



City of Westminster

Cabinet Member Report

Meeting or Decision Maker:	Leader of the Council
Date:	30 November 2022
Classification:	General Release
Title:	Cost of Living Projects
Wards Affected:	All
Policy Context:	The proposals are in line with the Cost of Living Strategy July 2022
Key Decision:	An entry has been included for 28 days on the list of forthcoming decisions
Financial Summary:	This report recommends a total of £1m funding for 2022/23 to support Westminster households during the cost of living crisis
Report of:	Gerald Almeroth: Executive Director of Finance Resources, Pedro Wrobel: Executive Director of Innovation and Change

1. Executive Summary

- 1.1 In addition to the £8m package of support delivered by the council to help residents most at risk during the cost of living crisis a further £1m of council investment is proposed for 2022 / 2023 and the council aims to invest a further £1m in 2023 / 2024.
- 1.2 Whilst central Government support is important, it leaves significant groups of Westminster households vulnerable. Our analysis shows that 32,000 households are identified to be at risk across the city. In addition, the Office for Budget Responsibility predicts inflation will remain high over the next 12 months and that living standards will fall by 2.8% in 2023 / 24 and the Energy Price Guarantee will be scaled back in April 2023.
- 1.3 Although national funding allocated to councils to help residents (the Household Support Fund) will continue, this will be insufficient to meet the scale of need. The Joseph Rowntree Foundation already estimates the average household has an £800 shortfall in their income to meet energy bills.
- 1.4 The proposed projects for 2022 / 2023 target the range of households most at risk and provide a mixture of direct support and debt and income advice and signposting and have community support. They are expected to help at least 3,350 vulnerable households.
- 1.5 Fifty per cent of the proposed additional funding is for direct support through energy vouchers, help for food charities and crisis help. Support for organisations providing advice makes up 36% of the budget and includes help both for established advice organisations which are well known and groups working with specific communities. All the projects are deliverable and will be completed or started by March 2023 in order to provide crisis help.

2. Recommendations

- 2.1 It is recommended that the Leader of the Council agrees:
 - 2.1.1 That the council funds the proposed projects, amounting to £1m to address the cost-of-living crisis summarised in Section 5 and detailed in Appendix B.
 - 2.1.2 That within this £1m budget authority is delegated to the Executive Director of Finance Resources, in agreement with the relevant Cabinet Members, to manage the individual allocations, and agree how the contingency is spent.

3. Reasons for Decision

- 3.1 While there have been national interventions to address the cost-of-living crisis and funding to councils to help households, modelling and intelligence in Section 4, shows that rising living costs outstrip this package of support, making further interventions necessary to help households most at risk.

3.2 Some flexibility on the individual allocations is recommended as some discussions with third sector partners are still underway and as some of the budget has been set aside as contingency to deal with urgent needs.

4. Background, including Policy Context

4.1 In July 2022 the council launched a Cost of Living Strategy¹ setting out a plan to help tackle the crisis which included an initial £8m package of support, made up of funding from Government (such as the Household Support Fund) and from the council's own resources. This was followed by the council declaring the cost of living crisis an emergency in September 2022.

4.2 As identified in the Strategy, lower income people face higher rates of inflation as they spend a bigger share of their income on fuel and food and an estimated 31,000 households across the City (24%) are particularly exposed to rises in living costs. Residents most affected are:

- Single people on low incomes (on benefits or in work)
- Families with children
- Pensioners
- Those with disabilities
- Residents in the most deprived wards in Church Street, Queens Park and Harrow Road, although residents in all wards are affected.

4.3 The council has delivered national support allocated to it and invested its own resources in tackling the crisis (see table 1). Additionally there is also support delivered nationally to tackle the crisis including the Energy Price Guarantee which aims to ensure the annual average household energy bill does not exceed £2.5k, a £400 reduction in energy bills for all households, one off help of up to £600 to pensioner households and £650 to households on certain means tested benefits.

4.4 The council has a Support Hub² setting out all the available support for residents and recently launched Winter in the City³, which lets residents know about free warm spaces with activities over the winter.

4.5 Although not the focus of this funding, help for small and medium enterprises (SMEs) is available from the council. SMEs can apply for an audit to help them reduce energy costs⁴ and the Expert Professional Panel will support businesses facing hardship⁵. Other help for business is available on the Business Unit web page⁶.

¹ www.westminster.gov.uk/cost-of-living-support

² www.westminster.gov.uk/cost-of-living-support

³ www.westminster.gov.uk/winter-in-the-city

⁴ www.westminster.gov.uk/support-schemes-businesses/business-energy-audit-scheme

⁵ www.westminster.gov.uk/support-schemes-businesses

⁶ <https://businesswestminster.com/>

Table 1: Cost of Living support (delivered or funded by the council)

	National funding	Council funding	Timescale
Household Support Fund Extension (range of activities such as free school meals to those eligible in the holidays, supermarket vouchers to older people and a local Hardship Fund)	£1.9m ⁷		April – September 2022
Household Support Fund 3 (range of activities such as such as free school meals to those eligible in the holidays, supermarket vouchers to households not benefiting from national support and a local Hardship Fund)	£1.9m ⁸		October 2022 – March 2023
Council Tax Rebate Scheme (discretionary element) – includes help to households not benefiting from the national scheme	£2.2m ⁹		April - November 2022
Food and activities in summer holidays		£240k	July – September 2022
Extension of Green Doctors energy advice service		£10k	June – September 2022
Extension of debt advice (Citizens Advice Westminster)		£189k	October 2022 – Sept 2023
Training / financial capability provision (Westminster Employment Service)		£83k	April 2022 – December 2023
School Uniform Fund		£85k	Until March 2023
Local Hardship Fund (top up)		£200k	From July – September 2022
Local Payment Support Scheme		£600k	April 2022 – March 2023
Healthy Winter Grants for organisations putting on a healthy meal / health promotion activities in a warm space		£200k	November 2022 – March 2023
Westminster council tenants Hardship Fund (for tenants in arrears)		£400k	From Jan 2022
Total	£6m	£2.007m	

4.6 Despite additional Government measures announced in the Autumn Statement 2022 demand for further support is likely to continue. The Household Support Fund will continue in 2023 and help for households on certain means tested benefits will rise to £900 and pensioners and those in receipt of disability benefits will receive £300 and £150 respectively. However, at the same time the Energy Price Guarantee will increase by 20% in April 2023 (raising the annual average energy bill from £2.5k to £3k per year) and the universal help of £400 will also not be available. Living standards are

⁷ [Decision - Household Support Fund Extension | Westminster City Council](#)

⁸ [Decision - Household Support Fund October 2022 - March 2023 | Westminster City Council](#)

⁹ [CMR - Council Tax Rebate.pdf \(westminster.gov.uk\)](#)

predicted to fall by 2.8% in 2023-24¹⁰, the second largest fall (behind 2022-23) since Office of National Statistics (ONS) records began and inflation is also predicted to remain high over the next twelve months (7.4% in 2023)¹¹,

4.7 Modelling by the Joseph Rowntree Foundation¹² already shows that nationally the average low-income family faces an £800 per year shortfall in 2022/23 (relative to 2021/22), even with current support, and this is likely to widen over the next year.

4.8 Community intelligence from partner networks such as the Food and Energy Network and the Community Alliance also point to the pressures households are under. Advice organisations report high demand for services and users of the North Paddington Foodbank have more than doubled between August and October 2022.

5. Proposed projects / investment

5.1 In addition to the above support, a further £1m of investment is proposed from the council's own resources during 2022 / 2023 to help at least 3,350 vulnerable households. The projects, which are summarised below and detailed in Appendix B, aim to:

- Target the households at risk in a range of ways
- Balance direct support with advice and signposting etc.
- Be deliverable i.e. completed or started by March 2023 in order to provide help when it is most needed.

Table 2: Summary of proposed projects for 2022 / 2023

Theme	Rationale	£	%	Households assisted
<p>Advice, outreach and training Boost capacity in Paddington Law Centre, Citizens Advice Westminster, Cardinal Hume Centre, AgeUk and fund organisations working global majority / black and multiple ethnic communities (BAME)</p> <p>To train front line officers about the support available</p>	<ul style="list-style-type: none"> • To help meet increasing demand • To support both well established organisations with good reach, plus those representing specific communities • To better link residents will available support 	£360k	36%	All low income / those in debt / global majority / BAME

¹⁰ Office for Budget Responsibility: Economic and fiscal outlook, November 2022, Office for Budget Responsibility (OBR)

¹¹ Office for Budget Responsibility: Economic and fiscal outlook, November 2022, Office for Budget Responsibility (OBR)

¹² www.jrf.org.uk/press/joseph-rowntree-foundation-highlights-gap-support-remains-people-low-incomes-after-liz-truss

Theme	Rationale	£	%	Households assisted
Direct Support Includes an energy voucher scheme for struggling households on prepayment meters, topping up existing welfare budgets providing crisis help and by supporting new food charities as they emerge	<ul style="list-style-type: none"> c. 10,000 residents have prepayment meters and community intelligence indicates rising demand for vouchers Rising demand for crisis support i.e. for Local Payment Support Community intelligence indicates new food charities are emerging 	£505k	50%	All low income. Mainly single people / couples for energy voucher scheme
Winter in the City Funding for promotional material and potentially small grants to participating organisations	<ul style="list-style-type: none"> To improve resident awareness of the programme and to add further spaces 	£55k	6%	All households struggling to keep warm
Contingency To be used flexibility to address any new / emerging needs	<ul style="list-style-type: none"> To respond to urgent / changing circumstances 	£82k	8%	
Total		£1m		

5.2 It should be noted that discussions are underway with the third sector organisations delivering this support, so some of the household numbers and costs in Appendix B are still to be confirmed. The Global Majority (previously BAME) organisations to be funded are also still to be agreed and decisions will be based on community intelligence as to where there are identified needs.

5.3 Given the impact on residents, the scale of the crisis and its anticipated length the council also aims to invest a further £1m in projects starting during 2023 / 2024 and proposals will be subject to separate decision making at a future Cabinet Meeting.

6. Financial Implications

6.1 A total of £1m one-off General Fund support will be provided to support the cost-of-living initiatives outlined in this Report. This will be funded from the council's reserves. A further £1m of support will be earmarked for additional support in the new financial year. This will be subject to a separate decision report.

7. Legal Implications

7.1 The recommendations of this report will assist the council in meeting its obligations to residents in need of support and could reduce the impact of future demands if such support is not provided. Any support provided will need to be undertaken in a financially responsible manner.

7.2 The Localism Act 2011 section 1 provides councils with a general power of competence. It gives local authorities the legal capacity to do anything that an

individual can do that is not specifically prohibited. This power is exercisable by local authorities for purposes for the benefit of the local authority and its residents. Instead of being able to act only where the law permits it, local authorities are free to do anything provided they do not contravene other limitations. Section 2 provides that the general power does not apply to things which the authority is unable to do by virtue of a pre-commencement limitation, or a post-commencement limitation which is expressed to apply to the general power, to all the authority's powers, or to all the authority's powers with exceptions excluding the general power. The recommendations of this report are within the section 1 power and not prohibited by section 2.

- 7.3 The Civil Contingencies Act 2004 defines an 'emergency' as including an event or situation which threatens serious damage to human welfare in a place in the UK. This includes (amongst other things) an event or situation that causes or may cause (a) loss of human life, illness or injury, (b) homelessness and (c) disruption to a supply of money, food, water, energy or fuel. The council declared the cost of living crisis an emergency in September 2022. The Act requires local authorities to maintain plans for the purpose of ensuring that if an emergency occurs or is likely to occur the body can perform its functions so far as necessary or desirable for the purpose of preventing the emergency, reducing, controlling or mitigating its effects, or taking other action in connection with it. The recommendations of this report constitute such a plan.
- 7.4 In coming to any decision, the council must comply with the public sector equality duty under s149 Equality Act 2010. This requires the council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act; advance equality of opportunity between people who share a relevant protected characteristic and those who don't; foster good relations between people who share a relevant protected characteristic and those who don't (and involves having due regard, in particular, to the need to tackle prejudice and promote understanding).
- 7.5 Under the duty, the relevant protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Having due regard to the need to 'advance equality of opportunity' between those who share a protected characteristic and those who do not includes considering, in particular, the need to remove or minimize disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; the need to take steps to meet the needs of persons who share a protected characteristic where those needs are different from the needs of persons who do not share that characteristic, and encourage those who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

7.6 Further, under s149 the steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include taking steps to take account of their disabilities. Compliance with the duties in s149 may involve treating some persons more favourably than others, but not to permit conduct that would otherwise be prohibited under the Act.

7.7 The potential equality impact of the proposed changes has been assessed within an Equalities Impact Assessment (Appendix C). Careful consideration of this assessment can demonstrate that the decision maker has had “due regard” to the relevant matters, and the mitigations necessary for any adverse impact, to comply with the equality objectives set out in s149.”

8. Carbon Impact

8.1 There are no known carbon impacts arising from this report.

9. Equalities Impact

9.1 An Equalities Impact Assessment (EIA) initial screening has been carried out (see Appendix C). Using Westminster households in receipt of benefits as an indicator of those most likely to need help, the groups below are over-represented compared to their size in the Westminster population:

- People in the 45 – 64 and 65 plus age groups
- Global majority / BAME households
- Men
- People with disabilities
- Households without children.

9.2 However other data and community intelligence indicates wider low incomes groups to also need support:

- Younger people
- Women
- Households with children.

9.3 Overall the EIA identifies that the impact of the additional funding on households with protected characteristics to be positive given the mix and range of support and as some of it is targeted towards certain groups (older people etc.) and communities.

10. Consultation

10.1 Community engagement on the proposals was undertaken with the Westminster Food and Energy Network and the Community Alliance which were attended by c. 45 stakeholders widely representing communities across the city. There were also one to one discussions with a small number of users of food pantries about the type of support they needed. Themes from this engagement indicated support for:

- Advice, with preference for one-to-one advice and a targeted approach to certain communities
 - Direct help either by topping up existing welfare budgets or in the form of vouchers or cash. There was support for residents having choice in this area
 - Funding current and new food charities and improving provision to asylum seekers who often can't afford pantry membership
 - Energy vouchers for those on prepayment meters
 - Further warm spaces, in particular to help address social isolation and to provide entertainment
 - A range of wider help for families, although these were less supported compared with providing them with direct help through vouchers etc.
- 10.2 In addition stakeholders also suggested that the council could invest in support for residents struggling with their mental health during the crisis and in help for charities and voluntary organisations struggling with rising demand and costs.
- 10.3 Consultation has taken place with the third party organisations delivering the proposed projects.
- 10.4 Before declaring the cost-of-living crisis and emergency there was a debate at full council.

11. Communications Implications

- 11.1 Details of all the support available to households during the cost-of-living crisis are on the council's support hub¹³ and new projects will be added as needed and communicated through the council's networks.
- 11.2 Some of the funding will be used for workshops for front line officers working with people at risk and material will be available for them to distribute about the support available, including in community languages.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Cecily Herdman: Principal Policy Officer
 cherdman@westminster.gov.uk

APPENDICES

- Appendix A: Other Implications
- Appendix B: Proposed Cost of Living Projects
- Appendix C: Equalities Impact Assessment

BACKGROUND PAPERS

Details of the background papers referred to in this Report are in footnotes.

¹³ www.westminster.gov.uk/cost-of-living-support

NB: For individual Cabinet Member reports only

For completion by the **Leader of the Council**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
NAME: **Councillor Adam Hug**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Cost of Living Projects reject any alternative options which are referred to but not recommended.

Signed: _____

The Leader of the Council

Date: _____

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed

from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Other Implications

1. Resources Implications

These projects will either be delivered by existing council staff or by external partners.

2. Risk Management Implications

The projects will be monitored to ensure they meet their intended outcomes and progress will be reported to senior officers. Service Level Agreements will be developed where they are delivered by third party organisations.

3. Health and Wellbeing Impact Assessment including Health and Safety Implications

The cost of living crisis is a health emergency too. Evidence shows that exposure to poor housing conditions (such as damp, cold, mould) is strongly associated with poor physical and mental health. The longer the exposure to poor conditions, including cold, the greater the impact on mental and physical health. Physical effects include respiratory conditions, cardiovascular disease, communicable disease transmission, and increased mortality.

3.1 Living in non-decent, cold, overcrowded or unaffordable housing has been associated with increased stress and a reduction in a sense of empowerment and control over one's life, and with depression and anxiety¹⁴. Poverty can affect every area of a child's social, educational and personal development, and children living in low-income households are three times more likely to suffer mental health problems than their more affluent peers. The proposed projects in this Report are targeted towards those who are most impacted by the crisis.

4. Crime and Disorder Implications

There are no implications.

5. Impact on the Environment

There are no impacts.

6. Staffing Implications

See Section 1 (Resource Implications) in this Appendix.

7. Human Rights Implications

There are no implications.

8. Energy Measure Implications

There are no implications.

9. Counter Terrorism and Security Implications

There are no implications.

¹⁴ Marmot Review 10 Years on

Appendix B: Proposed Cost of Living Projects

COST OF LIVING FUND Recommended Projects					
Project	Details	Outcome (estimate)	Target Group	Cost (estimate)	Proportion
ADVICE/OUTREACH (£360K / 36%)					
Training / Information	Training workshops for front line officers working with at risk people / distribution of postcards publicising the Support Hub including in community languages	<ul style="list-style-type: none"> Train 50 workers / distribute postcards widely 	All low income / vulnerable / global majority / BAME groups	£5K	0.5%
Increased advice provision for third-sector organisations	Cardinal Hume Centre – increase Level 1 advice provision and referrals to assessment team	<ul style="list-style-type: none"> Recruitment of 2 Trainee Advice Workers supporting 160 households, building long term capacity and development of former service users 	All low income BAME / language groups	£55K	5.5%
	Citizens Advice Westminster - Increase capacity for advice and entry assessment	<ul style="list-style-type: none"> Recruitment of trainer and volunteer recruiter to undertake the recruitment and training of gateway assessors 		£50K	5%
	Paddington Law Centre - increased front of house provision for drop-ins to assist with completing application forms, signposting. Offer of welfare rights advice	<ul style="list-style-type: none"> Further funding of reception/front of house (1 person) and recruitment of welfare rights caseworker; 420 		£50.8K	5%

COST OF LIVING FUND Recommended Projects					
Project	Details	Outcome (estimate)	Target Group	Cost (estimate)	Proportion
	<ul style="list-style-type: none"> Funding for global majority / BAME advice groups and those supporting people that don't speak English (to be determined based on community intelligence) 	<ul style="list-style-type: none"> extra households supported To be agreed 	To be agreed	£150K	15%
Outreach visits	Funding for Age UK to provide: <ul style="list-style-type: none"> A postal mailout on financial support, debt advice, support network and energy Wellbeing check home visits Cost of living appointments 	<ul style="list-style-type: none"> Mailout to 4,000+ clients 20 Cost of living appointments per week. 920 appointments across 12 months 6 well-being and wrap-around home visits to vulnerable households resulting in 276 visits across 12 months 	Older people (65+)	£50K	5%
DIRECT SUPPORT (£503K / 50.3%)					
Energy vouchers	Energy vouchers for those on prepayment meters to be distributed via food banks	<ul style="list-style-type: none"> Estimated up to 900 households (depending on value of awards) 	Low-income households	£50K	5%
Food support (Asylum Seekers)	Assist asylum seekers to access food pantries (they receive £8 per week so cannot afford the £4.50 pantry membership fee)	<ul style="list-style-type: none"> 40 households supported with 12 months of membership to a food pantry 	Asylum Seekers	£13K	1.3%

COST OF LIVING FUND Recommended Projects					
Project	Details	Outcome (estimate)	Target Group	Cost (estimate)	Proportion
Food support	Support new / emerging / smaller food banks	<ul style="list-style-type: none"> Hallfield Estate foodbank (£10k, numbers assisted to be agreed) plus c.3 smaller food banks as they emerge (to be agreed) 	Low-income households	£40K	4%
Local Payment Support (top up)	Crisis help in the form of vouchers for help, such as for the replacement of essential goods in order to help more people and meet rising demand	<ul style="list-style-type: none"> 450 households 	Low-income households (as defined by receipt of certain benefits)	£200K	20%
Council Tax Hardship Fund (top up)	To increase help for households in extreme hardship not eligible for Council Tax Support or that cannot afford their Council Tax	<ul style="list-style-type: none"> 200 households / increased visibility of scheme 	All low income	£200K	20%
WINTER IN THE CITY (£55K / 5.5%)					
Winter In The City	Design and promotion of project. Potentially to provide further grants for organisations providing spaces that aren't eligible for Healthy Winter Grants	<ul style="list-style-type: none"> Households aware of the programme New spaces provided (subject to need) 	Low-income households	£55K	5.5%
TOTAL				£918K	91.8%

**COST OF LIVING FUND
Recommended Projects**

Project	Details	Outcome (estimate)	Target Group	Cost (estimate)	Proportion
		CONTINGENCY		£82K	8.2%