

Birmingham City Council

Report to Cabinet Members

11 October 2022



Subject: **COST OF LIVING EMERGENCY PROGRAMME**

Report of: **Richard Brooks**
Director for Strategy, Equality & Partnerships

Relevant Cabinet Member: **Cllr John Cotton - Cabinet Member for Social Justice, Community, Safety, and Equalities**
Cllr Yvonne Mosquito - Cabinet Member for Finance and Resources

Relevant O & S Chair(s): **Cllr Sir Albert Bore, Coordinating Overview and Scrutiny Committee**

Report author: **Greg Ward**
Programme Lead, Cost of Living & Levelling Up
Telephone No: 07500 809620
Email Address: greg.ward@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1. Executive Summary

- 1.1 Following the announcement of a Cost-of-Living Emergency by the Leader, this paper provides detail of the actions to be put in place to support residents and businesses over the winter months.
- 1.2 As indicated below, expeditious action will be required to ensure residents and businesses are supported through an immediate period of rapidly rising food and energy costs.
- 1.3 As detailed in the Month 5 Financial Monitoring report on the Committee Agenda it is proposed to allocate up to £5m of non-recurrent funding from the Financial Resilience Reserve to this programme. Initial priority areas for action will include: benefits and money advice; foodbanks; warm spaces; energy efficiency; and supporting our staff

2. Recommendations

- 2.1. It is recommended that full Cabinet:
 - 2.1.1. notes the allocation of up to £5m of the Financial Resilience Reserve (FRR) as detailed in the month 5 Financial Monitoring Report on this Cabinet Agenda is used to fund the costs of the Cost-of-Living Emergency.
 - 2.1.2. notes the approval of the delegation of expenditure on the Cost-of-Living Emergency, as set out in in the Month 5 financial monitoring report on this Cabinet agenda, to the Director of Strategy, Equality and Partnerships and the Section 151 officer, in consultation with the appropriate Cabinet Members.
 - 2.1.3. Approves the delegation of procurement decisions to the Director of Strategy, Equality and Partnerships and the Section 151 officer, in consultation with the Assistant Director of Corporate Procurement and the appropriate Cabinet Members.
 - 2.1.4. approves the creation of a Cost-of-Living Strategic Response Group chaired by the Director of Strategy, Equality and Partnerships which will oversee the Cost-of-Living delivery workstreams including the responding to addressing immediate priority actions.

And to note that:

- 2.1.5. progress updates will be presented to future Cabinet Meetings.

3. Background

- 3.1. The Cost-of-Living Emergency has profound implications for Birmingham. We have over 300,000 residents already living in poverty, with many more highly exposed to the crisis. The Prime Minister's 8th September announcement on energy prices will help mitigate further increases in costs, but the situation remains extremely serious. Colder weather fast approaches and many more

families will find their household bills unaffordable and will face acute challenges in staying warm, well-fed, safe, and healthy.

- 3.2. The Leader and Cabinet have announced a Cost-of-Living Emergency and have convened the City Partnership to address the crisis. Other public bodies and VCS organisations are quickly developing their response to the crisis and have expressed their desire to work in partnership with the Council. It is important that the Council establishes a strong and credible programme to lead this agenda, deliver rapid help for our residents, and coordinate support across the city.
- 3.3. Arrangements to oversee this programme of work will be mobilised similarly to how the Council would respond to an emergency event with rapid and quick governance and delivery however this will be done within the normal constitutional arrangements. A Strategic Response Group will be established, with membership from Chief Officers of the Council plus a small number of key external partners.
- 3.4. Our Cost-of-Living response should align with and accelerate our longer-term strategic work, for example on Early Intervention and Prevention, and Net Zero. The Strategic Response Group will provide a forum for ensuring this principle is respected, and key officers who are leading strategic programmes will also lead or be closely involved in the relevant Cost of Living operational delivery workstrands.
- 3.5. It is recommended that our programme of Cost-of-Living work focuses around four broad themes:

Theme	Outcome
People	Increase income & reduce costs
Public Sector & VCS	Collaborate rally & support our partners
Business	Protect jobs and prevent bankruptcy
Places	Increase energy efficiency

- 3.6. Within these themes, there has been some initial mapping of current and planned activity to form a view of what short, medium- and longer-term actions will be required. This exercise identifies the following areas as short-term priorities that require immediate focus and additional activity:
 - Improving the availability of advice to residents, with a focus on increasing benefit take up
 - Increasing energy efficiency, with a focus on reducing costs
 - Increasing the supply of food through foodbanks across the city
 - Ensuring the provision of a network of warm spaces across the city, starting with libraries
 - Supporting our staff.

- 3.7. The timescale required to deliver effective help this winter is short. Each workstrand will need officer leadership, working across our organisational boundaries to deliver a more effective response. They will assume a policy lead role for their strand of work and advise the Strategic Response Group on the actions needed to enable, coordinate and accelerate delivery. There will be programme management support for the lead officers to help them fulfil their role in shaping and tracking delivery. An Operational Delivery and Coordination Group will oversee the immediate priority workstrands and ensure pace of delivery, reporting regularly to the Strategic Group and escalating issues as required.
- 3.8. At present the full scale and implications of the cost-of-living crisis are difficult to project, but we can anticipate continued acute pressures well into 2023. As stated below, the cost-of-living crisis is also layered on top of continued risks from Covid and other pandemics, plus NHS system pressures that are already severe. We anticipate that the governance and supporting arrangements described here will be needed until at least April 2023.
- 3.9. Time is of the essence, as is organisational agility and flexibility. Decisions will need to be taken at the Strategic Response Group, and activity such as improved advice, warm spaces and foodbank provision will need to be underway before the cold weather arrives and the October school half term which will be a significant pressure point for families.
- 3.10. As part of the proposed governance structure attached in Annex A, there will be clear Terms of Reference drawn up for the programme and its constituent elements, which will include setting out the roles and responsibilities of officers, members and external participants.

4. Options considered and Recommended Proposal

- 4.1 Doing nothing would mean the City Council would fail to provide the additional support that residents and businesses will need over the cold winter months. Much of the support needed is only within the Council's gift. Additionally, the Council has unique convening power to bring other agencies together to create a coherent city-wide approach.

5. Consultation

- 5.1 CLT have reviewed these recommendations and there has been consultation with key Cabinet Members and Officers who have contributed to and endorsed the initial short priority actions and the immediacy to deliver these.

6. Risk Management

- 6.1 Risks have been considered as part of the development of these proposals. The main risks identified are:
- An inability to respond at the required scale and pace. This proposal is intended to accelerate our response and establish agile processes.

- A lack of a coordinated response across the city. Given the urgency, partners as well as the Council may start putting in place actions that duplicate or do not align thus reducing the impact and/or causing confusion.
- The possibility of further significant disruptive events: bad weather, new pandemics, NHS pressures, other emergencies.

7. Compliance Issues:

7.1. How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1. The recommended decisions are consistent with a number of City Council priorities particularly on its Early Intervention and Prevention, Inclusive Growth and Net Zero strategies as well as the Council's broader aims of reducing poverty.

7.2. Legal Implications

7.2.1 The Strategic Response Group will require robust terms of reference and governance arrangements in order to offer clear oversight including record of decision making, appropriate financial management and compliance with the Council's Finance, Contract and Procurement Rules.

7.2.2 It is anticipated that individual proposals considered may require legal advice and support as and when necessary.

7.3 Financial Implications

7.3.1 As stated above, up to £5m of non-recurrent funding has been approved from the Finance Resilience Reserve to this programme. Proposals for drawing on this budget will come to the Strategic Response Group for consideration. Early priorities in line with the workstreams are likely to include: extending our advice services to drive benefits take up through direct provision or contracts; extending opening hours of council facilities and providing warm banks in e.g., libraries and schools; backfilling roles that are switched onto cost of living work; and funding other organisations to increase the support they offer citizens.

7.4 Procurement Implications

7.4.1 It is noted that the allocation of budget is key findings of this report with details on how that spend is to be allocated yet to be determined in detail. Such spend is likely to include a range of arrangements including but not limited to, extending existing contracts, new procurement arrangements, purchasing from existing compliant frameworks, and where appropriate direct award through negotiation. Decisions will be taken following the Emergency Process in line with the Procurement and

Contract Governance Rules and delegated as set out in 2.1.3 above with the appropriate engagement of Corporate Procurement Service.

7.5 Public Sector Equality Duty

- 7.5.1 The purpose of this report is to ensure the local authority can discharge its responsibilities under the Equality Act through the provision of support for the most vulnerable in the City.
- 7.5.2 The cost-of-living crisis will significantly impact those already living in poverty. Within Birmingham there is a concentration of poverty in key ethnic groups and those impacted by multiple disadvantages, including disability. The funding set out in this report seeks to reduce the impacts of the crisis on these cohorts by delivering immediate support which
- 7.5.3 An Equality impact Needs assessment has not been completed for this report due to the urgent need to approve funding. However, this will be undertaken and submitted to the Strategic Response Group as part of its role in assuring delivery.

8. Appendices

- 8.1 Appendix A - Programme Governance

Annex A: Cost of Living Programme Draft Governance Arrangements

