

# Cost of Living Crisis Action Plan

## Equality Impact Assessment

EIA Number 1203

### Summary

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.

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.

The recent food ladders mapping research identified that women, other marginalised genders and refugees and asylum seekers may at times feel excluded from certain types of food relief. It also acknowledged that BAME-led emergency food support was underrepresented in the research and this is something that the food bank development work would need to address.

It is therefore important that the co-ordination and capacity building elements of this proposal and subsequent grants that are made through the food bank development fund have ensuring equality of access and ensuring that all groups are represented as a focus.

Reporting on demographic data will be a funding requirement wherever it is appropriate.

### Proposal has an impact on

<input checked="" type="checkbox"/> Health	<input checked="" type="checkbox"/> Gender Reassignment
<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Carers
<input checked="" type="checkbox"/> Disability	<input checked="" type="checkbox"/> Voluntary/Community & Faith Sectors
<input checked="" type="checkbox"/> Pregnancy/Maternity	<input checked="" type="checkbox"/> Cohesion
<input checked="" type="checkbox"/> Race	<input checked="" type="checkbox"/> Partners
<input checked="" type="checkbox"/> Religion/Belief	<input checked="" type="checkbox"/> Poverty & Financial Inclusion
<input checked="" type="checkbox"/> Sex	<input checked="" type="checkbox"/> Armed Forces
<input checked="" type="checkbox"/> Sexual Orientation	Other

### Health

The proposal will have a direct positive impact on health and wellbeing for Sheffield citizens and staff. We know that poverty and health inequalities are inextricably linked. Marmot and others have set out that the lower one's social and economic status, the one's health is likely to be. People living in the poorest neighbourhoods in England will on average die seven years earlier than the people living in the richest neighbourhoods. People living in poorer areas also spend more of their lives with a disability – an average total difference of 17 years.

By driving people deeper into poverty, or by pushing those who had previously been coping into financial hardship, it is very likely that the rise in cost of living is going to intensify health inequalities that have already been exacerbated by the Covid-19 crisis.

By mitigating some of the worst impacts of the cost of living crisis, the action plan seeks to minimise the negative health impacts on people in Sheffield. The action plan will also consider the role of organisations, including SCC, as employers, recognising the impact of the CoL on low paid staff. It is therefore expected that the action plan will also have a positive impact on the health and wellbeing of staff.

## **Age**

The proposal will have a direct positive impact on people of different ages in the city. We expect people of all ages to be negatively affected by the cost of living crisis, and this work aims to mitigate some of the worst impacts.

### ***Children and families***

Child poverty was getting worse before the pandemic 35.5% children in Sheffield (34,822 children) were in poverty in 2019 (this is up from 29.9% or 30,713 children five years ago). This shows many children are in households with incomes net of housing costs that are below 60% of the median. Based on the DWP/HMRC statistics "Children in low income families: local area statistics" (March 2021). This is the equivalent of 9 children in a class of 30. We don't have more up-to-date child poverty figures but we know that the pandemic exacerbated low-income families' financial difficulties.

Certain types of families are more likely to be impacted by the cost of living crisis, including:

- Single parent families – Labour Force Survey UK data shows that in early 2020 single parents were less financially secure and on lower incomes compared with other family types, with mothers in couple households earning almost twice as much per week, compared with single mothers.
- Families with more than two children – there is a 2-child limit on most state benefits, which means that larger families are disproportionately likely to be unable to pay for essentials as the cost of living rises.
- Families who with members who have disabilities and health conditions – Disabled people face extra costs, such as equipment or appliances, as well as potentially higher costs such as higher heating bills due to immobility. Once we partially adjust income for these extra costs, around 50% of people in poverty are either disabled or living in a household with a disabled person. [Sheffield's Joint Strategic Needs Assessment - Poverty \(arcgis.com\)](#)
- Low income working households – anecdotally we are increasingly seeing the impact of the cost of living crisis on families with working parents who were previously managing, their income is too high to be eligible for benefits but their living costs are higher than their wages.
- Families from diverse communities, including refugees and asylum seekers – see further detail below.
- Private rented tenants – rents are increasing steadily at a time when tenants are less able to afford them. Social-rented tenants are usually able to get support from their landlords if they are unable to pay rents, but the situation is more precarious for private-renters.

### ***People under the age of 35***

Young adults are more likely to be in low-paid, insecure work, and the housing costs available from the benefits system for single people under 35 is substantially lower than for adults over that age. Citizens Advice analysis of energy tariff data against historic benefits levels going back two decades found that April's estimated price cap rise will leave a **single adult spending a third (33%) of their standard allowance - the basic rate of Universal Credit - on energy bills.** [Cost of living report V3 \(citizensadvice.org.uk\)](#)

### ***Older people***

Although welfare reform and austerity over the last 13 years has had a much greater impact on working age people and families, older people are increasingly facing financial difficulties as a result of the cost of living crisis. Three-quarters of older people in the UK – 9.4 million people – are worried about the rising cost of living, <https://www.ageuk.org.uk/latest-press/articles/2022/three-quarters-of-over-65s-admit-theyre-worried-about-rising-cost-of-living/>. Older people are also more likely to be disabled and face the extra costs associated with this.

### **Disability**

We expect the cost of living crisis to have a disproportionately negative impact on people living with a disability and/or health conditions. By mitigating some of the worst impacts, this Action Plan aims to have a positive impact on this group of people. A representative from Disability Sheffield has been invited onto the Strategic Group to help ensure we are considering the experiences of disabled people on the work.

Disabled people face extra costs, such as equipment or appliances, as well as potentially higher costs such as higher heating bills due to immobility. Also, some health conditions require specialist food which often mean higher costs. Once we partially adjust income for these extra costs, around 50% of people in poverty are either disabled or living in a household with a disabled person. [Sheffield's Joint Strategic Needs Assessment - Poverty \(arccgis.com\)](#).

### **Pregnancy/Maternity**

Even with the 3.1% increase in April 2022, the new basic rate of maternity pay will only equate to just 47% of the National Living Wage. Ten years ago, in 2012, the basic rate equated to 62.5% of a 35-hour week on the National Living Wage, but over the past decade this relative value has declined steadily. This suggests that the cost of living crisis will impact negatively on women who are pregnant or who have recently given birth because their ability to cover the essentials will become more difficult, particularly with the extra expense that comes with having a baby.

The Action Plan will include communications directing people towards charities such as Sheffield Baby Basics, which supports families with essentials. The South Yorkshire Community Foundation Cost of Living fund will also be open to grassroots organisations like Baby Basics which are supporting people through the cost of living crisis.

### **Race**

As set out in the [\(Public Pack\)Covid-19 Rapid Health Impact Assessments Appendix Agenda Supplement for Sheffield Health and Wellbeing Board, 10/12/2020 15:00](#) Black, Asian and Minority Ethnic Communities were particularly hard hit by the financial impacts of lockdown: some people

from these communities may have less information about the financial support available (e.g. UC) and are wary of authority and therefore less likely to engage in order to get that support; there are a lot of self-employed people in these communities (35% of social enterprise in Sheffield is run by the Black Asian and Minority Ethnic communities and - although central government made funding available for those in self-employment - they didn't announce it until sometime into lockdown and they have made the application process increasingly complicated which in turn increases the barriers for those whose business structures may be less formal (FaithStar). Citizens Advice Sheffield statistics show that the pandemic has had a disproportionate impact on incomes of Black, Asian and Minority Ethnic communities. Also 40% of the people they have helped over the last few months describe themselves as from Black, Asian and Minority Ethnic Communities.

We similarly expect the cost of living crisis to have a disproportionately negative impact on diverse communities. By mitigating some of the worst impacts, this Action Plan aims to have a positive impact on this group of people. A representative from Faith Star has been invited onto the Strategic Group to help ensure we are considering how to engage with people from different communities and the Group aims to build on the work done through Covid to bring people together.

The recent food ladders mapping research identified that women, other marginalised genders and refugees and asylum seekers may at times feel excluded from certain types of food relief. It also acknowledged that BAME-led emergency food support was underrepresented in the research and this is something that the food bank development work would need to address.

It is therefore important that the co-ordination and capacity building elements of this proposal and subsequent grants that are made through the food bank development fund have ensuring equality of access and ensuring that all groups are represented as a focus.

### **Religion/Belief**

Much of the work around religion and faith work overlaps with the positive impact BAME work outlined above. Many food banks are linked to religious organisations, including churches, and we recognise that religious communities are often places where people seek support or who come together in order to find solutions to support those who are struggling. This will be considered as part of this work.

### **Sex**

The cost of living crisis will impact on both men and women. By mitigating some of the worst impacts, this Action Plan aims to have a positive impact all sexes. Women are likely to be disproportionately negatively affected by the cost of living crisis: Women account for 90% of single parents and this group were more likely to be impacted by job loss, reduced hours or furlough during the pandemic compared to coupled parents. Single parents earn half the weekly wage of coupled mothers and were less likely to work from home.

More generally, a Fawcett Society report (Making Devolution Work for Women 2019) found over 42,000 women in Sheffield were missing from the labour market and average earnings were £10k less a year than men. Sheffield has an average gender pay gap of 12.6%, which is slightly lower than the national average<sup>20</sup>. The Fawcett Society explain the gender inequalities are caused by caring responsibilities (adult and child) and high costs of childcare which impact Sheffield women's career progression and financial security.

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### **Sexual orientation**

The cost of living crisis will impact on people of different sexual orientations. By mitigating some of the worst impacts, this Action Plan aims to have a positive impact on Lesbian, Gay, Bisexual, Queer and people of other sexual orientations. Our information is limited about the financial wellbeing of LGBT+ people in the city. The LGBT+ Covid Experiences survey was open between May and June 2021, with 106 responses. The majority of respondents reported that they had seen no impact on their finances as a result of the pandemic. However, we do know that LGBT+ people are disproportionately likely to face disadvantage and discrimination which may then impact on their financial wellbeing. We also know that there may be differences between Lesbian, gay and bisexual and queer people especially with regard to sex and other intersectional issues.

### **Gender Reassignment**

The cost of living crisis will impact on transgender people. By mitigating some of the worst impacts, this Action Plan aims to have a positive impact on LGBT+ people, including transgender. Our information is limited about the financial wellbeing of LGBT+ people in the city. The LGBT+ Covid Experiences survey was open between May and June 2021, with 106 responses. The majority of respondents reported that they had seen no impact on their finances as a result of the pandemic. However, we do know that LGBT+ people are disproportionately likely to face disadvantage and discrimination which may then impact on their financial wellbeing.

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### **Carers**

The cost of living crisis will impact on those with caring responsibilities. By mitigating some of the worst impacts, this Action Plan aims to have a positive impact on carers. This is particularly important because, according to the Joseph Rowntree Foundation, informal carers are more likely to live in poverty than those without caring responsibilities: 24% compared with 21%. Carers are likely to be in the same household as disabled people or people with health conditions and therefore many of the financial impacts for people in that group also apply to carers.

## **Voluntary/Community & Faith Sectors**

Voluntary, community and faith organisations are key partners in the city's response to the cost of living crisis. Representatives from different VCF organisations are part of the Strategy and will be part of the Tactical groups that are responding to this. It should be noted that VCF organisations are facing increasing costs as a result of this crisis, whilst also facing increased demand from people who are struggling and need their support. This pressure will be considered as part of the Action Plan.

## **Cohesion**

It is possible that, by putting increased pressure on society, that the cost of living crisis could have a negative impact on cohesion. By mitigating the worst of the crisis it is hoped, therefore, that the Action Plan will have a positive impact on cohesion. The views of different groups will be taken into account as this work develops.

## **Partners**

The incident management cost of living response set out in the Committee paper is explicitly designed to bring together partners in the city to address the crisis. Partners include VCF organisations, health, housing, DWP, businesses and equality groups. It is recognised that they all have a role to play in supporting people, including as service-providers, employers, community networks, and landlords, and that they will all be facing increased costs as a result of the crisis.

## **Poverty and Financial Inclusion**

The cost of living crisis incident management response directly addresses poverty and financial inclusion. By mitigating the worst of the crisis, it is hoped that the Action Plan will have a positive impact on poverty and financial inclusion. See the rest of this document for details.

## **Armed Forces**

The cost of living crisis will impact on people in the armed forces and ex-service people. By mitigating the worst of the crisis, it is hoped that the Action Plan will have a positive impact on those groups. Where appropriate we will include information on where armed forces and veterans can get targeted financial and other support (such as through SSAFA) in the communications and information sharing workstream.