Wakefield Council, UK
Policy Alert: update 31st October

ONS: Public opinions and social trends, Great Britain: 12 to 23 October 2022
https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/publicopinionsandsocialtrendsgreatbritain/12to23october2022

- 93% of adults reported their cost of living had increased compared with a year ago, while a lower percentage (80%) reported an increase in their cost of living over the last month.
- The main reasons reported by adults for the rise in their cost of living over the past month were an increase in:
    - the price of food shopping (92%)
    - their gas or electricity bills (78%)
    - the price of fuel (46%)
- 79% were very or somewhat worried about the rising cost of living (77% in the previous period).
- The most common actions reported by all adults because of the rising cost of living were spending less on non-essentials (67%), and using less fuel, such as gas or electricity in their homes (63%).
- 2% of adults reported that they are using support from charities, including food banks, because of the increase in the cost of living.
- 48% of adults with a mortgage reported being very or somewhat worried about changes in mortgage interest rates.
- 42% of adults who pay energy bills said they found it very or somewhat difficult to afford them in the latest period (43% in the previous period)
- 32% of those who are currently paying rent or mortgage payments reported that these payments have gone up in the last six months (33% in the previous period).
- 33% of those who are currently paying rent or mortgage payments reported that they are finding it very or somewhat difficult to make these payments (30% in the previous period).
- 48% of adults with a mortgage reported being very or somewhat worried about the change in mortgage interest rates, with 21% reporting being somewhat unworried or not at all worried.
- 70% of adults with a variable-rate mortgage reported being very or somewhat worried about changes in mortgage interest rates.
- The proportion of adults with a mortgage who were very or somewhat worried was highest for those aged 50 to 69 (57%) and those aged 30 to 49 (55%).
- 52% of all adults reported feeling very or fairly unsure about the future; this is an increase since ONS last asked this question in the period 14 to 25 September 2022 (41%).
- Most working adults (57%) reported they were not doing anything differently in terms of their work situation because of increases in the cost of living (61% in the previous period).
- The impacts on work most reported by working adults because of increases in the cost of living were:
    - looking for a job that pays more money, including a promotion (20% in both the latest period and the previous period)
    - working more hours than usual in their main job (18% in the latest period and 15% in the previous period)

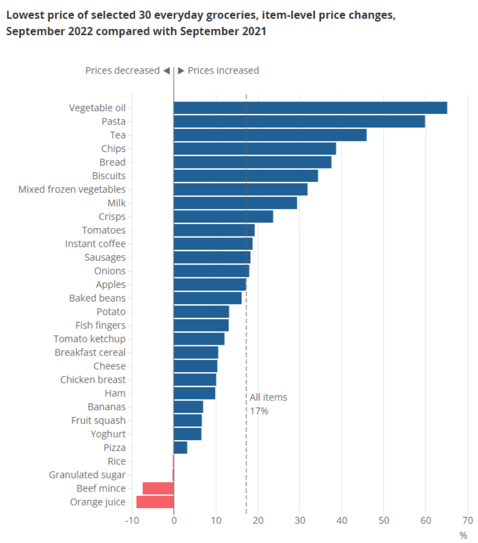
ONS: Economic activity and social change in the UK, real-time indicators: 27 October 2022
https://www.ons.gov.uk/economy/economicoutputandproductivity/output/bulletins/economicactivityandsocialchangeintheukrealtimeindicators/27october2022

- Credit and debit card purchases decreased by 5 percentage points in the week to 20 October 2022, to 97% of its February 2020 average
- "Work-related" and "staple" spending were above their February 2020 average levels, at 133% and 105% respectively. "Social" and "delayable" spending remained below their February 2020 average levels at 98% and 83%, respectively.

- The volume of overall weekly retail footfall for: was 97% of the previous week, and 87% of the equivalent week of 2019
    - high streets were 96% of the previous week, and 87% of the level in the equivalent week of 2019
    - retail parks were 98% of the previous week, and 93% of the level in the equivalent week of 2019
    - shopping centres was 99% of the previous week, and 80% of the level in the equivalent week of 2019
- The number of total online job adverts was 10% down on the equivalent week of 2021
- The number of employers proposing redundancies in the week to 16 October 2022 was 163% of the level in the equivalent week of 2021, while the number of potential redundancies reported was 106% of last year's equivalent level.
- 76% of businesses reported some form of concern for their business for November 2022, which was higher than the proportion for October 2022 (70%).
- 25% of businesses cited input prices inflation as their main concern for November 2022, while 22% were most concerned with energy prices
- The seven-day rolling average gas price decreased by 60% in the week to 23 October 2022, but remained 152% above the February 2020 level.
- The number of UK flights was 85% of the level in the equivalent week of 2019, while road traffic levels were broadly unchanged.

ONS: Price of the lowest-cost grocery items, UK, experimental analysis: April 2021 to September 2022
https://www.ons.gov.uk/economy/inflationandpriceindices/articles/trackingthelowestcostgroceryitemsukexperimentalanalysis/april2021toseptember2022

- The lowest-priced items have increased in cost by around 17% over the 12 months to September 2022: an increase from 7% over the 12 months to April 2022.
- Although not directly comparable, the rise in prices for the lowest-cost grocery items is similar to the 15% rise in the official measure of inflation for food and drink.
- There is considerable variation across the 30 items, with the prices for four items falling between September 2021 and September 2022, but the prices of 15 items rising by 15% or more.
- for three of those nine items tracked the lowest-cost price rose by 40% or more. The items where the lowest prices rose at the fastest rate between September 2021 and September 2022 were:
    - Vegetable oil (65%)
    - Pasta (60%)
    - Tea (46%)
- The largest price decrease measured was for fruit orange juice with a 9% fall in price, followed by beef mince which saw a 7% decrease. See chart below:



- Between April 2022 and September 2022, the three largest average price rises in cash terms were:
    - Vegetable oil (up 80 pence for 1 litre to £2.58)
    - Chips (up 27 pence to £1.37 for 1.5kg)
    - Milk (up 25 pence to £1.52 for 4 pints)
- In contrast, the largest average fall in the lowest averages prices measured between April 2022 and September 2022 were:
    - Fruit orange juice (down 6 pence to 76 pence for 1 litre)
    - Beef mince (down 5 pence to £1.95 pence for 500g)
- Several items had a very stable lowest price throughout the entire period, such as yoghurt and pizza.

Institute for Government: Austerity in public services - Lessons from the 2010s
https://www.instituteforgovernment.org.uk/sites/default/files/publications/austerity-public-services.pdf
From 2010:

- Holding down public sector pay was an important tool during austerity for the coalition government, which implemented a two-year pay freeze between 2011 and 2013 and a 1% average pay cap from 2013 to 2017.9 This pay policy saved between £10bn and £20bn in 2021/22 prices relative to increasing public sector pay in line with the private sector over the same period.
- Between September 2009 and May 2013, the NHS cut the number of managers and senior managers by 30.4% and 31.5% respectively. By 2018 police officer numbers were down 14.8% on 2010 levels, equating to 21,000 fewer officers. The prison service lost 26.6% of its officers between 2009/10 and 2014/15, a reduction of 6,600.
- Between 2010 and 2021 the pupil– teacher ratio rose in both primary and secondary levels, from 20.4 to 20.6 and 14.8 to 16.7 respectively.
- In adult social care, the early part of the last decade saw a rise in the number of local authorities commissioning home care visits in much shorter allocations – 15 minutes rather than 30, 45, or 60. This meant carers being forced to do the same amount of work in less time, which in turn led to higher levels of unmet need for users.
- Capital spending fell by 31.9% in real terms between 2009/10 and 2012/13 (2021/22 prices) and took until 2020/21 to return to 2009/10 levels.
- Spending on Sure Start centres and youth services fell by 68.9% between 2009/10 and 2020/21. However, this proved something of a false economy, with spending on children's social care rising by 34.9% over the same period.
- Spending on the Supporting People Programme (SPP) – a service designed to allow vulnerable people to live independently – fell 79% in real terms between 2009/10 and 2019/20.50 In the same period, spending on homelessness services increased 115% in real terms.
- The UK government reduced grants to local authorities by £18.6bn (in 2019/20 prices) between 2009/10 and 2019/20, a 63% reduction in real terms. Local authorities partially offset this reduction through a combination of raising council tax and charging for more services.
- Councils closed a third of libraries, local authority-subsidised bus miles halved – as did the proportion of local authorities providing weekly bin collections.
- Adult social care has arguably experienced the largest scaling back. This has happened through a combination of frozen financial eligibility thresholds, more stringent assessment of potential service users and insufficient funding of social care providers limiting the number of available places. The result has been a 16.6% decline per capita in the number of people aged over 65 accessing long-term care in 2020/21 compared to 2014/15.
- Public services are in a much more fragile position now than in 2010. This is a result of both the first round of austerity and more recently the pandemic. Cuts are therefore likely to be both more damaging and harder to deliver.
- There is also greater demand for many services than there was in 2010. Therefore, even if the government decides to reduce the scope of services, overtly or subtly, spending increases may still be necessary – as was the case in adult social care.

- The government will struggle to raise meaningful revenue by charging extra for public services, particularly in areas with greater levels of deprivation. Any attempts would likely entrench disparity between local areas.
- Rather than paying extra to access public services, many members of the public will do without. This will lead to worse outcomes for the public, and low levels of funding for public bodies.
- Many of the options used for saving money in the 2010s – namely holding down public sector pay and cutting staff while pushing them to work harder – are not politically or practically viable now. The NHS and schools already face the prospect of widespread pay strikes while there is a shortage of 50,000 nurses and 12,000 hospital doctors. Services can't improve staff productivity without time consuming and expensive reforms.
- Some other approaches – such as cutting capital spending, preventative services or lower-profile services – could even be counter-productive, reducing productivity or increasing pressure on other services. For example, there is evidence that thousands more children end up in hospital every year as a result of cuts to the Sure Start centres.
- Even in 2010 there were very few easy and genuine efficiencies to be found. A good example is GPs prescribing generics rather than brand name drugs – a saving that can't be made again.
- In virtually all cases, quick cuts to funding will result in worse services and the need to provide emergency funding at a later date.
- This is exactly what happened in adult social care and prisons over the past decade, where spending fell 10% and 20% respectively by the middle of the decade, before increasing again via emergency cash injections in the second half of the decade.
- Finding sustainable efficiencies will likely require time, capacity and upfront capital investment, such as in equipment, software or facilities.
- A serious plan for delivering long-term savings in this way cannot be developed within the short time between Jeremy Hunt becoming chancellor and the autumn statement.
- If cuts are deemed necessary, it would be far better to set out a broad direction of travel now and use the time before the spring budget to assess the options.

Levelling Up, Housing and Communities Select Committee: Exempt Accommodation
https://publications.parliament.uk/pa/cm5803/cmselect/cmcomloc/21/report.html#heading

- Exempt accommodation is a category of supported housing that is exempt from locally set caps on housing benefit. Supported housing encompasses a wide range of housing that combines housing with support for people with different needs, such as older people, people with disabilities, and people with complex needs.
- Exempt accommodation takes its name from the fact that it is exempt from housing benefit regulations that limit local housing allowance levels.
- An unknown but significant number of residents' experiences of exempt accommodation are beyond disgraceful.
- Taxpayers' money is being spent on uncapped housing benefit on the understanding that residents, who are usually vulnerable, receive some care, support, or supervision—yet it is clear that some people's situations actually deteriorate as a result of the shocking conditions in which they live.
- Since areas with high concentrations of exempt accommodation can attract anti-social behaviour, crime, rubbish, and vermin, neighbours and communities are affected negatively as well as residents. These impacts risk undermining local support for supported housing.
- It is egregious that organisations with no expertise are able to target survivors of domestic abuse and their children and provide neither specialist support nor an appropriate or safe environment.
- Recommendations:
    - Government should publish national standards, and give local authorities the power and resources to enforce these standards, in the following areas:

    - The referral process, which should include an assessment of the prospective resident's support needs and if there are any considerations about with whom they should or should not be housed.
    - Care, support, or supervision, which should include helping the resident progress towards independence and employment.
    - The quality of housing; and
    - Information the provider must give to the resident, including on their rights, particularly their right to work and right to complain.
- Consideration should be given to an accreditation scheme for providers, implemented on a graded basis, so that councils can assess the quality of provision in their area and so that poorer quality providers can improve.
- Provide new burdens funding to local authorities to ensure that they can carry out these duties to the best of their ability, recognising that improving the overall standard of exempt accommodation and making it more consistent is likely to save resources in the long-term.
- Conduct a review of exempt housing benefit claims to determine how much is being spent and on what. Rent should be capped at a reasonable level that meets the higher costs of managing exempt accommodation. Funding for support should be provided separately
- Where a prospective resident of exempt accommodation is a survivor of domestic abuse, there must be a requirement that housing benefit is only paid to providers that have recognised expertise and meet the standards in Part 4 of the Domestic Abuse Act 2021.
- Eligibility for funding for exempt accommodation must be based on an open-book, transparent breakdown of the accommodation and the support costs incurred to the provider.
- End the existing exemptions that registered providers have from HMO licensing and the Article 4 direction. The loophole relating to non-registered providers with properties containing six or fewer residents should also be addressed so that they are brought within the planning regime.
- Make it compulsory for all providers to be registered.
- Government must set out how it will clamp down on those exploiting the lease-based model for profit and prohibit lease-based profit-making schemes from being set up. This should include how it will ensure that there is full transparency over ownership structures and how income from housing benefit is being used