



To: Coventry Health and Wellbeing Board

Date: 03/10/2022

From: Coventry Marmot Partnership

Title: Marmot update on the cost of living crisis

1 Purpose

To improve the health, wellbeing and life chances of the people of Coventry, reducing inequality is vital.

The purpose of this paper is:

- 1.1. To highlight the increase in demand for advice services and the importance of acting now to ensure the 'inequalities gap' in the city does not continue to widen under the context of the Cost-of-Living crisis.
- 1.2. To call for more action to be taken to support those on lower incomes and the more marginalised groups in the community; specifically, to prevent an intensifying fuel poverty crisis turning into a winter health crisis.

2 Recommendations

All partners represented on Coventry Health and Wellbeing Board are recommended to:

- 2.1 Work locally towards a long-term sustainable funding settlement to strengthen and support independent advice services to deliver vital advice and advocacy support to marginalised communities (employment rights, benefits entitlements, debt/money advice, energy advice, housing support, support to apply for grants etc).
- 2.2 Frontline services need to be sufficiently strengthened and resourced to effectively meet the needs of our communities. This is critical for both the Local Authority and for community-based services.
- 2.3 To support the Council Teams to revise, update and/or develop a 'Cold Weather Plan' that includes, but is not restricted to, current Severe Weather Emergency Protocols (SWEP).
- 2.4 To use the Marmot Partnership to monitor whether we are meeting frontline demand.

3 Information/Background

- 3.1 As a Marmot City since 2013, Coventry made a commitment to broaden the ownership of the health inequalities agenda from not just being the responsibility of health services but taking a city-wide approach to tackling health inequalities. Now, more than ever, we need to act and honour that commitment through the One Coventry partnership approach and ensure adequate support is provided (at a proportionate level to need) as we navigate through the challenges of the Cost-of-Living crisis.
- 3.2 Since January 2022 pressures on household budgets across the country have reached an all-time high. With the 'domestic energy price cap' being raised substantially in October 2021 and again by 54% to £1,971 in April 2022 – and now frozen by Ministers at £2,500/yr for the average home until October 2024. Struggling households have faced relentless financial strain in recent months as an energy crisis has fed an intensifying Cost-of-Living crisis. The war in Ukraine is a large part of this dynamic with food inflation predicted to reach 15%.
- 3.3 [More people have been looking for support from advice services than ever before](#) and numbers in need of statutory crisis support have also soared. Independent advice services are becoming increasingly stretched in their capacity to support demands from struggling households: Coventry Citizens Advice, for example, are currently only able to respond personally to 1 in 5 callers to their telephone advice line - the primary contact channel. They have estimated that they would need to recruit, train and supervise approximately 100 new volunteer generalist advisers to make up that current shortfall.
- 3.4 The May Intervention by HM Treasury was large and progressive. This will provide £1,200 to households in the bottom third of income, £550 to over half, and £400 to the rest – with a domestic electricity meter. This only covers about 3/4ths of the increase in energy costs however and does not cover any of the inflationary prices for food, fuel, etc. Prior to the intervention the CCC Insight Team predicts that the number of households who would experience fuel stress would triple from 17,000 last winter to 53,000 this winter. This is the best proxy for demand for support. While the situation is less clear now, with likely further interventions by HMT a doubling of demand is still easily possible.
- 3.5 A recent report from Sir Michael Marmot's Institute of Health Equity, 'Fuel Poverty, Cold Homes and Health Inequalities in the UK'¹, describes direct links between the current fuel price crisis and a potential national winter health crisis'. More specifically, the report claims that the health effects of spiralling fuel poverty are so acute that if more is not done to support low-income families then the current fuel poverty crisis this winter will turn into a "humanitarian crisis" with long term health impacts for the general population and more specifically the young and excess winter deaths for older and more vulnerable residents.
- 3.6 Growth in the Coventry & Warwickshire economy slowed to 1.24% in 2018/19, the COVID-19 pandemic had a further severe impact; with the national economy contracting by 9.9% in 2020 and the West Midlands estimated to have experienced the greatest contraction of any UK region. While unemployment, as measured by the Claimant Count, has fallen overall latest statistics indicate this trend is starting to reverse with the Employment Rate and volume of vacancies starting to fall (ONS – September 2022). Wage rates are at very low levels and most pay increases for working people well below the current rates of inflation.

¹ <https://www.instituteofhealthequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf>

The Cost-of-Living crisis is likely to evolve into an income and re-employment crisis over the next year. With many economists predicting the UK economy is likely to enter recession in the coming months, it is vital that more excluded people in Coventry are not pushed further behind.

- 3.7 Wage pressures in the workplace have also led to an increase in industrial action which has included significant numbers of people in Coventry already (Rail, BT, Royal Mail etc.) with pay ballots also taking place across the public sector and at Amazon. A rise in levels of strike action will exacerbate economic challenges.
- 3.8 We know “good employment” is essential to reducing health inequalities through its impact on the “wider determinants of health”. Our concern is that, as recovery continues, some marginalised groups within the city will continue to be excluded through the barriers they face; from digital exclusion and language barriers to disability and gender barriers, to transport costs and ‘transition-into-work’ costs (such as the costs of childcare).
- 3.9 Continued sustainable financial support for independent advice services is vital if they are to meet the demand for struggling households who need support. By investing in these services, local communities will benefit from accessing welfare entitlements. The partnership believes such support brings struggling households closer to employment, income stability and sustainable good health. The pressure on frontline organisations will be exacerbated by the end of European Social Fund (ESF) funding at the end of 2023 and a likely major reduction in equivalent funding available for employability and information advice and guidance support via the replacement Shared Prosperity Fund (SPF).
- 3.10 The development of a city-wide ‘Cold Weather Plan’ which includes but is not restricted to a revision of current Severe Weather Emergency Protocols (SWEP), is also required, we believe, to prevent an intensifying fuel poverty crisis turning into a Winter health crisis.

4 Options Considered and Recommended Proposal

- 4.1 Work locally towards a long-term sustainable funding settlement to strengthen and support independent advice services to deliver vital advice and advocacy support to marginalised communities (employment rights, benefits entitlements, debt/money advice, energy advice, housing support, support to apply for grants etc).
- 4.2 Frontline services need to be sufficiently strengthened and resourced to effectively meet the needs of our communities. This is critical for both the Local Authority and for community-based services.
- 4.3 To support the Council Teams to revise, update and/or develop a ‘Cold Weather Plan’ that includes, but is not restricted to, current Severe Weather Emergency Protocols (SWEP).
- 4.4 To use the Marmot Partnership to monitor whether we are meeting frontline demand.

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Appendices