



Report to Strategy and Resources Committee

**Author of Report: James Henderson
(Director of Policy, Performance and Communications)**

Report of: *Director of Policy, Performance and Communications*

Report to: *Strategy and Resources Committee*

Date of Decision: *31st May 2022*

Subject: *Supporting Sheffielders through the cost-of-living crisis*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

Purpose of Report:

This report sets out how the cost-of-living crisis is having profound implications for people across Sheffield and the steps that SCC and partners in the public and voluntary, community and faith (VCF) sector have taken to provide support and advice to those who are being most impacted.

The report proposes that we urgently establish a cross-partner incident management approach to the cost-of-living crisis, learning from the strength of our whole city response to Covid-19. This will include the establishment of a strategic response group ('Gold'), chaired by the Leader of the Council, that will bring together relevant Committee Chairs, SCC officers and representatives from across Sheffield's public, private and VCF sector. This group will set out and direct Sheffield's overall response to supporting communities through the cost of living crisis.

This 'Gold' command group will be supported by a 'Silver' (tactical) group who will have responsibility for coordinating planning and activity in support of the overall strategy developed by the Gold group. This group will set meet frequently and set out an operational plan to respond to the cost-of-living challenges facing the city.

Recommendations:

That Strategy and Resources Committee:

1. Note the work that has been done on a cross-partner basis to date to help the people of Sheffield respond to the cost-of-living crisis, as described at paragraph 7 of this report, including supporting the work of South Yorkshire Community Foundation to establish a new fund to support people with the cost-of-living crisis.
2. Agree to establish an incident response arrangement to help the city respond to the current situation and prepare for the forthcoming autumn and winter period, including the establishment of a strategic-level 'Gold' group to be chaired by the Leader of the Council and a 'Silver' partner group led by a senior SCC officer.
3. Ask all policy committees at their first meetings to consider nomination of an Elected Member to sit on a cross-party Gold group
4. Agree that partner organisations should be invited to join the Gold group, recognising that the cost-of-living crisis demands a whole-city response across the public, private and VCF sectors.
5. Agree to receive a report at its July meeting setting out a proposed strategy and action plan for addressing the cost-of-living crisis in Sheffield, which should include proposals around the utilisation of the Food Action Plan fund established as part of the 2022/23 budget, along with updates on the social isolation and volunteering funds.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Ryan Keyworth (Director of Finance and Commercial Services)
		Legal: David Hollis (Assistant Director of Legal and Governance)
		Equalities & Consultation: Laurie Brennan (Head of Policy and Partnerships)
		Climate: N/A
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	<i>James Henderson (Director of PPC)</i>
3	Committee Chair consulted:	<i>Cllr. Terry Fox</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: James Henderson	Job Title: Director of Policy, Performance and Communications
	Date: 23 rd May 2022	

Supporting Sheffields through the cost-of-living crisis

Purpose of report

1. This report sets out a proposed and whole-city response to the cost-of-living crisis which is having profound implications for communities across Sheffield.
2. It sets out the actions that we have taken with partners to date and proposes an incident management approach to co-ordinate the city's response, bringing together organisations from across the public, private and VCF sector.

The cost-of-living crisis is bringing real hardship to Sheffields in all communities

3. The cost-of-living crisis is beginning to have a significant impact in people in every part of our city. Price rises driven by energy price inflation, alongside additional taxation, are having an impact on most households in the city, with those on the lowest incomes likely to be hardest hit (particularly as benefit up-lifts fail to keep pace with inflation). The energy price cap is likely to rise again in the autumn, with the potential to precipitate a very real crisis for very many in the city during the winter.
4. Poverty was getting worse before Covid-19¹ and the pandemic has had a disproportionate impact on the poorest communities, and especially those living in deprived areas, black and minority ethnic communities, and disabled people. Having already had many temporary support and protections reduced or removed in autumn 2021, including Universal Credit reducing by £20 a week, many people are now facing a cost-of-living increase which is going to significantly reduce their ability to afford essentials in the face of further cuts to support.
5. Illegal money lending is also getting worse, with more people using illegal lenders for essentials. The pandemic and subsequent events have also seen people affected who had generally been able to cope financially before. We estimate that around half of the people who went newly onto Universal Credit during lockdown were completely new to the benefits system. We are also seeing a growing cohort of people who are on low incomes but not low enough

¹ 35.5% children in Sheffield (34,822 children) were in poverty before the pandemic (this is up from 29.9% or 30,713 children five years ago)

to be eligible for benefits and who are facing steep increases in their cost of living and their subsequent ability to cover essentials.

Incomes are going down while costs are rising by more than 50%

- Universal Credit reduced by £20 a week in autumn 2021
- Energy and food prices are rising dramatically, particularly from April. Energy bills are rising by 54% on the average standard variable tariff. This includes significant increases in the Daily Standing Charge that even people using the minimum amount of energy have to pay.
- Household debt has been increasing, with lower income households more affected.
- Rents are going up, especially in the private sector.
- BBC [explanation](#) of the cost-of-living increase.

Government-financed support schemes are reducing or stopping

- Debt Advice and help to claim Universal Credit in Sheffield has reduced significantly
- Discretionary Housing Payment budget for help with housing costs has reduced by 30%
- Some temporary funds to cover emergency essentials are coming to an end, including self-isolation payments and hardship support.
- School holiday food vouchers for children eligible for Free School Meals have been provided for the last two years using Government funding – they are likely to continue during this academic year but funding may stop after that.

We've taken action taken to support Sheffielders

6. To date, Government action to the cost-of-living has been very limited. A Council Tax rebate of £150 per Band A-D house has been announced, along with a repayable £200 loan scheme to offset increasing energy bills.
7. But, in the absence of intervention from Government, we have been taking action to support our communities:
 - **Supporting people in most need** – SCC currently spends £8.38m to support Sheffielders in financial need. We are improving access to support and advice via the [SCC website on support available](#), including Council Tax Support, Council Tax hardship scheme, Discretionary Housing Payments, Local Assistance Scheme and Household Support Fund.

- **£200k investment in tackling food poverty** – allocated £200k in the 2022/23 budget to help tackle food poverty, including developing a Food Access Plan which includes working with and supporting the city’s food banks and increasing community capacity for schemes that build social links and long-term access to healthy food.
- **Tackling social isolation and supporting volunteering** – allocated £1m in the 2022/23 budget for prevention and early intervention work on social isolation and allocated £500k to support volunteering in the city.
- **Council Tax rebate** – from May 2022, we are making payments of £150 to around 138,000 households in the city for whom we have Direct Debit details and implementing a Post Office Payout to the 77,000 households who are eligible for a rebate but for whom we do not have bank account details.
- **South Yorkshire Community Foundation cost of living crisis fund** – we are working with SYCF to support and promote a fund that they are creating to help local people most affected by the cost of living crisis. SYCF will independently administer the fund which will be open to organisations, including foodbanks, to bid for grants to help them support local people. To kickstart the fund, SCC will donate £20,000 and there may be Sheffielders who would like to donate some or all of their Council Tax Energy £150 rebate to the fund.
- **Getting advice and guidance to our frontline staff**– guide given to public and voluntary sector frontline staff in the city to provide advice about reading meters before the energy increase
- **Regular operational briefings for frontline staff** – providing benefits, financial support, disadvantaged people and poverty mitigation for public and VCF sector organisations
- **Sheffield Money Support** - SCC has worked with partners to put together this Sheffield Money Support [website](#) and a ‘Worrying about Money?’ leaflet (available by following the Sheffield leaflet link from [here](#)). Copies of the leaflet have been sent to all Sheffield schools and GPs.
- **Developing a Poverty Action Plan** – building on the city’s Poverty Summit in October 2021, we are working with partners to develop the Poverty Action Plan. This includes identifying short and longer term actions and establishing a picture of ‘typical’ households that experience poverty and thus how we can tailor support to address the different types of pressures they’re under.

Concerted local and national action is needed to respond to the cost-of-living crisis

8. Sheffield City Council, working with its partners, is already doing much to respond to the cost-of-living crisis. However, it is clear with inflation running at 9% and expected to hit 10% later in the year, and a further increase in the energy cap expected, that the worst of this crisis is ahead of us. Rapidly stepping up the city's response is critical if we are to support the citizens and communities of Sheffield to weather this oncoming storm.
9. The cost-of-living crisis is an immediate and pressing issue facing many households and communities around the city. It is exacerbated by over a decade of austerity and the fact that very many people in Sheffield already live in and with poverty. It is also having an impact on people who may have been coping prior to the CoL crisis but who will find rising costs very difficult or impossible to manage.
10. Our response needs to be focused on the steps we can take as a city to alleviate the effects of the CoL crisis, and in particular the impact that it is having on routine day-to-day income and expenditure decisions for households – the choice, for some, between heating and eating.
11. At a city level, our ability to affect the root causes of the cost-of-living crisis will be limited. We have no levers to address the cost of gas or electricity, nor the rising food and basic commodities prices in our shops. That can only be done by national Government within the globalised trade system. Our ability to alter the tax burden that people experience or the amount of benefits they can access is very low. With some minor exceptions, Government are the only ones able to act on these issues.
12. This does not mean that we are helpless or without action that we can take. As a city we can have a significant impact across a number of areas, including:
 - Co-ordinating a focused response with the city's strategic partners and VCF sector, maximising support and impact on people and communities
 - Supporting people to make the best possible choices about how they use the income they have
 - Helping people to maximise their income further (including, but not limited to, benefit maximisation)
 - Providing direct and indirect financial support, including through the various hardship schemes we are responsible for
 - Supporting people if they are struggling to cope, and, as a minimum, ensuring that our actions don't exacerbate problems further (for example, approaches to Council Tax or rent arrears)
 - Providing visible and high-profile leadership for the city

13. And we can use our influence and networks to demonstrate to Government that a city level and national level response is necessary if we are to make any progress on our wider ambitions (for example, levelling up) and reduce the potential for existing poverty to be further exacerbated by the CoL crisis and for more people to be exposed to significant hardship.
14. At the same time, we need to use the period over the summer to prepare for the autumn and winter when it is likely that the energy price cap will be raised further, just at the point at which households begin to require more energy for heating.
15. Our response to Covid was a positive example of how we have responded to a significant crisis as a city. The CoL crisis will potentially have a similar level of impact to Covid and will also require a cross-partner response. We should consider responding to the CoL crisis using a similar approach to Covid – recognising that additional capacity was unlocked during the pandemic as some normal business was paused.
16. While this currently is not the case with CoL crisis, managing it akin to an emergency incident response and doing so quickly, albeit over a longer time scale than would usually be the case for an emergency, will enable us to get ahead of the challenge and give us vital structure and focus. We will need to identify capacity and resource in line with our proposed response.
17. This will mean replicating the most important part of an incident management response:
 - Shared intelligence and situational awareness
 - Setting a clear, simple and easily followed strategy that is agreed by all partners
 - Having strategic and tactical governance layers, supported by a number of specialist 'cells' to deliver aspects of the response
 - Having a clear and agreed view on what success looks like (ie. what we want to achieve through the actions we take)
18. It is proposed that we put in place a 'Gold' group to provide strategic direction for this work. That group should be led and chaired by the Leader of the Council, supported by other relevant committee chairs and key officers. Ideally, this should be a partnership group, with representatives of other public, private and voluntary sector organisations invited to take part.
19. With the Gold group providing overall strategy and direction, a Silver level (tactical) group should also be established. This group would have responsibility for coordinating planning and activity in support of the overall strategy developed by the Gold group. It would meet frequently (probably at least weekly to begin

with) to provide pace and assurance, and would report progress to the Gold group periodically.

20. As with the Gold group, it is envisaged that the Silver group would operate best as a partnership group with representatives of public, private and voluntary sector organisations, probably chaired by a senior council officer, reflecting the convening role that we have in this space. Representatives would need sufficient authority to speak on behalf of their organisations and commit them to a course of action.
21. In line with the overall strategy, the Silver group would establish an operational plan and a set of workstreams to deliver this plan. This could include setting up some specific cells to deliver parts of the plan (this was a model that was used in Covid – for example, cells were established on specific issues like PPE and testing).
22. As part of this we will also need to determine resource requirements and it will be important to measure the impact and effectiveness of what we put in place.
23. This citywide response will also work alongside the South Yorkshire Mayor and other partners in South Yorkshire to identify opportunities for us to join up across the region to support our residents.

Community involvement and the importance of lived experience

24. Through the services and support SCC delivers directly and with our partners in the public and VCF sector, we are working alongside the people and communities across the city who are most exposed and suffering the consequences of the cost-of-living crisis.
25. To develop further community voice, we are working with Local Area Committees (LACs). LACs are fundamentally connected to communities, helping resolve challenges at the neighbourhood level and helping signpost families to advice, guidance and support where they need it. They also have a key role in bringing together local partners to help and support where required.
26. One action that we might wish to consider taking would be to establish a reference group of people who are experiencing the impacts of the cost-of-living crisis. By doing this and involving them in exploring and developing potential actions and solutions, we are likely to gain valuable insights and ideas that we wouldn't otherwise be able to access about the things that are most likely to be of practical benefit to people.
27. If we were to do this, we would need to think carefully about how such a group might be constituted and what its remit would be, but in principle it could be a very powerful mechanism for ensuring that we were focusing our limited resources in the right way. It is suggested that advice be sought from Joseph

Rowntree Foundation or a similar organisation as to how to establish such a group.

Recommendations

28. It is recommended that Strategy and Resources Committee:
1. Note the work that has been done on a cross-partner basis to date to help the people of Sheffield respond to the cost-of-living crisis, as described at paragraph 7 of this report, including supporting the work of South Yorkshire Community Foundation to establish a new fund to support people with the cost-of-living crisis.
 2. Agree to establish an incident response arrangement to help the city respond to the current situation and prepare for the forthcoming autumn and winter period, including the establishment of a strategic-level 'Gold' group to be chaired by the Leader of the Council and a 'Silver' partner group led by a senior SCC officer.
 3. Ask all policy committees at their first meetings to consider nomination of an Elected Member to sit on a cross-party Gold group
 4. Agree that partner organisations should be invited to join the Gold group, recognising that the CoL demands a whole-city response across the public, private and VCF sectors.
 5. Agree to receive a report at its July meeting setting out a proposed strategy and action plan for addressing the cost-of-living crisis in Sheffield, which should include proposals around the utilisation of the Food Action Plan fund established as part of the 2022/23 budget, along with updates on the social isolation and volunteering funds.

RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

Equality Implications

29. The cost-of-living crisis is likely to have a more significant impact on some groups of people in the city than others. This is likely to include people who share protected characteristics under the Equality Act, including women, disabled people, people from certain ethnic minority backgrounds, and both older and younger people. People with caring responsibilities are also likely to be disproportionately impacted as their income tends to be lower than the population as a whole.

30. The council's response to the cost-of-living crisis is intended to mitigate the worst effects of the crisis on people and communities across the city, including those who are most exposed to it. As described above this will include people who share certain protected characteristics. Therefore, the proposal set out in this report is intended to have an overall positive impact on equality within the city, although this will be within the wider negative context of the cost-of-living crisis.
31. A full Equality Impact Assessment is being prepared and will be included as part of the cost-of-living crisis action plan as set out at Recommendation 6.

Financial and Commercial Implications

32. There are no new financial implications arising from this report. The Food Access Plan, and social inclusion funds referenced at paragraph 7 are in line with funding commitments made by Full Council at their meeting of 2nd March 2022. Further detail of how these funds will be utilised will be brought back to the next meeting of the committee as set out at recommendation 5.
33. The other measures in this report will be funded from existing budgets.

Legal Implications

34. The Council's main response to the cost-of-living crisis will be delivered under its main functions. The arrangements in this report are permitted by the power under s111 Local Government Act 1972 to do any thing which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

Climate Implications

35. There are no climate implications directly arising from this report. Any climate implications arising from the development of the strategy and action plan will be considered at the next meeting of the Strategy and Resources Committee.

Other Implications

36. There are no other implications directly arising from this report.

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