

REPORT OF THE PERFORMANCE AND CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE: COST OF LIVING PERFORMANCE

Cllr Eddie Reeves

Chair of the Performance and Corporate Services Overview & Scrutiny Committee

April 2023

RECOMMENDATION

1. The Cabinet is **RECOMMENDED** to:
 - a) Agree to respond to the recommendation within the report and Annex 1, and
 - b) Agree that relevant officers will continue to update Scrutiny for 12 months on progress made against actions committed to in response to the recommendations, or until they are completed (if earlier).

REQUIREMENT TO RESPOND

2. In accordance with section 9FE of the Local Government Act 2000, the Performance & Corporate Services Overview & Scrutiny Committee hereby requires that the Cabinet consider this report and its recommendation and, within two months of receipt, publish a response to the report and its recommendation indicating what, if any, action the Cabinet proposes to take. There is no requirement to respond to any observations made by the Committee, though the Cabinet may choose to do so if it wishes.

INTRODUCTION AND OVERVIEW

3. At its meeting on 19 January 2023, the Performance and Corporate Services Overview and Scrutiny Committee considered the interventions in place and in development to support those facing challenges with the cost of living and comparing them with LGA advice on the role of councils should play in this area.
4. The Committee would like to thank Cllr Lygo for attending the meeting to present the report and respond to questions, and to Robin Rogers, Programme Director (Partnerships & Delivery), and Jamie Slagel, National Management Trainee also for attending and for drafting an exemplary report.

SUMMARY

5. Councillor Mark Lygo, Cabinet Member for Health and Equalities, introduced the report, which provided an update on OCC's response to the cost of living crisis and the measures the Council had implemented to help residents, lessons learned and planned and proposed work.
6. The rising cost of living was a significant issue nationally, and the Council had taken on addressing a number of key issues. As ever, the Council did not seek to work in isolation but in partnership - particularly with those in the voluntary community sector and district and city councils. The Council's primary focus were those in greatest financial need, and to reach them by working with the most appropriate organisations. Immediate tactical responses were combined with longer-term strategic responses. Highlights of the interventions provided included free school meals being provided during school holidays, £85 vouchers distributed to 11,000 low-income pension households, £200k to the voluntary and community sector to support cost of living and energy costs, and providing welcome and warmth to all residents across the Council's libraries. Further projects were being developed to provide children with help for costs relating to everyday needs, to support those who did not qualify for national cost of living support, targeted support for vulnerable groups including those leaving hospital, carers, foster children, and those on low incomes. The Council had also taken steps to support its own staff. Notwithstanding the interventions, there was clearly greater demand than the Council could address and support from national government was sought, particularly in helping with some of the cliff-edges experienced by those in receipt of welfare and providing long-term funding to reflect the long-term nature of the challenge. It was recognised that this area work was new for the Council, and it was in the process of procuring the required infrastructure to process the associated funding with the Council's interventions.
7. In response, the committee welcomed the interventions delivered and planned, recognising how absolutely crucial they were to those in receipt of them. The Committee made a number of observations, concerning the focus of activity in the longer-term, the needs of hard to reach communities, and financial probity. It also makes one formal recommendation concerning how this work should be communicated to and engaged with by members hereon.

OBSERVATIONS AND RECOMMENDATIONS

i) Strategic Direction

8. The Committee recognises that the war in Ukraine and the post-Covid re-opening of the world economy have been drivers for the marked rise in inflation, and that the rise in inflation has been particularly acute around energy costs and food. These are items which poorer individuals and households spend a greater proportion of their income on, meaning that the inflation-impact has been felt more acutely by those at the bottom end of the

income scale. This situation has been the cause of both a significant and rapid deterioration of the ability of poorer households to afford necessities, hence popular reference to the 'cost of living crisis'. The committee recognises that the crisis requires immediate remedial action to tackle the crisis, hence the distribution of money to particularly at-risk groups, and it notes that the Council's response does include some poverty-prevention activity. However, in the long run immediate, tactical responses are neither sustainable nor the best outcome for those at risk of poverty, and that prevention upstream is both more cost-effective and better for individuals. It may prove difficult to deprioritise immediate crisis support with its very clear costs, but the Committee wishes to state its support for a future transition away from crisis-management and towards poverty prevention as the Council's primary focus in this work.

Observation 1: That the Council should seek to plan to transition its work towards greater emphasis on poverty-prevention than crisis management.

ii) Financial Probity

9. As noted above, crisis response requires, by its nature, swift action. As recognised by the Cabinet member and officers, a lot of the Council's interventions did not occur on the back of existing activity, but rather a new infrastructure is presently in the process of being organised to manage it. This is fully right and proper and the Committee makes no criticism, but it does draw attention to a consequence of these specific circumstances.
10. In the period in which the Council is overseeing the delivery of interventions without a fully-developed infrastructure to support it there is a higher risk of money not going to where it is meant to; the systems of oversight are not currently fully in place. With the acute challenges faced by residents relating to the cost of living members of the committee are particularly keen that the resources that the Council has made available are indeed making their way to those who most need it. The Committee recognises the resource intensiveness of undertaking a financial review or audit, which is why it does not make a formal recommendation that the Council should undertake one. However, owing to importance of funds getting to the front line and the increased risk profile it does want to flag this as a possibility for consideration.

Observation 2: That crisis-response requires swift action, and that the Council is developing its infrastructure to manage this work. Consequently, at present, risk management processes are less robust and the Council should give consideration to whether it is appropriate to undertake a review to ensure moneys have reached their intended targets.

iii) Hard to Reach Communities

11. An ongoing challenge of Scrutiny to the Council is the need for the Council to continue evolving and extending its reach into communities; if the same

approaches are taken and delivery partners used the same types of people will receive Council support. This leaves certain groups unsupported and through no fault of their own. The Committee raises this challenge with respect of this work, and in particular highlights the fact that digital access, particularly during a cost of living crisis where internet access is more expendable than food or heat, is likely to be depressed amongst many of these harder to reach communities. As such, the Council should be giving significant thought in the design and delivery of its interventions as to how to ensure sufficient access for those who are digitally excluded. It was felt that this issue specifically had not been given sufficient focus.

Observation 3: That the Council must continue to make efforts to bridge the gap to hard to reach groups. Key in this is the choice of partners, but also how support is accessed and promoted, particularly in light of the expected increase in digital exclusion amongst those in poverty.

iv) Councillor Communication and Oversight

12. Committee members value the interventions being made to address the cost of living across the Council. When deciding on the best way of providing oversight, however, a local perspective is best. Strategic issues can rightly be discussed, for example at a Scrutiny committee, but the vulnerability and need of the individuals involved means a more localised and ground-level approach may be best. This is especially the case given that the level of demand and spread, type and delivery partners of interventions will not necessarily be uniform across the county. Committee members would prefer that they are kept up to date on what is going on in their area – what the needs are, how they are being met and who is responsible for delivering that help - over and above a generalised view across the county. As such, it is suggested that the setting where this might be most effectively provided to members is the Locality fora.

Recommendation 1: That the Council report regularly to the Locality meetings on the spending and activity relating to the cost of living within that locality.

NEXT STEPS

13. As per the recommendation, it is expected that ongoing engagement with this topic will be undertaken first and foremost through the Council's Locality fora. However, the Committee has indicated it would like to consider whether the Council voluntarily adopting the Equality Act 2010 socio-economic duty could further equality, diversity and inclusion, and whether a specific policy is necessary in July 2023.

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Annex 1: Pro-forma Template - Response to Recommendations