

COST OF LIVING UPDATE

To: Cllr Katie Thornburrow, Leader

Cabinet, 20 October 2026

Report by: David Kidston, Head of Strategy and Policy

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Wards affected: All

Director Approval: Robert Pollock, Chief Executive confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Cabinet/Cabinet Member for decision.

1.	Recommendations
1.1	It is recommended that Cabinet notes the cost of living interventions announced by Government and the cost of living support already planned by the council for autumn and winter 2026/27.
2.	Purpose and reason for the report
2.1	To provide an update for Cabinet on cost of living support available to Cambridge residents this autumn and winter.
3.	Alternative options considered
3.1	No alternative options were considered, as the report provides an update on cost of living interventions announced by Government and support provided by the council.
4.	Background and key issues
4.1	The cost of living is continuing to rise in the UK. The war in the Middle East has increased wholesale oil and gas prices globally, which has contributed to higher energy, transport and food production costs in the UK. Ofgem increased the energy price cap by 4% from October 2026, which will increase the typical household electricity and gas bill from £1,663 to £1,723 per year, while some customers bills could rise by up to £200 per annum. Rising housing costs and the cumulative effect of consistent price increases since

	2021 have also contributed to cost of living pressures.
4.2	The cost of living is a key concern for residents in Cambridge. The Cambridgeshire Quality of Life Survey 2026 found that 85% of Cambridge residents are concerned about the cost of living, compared to 87% in Cambridgeshire as a whole. These results are similar to the findings in previous annual surveys in 2023-2025. They also reflect national trends: 2026 ONS research shows that 88% of people report the cost of living as one of the main issues facing the UK today.
4.3	The 2026 Quality of Life survey found that a majority of residents (56%) in Cambridgeshire took action in the past 12 months, although this was lower than in 2023 (66%). The most common changes were cutting back on heating use (29%) and nutritious food (23%). Similar data was not available for Cambridge.
5.0	National Cost of Living Support
5.1	Since the change of Prime Minister in July, the Government has announced a number of initial measures to address the cost of living (see Appendix 1 for further detail), including: • Removing VAT from domestic electricity. • Reducing the national cap for a single bus fare from £3 to £2. • Expanding access to free school meals, breakfast clubs and childcare support. • Tightening the rules on branded school uniform. • Introducing new rules on subscriptions. • Taking action against businesses offering misleading discounts. • Introducing tougher regulation of bailiffs to improve treatment of people in debt. • Strengthening consumer protection against rogue traders.
5.2	Government has also established two cross-government task forces which will make recommendations on further interventions. The Cost of Living Taskforce will look at the long-term issues facing families and a Public Control Taskforce will look at how greater public control and market reform of housing, water, energy and transport could bring down costs for families.
5.3	Government is likely to announce further cost of living support measures at the Budget

	on 28 October.
6.0	Crisis and Resilience Fund
6.1	Government has allocated £2.5 billion nationally over three years (2026/27 to 2028/29) to the Crisis and Resilience Fund (CRF). The CRF replaces the Household Support Fund and provides financial support for households on low incomes facing financial hardship. All projects must meet the CRF outcomes: reducing financial hardship, increasing access to advice and support, maximising household income and helping residents build long-term financial resilience.
6.2	Cambridgeshire County Council will receive £5.3m annually from the CRF over three years. £1m of this has been allocated to district councils in 2026/27 to deliver place-based projects to support low-income households. Cambridge City has been allocated £230k, which is the largest district allocation. This funding will support 7 projects that meet the CRF criteria, plus some contingency (see Appendix 2 for further detail): • Furniture Poverty research report and innovation challenge (£60,000) • Food Justice Alliance coordinator (£39,000) • Food Bank volunteer coordinator (£20,000) • Top up contribution to CRF Housing Payments (£25,000) • Finding Help Forum: Personalised budgets (£30,000) • Utilities debt rebate and income maximisation support (£25,000) • Cambridge Money Advice Service (£5,000) • Contingency (£26,000)
6.3	The CRF will also fund county-wide support, which will benefit households in Cambridge and other districts: • £800k over three years to Citizens Advice to deliver income maximisation services. • A crisis support fund to replace the Cambridgeshire Local Assistance Scheme (CLAS). • Financial support to roll out the Low Income Family Tracker (LIFT) across all districts. • A new countywide grants scheme to tackle poverty and its impacts

7.0	Low-income Family Tracker (LIFT) and campaigns
7.1	For the past 4 years the Council has had a subscription to the LIFT data platform, which is designed to help local authorities identify and support low-income families to maximise their income and reduce costs. We have used LIFT to run several campaigns targeted at low-income households, but we have not captured the outcomes of these campaigns. For example, the Benefits team has used LIFT to identify and write to an average of 80 people per year who are eligible for Pension Credit but not claiming it.
7.2	There are opportunities to increase the impact of LIFT, building on the learning from other councils. South Cambridgeshire District Council has run campaigns to increase take-up of a number of benefits, free childcare and reduced tariffs (see Appendix 3 for more detail). These campaigns have led to more than 1,000 additional claims with a total lifetime value of over £6m to low-income households.
7.3	Cambridge City and South Cambridgeshire councils are jointly funding a LIFT Programme Lead post and funding from the CRF has been used to recruit a LIFT officer in each authority. The LIFT team will be running a number of targeted campaigns in Cambridge in October and November, including campaigns on Pension Credit (targeting 164 eligible households) and Healthy Start (targeting 391 households). Outcomes from these campaigns will be captured using data from DWP and other sources. The team will also be implementing the Utilities Rebate project funded by the CRF, which will provide financial support and income maximisation advice for people with utilities debts (see Appendix 2 for more detail).
7.4	Officers are also exploring potential campaigns for 2027, including promoting take-up of Reduced Water Tariffs, Broadband Social Tariffs and Disabled Facilities Grants, as well as joint 'Aging Well' events with health partners to raise aware of Pension Credit, Attendance Allowance and falls prevention support.
8.0	Benefits support for low-income households
8.1	The Council administers two main benefits for low incomes households: • Housing Benefit – providing £21.5m support in 2026/27 with housing costs for council tenants, housing association tenants, private renters and people in temporary accommodation.

	• Council Tax Reduction – providing £10.9m support in 2026/27 for eligible households. The council's scheme is more generous than some councils' schemes, as it factors in the whole liability when deciding a household's entitlement. It also uses DWP data to auto enrol Universal Credit claimants.
8.2	The Council also makes discretionary housing payments from the national Crisis and Resilience Fund to households who are entitled to Housing Benefit or the housing element of Universal Credit. These Crisis and Resilience Fund Housing Payments (CRFHPs) provide short-term assistance with rent shortfalls, deposits, rent in advance, moving costs and other costs needed to secure or maintain suitable accommodation and prevent homelessness. CRFHPs replaced Discretionary Housing Payments (DHPs) from April 2026.
8.3	Officers expect to allocate £198k in CRFHPs during 2026/27. The available budget is sufficient to meet this level of demand (including allocations from Government, the CRF and additional contributions through the council's BSR in 2026). If there is additional demand, the CRF contingency budget can be used to meet these costs.
9.0	Other council Cost of Living support
9.1	In addition to the above, council services will also be providing a range of other support to help low-income residents to reduce costs and maximise incomes, including: • Providing a total of £1.1m funding to voluntary and community groups through the council's Community Grants programme for activities to reduce inequality experienced by Cambridge residents. • Providing support through council community centres, including Warm Hubs at Brown's Field, Clay Farm and the Meadows community centres to provide residents with respite from cold weather. Working in tandem with local social supermarket sessions, a weekly Breakfast Club runs at Akeman Street community centre and weekly coffee mornings run at Trumpington Pavillion. • Continuing to support council tenants through the Financial Inclusion and Visiting Support teams to provide practical assistance to help households maximise their incomes, for example by assisting with benefits claims and helping people to access

	social tariffs and manage their debts. • Signing up to be a referral partner for the Housing Associations Charitable Trust (HACT) Fuel Fund, which will provide financial assistance to support social housing tenants with energy costs. • Investing around £15m to improve the energy efficiency of around 370 council homes (including £3.8m of Government funding through the Warm Homes: Social Housing Fund programme and around £11.3m of Council investment). The improvements will reduce the amount of energy residents need to keep warm, helping to reduce energy costs and the risk of fuel poverty. • Leading a consortium of local authorities delivering £8.8m of Government-funded energy-efficiency and low-carbon improvements for lower-income households living in privately owned homes. Across the consortium, 250 homes have already been improved through more than 800 measures. • Providing up to 50% admission discounts at council leisure centres for people receiving certain benefits, free swimming for under-threes, free school swimming provision, and low-cost health-related sessions. In addition to these measures, as part of the new leisure management contract, GLL will provide a range of community wealth building benefits (including employment for local people and disadvantaged groups, training, apprenticeships and work placements) and health inequalities benefits (including physical activity outreach sessions in deprived wards, free mental health swims and a number of free memberships for homeless people, looked after children and care leavers).
10.	Corporate plan
10.1	Cost of living support contributes to the Corporate Plan priority of “tackling poverty and inequality and helping people in greatest need”.
11.	Consultation, engagement and communication
11.1	There is a dedicated page on the council website providing information on financial advice and cost of living support provided by the council and partner organisations: https://www.cambridge.gov.uk/financial-advice-and-cost-of-living-support

12.	Implications
	Relevant risks
12.1	There are no relevant risks associated with this update on cost of living support.
	Local Government Reorganisation (LGR)
12.2	There are no LGR implications associated with this update on cost of living support.
	Financial Implications
12.3	There are no financial implications from this update on cost of living support. The report refers to external grant funding received or administered by the council (e.g. Housing Benefit, Crisis and Resilience Fund, Warm Homes grants). All other activity is funded through the council's General Fund or Housing Revenue Account (HRA) budgets for 2026/27.
	Legal Implications
12.4	There are no LGR implications associated with this update on cost of living support.
	Equalities and socio-economic Implications
12.5	The Cambridgeshire Quality of Life Survey 2026 found that in Cambridgeshire disabled people, ethnic minorities, people aged 18-34, women and those with children were most likely to cut back on spending due to the cost of living.
12.6	This report highlights a range of national support and council activity which will help residents on lower incomes to reduce costs or maximise incomes. Some of these activities are targeted at disabled people, young people and parents.
	Net Zero Carbon, Climate Change and Environmental implications
12.7	There are no direct net zero, climate change or environmental implications associated with this update on cost of living support. However, the programmes of energy efficiency and low-carbon energy improvements to council homes and private homes highlighted at

	9.1 will help reduce domestic carbon emissions.
	Procurement Implications
12.8	There are no procurement implications associated with this report.
	Community Safety Implications
12.9	There are no community safety implications associated with this report
13.	Background documents
13.1	Cambridgeshire Quality of Life Survey 2026 - https://www.cambridgeshire.gov.uk/council/quality-of-life-survey
14.	Appendices
14.1	• Appendix 1 – Summary of Government cost of living support measures • Appendix 2 – Crisis and Resilience Fund (CRF) – Cambridge City projects • Appendix 3 - LIFT Outcomes in South Cambridgeshire
	To inspect the background papers or if you have a query on the report please contact David Kidston, Head of Strategy and Policy, tel: 01223 457043, email: david.kidston@cambridge.gov.uk

Appendix 1 – Summary of Government cost of living support measures

Measure	Summary	Implementation	Estimated saving
Expansion of free school meals	Eligibility extended to all children in households receiving Universal Credit. Government estimates around 500,000 additional children will benefit.	From September 2026.	Eligible families could save up to £1,200 a year through a wider package of school costs of living measures.
Expansion of free breakfast clubs	5 Cambridge primary will be part of the free breakfast-club programme. In addition to Kings Hedges, St Laurence Catholic, and The Spinney Primary Schools, the Galfrid School and Ridgefield Primary School will now offer breakfast clubs.	From September 2026.	Eligible families could save up to £1,200 a year through a wider package of school cost of living measures.
School-uniform cost measures	Tighter limits on branded school-uniform items and measures to reduce school-related costs, including limits of three branded items for primary pupils and four for secondary pupils	From September 2026.	Eligible families could save up to £1,200 a year through a wider package of school costs of living measures.
Protection from rogue traders	Measures to strengthen consumer protection and help households identify trusted tradespeople.	From September 2026, with further reforms to follow.	To be confirmed
VAT removed from household electricity	VAT on domestic electricity reduced from 5% to 0%.	From 1 October 2026.	Government estimates a saving of around £45 a year for a typical household.
Expansion of funded childcare	Eligible working parents of children from nine months to school age able to access 30 funded hours.	From autumn 2026.	To be confirmed
£2 bus fare cap	Maximum single fare on participating bus services in	From 1 January to 31 December 2027.	Around £400m allocated to the English scheme.

Measure	Summary	Implementation	Estimated saving
	England outside London reduced from £3 to £2.		
Subscription reforms	New requirements for businesses to give consumers clearer information before sign-up, send renewal reminders, make cancellation easier, and provide a 14-day cooling-off period.	From January 2027.	Government estimates a total saving of around £400 million a year for consumers from reducing unwanted subscriptions.
Business-rates relief	Additional 20% reduction in business rates for eligible pubs, clubs and music venues.	From April 2027.	Typical pub estimated to save around £1,100.
Action on misleading discounts	Measures to tackle artificial “was/now” prices and misleading promotional pricing.	Timetable to be confirmed	To be confirmed
Bailiff and debt-enforcement reform	Measures intended to curb excessive fees and strengthen protections against aggressive or unfair enforcement practices.	Timetable to be confirmed	To be confirmed

Appendix 2 – Crisis and Resilience Fund (CRF) – Cambridge City projects

Project	Aims	Amount
Furniture Poverty research report and innovation challenge	The high turnover in tenancies in the city currently leads to unwanted furniture being disposed of due to a lack of storage space, while many new tenants could put this furniture to good use. The project will research the issue of furniture poverty and co-design local solutions that could be delivered across the city in Years 2 and 3.	£60,000
Food Justice Alliance coordinator	To provide coordination and strengthen partnership-working across the food justice system, enabling collective action to tackle food insecurity.	£39,000
Food Bank volunteer coordinator	To improve the experience for food bank users and build a stronger, better supported volunteer network. The coordinator will roll out a training programme for 200 foodbank volunteers.	£20,000
Top Up Contribution to CRF Housing Payments (CRFHP)	To provide additional support for households facing housing cost pressures and risk of homelessness	£25,000
Finding Help Forum: Personalised budgets	The Finding Help Forum pilot in 2025/26 provided a platform for local authorities and health partners to bring complex cases. The funding will help extend the pilot across Primary Care Networks (PCNs) in the city and provide personalised budgets to help individuals with complex needs to take action on what matters most to them.	£30,000
LIFT targeted programme: Utilities debt rebate scheme	Using LIFT to identify households whose Universal Credit payments have been reduced to pay a utility bill debt. Households will be offered up to £1,000 towards the cost of their arrears if they engage with income maximisation support provided by the Council. This project builds on the success of a similar project in Mid-Suffolk and Babergh District Council.	£25,000
Grant to Cambridge Money Advice Service	Targeted one-to-one debt and money advice and coaching for people in crisis. CMAS originally applied to the council's Community Grants, but the project meets the CRF eligibility criteria so it is being funded through this route.	£5,000
Contingency	To respond to emerging needs and opportunities through the year.	£26,000

Appendix 3 - LIFT Outcomes in South Cambridgeshire

	Number of Claims	Year One Income Gain	Lifetime Value of Income Gain
Pension Credit	148	£466,509.23	£5,176,102.84
Winter Fuel Payment	113	£25,800.00	£25,800.00
Healthy Start	65	£21,429.20	£42,858.40
Income Maximisation	2	£11,819.04	£99,870.89
Free Childcare	13	£44,904.60	£44,904.60
Attendance Allowance	8	£42,130.40	£287,065.48
Household Support Fund	601	£66,110.00	£66,110.00
Reduced Water Tariff	92	£22,190.40	£66,571.20
Free School Meals	81	£12,844.00	£314,184.00
Total	1,123	£713,736.87	£6,123,467.41