



City of Westminster Cabinet

Meeting:	Cabinet
Date:	12 th December 2022
Classification:	General Release
Title:	Cost of Living Support
Wards Affected:	All
Policy Context:	The proposals are in line with the Cost-of-Living Strategy and Fairer Westminster Strategy
Key Decision:	Yes
Financial Summary:	This report recommends a total of £1m funding for 2023/24 to support Westminster households during the cost-of-living crisis
Report of:	Gerald Almeroth: Executive Director of Finance and Resources Pedro Wrobel: Executive Director of Innovation and Change

1. Executive Summary

- 1.1 One in four households (31,000) across the city are particularly at risk from the cost-of-living crisis.
- 1.2. In response the council has published a cost-of-living strategy, declared a cost-of-living emergency, and so far invested £9m in providing a far reaching programme of support to help the most vulnerable households.
- 1.3. Despite this, the economic outlook is predicted to continue to worsen. 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. The Energy Price Guarantee will also be scaled back in April 2023.
- 1.4. This report therefore recommends that an additional £1m of council resources is made available for 2023/24 to provide further cost-of-living support – which will bring the total package of support provided since Summer 2022 to £10m.

2. Recommendations

- 2.1 It is recommended that Cabinet:
 - Notes the decision taken by the Leader of the Council on 30 November 2022 to invest a further £1m of council resources to support at least 3,350 of the most vulnerable households over the Winter.
 - Notes the worsening economic outlook for 2023/24.
 - Agrees to a further investment of £1m for 2023/24 to support households hardest hit by the cost-of-living crises, bringing the total package of support available across the city to £10m.
 - Delegates to the Executive Director of Innovation and Change and Executive Director of Finance & Resources authority to agree in consultation with the Leader of the Council the scope of future projects based on need, value for money and evidence of what works.

3. Reasons for Decision

- 3.1 Modelling and intelligence shows that rising living costs will continue into next year, making further interventions necessary to help households most at risk.

4. Background, including Policy Context

- 4.1. The latest official figures show consumer price inflation rose by 11.1% in the 12 months to October 2022.
- 4.2. Lower income people face higher rates of inflation as they spend a bigger share of their income on fuel and food and we estimate that around 31,000 households (24%) in Westminster are particularly exposed to rises in living costs.

- 4.3. Our data analysis suggests that the cohorts of 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.
- 4.4. We know many of our residents continue to face a very difficult winter. A recent survey found eight in ten residents were very likely to turn their heating down or off this winter.
- 4.5. 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.
- 4.6. 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 activities in warm spaces over the winter. Although not the focus of this funding, help for small and medium enterprises (SMEs) is also 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.
- 4.7. On 30 November, a further £1m of the council's own resources was allocated to help at least 3,350 households who will be worse affected by the cost-of-living crises over the winter. Th support includes:
- An additional £360k investment in advice and outreach, including funding for Cardinal Hulme, Paddington Law and Age UK Westminster.
 - An additional £500k investment in direct payments, including energy vouchers for up to 900 households and a top up to the Council Tax hardship fund to support an additional 200 households
 - £55k to support our Winter in the City Programme, including further grants to host organisations to provide hot drinks and food.
- 4.8. 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

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/>

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 predicted to fall by 2.8% in 2023-24⁷, 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)⁸,

- 4.7 Modelling by the Joseph Rowntree Foundation⁹ 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. 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.
- 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.
- 4.9 To make sure that the most vulnerable continue to be supported, the council has decided to allocate a further £1m of council funding to fund further cost of living support in 2023/24 bringing the total package of support available across the city to £10m.

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 ¹⁰		April – September 2022
Household Support Fund 3 (range of activities 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 ¹¹		October 2022 – March 2023
Council Tax Rebate Scheme (discretionary element) – includes help to households not benefiting from the national scheme	£2.2m ¹²		April - November 2022

⁷ Office for Budget Responsibility: Economic and fiscal outlook, November 2022, Office for Budget Responsibility (OBR)

⁸ Office for Budget Responsibility: Economic and fiscal outlook, November 2022, Office for Budget Responsibility (OBR)

⁹ www.jrf.org.uk/press/joseph-rowntree-foundation-highlights-gap-support-remains-people-low-incomes-after-liz-truss

¹⁰ [Decision - Household Support Fund Extension | Westminster City Council](#)

¹¹ [Decision - Household Support Fund October 2022 - March 2023 | Westminster City Council](#)

¹² [CMR - Council Tax Rebate.pdf \(westminster.gov.uk\)](#)

	National funding	Council funding	Timescale
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
Additional cost of living support for at least 3,350 vulnerable households ¹³		£1m	From December 2022
Further cost of living support for vulnerable households 2023/24		£1m	2023/24
Total	£6m	£4.007m	

6. Financial Implications

6.1 A total of £1m one-off General Fund support will be provided further cost of living support in 2023/24. This will be funded from the council's reserves. This is in addition to the £1m of support formally agreed by the Leader of the Council on 30 November 2022.

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

¹³ <https://committees.westminster.gov.uk/ieDecisionDetails.aspx?ID=1764>

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 B). 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 The carbon impacts will be updated as specific proposals for projects are developed, and the carbon impacts will be actively considered as spending decisions are taken.

9. Equalities Impact

- 9.1 An Equalities Impact Assessment (EIA) initial screening has been carried out (see Appendix B). 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 The EIA will be updated as specific proposals for projects are developed, and the equalities impacts will be actively considered as spending decisions are taken. Overall the EIA currently identifies that the likely impact of the additional funding on households with protected characteristics to be positive given the groups that are most at risk from the cost of living crises.

10. Consultation

- 10.1 As we develop proposals for spending the further £1m we will undertake community engagement with the Westminster Food and Energy Network and the Community Alliance, as well as consultation with third party organisations who will be involved in delivery.

10.2 Before declaring the cost of living crisis an 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 hub¹⁴ and new projects will be added as needed and communicated through the council's networks.

11.2 Some of the funding may 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: Equalities Impact Assessment

BACKGROUND PAPERS

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

¹⁴ www.westminster.gov.uk/cost-of-living-support

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 anxiety¹⁵. 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.

¹⁵ Marmot Review 10 Years on