



Cost of Living

The Impacts on councils and their communities

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Some context

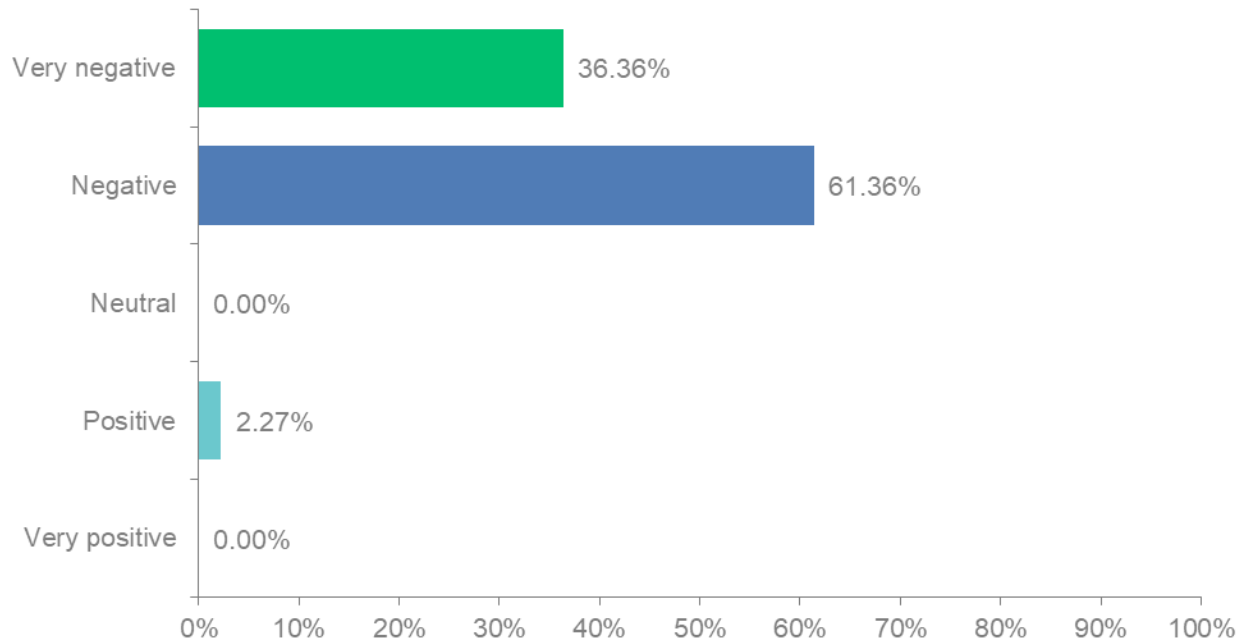
- *Inflation / lower GDP / post Covid.*
- *Energy increases, fuel, materials and pay.*
- *Increased pressures on ‘Statutory Services’*
- *Disproportionate impact on ‘non statutory’ services.*
- *Large funding gaps in some services.*

LA Funding gaps

- *England: Est funding gaps of **£3.4 billion** in 2023/24 and **£4.5 billion** in 2024/25...*
- *Wales; Described as ‘austerity on steroids’, councils could face a **£500 million** budget gap next year*
- *Scotland: More than **£1 billion** shortfall*
- *Northern Ireland: Cost of Living taskforce - NILGA*

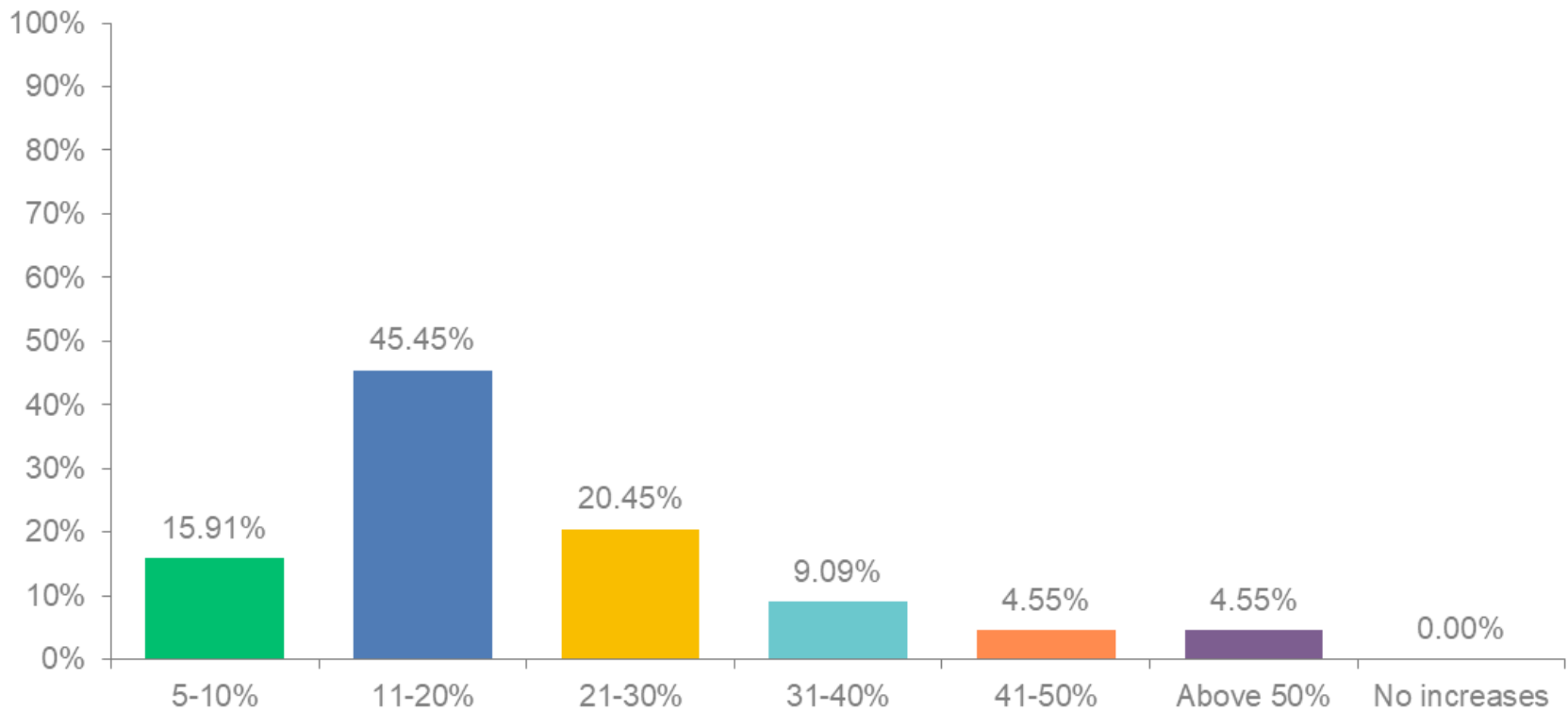


How would you describe the impact of the current economic climate on your service?



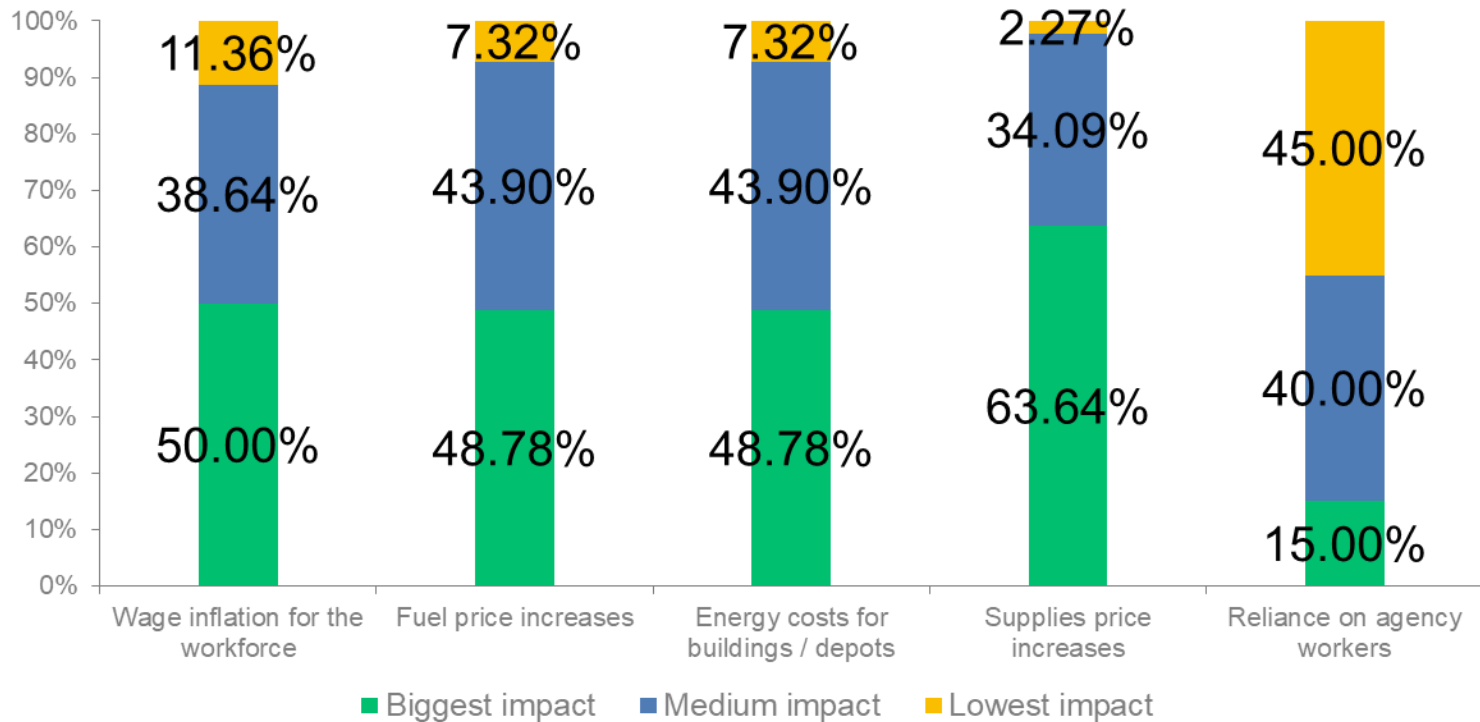


Price inflation and the cost of buying in supplies, the range of any increases experienced



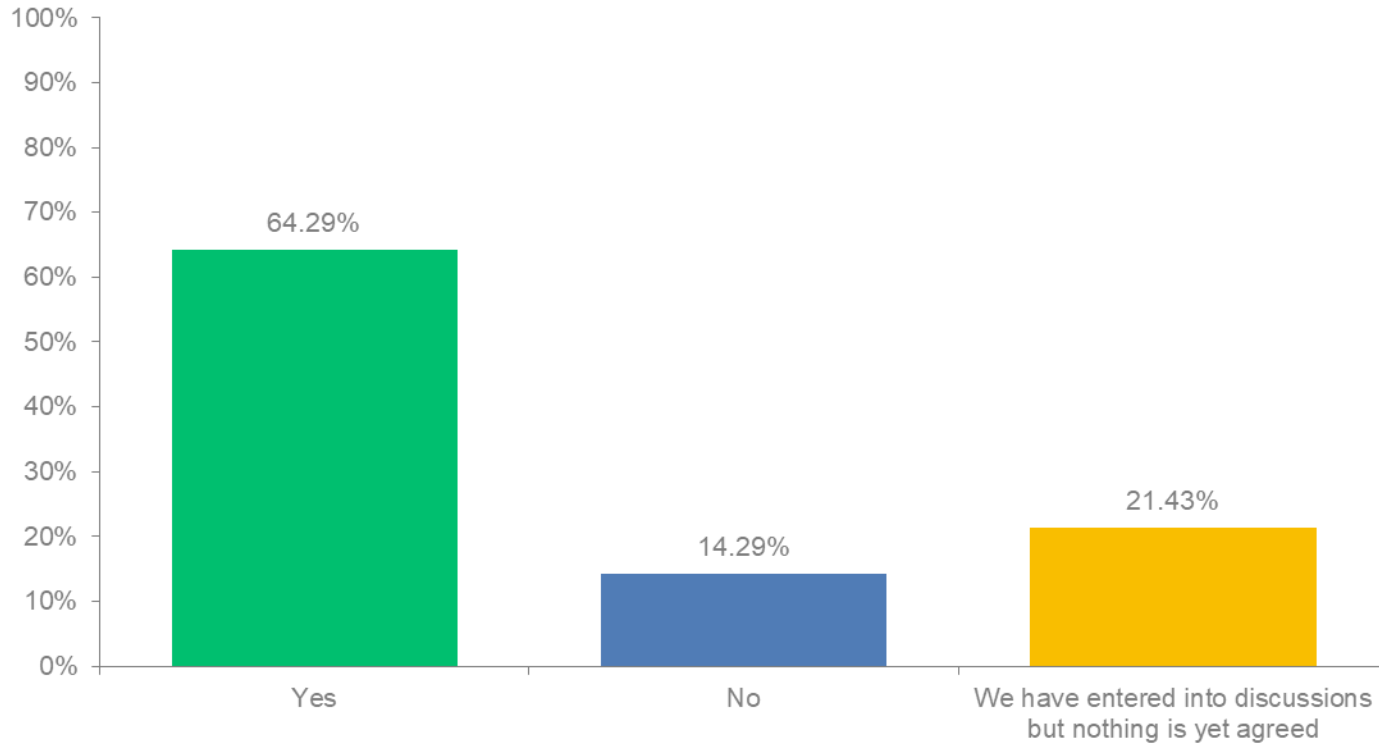


Which of the following is or will have the greatest impact on your service costs?



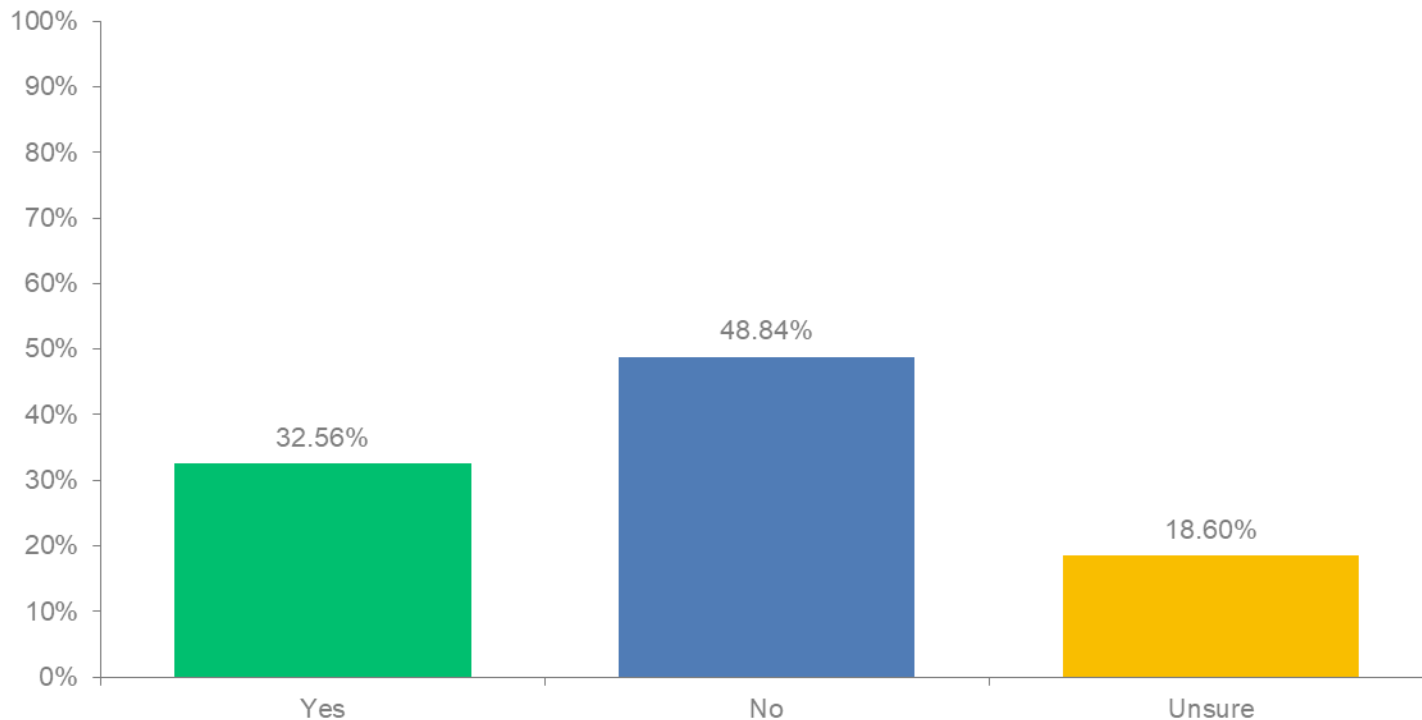


Have any of your contractors or suppliers negotiated price increases with you



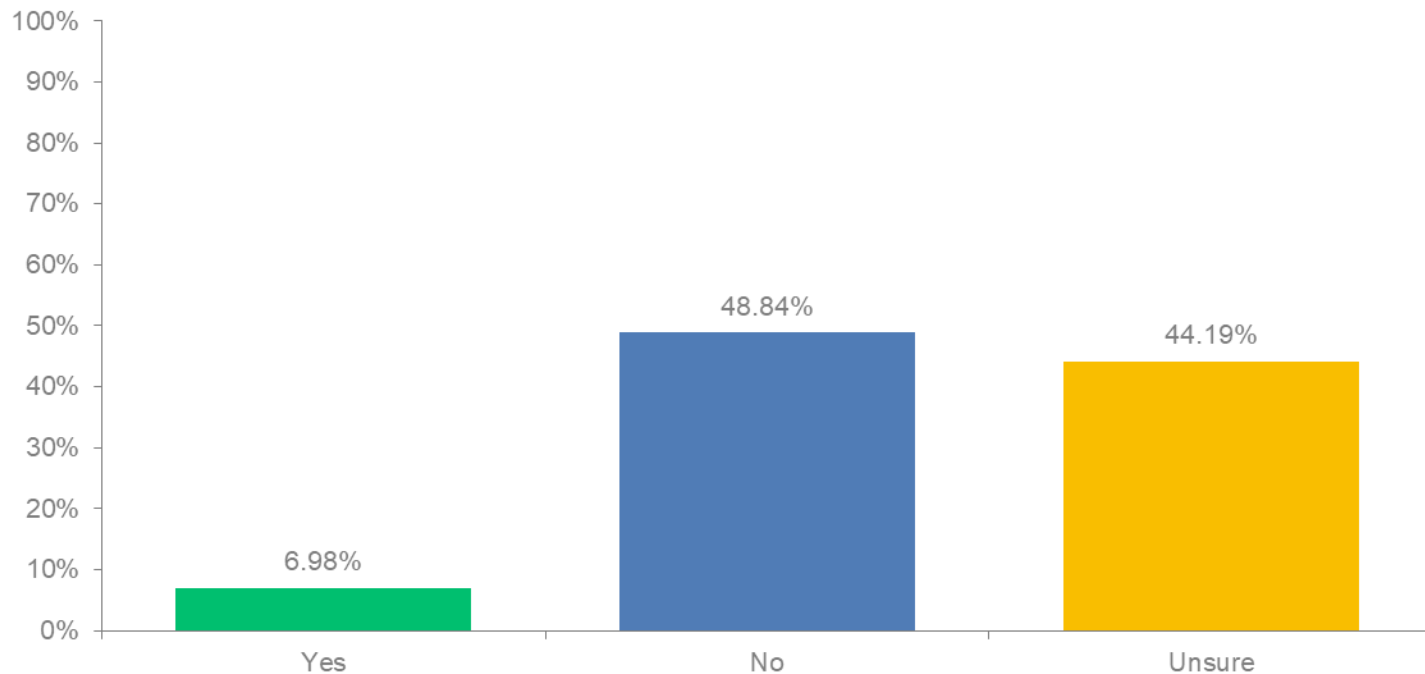


Suppliers leaving the marketplace (liquidated or closing businesses).



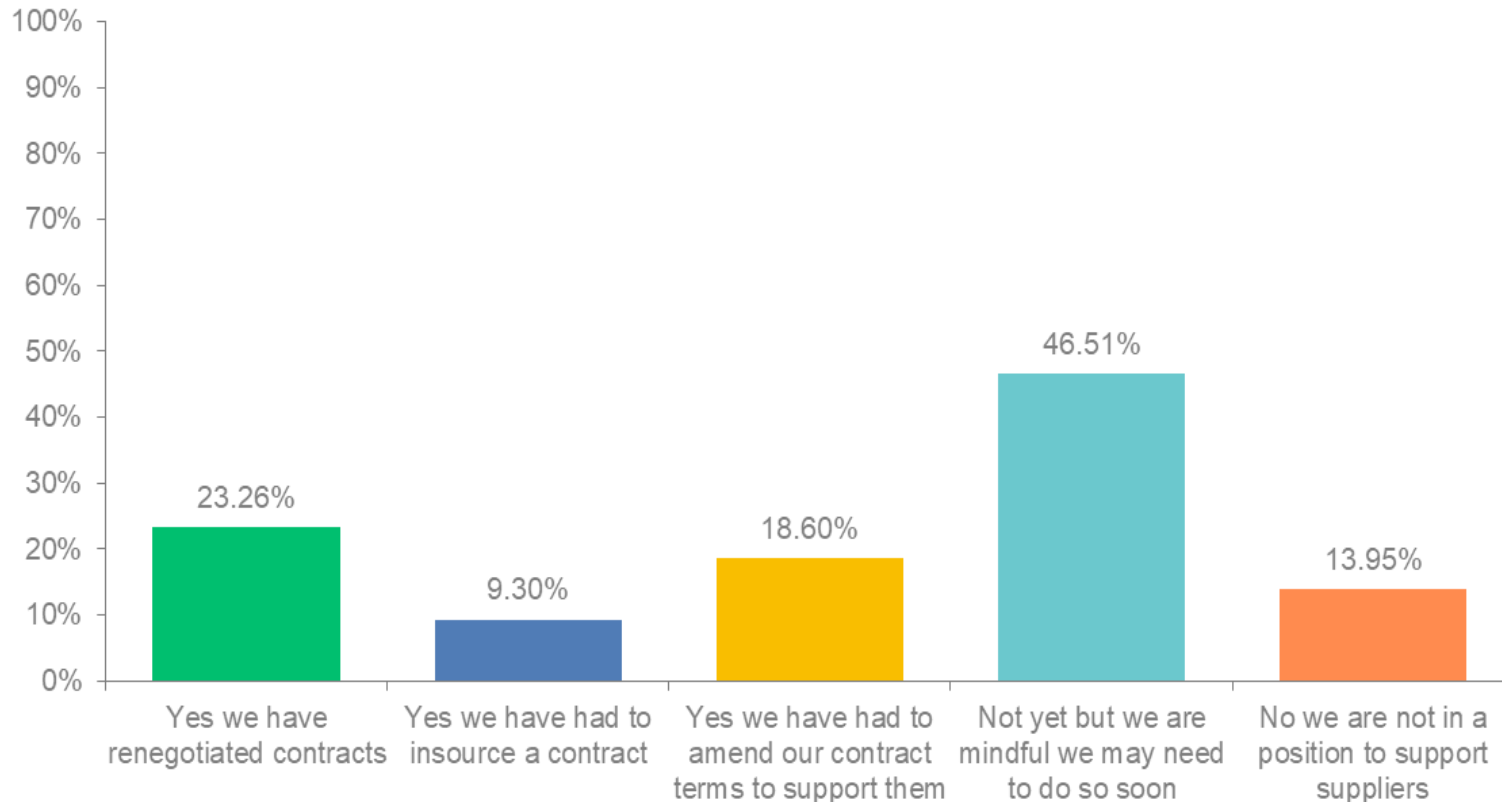


Have any of your capital works contractors left the marketplace





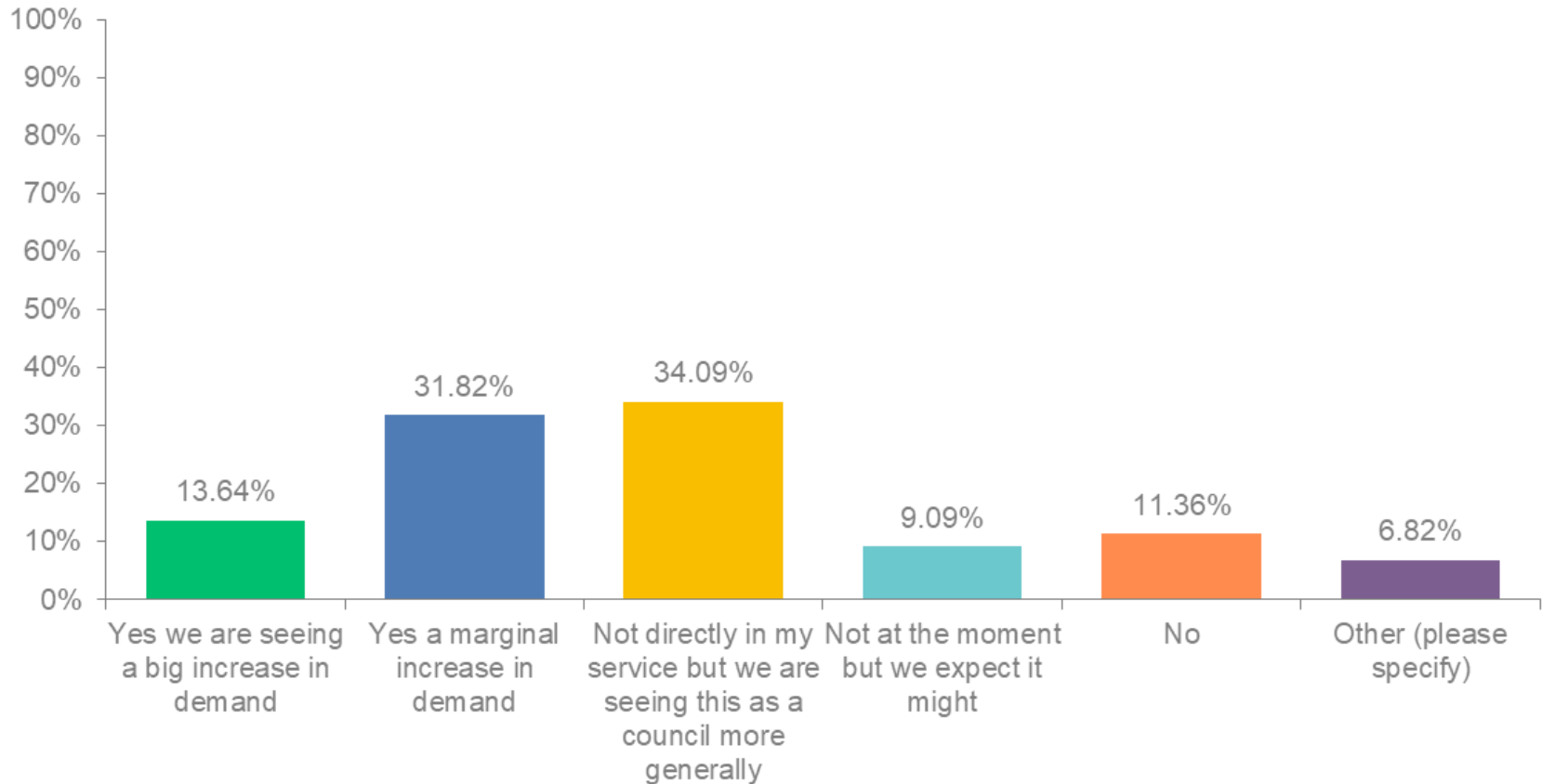
Have you had to intervene or otherwise support suppliers or contractors?



What do interventions look like?

- Cost of contracts have been reviewed (increased) above usual inflation rates to deal with the specific price increases affecting the sector/service provider.
- Evidence base by the suppliers and no additional profit is being made by the suppliers from this environment.
- Regular price reviews - rather than the contracted at a greater frequency.
- Evidence of council's having to step in to support contracts.

Has the cost of living impacted on service demand increases from residents or service users?



Comments on service budgets

- *Capital costs are rising*
- *Increasing revenue costs – energy, fuel, staff, materials*
- *Impact on new builds – numbers may be scaled back*
- *Pressures from adults and childrens services*

- *Budget gaps of many millions – cuts to staff and services is inevitable*

Specific impacts?

- *Non statutory services*
- *Commercial services recovering from covid (e.g. Museums and other attractions, transport providers etc)*
- *Leisure – cancelled memberships – service viability issues*
- *Free meals - uptake increase but downturn in paid for school meals*

Community Cost Of Living (COL) Issues

- Volumes of people accessing support have increased for all organisations
- People accessing services such as foodbanks (not necessarily people out of work and on benefits)
- More single people seeking support. Previously it was usually families.
- People seeking support from areas that appear to be more affluent
- Needs are more complex and not just single or 'one off' issues.
- There are more people seeking advice around benefits issues – housing, PIP and UC.
- More fuel/energy related help being requested including accessing available warm space locations

Community COL Issues contd

- Issues that were previously manageable have become unmanageable – debt for example.
- Issues around fuel costs – e.g. people requesting food that doesn't need to be cooked.
- Some grants and funding streams are coming to an end (short term support solutions).
- There is real fear of possible cost rises that will remain (currently managing but on a tipping point with prolonged COL impact)



Council Role in COL

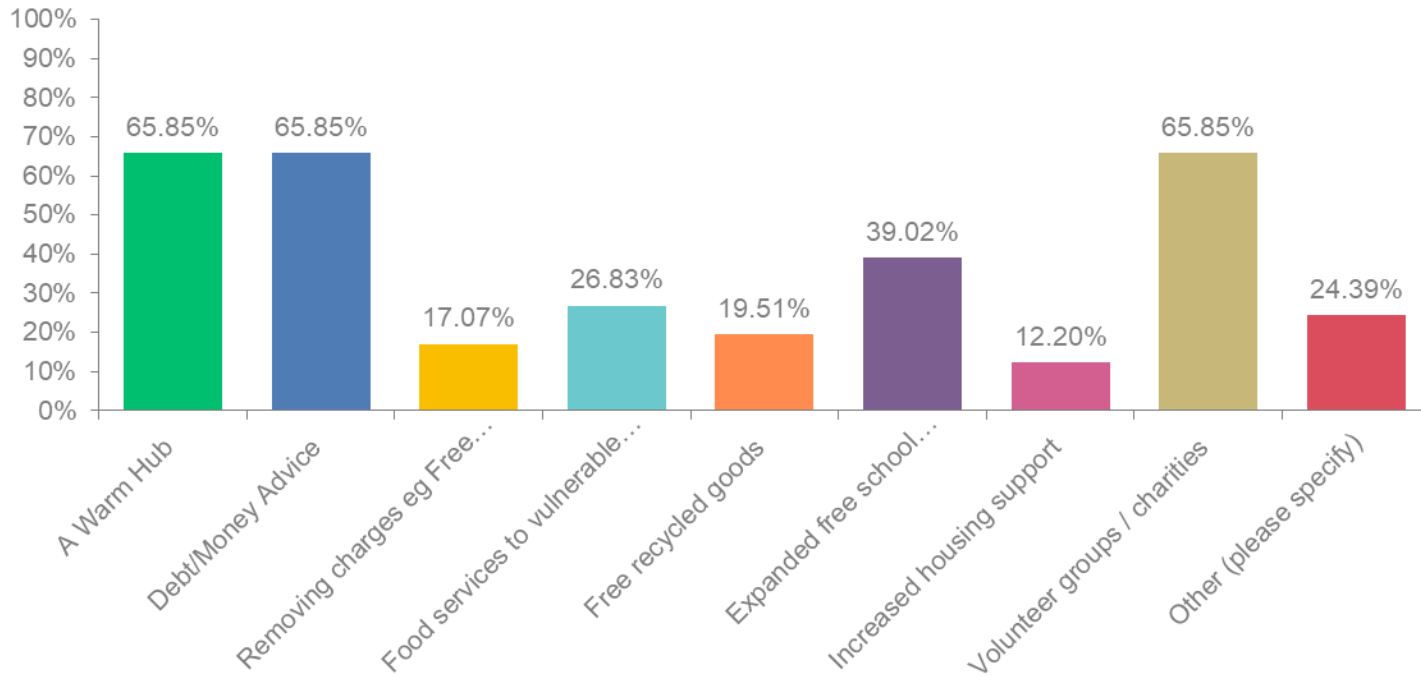
Given its role in providing leadership and services, working with other partners the council can provide support in three key areas:

Co-ordination of services and interventions between support services to ensure help is targeted and reaches those who need it

Communication updates and reminders of what help and assistance is available (similar the pandemic)

Enhancing gaps in provision. Collating intelligence gained from the network to identify needs not being met and requiring development

Thinking about council support to residents which of the following applies. Please tick all that apply.





- Council Libraries and Leisure centres as “warm spaces”
- Community pantries in operation.
- Multiply numeracy provision focusing on support for cost of living issues.
- A Living Well mobile hub providing outreach information to communities is operating at a range of locations.

- Financial and social support forums - to gather intelligence on need and share good practice
- Continue to check our response against LGA best practice.

Conclusions - Where to now at a Neighbourhood Level?

- How are you getting through the coming period with service cost increases?
- How are you budget setting to cover cost of living and inflationary pressures
- What impacts on delivering frontline services and workforce?
- Commercial services and 'non statutory' provision?
- What are your priority actions to help plan for an uncertain future?

Tell us your experiences



Community COL Response

What other factors should we consider in delivering a council and area wide plan?

Tell us your experiences of dealing with COL in the community and delivering support.



Contact details

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