

Scrutiny & Overview Committee Supplementary Agenda



6. Cost of Living Crisis Review (Pages 3 - 12)

The Scrutiny & Overview Committee is asked to review the information gathered from its preliminary meetings with Community Groups and Council officers.

The feedback from these meetings is attached with this supplement.

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Cost of Living Crisis – Community Leaders Meeting - 7 July 2022

Introduction

On 7 July 2022, the Scrutiny & Overview Committee held a meeting with local community leaders, including representatives from voluntary and faith groups, to discuss the impact of the cost-of-living crisis. The feedback received at the meeting would be used to help to inform the Committee's work programme and to identify recommendations that could be formally submitted to the Executive Mayor for consideration.

The meeting was divided into two halves, with the first half set aside for attendees to inform the Committee about their experience of the impact of the cost-of-living crisis upon residents in the borough. The second half of the meeting focussed on the ways the Council may be able help the many residents in the borough experiencing significant deprivation.

Impact of the Cost of Living Crisis

In the first half of the meeting, each representative was given the opportunity to provide feedback on the impact of the cost of living crisis from their organisation's perspective. The feedback revealed that all the organisations are experiencing an unprecedented demand for their services, which is only anticipated to increase as the crisis worsens. What follows is a summary of the comments made.

Claire - Croydon Citizens Advice Bureau

The CAB have been dealing with an increasing number of residents from across the borough with social welfare legal problems, such as welfare benefit issues, employment issues and debt. There had been an unprecedented demand for services with the top issues being council tax arrears and fuel debt. The CAB were finding an increasing number of people living on food vouchers and not eating for two to three days at a time. There was also a rise in the number of people at risk of homelessness. All these issues were having a knock-on effect, with the service seeing a higher level of family breakdown, mental health issues and suicide.

Rent increases for tenants renting from private landlords was another common issue. It was highlighted that there was a potential risk that some people may turn to crime to earn extra money to support their families

It was concluded that all of the aforementioned issues were interlinked with the many of the CAB's clients starting off poor and having their personal situation worsened by the cost of living crisis.

Julia - Food Stop

The Community Food Stop had seen a 50% increase in people accessing the service, with on average 100-150 families supported per week. Approximately a quarter of those accessing the service were unable to afford the £3.50 top up amount. A lot of families using the service were not using supermarkets and were instead visiting different food banks.

Council Tax Support was a big worry for families, particularly as many were unable to afford data top-ups or wi-fi to access the online application process.

The service was increasingly finding that families were requesting microwave meals due to the cost of using an oven.

Lorraine – Social Prescriber In GP Practices

GP surgeries were seeing an increasing number of people suffering from stress and anxiety caused by financial issues. It was also reiterated that having support available online was not convenient for many of the poorest families, who were unable to afford the cost for internet access.

The surgeries were able to hand out food vouchers, if patients were unable to access them digitally, but unless they lived near a GP surgery the cost of travel could also be an issue.

Irene – Local Resident

Irene provided powerful evidence of her own situation, supporting her children, while being unable to work due to disability following a car accident. It was advised that it was a continual struggle to balance the amount of money available, with there often being a choice between feeding her children and heating her flat. Without the support of the foodbanks in Croydon, it was very likely that a lot of people would be destitute. The food banks were a vital resource that the Council should continue to support.

Usman – Norbury Muslim Centre

Continually rising rents were a major problem as there was not enough social housing available for those who needed it. This was resulting in people being housed in hotels by the Council at a higher cost.

The local housing allowance had not kept up with the rise in rents, only increasing by £100 since 2015, while in the same period rents had increased by £500. It was also increasingly being found that landlords were refusing to rent properties to people claiming benefit due to the disparity in the housing allowance and the rental cost.

Saiqa - SWAN

SWAN had funding to provide community support and was finding they were receiving a lot of referrals for debt relief. In all aspects of their work more and more people were looking for support including whole families accessing food banks and soup kitchens. The service was also seeing instances where parents had not been eating so they could feed their children.

Rhi – South West Law Centre

It was agreed that there was a massive issue with people being unable to access the internet, which meant they were consequently unable access support such as Council Tax rebate.

Another issue highlighted was Croydon being the only London borough without priority housing for care leavers, which meant they had to go through private renting.

Penny - Faith Together

As well as the cost of rent, the cost for shopping had also increased significantly, which had increased the number of people regularly visiting foodbanks.

The increased cost for gas and electricity was also likely to further push people into debt.

Marion – New Addington Pathfinders.

It was again highlighted that having to access support online was a major barrier for people, with an increasing number of people being supported for this. People were increasingly being referred to the Family Centre and the Vine Foodbank for help with food.

Kamalasura – Pastoral Support team at a Croydon School

Issues reported included instances of partners hiding debt, parents self-medicating, and increased instances of coercive control and abuse. The cost of childcare was not realistic for people working on zero hours contracts.

Access to support could also be challenging for families whose first language was not English.

It was highlighted that how the Council balanced its budget needed to be carefully evaluated, as it was possible that cutting services could lead to greater expenditure further down the line.

Project 4 Youth

The service was finding that young people were often being housed in hostels without cooking facilities, which meant they were having to buy takeaways, which were not cost effective.

There were similar issues around the lack of online access making access to services more challenging.

All of the above was leading to an increasing amount of mental health issues.

Surinder - Sikh Place of Worship

The cost of living crisis was affecting everyone across the community and it was increasingly being found that people did not have enough food

There were still issues around covid for the elders in the community who felt isolated and limited in the facilities in which they could go to. The lack of facilities for people to meet each other was having an impact on people's wellbeing.

Mother Roxanne – St Mark's School

The school was increasingly finding that both children and parents were being fed at their club. The school also provided support to food banks and the refugee centre.

Sarah – Croydon Voluntary Action

Deprivation was a large-scale issue in Croydon, which had been exacerbated by a succession of crises such as covid and now the rise in the cost of living. The community response had been phenomenal, but this needed to be supported by the Council, which was why the CVA would be presenting a Voluntary Manifesto to the Executive Mayor Perry.

What can be done to help?

In the second half of the meeting, focus switched to the areas the Council could look at to improve the lives of residents either at risk of or experiencing deprivation.

1. **Digital Exclusion** – having access to support primarily online was a significant barrier to many families who could not afford digital access. The provision of support needed to be reviewed to ensure it was as accessible as possible
2. **Access to the Council** – The challenge of being able to contact the Council was a reoccurring issue. The inability to speak to someone on the phone, particularly for issues relating to housing and council tax, often meant that access to support was delayed.
3. **Coordination between the Council and the Community & Voluntary Sector** – Although the support provided by the Council was welcomed, it was felt that there was room to improve the coordination between the Council and the community and voluntary groups in the borough.
4. **Community Outreach** – Increasing the amount of community outreach undertaken by the Council into particularly deprived communities would be a means of supporting hard to reach groups.
5. **Community Fund** – Although it was recognised that the Council's financial position was challenging, it was agreed that the support provided through the community fund should at the very least be maintained at its current level and increased where community and voluntary groups could deliver improved outcomes.
6. **Household Support Fund** – There was a notice on the Council's website that the fund was being reviewed. This review should be concluded, and the fund opened up for applications again.
7. **Council Tax Support Scheme** – The changes to the scheme had affected so many people across the borough. At the time of implementation reassurance was given that there would be a team within the Council to provide support to vulnerable residents, but this doesn't appear to be the case. Instead, residents are being referred to enforcement for non-payment.
8. **Foodbank Coordination** – There were food banks working independently across the borough. It would be helpful if the Council could help to coordinate these groups as this would help with distribution and referrals.

9. **Better Use of Council Property** – The Council owned property across the borough that was underutilised and looking to sell. Could these buildings be repurposed as housing or as locations for foodbanks and similar grassroots community support groups.
10. **Financial Literacy** – Financial literacy was a big issue for many tenants and residents experiencing deprivation. Council advice and guidance should be reviewed to ensure it was as clear as possible and presented in a more graphical format.

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Cost of Living Discussion with Officers

21st July 2022

The Chair and Vice-Chair of the Scrutiny & Overview

What are the risks to the Council from the Cost of Living Crisis?

Carol Squires, Head of Employment, Skills & Economic Development:

- It was stated that the rising cost of goods, movement and supply were affecting businesses of all sizes including those on high streets; an example of this was a business on London Road selling musical instruments could not buy new stock and that the rising cost of these goods was pricing them out of the market.
- The increase in costs was running across all sectors and impacted on the ability of businesses to increase wages in line with inflation and there were concerns about how this could be managed going forward.
- There were concerns that businesses may not survive which would reduce the amount of revenue to the Council from business rates. The Economic Development team were small and were working hard with partners to support businesses as best they could.
- The rise in costs to supply educational courses was significant and grants were decreasing in size; creative solutions to savings were being sought but were a challenge; more employment programmes were planned but grants for these were also reducing.
- On whether there were schemes to pause business rate payments for struggling businesses, there was a scheme for discretionary rate relief for businesses moving into the borough and there was a legal requirement to have a discretionary policy but, with all businesses struggling, it was difficult to discern who this should be applied to with no official procedure; currently decisions were based on the impact of a business possibly closing.

Stephen Hopkins, Head of Adult Placement, Brokerage and Market Management,:

- It was stated that Croydon had the largest Adult care provider in London. There were over 6,200 staff employed in the registered provider market alone, and the rising costs of living were negatively affecting recruitment and retention.
- Providers had said that whilst there had been an increase in payments by Croydon these had been based on 2020/21 figures and had not accounted for current rates of inflation.
- There were concerns from providers on inflation, fuel and energy costs.
- COVID had caused a significant loss of staff in the sector and direct payment users were experiencing a rise in the cost of services available alongside other increased costs for residents.

- There was only short-term funding to 2024/25 on fair costs of care. Work was being done on providing sustainable employment offers through Croydon Works but there were concerns about providers leaving the market although, as this was the largest market in London, there was a buoyant market in Croydon.

Kerry Crichlow, Director Quality, Commissioning & Performance:

- It was explained that the cost of care was increasing and that schools seeing the impact of the cost of living on families through increases in free school meals and a reduced ability for families to pay for school meals.
- There had been creative work to support schools and build relationships with organisations such as the Phoenix Project, which looked at food poverty.
- The Household Support Grant was available to support families, but there were concerns whether this was enough; the fund was just over £3 million and prioritised looking at food and fuel poverty by providing a rate based on need.
- There crisis was impacting upon Croydon staff, including social workers, and the recruitment market was currently very challenging.

Hamid Khan, Head of Homelessness & Assessments:

- Concerns were raised over homelessness, with increased rents and private landlords exiting the market.
- The London Buy Back interborough scheme had fallen apart and it was felt there would be increasing rates of homelessness.
- There was a real struggle to attain services with costs going up and other boroughs paying higher amounts further driving up prices; there was a lack of accommodation supply against demand which was a London wide and national problem.
- Staff were beginning to struggle with some not attending work due to fuel and transport costs.
- London Borough heads were meeting on a monthly basis to discuss the market but solutions had not been forthcoming with large costs making acquiring services increasingly difficult.

Helen Helliwell, Benefits Manager:

- It was stated that there was an increased number in those applying for benefits; the cost of living crisis had hit at the same time that Council Tax support schemes had become stricter to achieve savings and because of this fewer applicants were eligible for support.
- Housing benefit could only be provided by the Council to certain groups, with most people needing to apply for universal credit; this was not paid back by central government and was a cost to the council.

- As rents went up the cost of the providing this benefit was rising and the number of available properties on the rental market that could be covered by housing benefit were reducing.

Robert Hunt, Head of Culture, Leisure & Libraries:

- It was stated that library services were starting to recover from the pandemic and over half of visits were for digital access; this demand was expected to increase as people could no longer afford home internet access and for access to warm spaces in winter.
- Local libraries had reduced opening hours which meant that residents may have to travel to access larger libraries on other days as these were open six days a week.
- There was lots of support to elderly and vulnerable residents who needed help accessing and setting up email accounts; an increased number of residents had been directed to libraries for help filling out benefits forms and there were workshops with community groups to assist with this.
- For Leisure, utility costs were rising as these were not capped and had gone up by 200-300%. GLL would be raising prices alongside other cost saving measures such as reducing pool temperatures by one degree.
- Fairfield Halls car park had seen increased anti-social behaviour and rough sleepers; there was a risk for BHLive that audiences would reduce in line with the reduced disposable income of residents.

Ben Marshall, representing Lambeth and Croydon, Senior Investigator:

- It stated that there were a number of risks to residents and the Council. There were risks that overburdened officers could underperform; large turnover of managers could lead to a lack of assurance, knowledge and best practise.
- There had been a lack of referrals from staff to HR over the last two years which meant that wrongdoing was likely not being reported; this presented a risk of financial and reputational cost to the Council.
- There was anecdotal evidence of staff holding multiple jobs in breach of contract to increase their earnings.
- There needed to be greater fraud awareness in Heads of Service across the Council and a better focus on risk registers.
- The capacity for benefit teams to provide checks that had previously been done was severely reduced.

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