

Decision Taker:	Cabinet Member for Equalities, Democracy and Finance
Date:	21 October 2024
Report title:	Southwark Cost of Living Fund 2024
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/A
From:	Dominic Cain

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 2024/25 be noted.
2. To note the council's £2.734m allocation from the Government's *Household Support Fund* covering the period of October 2024 – March 2025 and its inclusion within a new **Southwark Council Cost of Living Fund** in 2024/25.
3. To approve the new Southwark Cost of Living response for the period October 2024 – March 2025 and the *Cash First* approach to the distribution of support (Help to pay bills).
4. That responsibility is delegated to the Strategic Director for Resources with delegated responsibility to make future amendments to the Southwark Cost of Living Fund in consultation with the Cabinet Member for Equalities 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. Since the start of the cost-of-living crisis in 2021, the council has distributed more than £52 million worth of support to Southwark residents. This help has reached more than one hundred thousand residents, focusing on those on the lowest incomes and most vulnerable to the impacts of rising food and fuel costs
7. The previous Southwark Cost of Living Fund came to a close in September 2024. The Fund, supplemented by the Household Support Fund (HSF4) from the UK Government, supported over twelve thousand households within Southwark.

8. During this time, we funded holiday-free school meals (HFMS) for over sixteen thousand children during all school holiday periods between April 2024 – September 2024, including the summer holidays. Each eligible child received support worth up to £3 per weekday (the cost of a healthy school meal). This scheme was carried out in collaboration with over one hundred schools within Southwark.
9. The Council also topped up school uniform grants for children of eligible families transferring to a Southwark state secondary school, increasing the value of grants from £45 to £100. Additionally, since 2023, the council has provided one-off grants to pay for new school uniforms for children required to move to a new Southwark primary school due to school closures. Collectively, over 1,200 School Uniform Grants were paid near the start of the new school year in August 2024.
10. Between April 2024 and September 2024, the Council issued a one-off £250 payment to those who moved from Housing Benefit (HB) to Universal Credit (UC). The payment was to support those who were affected by the 'Move to UC', a UK Government led campaign for the latest phase of the national rollout of Universal Credit.
 - i. The Move to UC means that households still claiming so-called legacy benefits are required to claim UC. All those affected will have their legacy benefits terminated whether they claim UC or not. Residents who do make a successful UC claim are more likely to fall into debt due to the so-called 'five-week wait' for their first payment. The one-off payment of £250 is to help mitigate the impact of this wait.
11. The council initiated the Breakthrough Project, partnering with local and national organizations like Citizens Advice Southwark. This project provides extended, personalized assistance to a select group of foodbank users struggling with low income and debt. This support includes debt counseling, income maximisation, and other relevant services.
12. A Council Tax Support Fund was created for families who are impacted by the two-child benefit cap and single households of working age in council tax band A and B. The £50 payment was issued directly to over 5,000 residents to reduce their outstanding council tax balance.

Household Support Fund October 2024 – March 2025

13. On 2 September 2024, the UK Government announced a six-month extension to the Household Support Fund. This fund covers the period October 2024 to March 2025.
14. The total value of the new fund (HSF6) is unchanged at £500 million.

Southwark's allocation will be the same as the previous rounds of the Household Support Fund pro rata (£2.734m). This allocation is among the largest in London but has been frozen since autumn 2021.

15. The Government has now published guidance for local authorities on how to use the fund. The new guidance is largely unchanged compared with guidance for HSF5 – including the requirement to operate at least part of their scheme on an 'application' basis and that allocations must be used during the grant period
16. The Southwark Cost of Living Fund is closely linked to the Southwark 2030 outcomes. The key drivers and considerations for this strategy include
 - i. **Reducing Inequality** – Addressing the significant inequality in Southwark, which holds the whole community back. By providing targeted support to vulnerable groups, the Southwark Cost of Living Fund seeks to ensure these groups can access the opportunities, resources, and power they need to thrive.
 - ii. **Empowering People**- Focusing on empowering residents by providing a cash-first approach to support. This approach enables residents to make their own decisions about how to use the financial aid, promoting independence and self-sufficiency.
 - iii. **Investing in Prevention** – The delivery plan emphasises investing in prevention by providing early help to residents. This includes supporting families with children, tackling food insecurity, and addressing socio-economic inequalities.
17. Since the autumn of 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.
18. Though inflation has fallen from its peak in October 2022, prices - especially those of energy and basic food items - are still very high, making them less affordable for those on low incomes.
19. Household energy prices are due to rise again in the winter of 2024, as UK energy regulator Ofgem announced the increase of the energy price cap for 1 October 2024 – 31 December 2024, by 10%¹ meaning that prices are 34% higher than before the cost-of-living crisis began.
20. Though benefits and pensions have been uprated and earnings including the national minimum wage and London Living Wage have increased this year, many households are still struggling. All Southwark households are affected by higher food and energy prices, but some households are affected more than others.

¹ Ofgem, "[Energy price cap – Ofgem](#)", August 2024.

21. The greatest impacts of the cost-of-living crisis continue to 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 have risen most – not just energy, but basic foodstuffs and other essentials. Those living in the private rented sector also face above-inflation rent increases, with private rent having increased by 18% since 2018, compared to a 6% rise in earnings². 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.
22. 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 frequent 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 during 7 August – 1 September 2024. The number of respondents identifying the cost of living as a major issue facing the country is 86% - above other issues such as the NHS, the economy, and climate change.
23. As of October 2024, it is estimated that six million households are in fuel poverty, unable to heat their homes to a temperature to keep healthy. With the increase of the energy price cap by 10% this autumn, and the withdrawal of government subsidies, it is likely that this figure will increase.
24. We know that since the pandemic, energy debt has been increasing significantly. Despite the fall in inflation, the number of people seeking debt advice or support reached record levels in 2024.³ Those seeking support with cost-of-living issues are usually in need of other support, such as crisis support (e.g. food banks) or help with other debt, such as Council Tax arrears.
25. From the official statistics and surveys, we know that households reduced their energy consumption in recent winters 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. The voluntary moratorium on forced installations of prepayment meters by energy suppliers ended in January 2024, further increasing the risk.
26. We also know that living in a cold home can exacerbate a range of health

² Office for National Statistics, [“Private rent and house prices, UK: September 2024”](#), September 2024.

³ Citizens Advice, [“Cost of Living Trends- Growing Levels of Debt”](#), August 2024.

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. Older people are at greater risk.

27. Help with energy and other household bills will still be needed by some residents. Government Cost of Living Support was ended by the previous Government. Support from the Council will therefore be targeted towards the most vulnerable – low-income households with children or who are elderly or disabled and or living in energy inefficient homes and experiencing fuel poverty.
28. 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.
29. 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 poor physical 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

Holiday Free School Meals (Southwark Cost of Living Fund)

30. We will continue to fund holiday-free school meals for about sixteen thousand eligible children attending Southwark schools during all school holiday periods throughout this financial year. Each eligible child will receive support worth £3 per weekday (the cost of a healthy school meal).
31. The payments are to provide extra cost of living support for very low-income households, at a time when they already incur higher food costs because their children are not at school or nursery. The cost-of-living crisis has increased food costs, making it difficult for low-income families to afford meals for their children during school holidays.
32. Continuing these payments to support the rising food costs aligns with the Southwark 2030 Strategy. By offering Holiday Free School Meals, the Holiday Food & Fun Programme, and auto-enrollment of Free School Meals (see para

76-77), we aim to help more people maintain their well-being, reduce health inequalities within our community, and reduce food insecurity across our borough.

Pension Credit Take-Up Campaign

33. Pension Credit, an income related benefit for people over the State Pension age, is a valuable benefit worth over £2,600 a year for those who are eligible. Claiming Pension Credit also unlocks other means of support for those who claim it, such as Warm Home Discount, free TV licenses and now the Winter Fuel Payment. Despite its significance, Pension Credit remains one of the most underclaimed welfare benefits in the UK, with an estimated eight hundred thousand households eligible but still not claiming it.
34. Since 2022, the council has conducted successful Pension Credit awareness campaigns in collaboration with our voluntary, community and faith sector partners. These efforts have resulted in over 900 households claiming Pension Credit, solidifying Southwark's position as the borough with the highest number of Pension Credit claimants in South London.
35. We estimate that there are still over 800 households within Southwark eligible for Pension Credit but have yet to claim it. To address this, we will be relaunching our Pension Credit awareness campaigns this autumn in collaboration with our COPSINs and other VCFS partners. Our goal is to ensure that eligible residents can take advantage of this valuable benefit and by doing so access other available support, such as the Winter Fuel Allowance.

Domiciliary Care

36. Residents in need of domiciliary care are often elderly, frail, or have disabilities that limit their ability to perform daily tasks independently. To maintain a comfortable living environment, they frequently require higher indoor temperatures, leading to increased energy bills. The cost-of-living crisis has significantly impacted these residents, with rising costs for food, other necessities, and fuel exacerbating their financial burdens. Therefore, the rationale behind providing financial support to residents requiring domiciliary care is to assist them in meeting essential living costs and ensuring their well-being. This support aims to alleviate the financial strain they face and help them maintain a comfortable and healthy lifestyle.
37. Payments of £100 will be made to up to 2,000 Southwark residents receiving domiciliary care.

Supporting Pensioners with low incomes

38. The vast majority of those receiving council provided domiciliary care are pensioners. Recognising both the continuing impacts of the cost-of-living crisis and that older people of pension-age are at greatest risk if they cannot keep their homes warm, we will expand support this winter to benefit more than four

thousand pension-age households.

39. We know that many pensioners with modest and fixed incomes are struggling to make ends meet, leading to increased financial stress and hardship. The support provided through the Southwark Cost of Living Fund will help alleviate some of these pressures, ensuring that pensioners can afford essential items and maintain their well-being.
40. Pensioners who are not receiving pension credit and are struggling to pay their bills will be provided with support towards fuel, food, and essential items.
41. Around 1,200 pension-age households in receipt of Housing Benefit and or Council Tax Reduction, and not receiving pension credit, will each receive a payment of £150.

Pensioner Referral Pathway

42. Other pensioners not in receipt of any means-tested benefits, who are struggling to make ends meet, will be supported with a £200 payment through a community referral scheme.
43. This support will be delivered in collaboration with the Consortium of Older People's Services in Southwark (COPSINS), which includes various charities dedicated to supporting older residents. COPSINS members and other VCS partners will play a crucial role in identifying and referring vulnerable pensioners for support from the Council's Cost-of-Living Fund this winter. Support will be application or referral based, ensuring that the support reaches those most in need.

Supporting Residents Living in Energy Inefficient Homes

44. Residents living in energy-inefficient homes are particularly vulnerable to the cost-of-living crisis and are more likely to experience "fuel poverty". The UK Government uses the Low-Income Low Energy Efficiency (LILEE)⁴ definition for fuel poverty. With this indicator, a household is considered fuel poor if;
 - i. the property they reside in has an Energy Performance Certificate of band D or below.
 - ii. Once they spend the required amount to adequately heat their home, the residual income left brings the household below the official poverty line.
45. Those living in energy inefficient or poorly insulated homes must often use more energy to keep their homes warm, leading to higher bills especially in the winter months. With rising energy costs, these residents face significant financial strain, making it difficult to afford essential items and manage their household budgets.
46. We will be providing additional financial support to residents living in energy-

⁴ Department for Energy Security and Net Zero, "[Fuel Poverty Statistics](#)", September 2024.

inefficient homes. The support provided through the Household Support Fund will help alleviate some of these financial pressures, ensuring that residents can afford their energy bills and maintain a comfortable and healthy living environment.

47. Residents living in a property with an EPC Rating of D or below (those which are most energy inefficient) with low incomes would receive support. Those eligible for this support will include pension-age households sometimes described as “asset rich” but “income poor” who own their home but where the home was built more than one hundred years ago and is poorly insulated. We have identified approximately 4,000 residents including many older residents who would be eligible to receive a payment of £150.

Supporting Residents Moving to Universal Credit (UC) (Southwark Cost of Living Fund)

48. As we have done from April 2024, we will continue to support Southwark residents who are affected by the Move to UC this autumn and winter. About half of that group are council tenants who will rely on UC to help pay rent. Most of the remainder are tenants of other social landlords.
49. For these households, the Move to UC will be their first contact with a UC system that is unfamiliar and for which they may be ill-prepared. We know from previous phases of the migration to UC that even outside the Cost-of-Living Crisis, residents claiming UC for the first time were much more likely to fall into debt, need support from local welfare, or resort to foodbank use. We believe this was mainly due to the impacts of the so-called “five-week wait” for the first payment of UC after a successful claim. Unlike previous phases of the transition to UC, we already know which residents will be affected by Move to UC because they are claiming HB.
50. Any household who will be migrating from HB to UC between now and March 2025 will receive a one-off payment of £250 from the Southwark Cost of Living Fund. We will make one-off payments every two weeks to all eligible households for whom an HB stop notice was received in the previous two weeks. This means that most eligible households will receive their payment about halfway through the five weeks they must wait for their first payment of UC and when they are most likely to need the extra support.

Tackling Cost of Living Household Debt – The Breakthrough Project

51. Increasing household debt, including an accumulation of priority debts to the council (rent and council tax), is both a consequence and cause of the Cost-of-Living Crisis. It is also set to become its legacy with those on the lowest incomes most affected. The adverse health impacts of problem debt are well documented, and the health impacts of priority debt are even greater.
52. It is increasingly clear that debt advice and new approaches to making repayment arrangements, though important, will not be enough by themselves to support residents out of problem debt.

53. For some council debtors, additional measures will be needed to maximize debt collection and set them on a pathway out of problem debt. Such measures may also result in the council collecting more debt in the longer term than it otherwise would - but without placing an unacceptably heavy burden on already vulnerable and low-income households.
54. In June 2024, the council initiated the Breakthrough Project, partnering with local and national organizations including Citizens Advice Southwark. This project provides extended, personalized assistance to a select group of foodbank users struggling with low income and debt. This support includes debt counseling, income optimization, and other relevant services. From April to September 2024, more than 130 residents joined the project and will receive this assistance for ten months.
55. The council is the main funder of the programme but has sought additional third-party funding and work (arms-length) with partners such as the Trussell Trust, Citizens Advice and the Centre for Responsible Credit.

Young Care Leavers

56. Care leavers are a group to whom the council has a special responsibility as “corporate parent”. As these young people transition to independent living, they are especially vulnerable as they face significant financial challenges. They frequently struggle to cover basic living costs, and the cost-of-living crisis has intensified these difficulties. Rising food and fuel prices have made it even more challenging for them to afford basic necessities and manage their budget.
57. Therefore, the council will be providing financial assistance to approximately 1,000 care leavers to help them meet essential living costs during their transition to independent living.

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

58. 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.
59. The greatest increase in demand has been for energy advice. Opening in December 2022, the ***Southwark Energy Savers*** service funded by the Council and delivered by Citizens Advice. During the 2023-24 Financial Year, the service had provided energy advice for more than five hundred people who live, work, or study in Southwark. 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 £1200.

60. *Southwark Energy Savers* will still be available throughout this year and the service will continue until at least March 2025.
61. 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 are half-day events that take advice and support on energy, debt, benefits, food, housing, and employment, into our most deprived neighbourhoods across the borough. Most roadshow events take place in tenant halls that serve council housing estates. As well as advice, attendees, including those facing an immediate crisis, were offered food and energy vouchers.
62. Cost of Living Roadshows will continue for the rest of this year.

More Better Jobs

63. 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 2024/25.
64. As part of the Council Delivery Plan 2022-26, the council has committed to supporting 2,500 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.
65. 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.
66. 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).
67. 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.

68. 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.

A Right To Food

Right to Food Plan

69. 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.

70. 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

71. 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.
72. 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 2024-25 will enable the council to reallocate funds to tackle hunger in secondary schools. The council extended free school meals for all pupils from families who are in receipt of Universal Credit (UC) and are not currently eligible for statutory Free School Meals (FSMs), for a further academic year.

73. 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 29).

Auto-enrolment for Free Healthy School Meals

74. Free School Meals (FSM) auto-enrolment is the automation of registration, which involves making FSM an 'Opt out' scheme, rather than 'Opt in' as it currently stands. FSM eligibility was determined through consolidation of relevant data that the council already has access to and the council automatically opted eligible children into the scheme. Over 650 new pupils were identified as eligible for FSM because of this exercise.
75. The auto enrolment project aimed to reduce barriers to FSM registration, including stigma of registration and several layers of administrative burden for families, schools and the local authority and increase the Pupil Premium for schools and the council. The FSM auto-enrolment project contributes to the School Meals Transformation Programme (SMTP) goal to increase the uptake of FSM and to contribute to the Southwark 2030 goal of improving food security within our borough.

Holiday Food and Fun programme

76. 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. In 2023, more than 30 community organisations delivered programmes and 86,000 meals were provided.
77. 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.

Cash-First approach

78. 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.

79. By adopting a cash-first approach, we aim to empower residents by allowing them to make their own decisions about how to utilize the financial aid, promoting independence and self-sufficiency.

Warmer Greener Homes

80. The council is building new, warmer, greener homes and improving the energy efficiency of its existing homes.
81. 70% 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.
82. 100% of council schemes with planning consents and 100% 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.
83. A significant proportion of Southwark residents live in the private rented sector. Work continues to enforce licensing of privately rented properties, specifically to address poor housing conditions. 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.
84. 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.
85. We are actively working towards achieving the Southwark 2030 goal of a healthy environment by making our buildings more energy efficient and transitioning to clean, renewable energy sources. Working with local universities we will work to create new energy networks of recycled and greener power to thousands of homes, and to extend existing heating networks.

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

86. This report sets out the council's response to the cost-of-living crisis and the various approaches adopted from April 2024 to March 2025.

Community, equalities, and health impacts of those individual approaches will be provided in separate decision-making reports where necessary.

87. 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 October 2024 to March 2025
88. 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.
89. Extensive modelling was carried out during the second phase of the Southwark Cost of Living response 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.
90. 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.
91. In winter 2023 we commissioned independent research to evaluate the impact of the Southwark Cost of Living Fund (in particular, the Community Referral Pathway 22/23) 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. The research, conducted by Centric, recommended advertising the Fund in multiple languages, such as Spanish, to engage those who may not speak English as their first language. We advertised the Southwark Cost of Living Fund through posters delivered by the Independent Food Aid Network (IFAN), in English and Spanish. In addition, we have also commissioned Pension Credit awareness posters and leaflets in Spanish. We used a place-based approach, distributing the material where Southwark's Latin American Community resides, such as Elephant and Castle.
92. Centric recommended to increase the number of Community Referral partners. They encouraged further outreach to faith communities and organisations, specifically citing those attended by underserved communities, such as the Muslim community. The council successfully increased the number of Referral Partners from 40 in 2022/23 to 88 in 2023/24. The Council actively reached out to faith communities within

Southwark and successfully recruited several Muslim faith groups as active Referral Partners.

93. 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

94. 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.
95. 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.
96. 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 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

97. 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

98. 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.
99. 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.
100. 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

101. The cost of the Southwark Cost of Living Fund is partly met by the Government via section 31 grants under the Local Government Act 2003 payable for the costs incurred for the period 1 April 2024 – 31 March 2025. The remainder of the cost of Southwark Cost of Living Fund this year will be met from council budgets and allocated council reserves.
102. The Government has provided a draft allocation to the council of £5,468,732.04 In line with previous rounds of funding, allocations will be payable in arrears based on a Statement of Grant Usage and monitoring returns in July 2024, October 2024, January 2025 and April 2025.
103. DWP guidance states that allocations from the HSF must be spent or committed before the 31 March 2025 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.
104. The draft grant allocation allows for reasonable administration costs. No separate new burdens funding is being provided to cover costs incurred administering the fund. The council will limit administration costs for HSF to no more than 5% of the total amount allocated, ensuring that the majority of the grant is used to provide support for households.
105. 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.
106. There will be weekly reviews of redemption levels and referrals as part of the *Holiday Free School Meals* and the targeted support of Move to Universal Credit programmes (see para 48-50) throughout the scheme period to ensure no budget overspending or, in a case of a surplus, to consider additional or alternative support mechanisms.

Consultation

107. There is no legal requirement for public consultation for the intended use of the Government HSF.
108. 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 through various forums, the most recent, the Advice Agency Liaison Group, the held on the 19 September 2024. 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.

109. This year, the council commissioned an independent evaluation of its Cost of Living response from the previous year, focusing on the Community Referral Pathway. The insights gained from this evaluation have informed the planning for this year's response, particularly for the upcoming autumn and winter seasons. Notably, the evaluation emphasized the crucial role of Voluntary Community Sector (VCS) organizations in supporting Southwark's most vulnerable residents. These organizations are well-positioned to identify those in need due to their close relationships with the community.
110. 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 (CM 22.10.2024)

111. 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 £2.734m and its inclusion within a new Southwark Council Cost of Living Fund in 2024/25. 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.
112. The cabinet will need to ensure that they have due regard to the public sector equality duty in section 149 Equality Act 2010 i.e. 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 Resources (GC 15.10.2024)

113. The Household Support Grant of £5.46m has been allocated to the council for the period 1 April 2024 – 31 March 2025. The grant will be used to support those most vulnerable and is in accordance with government guidance.

114. The Strategic Director of Resources notes the financial implications in paragraphs 102 to 106. The overall cost will be contained within the Household Support Grant, council budgets and the Southwark Cost of Living Fund reserve.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Breakdown of HSF6

AUDIT TRAIL

Cabinet Member	Cabinet Member for Equalities, Democracy and Finance	
Lead Officer	Clive Palfreyman, Strategic Director of Resources	
Report Author	Dominic Cain, Director of Customer & Exchequer Services	
Version	Final	
Dated	30 October 2024	
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 Resources	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		30 October 2024