon as practically possible. Also, the start of the academic year is an opportune time to promote new fares as many people review and change travel habits at this time. More information is provided in Item 7.

#### Mayoral Combined Authority support for the VCSE sector

- 2.29 The West Yorkshire Inclusive Growth Framework recognises the key role of the third sector in delivering economic inclusion, for example by supporting our most disadvantaged communities, and within these communities, those who are the furthest away from accessing Good Work. It is understood that the sector is seeing a significant reduction in philanthropic funding and donations at a time when demand for its support and services, such as food banks, provision of warm spaces in the Winter, and for those with mental health problems is, or is likely to soon be, increasing. The Mayoral Combined Authority is therefore urgently exploring options, working with Councils, to support and sustain the sector in delivering in its economic inclusion activities and services during the current crisis and support those most in need.

#### Support for businesses to innovate

- 2.30 Every crisis breeds innovation because it demands a sharper, shared clarity of purpose. We saw this through COVID-19, with new processes, products and initiatives developed as both a means of business survival and solutions to the pandemic’s biggest challenges. There is a range of support available across West Yorkshire to support businesses and entrepreneurs to drive innovation from the crisis, including the Combined Authority’s Innovative Entrepreneurs Programme, Mayoral Innovation Prize, Connecting Innovation, Digital Enterprise, Made Smarter and the new Business Productivity Programme. These products all contain elements of support related to the better use of digital technology to drive forward productivity and innovation, whilst also reducing energy usage and, hence, operating costs. Opportunities are also available through national products such as Innovate UK’s Regulators’ Pioneer Fund.

#### Support for businesses with energy efficiency

- 2.31 Given the appetite from businesses for support, the REBiz grant fund is likely to be fully committed by the end of October 2022, which will leave a gap for new applicants to apply until April 2023 when the new **£10.6m Business Sustainability Programme** (currently progressing through the CA’s Assurance Framework process as part of a wider package of investments in response to the climate emergency) is expected to launch.



- 2.32 The new Business Sustainability Programme has been designed to provide a more a holistic package of support to a wider range of businesses, including retail and hospitality, which REBiz has been unable to support due to EU restrictions. Given the energy crisis facing businesses, the Combined Authority is swiftly exploring whether there are possible options to bridge the gap or otherwise bring forward support more quickly.

Investing in activity to enable preparation for improved home efficiency

- 2.33 Working in partnership with nine Registered Providers, the Social Housing Decarbonisation Fund (Wave 1) is investing £10.3m to improve the energy efficiency rating of over 1300 social homes below EPC Band C, thereby reducing energy bills and numbers of residents in Fuel Poverty. A wave 2 bid is due to be submitted in the autumn.
- 2.34 The Retrofit Hub is completing technical evidence to support a potential capital project at neighbourhood level in the Manningham and Toller wards of Bradford, focusing on pre-1919 terraced housing (some are in conservation areas, but it is ward focused). The project is providing 150 Whole House Retrofit Plans, with advice on energy efficiency and retrofit shared with owners/tenants to increase knowledge and awareness.
- 2.35 The Better Homes Hub will upscale domestic energy efficient retrofits across West Yorkshire, reducing carbon emissions from housing and ensuring our existing homes are fit for 21<sup>st</sup> Century demands. The programme includes a package of support for landlords and homeowners that will unlock demand for retrofit, build the enabling capacity with our partners, and send a strong signal to the private sector to align with our ambitions. Our proposals include a mix of financial support for homeowners comprising small grants and loans, a campaign to raise awareness and promote the benefits of retrofit, tailored support for residents and landlords, and demonstrator projects to showcase the benefits of a high-impact local approach.
- 2.36 Please see Appendix 2 for full list of current business support.

Delivering affordable homes for sale and/or rent

- 2.37 The Combined Authority has secured £89m through the Government's Brownfield Housing Fund to enable the building of over 5,000 new homes on brownfield land by March 2025. To date, the Combined Authority has approved projects which will deliver over 1700 homes, including 800 affordable and sustainable homes, with further projects subject for Committee review this autumn.

Community Safety

- 2.38 Violence Reduction Unit/Op Jemlock: The overall estimated cost for Serious Violence in West Yorkshire was almost £1 billion between October 2020 to September 2021. The West Yorkshire Violence Reduction unit (VRU), which

launched in early 2020, has a partnership emphasis, with specialists from health, police, local authorities, education, youth justice, prisons, probation, community groups and others. It takes a fundamentally different approach to violence reduction, one where the public sector institutions and communities that make up West Yorkshire act together to help cut violence through early intervention, prevention, education, and joint working.

- 2.39 The VRU has received £5.8m in 22/23 to continue its role to lead and coordinate the local response to serious violence. This is part of a three-year arrangement with indicative funding available during 2023/24 and 2024/25. Between April and December 2021, 5816 young people were supported across 41 VRU funded interventions and helped around 200 people over the age of 25 in 2021/22.
- 2.40 West Yorkshire Combined Authority is also supporting existing activity on address domestic abuse, mental health, acquisitive crime, drug and alcohol use, and child and adult exploitation.

#### Mayor's Fair Work Charter

- 2.41 The Fair Work Charter for West Yorkshire is a key Mayoral pledge and is being progressed jointly with partners, key stakeholders, and business to develop a way of setting a clear and ambitious standard for good employment practices in our region. The Mayor's aim is to set clear expectations in the workplace around the five key elements of Fair Work, namely: Opportunity, Security (including fair pay and conditions), Wellbeing, Employee Voice, and Fulfilment. Following a public consultation undertaken in the spring, the next phase is to ensure that the Charter is made relevant to all employers, including SMEs ahead of a formal launch later in the year.
- 2.42 Please see Appendix 2 for further information on existing activities/programmes on skills.

#### **Health Partnership role in tackling the impact of poverty**

- 2.43 The WY Health and Care Partnership (WYH&CP) is forming an action group on tackling poverty to form a narrative around the effects of poverty on health in WY and produce an action plan on how to minimise the impact of poverty on the population.

Examples of current programmes to support people in the short term:

Wakefield Connecting Care Hubs:

- Jointly funded by WYH&CP and Wakefield Council.
- Health, social care, housing, and voluntary and community organisations working side-by-side.
- Teach people to manage their money better and ensure they are claiming all the benefits for which they are eligible.

Winter warmth programme:

- £1 million funding provided to various programmes around the region to help with fuel payments over 2021/22.

2.44 Discussions are underway around how staff in healthcare organisations around the region can be supported in managing their money, including costs of transport and travel.

2.45 Whilst these programmes may help with mitigation and adaptation to poverty in the short term, there are also longer-term considerations around preventing the drivers of poverty and how the NHS and social care can contribute as an employer, a procurer and as an anchor institution working in partnership with other anchor institutions, the voluntary sector, and local communities.

### **Local Authority Partners**

#### Existing activity/programmes across all Local Authorities

2.46 Household Support Fund:

- Calderdale are continuing payments of scheme 2 to eligible households. Arrangements are in place for remaining pensioners to collect their payment via the Post Office. Any funds that remain after payments have been made will be shared out in September. A total of £115,509 has been allocated across 17 VCS organisations (£105,509 from HSF and £10,000 from Community Foundation for Calderdale). Guidance for scheme 3 is expected soon.
- In total, Bradford's fund is worth approximately £17m. Bradford is currently delivering the April to September phase of the fund. Some of the funding spend was mandated and focussed on pensioners and low-income families. Current projects include:
  - VCS Funding - £972,000
  - Helping Free School Meal families over summer break - £1,560,000
  - Additional support for foodbanks - £200,000
  - Essential cooking equipment - £12,500
  - Support for Family Carers - £50,000
  - Help with Fuel Costs - £2,900,000
- Kirklees support access to food, fuel and gas/electricity by distributing additional £3.7m HSF by end of September 2022 and a further £3.7m by end of March 2023.
- Leeds City Council received £7.1m to distribute by the end of September 2022. The funding provided direct cash awards to 64,000 people in receipt of Council Tax Support. The funding is also being provided to council services and third sector organisations, to support the target groups with the costs of food, energy, essential items.

## 2.47 Discretionary Housing Payments

- For discretionary spend, members in Bradford decided to prioritise cash payments to the lowest income households rather than taking an approach which includes a number of specifically targeted schemes.
- The Government has allocated Calderdale £469,050 for the Discretionary Fund, which will be used to support other energy bill payers who cannot get the £150 energy rebate. This can cover those with property bands E to H. The criteria for these funds will be available shortly.
- The full Government contribution of £1,679,527 was awarded to residents in Leeds. Additionally, a further £483,809 was awarded to residents using the contribution from the Leeds HRA. 2022/23 financial year will have a reduced budget of £1.16m (a cut of £513,318 or 30.57%) compared to last year's funding. Further funding may be awarded later this year, but it is not expected to cover the cut in funding.
- DHP in Wakefield for the year ending March 2023 has been reduced from £773,209 (2021/22) to 548,018 (or 29%). Wakefield will continue to support those renting their home to bridge the gap between their rent their rent and the amount of housing benefit they receive. However, the demand on the reducing fund is increasing.

## 2.48 Council Tax Energy rebate

- Council Tax Energy rebate (£150 per eligible household and equates to circa £25m) to be paid out by end of September 2022 in Kirklees.
- Council Tax Support currently support 63,692 households in Leeds (20,210 of which are pensioners). Currently around 16,000 'protected' working age household receive support covering 100% of the Council Tax Charge, but these protections are lost when residents migrate to Universal Credit. Total cost of support in 2021/22 was £55.4m and expected to rise to £56.1 in 2022/23.
- £12,498,600 has been allocated to Calderdale (equating to 83,325 payments). Halifax Opportunities Trust has helped those who are digitally excluded to get their payments and have translated information about the rebate into Urdu and Czech.
- Wakefield paid the main rebate fund to 144,000 households in bands A-D by the end of July. They also paid 12,000 households discretionary rebate funds (either £150, £70 or £45) in bands E and F. Total fund: £22,534,950.

## 2.49 Holiday Activities and Food Programme

- The Department of Education has committed funding for 2022, 2023 and 2024. Leeds received £3.5m for programmes over the Easter, Summer, and Christmas holidays in 2022. Over 120 schools, 50 third sector organisations and over 20 council provisions have been funded. The summer programme is estimated to reach 8500 children and young people.

- In Bradford, one of the strands of the programme run in 2021 had 35,000 children take part in holiday clubs during the summer holidays. The Bradford HAF has been nominated for a LGC award.
- Kirklees funded provisions included 4 hours of activities each day and a healthy nutritious meal, delivered at 125 different venues over four weeks. In total, over 30,000 meals have been offered.

### **Additional local authority activity/programmes**

#### **2.50 Bradford:**

- £2m funding package has been provided to recommission welfare advice services across the District and reconfigure how such advice and guidance is provided.
- Cost-of-Living Public Information Campaign.
- Bradford Credit Union continues to develop its membership – now at 9,000. 2,500 members would face total financial exclusion without the support of the credit union.
- Poverty Proofing the School Day – project currently running with 18 schools and is developing ways of reducing the costs of schooling for poorest communities.
- Warms Homes/Healthy People supporting 800 people this year with heating costs.
- Support for social supermarkets and foodbanks – support for families increased from 400 food parcels given out per day to 800.
- New Strategy is now near complete and at design for publication stage. This sets out a shared vision for the council and partners across the public, private and voluntary and community sectors based around four focussed goals of prevention, protection, pathways, and participation.

#### **2.51 Calderdale:**

- Affordable Warmth Forum:
  - Power Calderdale for fuel vouchers
  - Affordable Warmth and Chronic Ill Health project (£93,000) to commence in September
  - Anti-Poverty Partnership #fuelyour knowledge campaign and events on 22<sup>nd</sup> September
- Anti-Poverty Plan out for final comment and to be approved by steering group on 11<sup>th</sup> August.
- Frontline worker factsheet circulated, and Anti-Poverty Dashboard now live and to feed into Anti-Poverty Action.
- Money & Debt forum to look at Money Guiders national Scheme:
  - Financial Education task and finish group set up and will meet in August
  - To discuss affordable credit with Financial Inclusion Centre to develop dataset to identify issues and gaps in provision. Particular focus on payroll saving scheme with the Credit Union and link are being made with local businesses

- Worrying About Money to be published in August.
- Food Poverty Co-ordinate post to be filled in September. Role will co-ordinate the Food Poverty Forum and their aims.
- 12-month communications campaign on cost-of-living crisis to be agreed by Anti-Poverty Steering Group on 11<sup>th</sup> August.

#### 2.52 Kirklees:

- Facilitating the Tackling Poverty Partnership which has representation from across the VCS, local health providers, business and the university.
- Supporting residents to navigate the system to understand what is available through energy rebate, Universal Credit, Council Tax reduction, and HMRC Tax Credits. This is being done in partnership with VCSE.
- Money Advice Service available for Kirklees Homes and Neighbourhoods residents.
- Continuing funding three food banks.
- Every week, Kirklees reduce the stress of stretched finances. So far Kirklees residents have benefited from a cumulative saving of £38,398.50 by shopping with TBBT.
- Bread and Butter report that when all 5 hubs are fully operational for a year this will deliver:
  - 330 households supported each week
  - 2080 volunteering opportunities
  - 519,792 Meals
  - £482,300 savings delivered for Kirklees resident
- Continuing to deliver Works Better and Better Works programmes.
- Two digital hubs have been created and over 200 devices have been deployed to support people across Kirklees. Around 10,000 devices have now been provided to children across Kirklees.
- Working with employers to make it easier for them to understand the local and training offer and develop their workforce.
- Clear communications campaign outlining sources of support to reach everyone in need and in multiple languages.

#### 2.53 Leeds:

- Maintain own provision of the Local Welfare Support Scheme through internal funding. The council has increased fuel awards via the scheme by 54% in line with recent energy price cap to provide proportionate support to the most vulnerable residents.
- Leeds Food Aid Network, FareShare Yorkshire, Rethink food and Foodwise collaborating with the council, universities, businesses and third sector to tackle food insecurity.
- Insecurity Taskforce established.
- Leeds Money Information Centre for free advice and financial support.
- Times are Hard campaign to promote services available within the Council Community Hubs and Libraries.

- Leeds Inclusive Anchor network cost-of-living event.
- General advice services via the Leeds Advice Service contract.
- Leeds City Council's Welfare Rights Unit to provide advice and support to welfare beneficiaries.
- Financial Inclusion team collaborating with advice providers, Welfare Rights, Leeds Credit Union, the Green Doctor, and food aid providers to provide training and awareness sessions.
- Best City Ambition with three pillars of Health and Wellbeing, Inclusive Growth and Zero Carbon.

#### 2.54 Wakefield:

- Approximately 9,000 families across the district have received 2 x £60 supermarket vouchers, totalling £1.1m.
- Approximately 10,000 pensioners across the district will receive 2 x £50 supermarket vouchers, totalling £1m.
- Approximately 7,000 pensioners across the district will receive 2 x £50 supermarket vouchers, totalling £700,000.
- £100,000 has been allocated to the Council's Money Smart team to enable them to offer direct support to tackle energy debt, with the aim of bringing stability, removing the threat of disconnection, recovery action, pre-payment deductions as well as increases in debit payments.
- Remaining funding in the existing Local Welfare Provision can be accessed by several organisations across the district, acting as 'Trusted Referrers'. It has been used to support with essentials linked to food, energy and water including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment (e.g., fridges, ovens etc.) and to help vulnerable residents suffering hardship in exceptional circumstances, totalling £165,000.
- £214,000 for 2022/23 for the Energy Debt Fund (circa £90,000 already distributed).
- Four Affordable Warmth projects (£153,000 allocated). Strategic Housing working in partnership with Public Health.
- £1m made available by West Yorkshire Health and Care Partnership to reduce risk of emergency hospital admissions for those impacted by cold homes.
- Homes Energy Efficiency Improvement Programme
  - Fuel Poverty Fund: £21,000
  - Big Green Heating Scheme: £30,000
  - Energy Savers Scheme: £30,000
  - Energy Saver Loan - £7,000

#### **Ask of UK Government**

- 2.55 The new Prime Minister's in-tray must have at the top the cost of living and doing business, and in particular the impact of energy prices on both

households and businesses. The following key asks of Government are proposed:

- A strong local Government settlement to provide a foundation for the delivery of local public services
- Support for energy bills for the least well off and businesses across West Yorkshire, including reversing the £20 cut in Universal Credit
- Certainty on future bus funding to enable local fare reduction plus protection of routes
- Greater flexibility in use of devolved funding, plus a longer-term deal to increase powers and funding of Mayors

### **Summary of next steps**

2.56 The following next steps are proposed for action

- Continue to implement the 'Mayor's Fares' and promote this across West Yorkshire to encourage people to travel by bus
- Develop proposals for a scheme that uses regional funding for the Voluntary, Community and Social Enterprise Sector to support those most in need, for approval at a future meeting
- Explore further steps to be taken to support businesses with energy efficiency measures
- Monitor the evolving evidence and impact on the people and businesses of West Yorkshire
- Press Government for further action on funding of local public services, and support for businesses and households

## **3. Tackling the Climate Emergency Implications**

3.1 Fuel use increases over the Winter due to colder temperatures. West Yorkshire homes are less likely to have an EPC C+, meaning that the region is more likely to need to use energy for heating. Analysis by the Resolution Foundation suggests it costs 58% more to heat a home rated as EPC D or lower, than it does C or above.

## **4. Inclusive Growth Implications**

4.1 According to the Resolution Foundation, lower-income households will have to reduce non-essential spending by three times as much as higher-income households to afford essential bills such as energy. West Yorkshire has a higher share of people in lower-income households, suggesting that spending will be cut significantly more across West Yorkshire than other areas.

4.2 Wages are already struggling to keep pace with inflation (median wages have increased by 7%, meanwhile inflation is above 10%). As of 17 August, the UK Government has not indicated that benefit payments (in and out of work) will be increased in-line with inflation. Therefore, many families will be facing real-term cuts in their household incomes (from wages and benefits). West



Yorkshire has a higher percentage of people claiming out-of-work benefits compared to the national average (4.8% compared to 3.7%). West Yorkshire also has a higher percentage of people claiming in-work benefits compared to the national average (8.6% compared to 7.7%).

## **5. Equality and Diversity Implications**

- 5.1 A recent survey conducted by the Office for National Statistics showed that 89% of adults in Great Britain report concerns over the increase in the cost of living. Within this group, 57% have stated that they are spending less on non-essentials, 51% are trying to reduce their energy consumption at home, and 42% are cutting back on non-essential journeys. 23% are using their savings to cover the increased costs, whilst 13% have stated that they are using more credit than usual. Disabled people are more likely to have reduced their spending on food and essentials, than non-disabled people (42%, compared with 31%). Over 70% of the poorest people have already started to cut spending on food and other essentials. The survey also highlights that older people, particularly those aged between 55 and 74, have already started to reduce their energy consumption. The previous iteration of the survey highlighted that women and Asian people were in a particularly precarious position, relative to the national average.
- 5.2 In August the World Economic Forum reported that the cost-of-living crisis is expected to hit women hardest.

## **6. Financial Implications**

- 6.1 There are lots of financial implications in this report, but no financial decisions are required.

## **7. Legal Implications**

- 7.1 There are no legal implications directly arising from this report.

## **8. Staffing Implications**

- 8.1 Work on the crisis in the cost of living and doing business involves a reprioritisation of additional workloads and an increase in the intensity of work of colleagues both within the Combined Authority and Local Authorities.

## **9. External Consultees**

- 9.1 No external consultations have been undertaken, but the information within this report has been assembled from a range of sources.

## **10. Recommendations**

- 10.1 Members are asked to note the latest intelligence around the West Yorkshire economy and comment on the current and proposed activity taking place

locally and nationally, and to note the next steps for action proposed at paragraph 2.56.

- 10.2 Members are asked to approve in principle that the MCA will develop a fund to support the Voluntary, Community and Social Enterprise sector to help people through the cost-of-living crisis, with a view to receiving further approvals at a future meeting.

## **11. Background Documents**

There are no background documents referenced in this report.

## **12. Appendices**

Appendix 1 – Further Information on energy prices received from businesses  
Appendix 2 – Full list of Combined Authority Business and Employment and Skills support and pipelines