

Item No. 8.	Classification: Open	Date: 10 July 2023	Meeting Name: Cabinet
Report title:		Southwark's Response to the Cost of Living Crisis 2023/24	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Stephanie Cryan, Communities, Democracy and Finance	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COMMUNITIES, DEMOCRACY AND FINANCE

Supporting residents and businesses through the cost of living crisis is our top priority as an administration. The cost of living crisis that began in the autumn of 2021 is still with us and its impacts continue to fall most heavily on our lowest income households. We know that the cost of living is what worries our residents the most.

Since the autumn of 2021, the council's response has been based on recognition that what households need most is help with bills and we are proud to have taken a Cash First approach to providing that help – putting extra money in residents pockets.

Since the start of the crisis, the council has distributed help with bills worth more than £30 million to Southwark residents. That support has reached more than one hundred thousand residents - the majority of Southwark households - with more support going to those on lowest incomes and most vulnerable to the impacts of rising food and fuel costs.

One of our Council Delivery Plan commitments for last year was to create a new Southwark Cost of Living Fund worth £5m. We more than fulfilled that pledge eventually providing help worth more than £8m last year.

This year we have once again more than matched Government grant funding to create a new Southwark Cost of Living Fund worth over £11m.

Some of that fund has already been distributed to help households on lower incomes with higher energy bills this spring and to provide Holiday Free School Meals at the Easter and May half term for fifteen thousand children attending Southwark schools.

Later this year we will do more to support children of low income families through a new School Hunger Fund. In the autumn and winter we will target support at those on low incomes but not claiming means-tested benefits by working with community partners from our Voluntary and Community Sector, just as we did last year when support was delivered to 15,000 households more than three quarters of whom

were working people not claiming benefits but with low incomes and struggling to pay higher bills.

I want to thank all of our Community Referral Partners who have stepped in to help support our residents through the cost of living crisis, working with us to provide support to those who need it the most.

The cost of living crisis shows no sign of abating, with increasing interest rates and inflation still higher than economist predictions. As a council, we will do what we can to ensure that our most vulnerable residents continue to be supported through the cost of living payments, energy support payments, holiday food and fun programmes and warm spaces.

RECOMMENDATIONS

1. That the ongoing impact of the cost of living crisis, what it means for residents of Southwark, and the council's ongoing approach to support residents in 2023/24 be noted.
2. To note the council's £5.47m allocation from the Government's *Household Support Fund* and its inclusion within a new **Southwark Council Cost of Living Fund** in 2023/24.
3. To approve the new Southwark Cost of Living response for the period April 2023 – March 2024 and the *Cash First* approach to the distribution of support (Help to pay bills).
4. That Cabinet delegates to the Strategic Director for Finance with the delegated responsibility to make future amendments to the Southwark Cost of Living Fund in consultation with the Cabinet Member for Communities, Democracy and Finance.
5. To note other activities to support residents during the Cost of Living crisis including all the strands set out below.

BACKGROUND INFORMATION

6. This report provides an update to the Cabinet on the council's plan to tackle the cost of living crisis this year. The approach consists of five main strands:
 - **Help to pay bills** – including the creation of a new Southwark Cost of Living worth £11m in 2023/24 by more than matching the Council's allocation from the Government *Household Support Fund*; easier access to a range of advice and other support, and benefit take up campaigns
 - **Warmer, greener homes** – including 1,000 new homes by 2026 supplied by green energy systems, reducing energy costs;
 - **A right-to-food** - Free school meal programme to provide school holiday food, a new School Hunger Fund, and a Right-to-Food action plan to improve access to healthy, affordable food;

- **More, better jobs** – 2,000 apprenticeships and 3,000 training opportunities and London’s first ‘Living Wage Borough’.
 - **Warm Spaces** – places where vulnerable residents can go to stay warm and save money on energy bills, get a meal or hot drink, and connect with other residents.
7. Starting in autumn 2021, we have seen soaring energy prices drive historically high levels of inflation – with the CPI measure of inflation reaching double digits in autumn and winter 2022. Energy bills rose again from April 2023 after direct Government subsidisation of household energy bills ended in March. Household energy bills will start to fall in the summer but will remain high – about double the level they were two years earlier.
 8. Inflation remains high and is now being driven mainly by higher food prices. The cost of basic food items such as bread, potatoes, cooking oil, eggs, and milk has risen most - by up to 30% last year - and is still rising. Those rising prices have far outstripped increases in household incomes, whether made up of earnings, pensions, or benefits. All Southwark households are affected by higher food and energy prices but some households are affected more than others.
 9. The greatest impacts of the cost of living crisis fall on those on the lowest incomes who spend far more of their income on energy, food, and other essentials than those with higher incomes. Those on low incomes already spend more than twice as much of their income on essentials than higher-income households and experience a higher real rate of inflation. Additionally, it is the prices of the things on which lower incomes already spend more that are rising fastest – not just energy, but basic foodstuffs and other essentials. Those living in the private rented sector also face above-inflation rent increases. Higher-income households can reorganise their budgets to meet the increased cost of living and reduce their discretionary spending. Lower-income households who were already “just about managing” and sometimes at the edge of destitution before the cost of living crisis find it much more difficult to do so. Without extra support, these households are much more likely to be forced to reduce their consumption of essentials to an unacceptable level, putting their health and well-being at greater risk. More information on the impacts of the Cost of Living Crisis may be found in the latest update to the Council’s Public Health Cost of Living Profile (see appendix 2).
 10. The level of public concern about the cost of living is still very high. Since autumn 2022, the Office for National Statistics (ONS) has carried out fortnightly surveys of people living across Great Britain about what they saw as the major issues facing the country at the time. The cost of living has been the top issue identified by respondents in every one of those surveys, up to and including the most recent survey carried out in the first two weeks of June 2023. The number of respondents identifying the cost of living as a major issue facing the country has never fallen outside the range of 91% to 94% - well above other issues such as the NHS, the economy, and climate change. Data from the ONS surveys is not available at the Southwark level but see the

report on the Southwark response to the cost of living crisis last year for the results of a recent survey of residents who received Southwark Council Cost of Living Fund support last year about their experience of cost of living impacts (appendix 1).

11. In the second half of 2023, household energy prices will start to fall from the peak of last winter. However, energy bills rose for many residents in the spring of this year as Government subsidies started to be withdrawn. Energy bills are set to remain very high by historical standards and at about double their level less than two years ago.
12. From the official statistics and surveys, we know that households reduced their energy consumption last winter and that lower-income households were much more likely to do so. Households using prepayment meters who must pay for energy in advance were at the greatest risk. Last winter's voluntary moratorium on the forced installation of prepayment meters by energy suppliers has now ended – further increasing the risk.
13. We also know that living in a cold home can exacerbate a range of health problems including respiratory and circulatory conditions and increase the risk of poor mental health. Estimates suggest that some 10% of excess winter deaths are directly attributable to fuel poverty.
14. Government energy subsidies will end this year but targeted Government cost of living support for older people, those with disabilities, and households claiming means-tested welfare benefits that were introduced last winter will continue this year. Help with energy bills will still be needed by some residents, especially in the autumn and winter period when households use the most energy - almost twice as much as during the spring and summer. Lower-income households will be at the greatest risk, especially those who are not eligible for targeted Government support, live in energy-inefficient homes or use prepayment meters. We will prioritise those households for support from the Southwark Cost of Living this year, not just to help with higher energy costs but with the higher cost of food.
15. Rising food prices are now the main driver of inflation and the main factor identified by households when accounting for their increased living costs. Households spend much more of their income on food than energy and the growing risk of food insecurity for many more of those on low incomes is an increasing concern.
16. Persistent lack of access to healthy and nutritious food has the potential to impact residents at every stage of their life, affecting their development, well-being, and life chances. Children who experience food insecurity are more likely to develop asthma, depression, and other chronic conditions. Their growth and development are impaired and learning is poorer.
17. Anyone experiencing food insecurity is at greater risk of poor nutrition and more likely to have diet-related health problems, including obesity. One in three cancer deaths and one in two heart disease deaths are caused by poor

diet. Stress caused by food insecurity can also adversely affect mental well-being, leading to a higher risk of anxiety or depression. Poor mental health can weaken the immune response, leading to a greater risk of physical poor health and diminished employment prospects. Vulnerable older people in particular may be at greater risk of malnutrition due to not eating enough or a poor diet of cheap, processed food that lacks nutritional value.

KEY ISSUES FOR CONSIDERATION

Policy framework implications

1) Help To Pay Bills

Energy Bill Support 2023 (Southwark Cost of Living Fund)

18. Direct Government energy bill support for households ended in March 2023. As a consequence, many residents saw their energy bills increase from April. To provide residents with much-needed help to pay energy bills, this spring we provided support worth £60 to almost sixty thousand households living in homes banded A, B, or C for council tax. We know that lower-income households are much more likely to live in homes that are lower banded for council tax – including almost all social housing and council tenants. Residents who did not want this support could opt out. Further support targeted at vulnerable households will be delivered throughout the year.

Holiday Free School Meals (Southwark Cost of Living Fund)

19. Just as we did last year, we will fund holiday-free school meals for about fifteen thousand eligible children attending Southwark schools during all school holiday periods throughout this year – up to and including the Easter holidays in 2024. Each eligible child will receive support worth £3 per weekday (the cost of a healthy school meal) or more than two hundred pounds per eligible child over the whole year. Additionally, we will create a new *School Hunger Fund* to provide further support for schools to ensure that no child attending a school in Southwark goes hungry during the school day. Many of our most vulnerable children will benefit from Holiday Free School Meals *and* participation in the Holiday Food and Fun programme (see paras 46-48).

Community Referrals to the Cost of Living Fund (Southwark Cost of Living Fund)

20. Last winter, the Council worked with dozens of partners from its voluntary and community sector who would identify and refer vulnerable households that were known to them or that they came into contact with, for support from the Southwark Council Cost of Living Fund (2022/23). Thanks to the effort of those partners, about fifteen thousand households received support that may not have done so otherwise – with most of that support provided during the winter.
21. The *Community Referral Pathway* will reopen in the autumn of 2023. With the

help of Community Southwark and drawing on the findings of an independent evaluation of the impact and effectiveness of the pathway last year, we expect to receive as least as many referrals from partners next autumn and winter as we did last. Just as it did last year, the community referral pathway will provide a route to support for low-income residents who are *not claiming* means-tested welfare benefits and whose financial circumstances are much less likely to be known to the council. The independent evaluation will include community based research, working with residents who were referred or received support from the fund last winter as well as those that did not. Outcomes will be available by August and will help ensure greater equality of access to support via a new pathway this autumn and winter though analysis from the first part of the evaluation found no significant disparities in the distribution of support after taking account of spatial patterns of deprivation by ward or postcode. (see Appendix 1)

22. Additionally, we will offer a means by which any resident may apply for support from Southwark Cost of Living Fund *at any time this year* – online or by phone – to meet a range of needs

Additional Rent and Council Tax Support (Southwark Cost of Living Fund)

23. Vulnerable low-income households who pay rent in any tenure will have access to extra help with housing costs from Southwark Cost of Living Fund this year – including those at risk of losing their home, especially if they live in the less secure private rented sector. Extra support will also be available for those facing the twin impacts of the cost of living crisis and Government welfare reforms – such as the bedroom tax, benefit cap, and two-child limit.
24. Low-income households of all ages who get help with council tax bills through the Council's *Council Tax Reduction* (CTR) scheme but still have to pay council tax will get extra help this year. Any resident claiming CTR this year will receive an additional £25 credit to their council tax account, further reducing their bill by 10% to 20% depending on their circumstances. CTR recipients already receive a reduction of their bill of up to 85%, or 100% for those of pension-age. This additional support means that our lowest income residents will pay *less council tax* this year than last year.

Pension Credit Take-Up Campaign (Southwark Cost of Living Response)

25. *Pension Credit* is a national, means-tested welfare benefit that guarantees financial security and dignity in retirement for older, low-income pension-age households. Those most likely to qualify for *Pension Credit* are single, older women, aged sixty-six and over, with gaps in their national insurance contribution record, often due to family or other caring responsibilities earlier in their lives, which means they do not get a full state pension. Any pensioner with an income of less than about £200 a week could be eligible for *Pension Credit* – even if they have modest savings.
26. For many low-income pension-age households, claiming *Pension Credit* would

be the best way of protecting themselves against the rise in the cost of living. That's because *Pension Credit* does not just increase their monthly income but also unlocks additional Government Cost of Living support worth about £750 last year – and more than £1000 this year.

27. However, *Pension Credit* is one of the most under-claimed of all national welfare benefits. More than seven thousand pension-age households in Southwark were already claiming Pension Credit before the cost of living crisis, but official, national estimates suggested that another fifteen hundred to two thousand could be eligible if they claimed.
28. The borough has a long-standing record of promoting *Pension Credit* and last summer, a local coalition of the Council and VCS organisations that support older people launched a new campaign to boost take-up. The new campaign was explicitly linked to the impacts of the Cost of Living crisis and the availability of extra Government cost-of-living support for those claiming *Pension Credit*.
29. By the end of last year, almost seven hundred pension-age households had been added to the *Pension Credit* roll and the overall *Pension Credit* caseload in Southwark had increased for the first time in more than a decade (it had previously been falling due to the increase in the state retirement age and changes to the state pension). We estimate that all households newly claiming *Pension Credit* received more than a million pounds in extra income last year and will receive at least two million pounds this year. The campaign was highlighted by the national charity for older people, *Independent Age*, as an example of best practice and will continue throughout 2023/24

Access to additional advice and support (Southwark Cost of Living Response)

30. To meet the increased demand for advice driven by the Cost of Living Crisis, the Council worked with our major local provider of free, independent, and impartial advice, *Citizens Advice Southwark*, to ensure that more residents were able to receive advice and to extend the reach of advice to the places where it was most needed
31. The greatest increase in demand has been for energy advice. Opening in December 2022, a new ***Southwark Energy Savers*** service funded by the Council and delivered by Citizens Advice had provided energy advice for more than five hundred people who live, work, or study in Southwark by the end of March 2023. People using the new service needed advice about energy bills or help with a dispute with their energy supplier. Not all advice resulted in a financial income but the average financial gain for residents who received advice was more than £120
32. *Southwark Energy Savers* will be available throughout this year and we expect more than one thousand residents to receive advice face-to-face, by phone, or online by March 2024. The service will continue until at least March 2025.

33. To extend the reach of energy and other advice, Citizens Advice Southwark worked with the Council and other VCS and statutory partners to deliver a series of **Cost of Living Roadshows** during the autumn and winter last year. Roadshows were half-day events that took advice and support on energy, debt, benefits, food, housing, and employment, into our most deprived neighbourhoods across the borough. Most roadshow events took place in tenant halls that serve Council housing estates (in Peckham, Walworth, West Bermondsey, North Bermondsey, and Rotherhithe. The most recent event took place on the Kingswood Estate in Dulwich). More than five hundred residents attended roadshows last winter and feedback from attendees was overwhelmingly positive. As well as advice, attendees, including those facing an immediate crisis, were offered food and energy vouchers.
34. Cost of Living Roadshows will continue throughout this year and at least four events will take place this spring and summer.

2) More Better Jobs

35. Supporting residents into jobs and apprenticeships, and equipping them with the skills they need to access better career opportunities remains a critical part of the Council's approach to tackling poverty and addressing the cost of living crisis in 2023/24.
36. As part of the Council Delivery Plan 2022-26, the council has committed to supporting 2500 residents with the most barriers to work, creating 2,000 new apprenticeships, and creating 3,000 new training opportunities for residents. We have also committed to creating 250 paid internships for young people from the most disadvantaged backgrounds.
37. Any Southwark resident seeking work, or who is already in work but is seeking better paid and more secure work, can access the support they need through *Southwark Works*. Based in the *Southwark Works* hub office on Walworth Road, the service comprises a range of specialist provisions, with a particular focus on supporting those with the most complex barriers to employment, including people with physical and mental health conditions, disabilities, vulnerable young people including care leavers, and people at risk of homelessness. New *Southwark Works* contracts have been agreed and will be in place until 2027.
38. Too many of our residents experience low pay and work insecurity, exposing them to increased risk during the cost of living crisis. The council works closely with employers to improve pay and working conditions and actively champions good work and payment of the London Living Wage (LLW).
39. Southwark was London's first 'Living Wage Borough' and among the first local authority areas in the country to become a "Living Wage Place" - working closely with employers and the voluntary sector to increase the number of employers who pay the LLW through the implementation of a borough-wide *Living Wage Action Plan*. To further build on this work, the new Council Delivery Plan includes a commitment to double the number of LLW employers

in our borough. A newly established Living Wage Unit will drive the campaign for more businesses in Southwark to become Living Wage employers.

40. The council also provides advice and guidance to businesses on the impact of the cost of living crisis and inflationary pressures which are of real concern to employers across the borough. Advice and guidance for business is available on the council website and the council works closely with the GLA and London & Partners to provide support for businesses impacted by the cost of living crisis. Additionally, the Southwark Pioneers Fund provides financial assistance for businesses looking to establish or grow during this challenging period, and the £460k Thriving High Streets Fund also has a specific focus on the impact of the cost of living crisis on our town centres.

3) A Right To Food

Right to Food Plan

41. The council has developed a *Right to Food Plan*, setting out how it will fulfil its commitment to become a *Right to Food* borough. The plan sets out actions against five key priorities (see box below)

- 1) Ensuring good nutrition from conception and throughout childhood
- 2) Ensuring good access to help, support, and advice for food-insecure adults
- 3) Reducing inequalities and closing the gap in food security for Black, Asian, and other minority ethnic groups
- 4) Improving provision for older adults and those with health conditions and disabilities
- 5) Awareness raising across the system.

42. Actions in the *Right to Food* plan include increasing the uptake of Healthy Start Vouchers, increasing the number of convenience stores signed up as 'Good Food Retailers', and identifying gaps in food support for different food cultures.

Free Healthy School Meals

43. Universal nursery and primary school lunch in Southwark contribute significantly to family food security. The council's Free Healthy School Meals (FHSM) grant has been a universal offer and council commitment since September 2013 for all primary school students in Key Stage 2, supplementing the central government-funded Universal Infant Free School Meals (UIFSM) and the statutory, Government funded, means-tested Free School Meals (FSM) programme.
44. The council already offers free healthy school meals to all nursery and primary school pupils in Southwark. The Mayor of London's proposal to fund universal free school meals for all primary school pupils in London during the academic year 2023-24 will enable the council to reallocate funds to tackle hunger in

secondary schools. The council is currently considering offering a free school meal for all pupils from families who are in receipt of Universal Credit (UC) and are not currently eligible for statutory Free School Meals (FSMs).

45. Southwark Council will continue to offer support over the holiday period for children who are attending a Southwark school and eligible for free school meals. During the holiday period, each pupil will receive £3.00 per weekday to spend on a healthy lunch, administered through schools (see para 19).

Holiday Food and Fun programme

46. An extensive and well-received *Holiday Activities and Food* (HAF) programme has been developed in Southwark. The Food and Fun programme, funded by the Department for Education, provides healthy food and activities for school-aged children and families experiencing hardship including those who are entitled to benefits-related free school meals and those with no recourse to public funds. Last year, more than 30 community organisations ran events at which over 90,000 meals were provided.
47. The programme aims are to support children and families:
 - To eat more healthily and for children to be more active during the school holidays and
 - To participate in enriching activities that support the development of personal skills such as resilience, character building, and well-being.
48. Activities will continue during the Easter, summer, and winter school holidays.

Cash-First approach

49. A “Worrying About Money” leaflet and app have been produced in partnership with Citizens Advice, the *Independent Food Aid Network*, and the *Southwark Food Action Alliance*. This is an easy-to-use guide that helps residents find the right advice and support in Southwark, including support to maximise their income and access debt advice. This cash-first approach is aimed at taking an upstream approach to food insecurity such as low incomes.

4) Warmer Greener Homes

50. The council is building new, warmer, greener homes and improving the energy efficiency of its existing homes. By 2026, our target is that 1,000 new homes supplied by green energy systems will have been built or started - reducing energy costs and fuel poverty
51. Our new-build programme is continuing to deliver the truly affordable housing which our residents desperately need. Having successfully met our target of starting or delivering 2,500 new council homes by May 2022, we are building more Council homes than any other Council in the country, and well on our way towards achieving our ambition to build 11,000 new council homes at council rent.

52. Almost half of our new homes that are currently under construction will be supplied by 100% green energy systems. That proportion will rise even further as we phase out new homes reliant on fossil fuels, meaning all new homes will use alternative energy sources such as ground or air-source heat pumps.
53. 96% of council schemes with planning consents and 97% of schemes in pre-planning have been designed with low energy provision - maximising thermal efficiency. These environmentally sustainable methods are less costly to operate, so will bring financial benefits to our residents. These green energy systems, used in conjunction with the highly insulated, thermally efficient buildings that are part of our design standards, will create a significant reduction in day-to-day living costs for our residents. Fuel poverty will be significantly lessened if not eradicated by these measures, and this will only continue to improve as our design standards and build quality progress.
54. A significant proportion of Southwark residents live in the private rented sector. We will continue to take targeted and appropriate enforcement action against poor-performing landlords to ensure repairs are undertaken to help tenants keep warm and that properties meet the minimum energy-efficient standards.
55. We are also working towards the Council Delivery Plan commitment to introduce licensing of private rented properties specifically to address fuel poverty in this sector. We also recognise the challenges many social landlords are facing in dealing with fuel-poor households and energy-inefficient housing stock. Through the council's Fuel Poverty Partnership group one of our aims is to work with this sector through positive engagement.

5) Warm Spaces

56. Last winter, the Council convened and coordinated the creation of a network of more than forty Warm Spaces across the borough. Warm Spaces offered all residents an opportunity to keep warm and cut down on heating bills at home by going where they could expect a welcome, stay warm, get something to eat or drink, and connect with other residents
57. Our Warm Spaces initiative was a great success and well-received by our residents. The initiative galvanised the local community, businesses, and voluntary sector organisations that opened their premises: including libraries and other cultural settings such as art galleries; churches and charities.
58. In the coldest period between mid-January and mid-February 2023, of the Warm Spaces surveyed, at least 1884 people took up this offer, of which about two-thirds were older people – aged fifty-five and over. Seven hundred and seventeen meals were provided, and seventy-two Winter Warmer bags were distributed.
59. Our experience of Warm Spaces in Southwark was consistent with that of the many other Councils across the country that ran similar initiatives. We

found that while residents initially engaged with the programme to find a warm space as a result of not being able to afford to heat their homes, a large number were subsequently attracted to our Warm Spaces to engage with local community organisations, engage with their fellow residents, for day-time engagement programmes, or simply for social interaction to alleviate loneliness.

60. This winter, we will relaunch the Warm Spaces initiative, continuing to work closely with our community groups, and businesses to offer an even better experience for residents, increasing the number of spaces throughout the borough, establishing a network of good practice and building on the success of this year to facilitate warm spaces as community hubs.

Community, equalities (including socio-economic), and health impacts

61. This report sets out the council's response to the cost of living crisis and the various approaches adopted for 2023-24. Community, equalities, and health impacts of those individual approaches will be provided in separate decision-making reports where necessary.
62. This report notes the additional Government *Household Support Fund* allocation for this year to be included within a new Southwark Cost of Living Fund from April 2023 to March 2024
63. There will be a positive impact on the most vulnerable groups in the community by extending Southwark Cost of Living Fund this year as evidenced by the independent evaluation of the use of last year's Cost of Living Fund (see Appendix 1)
64. Higher costs of living have a disproportionate impact on our low-income and vulnerable households. Adopting a *Cash First* approach and providing grants that put money into the pockets of our residents means that those households are better able to afford and prioritise the most urgent bills.
65. Extensive modelling was carried out during the first phase of the Southwark Cost of Living response last year using our Housing Benefit and Council Tax Reduction databases, including DWP data via the Universal Credit data share. Further modelling, utilising the *Low Income Family Tracker* (LIFT) database, will allow us to better understand the make-up of low-income households in the borough taking due regard to the public sector equality duty by understanding how those with protected characteristics are impacted.
66. Research has shown that the financial impact of the cost of living crisis has fallen disproportionately on some groups including Black, Asian, and other minority ethnic residents, those with disabilities, households that contain only one adult, and larger low-income families. Southwark Cost of Living, by supporting those on the lowest incomes, as well as those not in receipt of welfare benefits and perhaps no longer 'just about managing', is designed to target those that have felt the biggest impact from the increased

cost of living.

67. We have commissioned independent research to evaluate the impact of the Southwark Cost of Living Fund (Southwark Cost of Living) last year and whether support was always delivered in a way that ensures the greatest equality of access for all residents and communities in all parts of the borough – especially those who are not claiming means-tested benefits and who fall outside the scope of the modelling described above (see para 58).
68. The first part of the research includes an analysis of a survey of 1500 residents that received support from the Southwark Cost of Living Fund last year and is attached to this report (see Appendix 1). In the second part of the evaluation, researchers will work with residents and referral partners in the VCS sector this summer through a series of focus groups and co-design workshops. Their report and recommendations will be available in September and will inform the approach to the delivery of the Southwark Cost of Living this winter – especially through the Community Referral Pathway (see paras 20-22).
69. The Cost of Living crisis continues to have a disproportionate impact on low-income households and especially on vulnerable groups, widening health inequalities. Any proposed new service delivery will be considered with due regard to the public sector duty as set out in the Equality Act 2010 to ensure there is no disproportionate impact on groups or communities defined by the protected characteristics within that act.

Climate change implications

70. Climate change implications on individual approaches to the cost of living crisis set out in this report will be considered in their appropriate decision-making reports.
71. As set out in the council's Climate Change Strategy, climate change and inequalities are linked. The climate emergency is a social justice issue and the council's climate change policy aims to reduce inequality. A new Southwark Cost of Living does this by providing support to those that can least afford the increase in utility bills and the impact of the changing climate.
72. The fund supports the wider aims of the council in respect of food security and fuel poverty. The decision to use Southwark Cost of Living Fund to support low-income and vulnerable households that are experiencing or at risk of food insecurity or fuel poverty this year – and especially this winter - is consistent with the council's Economic Renewal Plan and Climate Change Strategy. It is currently estimated that about one in five of the households eligible for Southwark Cost of Living support occupy energy-inefficient homes (EPC rating of D or lower).

Resource implications

73. The administration of the extended Southwark Cost of Living Fund will be

absorbed within the existing Customer & Exchequer services provision. The situation will be closely monitored and regularly reviewed to allow resources to be flexible and adaptable to changes in demand.

Legal implications

74. The Household Support Fund (HSF) grant that forms part of the Southwark Cost of Living will be provided as a section 31 grant under the Local Government Act 2003.
75. In line with previous rounds of funding, local authorities will be required to prepare a Statement of Grant Usage for its HSF allocation to be submitted to the Government Department for Work and Pensions (DWP), providing details of eligible expenditure and certified by the authority's Section 151 officer.
76. The HSF scheme and funding is classed as local welfare provision and as a result, under the memorandum of understanding with the DWP, allows the use of social security data to identify eligible households as per the scheme's criteria.

Financial implications

77. The cost of the Southwark Cost of Living Fund is partly met by Government via section 31 grants under the Local Government Act 2003 payable for the costs incurred for the period 1 April 2023 – 31 March 2024. The remainder of the cost of Southwark Cost of Living Fund this year will be met from Council budgets and allocated Council reserves.
78. The Government has provided a draft allocation to the council of £5,468,732. In line with previous rounds of funding, allocations will be payable in arrears based on a Statement of Grant Usage and quarterly monitoring returns in July and October 2023, and January and April 2024.
79. DWP guidance states that allocations from the HSF must be spent or committed before the 31 March 2024 and cannot be carried forward for future use – except where spending is already irreversibly committed. The Council will apply the same principle to all Southwark Cost of Living spending this year.
80. The draft grant allocation includes reasonable administration costs and no separate new burdens funding is being provided to cover costs incurred administering the fund. The Council will limit administration costs for HSF and the Southwark Cost of Living Fund of which HSF forms part to no more than 5% of the total amount allocated, ensuring that the majority of the grant is used to provide support for households.
81. All support from Southwark Cost of Living Fund will be provided as grants and do not need to be repaid. The majority of support will be provided as cash (via Post Office Payout vouchers). Southwark Cost of Living grants are not taxable and nor do they affect other benefits

82. There will be weekly reviews of redemption levels and referrals as part of the *Community Referral Pathway* (see para 20-22) throughout the scheme period to ensure no budget overspending or, in a case of a surplus, to consider additional or alternative support mechanisms.

Consultation

83. There is no legal requirement for public consultation for the intended use of the Government HSF.
84. The Cost of Living response is a joint one between the Council, its VCS, and other statutory partners, including schools. Peak consultation with VCS partners and other support organisations continues via borough Cost of Living summits, the most recent of which took place in June this year. Southwark Cost of Living has also been discussed at SGTO's annual tenant conference, the Council's annual Faith Conference, and a series of Multi-ward Forum meetings. There is also regular formal and informal contact with the VCS and schools that are supported by Community Southwark (the independent umbrella organization for the VCS in Southwark), the Southwark Group of Tenant Organisations (SGTO), and the Council's Director of Education
85. This year, the Council has commissioned an independent evaluation of its Cost of Living response *last year*, from which lessons will be drawn to inform planning for the response this year and especially the response this autumn and winter. The first part of that evaluation includes an analysis of responses to a survey of 1500 residents who received support from Southwark Cost of Living last year. The first part of the evaluation report is attached as an appendix to this report (see Appendix 1)
86. We continue to consult with other local authorities – including the Mayor and Greater London Authority on the Southwark Cost of Living Fund and other elements of the Cost of Living response through multiple channels including forums arranged by the associations, London Councils and the LGA. At these fora, London boroughs and local authorities from across GB exchange views on policy direction and potential scheme options, sharing both knowledge and best practice.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive – Governance & Assurance

87. This report sets out a range of measures that the council has adopted and intends to bring forward in order to tackle the cost of living crisis. These measures include the use of the Government's Housing Support Fund grant of £5.47m and its inclusion within a new Southwark Council Cost of Living Fund in 2023/24. This is being provided in accordance with section 31 Local Government Act 2003, on the basis that the council has discretion on how to spend it having regard to guidance that has been produced by the Government. This includes the expectation that the Fund should be used to support households in the most need; particularly those who may not be

eligible for the other support government has recently made available but who are nevertheless in need and who require crisis support. The guidance also states that authorities should ensure that they consider the needs of various households including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people.

88. Other measures referred to in the report have either already been agreed and are in place or are in the process of being worked up and will be confirmed in due course. Decisions relating to eligibility criteria for energy bill support and community referrals are still to be worked up and it is noted that these are delegated to the Strategic Director to determine later.
89. The cabinet will need to ensure that the public sector equality duty in section 149 Equality Act 2010 is considered i.e. to have due regard to the need to eliminate discrimination, advance equality of opportunity, and to foster good relations between people with protected characteristics and others. Reference is made to the impact of the cost of living crisis on those with protected characteristics in the “Community, equalities (including socio-economic) and health impacts” section, and how the measures referred to in this report will seek to alleviate adverse impacts. Cabinet should take account of this in considering this report.

Strategic Director of Finance

90. The Strategic Director of Finance notes the financial implications in paragraphs 77 to 82. The overall cost will be contained within the Household Support Grant, council budgets and the Southwark Cost of Living Fund reserve.
91. The Household Support Grant of £5.47m is paid via a section 31 grant under the Local Government Act 2003 and is payable for the costs incurred for the period 1 April 2023 – 31 March 2024. The use of the grant, through the ‘help with bills’, for those most vulnerable, is in accordance with government guidance. The Council has used its discretion on how to identify and support those most in need, taking into account a wide range of information.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Evaluation Report (part 1) <i>Evaluation of Southwark Council's Community Referral Pathway (CRP) and the Resident Application Route (RAR) cost of living support schemes</i> (Policy in Practice, June 2023)
Appendix 2	<i>Cost of Living Profile</i> (Summer 2023) LBS Public Health
Appendix 3	Cost of Living Support distributed by the council between autumn 2021 and spring 2023 by ward

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Communities, Democracy, and Finance	
Lead Officer	Clive Palfreyman, Strategic Director of Finance	
Report Author	Dominic Cain, Director of Customer & Exchequer Services	
Version	Final	
Dated	27 June 2023	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive – Governance & Assurance	Yes	Yes
Strategic Director of Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		27 June 2023