

**Report to:** Policy and Oversight Board

**Date:** 11/12/2023

**Subject:** Continuing response to the Cost-of-Living Crisis

**Report author:** Samuel Baldock, Policy Officer  
Matthew Sales, Assistant Director

**Responsible Director:** Sukvinder Kalsi, Director of Finance

**Responsible Cabinet Member:** Councillor Rebecca Harvey, Cabinet Member for Social Inclusion & Community Safety

---

## **OVERVIEW**

1. This report shows the continued priority the Council is giving to supporting residents and businesses through the Cost of Living (COL) crisis. This follows previous reports to the Policy and Oversight Board in December 2022 and April 2023.
2. The Council's COL crisis response has been strengthened in 2023/24, with a strategy guiding additional investment made by the Council as well as the allocation of the government's Household Support Fund (HSF). We have built on our successful track record of compassionate local government and keeping the cost of council tax low for residents. Our COL Alliance has drawn together voluntary and community sector organisations, resident groups, business representative organisations and public sector partners to work together as part of our response.
3. This report describes the range of new and continued statutory, discretionary and partner schemes that form part of our response programme under a six-point plan. This includes building blocks to develop a longer-term strategic approach to prevent poverty and its impacts, one of the key priorities in the Council's new Corporate Plan for 2023-26. Our ambition is that every citizen in H&F can live a healthy, happy, and dignified life, free from poverty.

## **RECOMMENDATIONS**

4. That the Policy and Oversight Board note the report and provide comments and feedback to help shape and improve H&F's response to the COL crisis going forward.

**WARDS AFFECTED:** All

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	The COL Response Programme features a strategic ambition to build economic resilience and inclusion and draws on a wide range of activities to progress this.
Creating a compassionate council	Our COL funding strategy for 2023/24 was developed to target our resources to residents and families most in need, informed by H&F's Businesses Intelligence analysis, policy research and engagement with partners.
Doing things with residents, not to them	We have built the COL Alliance with voluntary and community sector organisations and other local partners to help guide priorities as part of our response, share resources and knowledge and place residents' voices at the centre of the work.
Being ruthlessly financially efficient	We have taken a ruthlessly financially efficient approach to the management and delivery of support, through making best use of existing resources to work flexibly across the organisation, so more resources reach those that need it.
Taking pride in H&F	The COL Response Programme focuses on helping residents most in need and strengthening partnerships locally through the COL Alliance.
Rising to the challenge of the climate and ecological emergency	Home retrofitting and efficiency improvements form a key part of the programme, which helps residents manage through energy price changes, and keep emissions low.

**Background Papers Used in Preparing This Report: None**

**BACKGROUND**

5. The COL crisis continues to cause financial hardship for local residents. Inflation remains high, rent and mortgage costs have increased, and the prices of essential items such as food have frequently and continuously risen. The broader economic outlook is more positive than a few months ago. The forecast recession has not occurred, and headline inflation has decreased from 11.1% in October 2022 to 4.6% in October 2023. Whilst interest rates remain high, impacting on mortgaged homeowners as well as local businesses, the base rate has stabilised at 5.25%.
  
6. Nonetheless, high inflation has eroded the spending power of all residents. For lower-income residents it has been particularly punitive, as a higher proportion of their income is spent on essential living costs such as food, clothes, energy, and rent, so their lived rate of inflation is often higher than higher-income groups. The Resolution Foundation<sup>1</sup> reports that following the Chancellor's Autumn Statement 2023, households will, on average, be £1,900 poorer at the end of this UK Parliament than at its start (December 2019 to January 2025). Nationally, 22% of the UK's population (an estimated 14.5 million people) now live in poverty.<sup>2</sup>

<sup>1</sup> [A pre-election Statement • Resolution Foundation](#)

<sup>2</sup> [Tackling Child Poverty 2023 | IGPP](#)

7. Inflation is expected to remain above the Bank of England's 2% target until into 2025. Energy bills for typical households will also rise by another 5% to over £1,900 in January 2024.<sup>3</sup> Last winter, most households in the borough benefitted from the £400 national energy grant. The latest increase means households will pay more this winter than any winter before, with the price cap almost 60% higher than winter 2021/22<sup>4</sup>. In Hammersmith & Fulham, 12,870 emergency food parcels were provided to residents in need between April and September this year, up from 6,074 in the same period the year before.<sup>5</sup> Locally, one in four households have a combined income of under £30,000.
8. Residents of H&F, especially those hit hardest, therefore continue to remain in need of support from the Council and local partners, and COL remains a key priority of the Administration.

## **OUR STRATEGIC RESPONSE**

9. Since the summer of 2022, H&F has provided a wide range of COL support. The total package is worth £10m across 2022 and 2023. This does not include the Council's long-standing commitments as a compassionate Council, such as free homecare to older and Disabled residents, the only Council to do this, and free breakfasts to every primary school child, with over a million free breakfasts provided to primary school children since 2019.
10. The response programme is steered by the Cabinet Member for Social Inclusion and Community Safety and supported by a cross-departmental officer working group. The working group meets frequently, bringing together various Council services to progress actions related to our response.
11. For 2023/24, the Cabinet Member for Social Inclusion and Community Safety agreed a strategy to guide the Council's investment. This was extended by £1m of Council resources for COL support and £150,000 of Public Health Grant to support public health objectives. The strategy has also directed the use of £2.83m of HSF we received from the government. The additional investment made by the Council has allowed us to enhance existing schemes, as well as introduce a range of new schemes and grants to support our local communities. The strategy is made up of over 25 schemes across statutory, discretionary and partner services.
12. We believe, based on limited communication from government, that the HSF will be cut in 2024/25 and will not be extended beyond March 2024. The government's Autumn Statement made no reference to the HSF, and the government's proposed benefits changes will mean Disabled residents will have to look for work or risk losing their benefits even if they are unable to work, and Universal Credit claimants will face tougher restrictions.<sup>6</sup> This reduction in accessibility to benefits, and cut of the HSF which supports people through the COL crisis, means that poverty will increase, and our residents will suffer. As a Council, we will be left to plug the gap, following the

---

<sup>3</sup> [Energy price cap: What is it and what will happen to bills in January? - BBC News](#)

<sup>4</sup> [What is the energy price cap? | MoneySavingExpert](#)

<sup>5</sup> [More food parcels handed out in Hammersmith and Fulham this summer \(londonworld.com\)](#)

<sup>6</sup> [How the 2023 autumn statement will affect disabled people | Disability charity Scope UK](#)

ongoing cuts in local authority funding from central government, with H&F's net expenditure budget now 56% lower than it was in 2010 (amounting to £652m in funding cuts from central government).<sup>7</sup> We are currently considering the implications of central government cuts of HSF to supporting residents through the COL crisis and addressing the causes and impacts of poverty.

13. We have made extensive use of our Business Intelligence service to monitor and respond to the impacts of the crisis. This includes monitoring the support provided to residents through our dedicated COL Advice Team and COL webpages to identify how many residents are contacting us, and the reasons for the contact. Key statistical highlights are included in a quarterly COL infographic, presented to the working group to better target our response.

## **OUR SIX POINT PLAN**

### **Point 1: We continue to fund a package of support to help keep costs down**

14. Whilst costs of essentials have soared, we have kept down costs where we can. We have a proud record of keeping Council Tax low, despite the continuous large cuts in our funding by central government since 2010. Despite double-digit inflation, our ruthless financial efficiency has meant we have only marginally increased Council Tax by 2.99% to ensure that our services remain the best quality. We are proud to have the fourth lowest Council Tax in London, and the seventh lowest in the UK. Furthermore, our Council Tax is structured so that only 53% of residents this year had to pay the full amount, with our residents who face the greatest hardship not having to pay anything.<sup>8</sup> Moreover, we are committed to ethical debt collection; connecting those in debt with advice and support, ensuring bailiffs are not sent to residents that cannot afford to pay and instead agreeing affordable repayment plans.
15. This winter we have launched the Winter Ready Homes scheme (see Figure 1 overleaf). This scheme is helping residents in fuel poverty (including residents in the private rented sector and Registered Social Landlord housing) to access and afford improvements to their homes' energy efficiency. By helping to insulate residents' homes, we can help reduce the costs of bills. This scheme includes funding to carry out small energy efficiency measures, as well as support in accessing government funding to carry out larger efficiency works through schemes like the Energy Company Obligation and Great British Insulation Scheme.
16. Beyond this scheme, the Council is delivering an ambitious programme to improve the energy efficiency of Council homes and buildings. So far, we have retrofitted homes in the borough through upgrading windows, installing additional insulation, and adding solar panels where we can. Furthermore, this October we opened applications for free whole-house retrofit plans (which usually cost £540) to 100 homeowners and landlords in Hammersmith & Fulham via Ecofurb.<sup>9</sup> These measures can have a significant impact on energy bills, with loft insulation in a mid-terrace house saving the average household £225 annually. This work is expanding,

<sup>7</sup> [H&F Annual Report 2023-24 \(lbhf.gov.uk\)](#), p.2, p.4

<sup>8</sup> [H&F Annual Report 2023-24 \(lbhf.gov.uk\)](#), p.2

<sup>9</sup> [Climate change and planning | London Borough of Hammersmith & Fulham \(lbhf.gov.uk\)](#)

for example using air source heat pumps at the Gibbs Green Estate which will reduce energy bills by 60%.

**Figure 1: Winter Ready Homes scheme**



The banner features a background image of modern apartment buildings. On the right side, there is a logo for 'h&f hammersmith & fulham' with a blue wave graphic. The main text 'Winter Ready Homes' is in large, white, bold font.

# Winter Ready Homes

**h&f**  
hammersmith & fulham

## Save money and stay warm this winter

Winter Ready Homes is a free scheme that offers H&F residents small grants to cover low-cost and renter-friendly energy efficiency upgrades.

These improvements are intended to be quick and easy, helping you to save money and stay warm this winter.

**You may be eligible for a grant if you are:**

- Currently receiving means-tested benefits
- Living on a low income
- Over 65
- Have a long-term health condition or disability
- Living with children under the age of 5



A large, white radiator is shaped like a house, with a square cutout in the center representing a window. A smaller, similar radiator is positioned above and to the right of the main one.

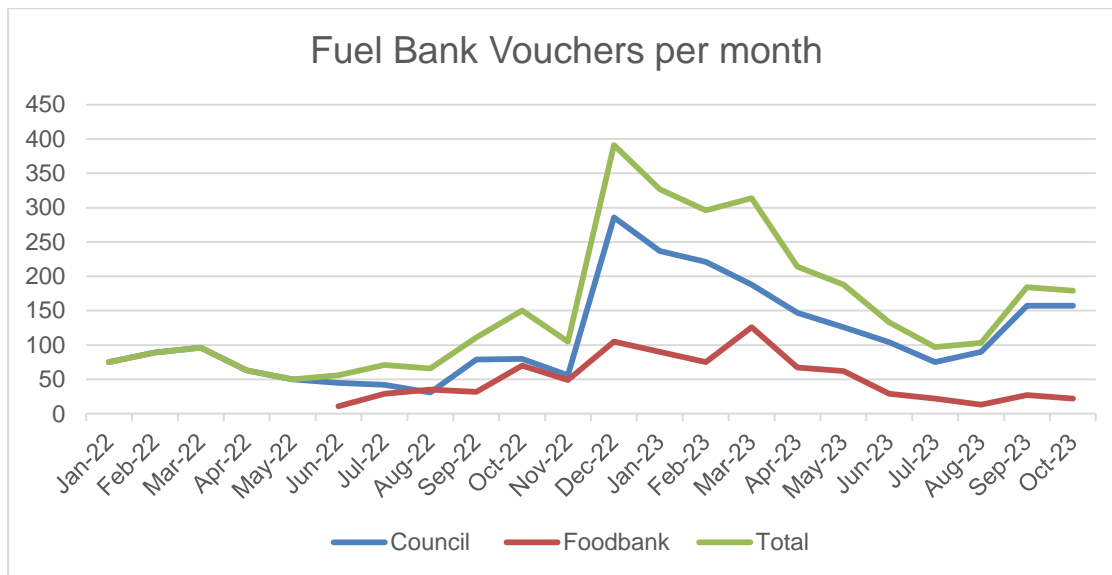
For further information and help, please contact our Green Doctors:

- 📞 0300 365 5003
- @ greendoctorsldn@groundwork.org.uk
- 🌐 www.lbhf.gov.uk/winter-ready-homes



17. Residents with pre-payment meters have been particularly impacted, partly because of the rise in standing charges. We welcome the planned levelling of standing charges from April 2024 with the same rate of standing charges as direct debit customers. The unfairness with higher standing charges for pre-payment meter customers is effectively penalising some of the poorest residents of the borough.
18. Given the financial challenges pre-payment meter residents often face, we have continued to provide £49 fuel top-up vouchers, for households who are at risk of disconnection, via the Fuel Bank Foundation (FBF). The graph below shows the number of vouchers issued per month to residents from referrals by the COL Advice Team or the Foodbank. Almost 1,100 vouchers have been issued this financial year, double that for the same period in 2022/23. These vouchers have provided a lifeline for residents, including families with children, the Disabled and older residents, who have no heating, light or power because they have run out of credit or are at imminent risk of running out of credit. Residents can receive support three times over a six-month period, though we have provided discretion for additional support to be provided depending on the circumstances.

**Figure 2 – Pre-payment vouchers issued by month**



**Point 2: We’re taking action through our Cost of Living Alliance to help tackle this crisis, together**

19. Over the past year, H&F has built and coordinated partnerships to help communities navigate the COL crisis. We are maintaining a strong and capable third sector that is well-equipped to support our rapidly changing communities.
20. Early on, we worked with local partners to form the COL Alliance. This partnership draws together over 60 local voluntary and community sector organisations, resident organisations, business representative organisations and public sector partners to collectively respond to the crisis. The Alliance acts as a forum to share information and resources and discuss priorities for the borough.

21. Since it was formed, there have been two workshops and two conferences of the COL Alliance. The latest conference took place on 30 November 2023, to launch a number of the schemes in this year's strategy, including the £200,000 Winter Support Fund, a small grants scheme for voluntary and community service (VCS) organisations. The engagement of partners in the Alliance exemplifies the positive trajectory of community engagement which we anticipate will continue to strengthen how the Council works in partnership with our community organisations.
22. A core group of partners meet as the Alliance Steering Group. This group has helped shape and take forward priorities agreed at the workshops and conferences. This includes developing a business case for the procurement of a digital signposting platform for the borough. The platform will signpost residents and organisations to support services available through a searchable online database. Similar platforms form part of community services in other boroughs. As well as assisting in developing responses in times of crisis, the platform will ensure better connectivity between organisations and the Council and give residents better access to the support services they need. The procurement of a platform is well underway, with implementation from April 2024.
23. The signposting platform will amplify the richness of services available through the VCS and community organisations in the borough. We invest over £3.3m annually through the third sector investment fund to improve outcomes in communities. This includes commissioned advice services such as Citizens Advice, the H&F Law Centre and Action on Disability, grant funded projects, fast track small grants and support to the third sector itself to develop and excel.
24. Working with Alliance partners, we have developed an enhanced approach to Warm Welcomes this winter. Last year, Warm Welcomes supported 1,450 adults and children, providing residents with a welcome respite, warmth, food, activities, and support. This winter, we are offering grants of up to £5,000 to local organisations that host a Warm Welcome. Support will also be available at the Warm Welcomes through advice on debt, housing, and COL support. This will increase the quality and quantity of services provided by the Warm Welcomes. We already have 6 organisations signed up in the first month, with discussions underway with other interested organisations.

**Point 3: We're targeting our resources to residents and families most in need**

25. A key component of the success of our COL response has been tailoring it to ensure that our residents faced by the most hardship are prioritised. Over the full year, we anticipate making over 49,000 awards of help, reaching over 17,000 households.
26. This winter we are making one-off energy support payments to over 2,000 households, including families of Disabled children. This includes direct support to around 700 low-income working households in receipt of housing benefit that were not eligible for the government's national COL payment. We are also making one-off energy support payments to around 700 low-income Disabled residents because of their higher reliance on energy. Similarly, we are making a one-off energy payment to families of over 600 Disabled children in the borough, including higher payments for children that rely on equipment to help manage their conditions.

27. Beyond this, the COL response programme is prioritising the following support:

- Extending the Holiday Activity and Food Programme, which supports families on lower incomes, and children who are at-risk. The programme provides engaging activities for school-aged children for free over the school holidays, as well as nutritional education and a healthy nutritious meal. This provision has engaged over 3,400 children, with 22,560 meals served.
- Providing funding for care experienced young people because of the disparity and inequality they face. This builds on 'Care Experienced' being recognised as a protected characteristic at H&F and the opening in October this year of a Care Leavers' Hub in Shepherds Bush. The COL funding is being used to provide a one-off energy support payment to care leavers living independently, as well as help with furniture and furnishings and food provision via the hub.
- We are also supporting the Big Christmas Lunch donation appeal, which is looking to raise £40,000, partly to help pay for a free two-course Christmas meal at Novotel London West, Hammersmith, for 500 older residents.

28. The COL has meant some families have fallen into crisis. This year we are providing an additional safety net through the Crisis Prevention Fund (CPF). This scheme is open to any resident who faces a crisis which causes them to face financial difficulties and where they have no other financial support available, meaning, for example, that they have no money for food. Launched in October 2023, in the first few weeks £21,000 worth of payments have been made to 35 residents who have been most hard-hit by the COL crisis.

29. The CPF builds on other discretionary local welfare assistance support. Local Support Payments (LSP) support residents who have experienced a one-off emergency event or crisis and have no money available, largely relating to the replacement or provision of furniture and appliances e.g. to purchase a fridge to store medicine where the resident can't afford to buy one given their income and benefits. So far this financial year, £340,000 has been allocated of the £678,500 budget. In situations where residents cannot be helped by the CPF, the LSP can help. For example, a resident who was a new mother and had to leave their accommodation after recently losing their job was referred to LSP and received £374 to cover the costs of bedding and furniture for their newborn.

30. A key impact from the COL crisis locally has been a rise in homelessness, with the number of homelessness 17% higher than 12 months ago. Building on support last year, we have continued to provide additional funding to prevent homelessness through sustaining tenancies amongst tenants in the private rented sector, housing association tenancies and temporary accommodation (TA), as well as helping residents to navigate out of a cycle of debt and financial hardship through addressing their circumstances. In the first two quarters of 2023/24, 130 households were assisted to prevent homelessness, through financial help with rent, energy and utility costs, setting up homes and with clothing and uniforms for children.



#### **Point 4: We're ensuring that residents can access help to maximise their income**

31. By providing clear guidance and direction, we have been able to help residents engage with services that aid with budgeting and income maximisation.
32. The COL Advice Team was set up in 2022 and has continued to provide support to residents who are concerned about the COL crisis. So far in 2023/24, they have handled over 7,600 calls and almost 800 emails requesting support. The team has also undertaken assessments with 350 residents on their circumstances and what additional financial and other help they need, where almost 2,600 issues were raised. Ninety percent of these residents are in receipt of benefits, with a high proportion of women and single person households with or without dependents. The COL Advice Team has been well received by residents with lots of positive feedback.
33. This year, we have increased community engagement through the delivery of 26 COL Pop Ups, where residents receive advice or are signposted to support services. The Pop Ups have been delivered in areas of high footfall (such as shopping centres) and co-located as part of housing and health focused community events, recognising the importance of these agendas to wellbeing. So far, 821 residents have been engaged.
34. Nationally, personal debt is rising. We have recognised the impacts of this locally, to fund additional debt advice services for 2023/24 through increasing the capacity of specialist services and increasing access to debt advice. Additional funding has been provided to provide enhanced welfare assistance to Council tenants, helping over 130 social housing households with budgeting, financial support and maximising their income. Finally, we have also supported 235 working and other families with Council Tax arrears, supporting them onto re-payment plans alongside advice on financial planning and budgeting.

#### **Point 5: We're building economic resilience and an inclusive local economy**

35. H&F is home to major multinational corporations, attracted by our Industrial Strategy and the potential of our White City Innovation District. We are also committed to promoting and growing budding entrepreneurs and local small and medium businesses. These types of business have been most impacted by the COL crisis, and by providing support and guidance, we have helped them to engage customers and new business connections to be better equipped to grow and thrive.
36. The COL crisis has seen business costs soar, and many small businesses do not have the expertise, experience, and knowledge to identify cost-savings to combat this. Our Cost Reduction Programme works with local businesses to help do this. In the first quarter of 2023/24, 47 businesses have been supported, with £53,000 of savings identified. Beyond this, in the first six months of this financial year, our business advice centre has supported 351 local businesses, with 85 accessing free one-to-one business advice clinics with professional advisers. Furthermore, 58 businesses have engaged with our online training workshops.

37. The COL crisis has reduced residents' disposable income, with consumers buying fewer items, favouring cheaper own-brand products, and using loyalty schemes for supermarkets, as they are struggling to afford even essential items such as food.<sup>10</sup> Smaller businesses struggle to compete with the cost-saving economies of scale open to multi-national corporations to attract unconfident buyers. Therefore, to promote great local businesses, we hosted two traffic-free street festivals, enabling 116 local businesses to promote their products and services to thousands of customers. The festivals boosted trade in North End Road and King Street, with footfall averaging 13,000 visitors in both areas. We are also working closely with high street associations to deliver initiatives that boost footfall and trade.
38. To listen to business views, H&F has a bi-monthly Business Network. This has helped businesses raise their concerns about the COL crisis and the Council to respond to these concerns. The H&F Local Supply Chain Project helps local companies access and win work from major property developments in the borough, as well as from the Council and its framework contractors. In the first six months of 2023/24, eight businesses secured £3.3m in new business from these opportunities.

### **Point 6: Building a strategic approach to tackling poverty**

39. Whilst inflation is beginning to fall, the high cost-of-living and poverty are likely to continue for the longer term. H&F is committed to tackling these issues at a local level through a joined-up strategic approach, in the absence of any coherent central government strategy.
40. Our new Corporate Plan for 2023-26 identifies tackling poverty and its impacts as a key priority. Our ambition is that every citizen in H&F can live a healthy, happy, and dignified life, free from poverty. This ambition will provide a long-term golden thread that will filter into the design and delivery of all future strategic work. In tackling poverty, we are using our levers of influence across health, housing, employment and other settings, to drive action. Our ruthless financial efficiency means we will progress this commitment in spite of the government's cut of the HSF and real-term cuts of 56% in our funding since 2010.
41. For example, our draft Food Strategy is helping to improve local food security, and our updated Health and Wellbeing Strategy will aim to ensure that fewer people live in poverty and residents will be more energy secure. The next stage of our Industrial Strategy will seek to boost employment opportunities for everyone and ensure growth in the borough is inclusive and shared. Our new emerging Digital Inclusion Strategy aims to help local residents to gain the digital skills, knowledge and access they need to navigate an increasingly digital world. All these strategies are plans are underpinned by our commitment to work in partnership with local residents, businesses and community groups, to ensure we do things with residents, not to them.
42. Furthermore, our new Fuel Poverty Strategy is leading the way to drastically reduce rates of fuel poverty within the borough by helping residents improve their energy

---

<sup>10</sup> ['Massive shift' in food shopping habits as prices soar - BBC News](#)

efficiency, alongside heating their homes. The strategy will extend beyond COL and help residents to save money on fuel costs in the long term through various support mechanisms including the Winter Ready Homes scheme discussed above and support in accessing government funding. Improving the energy efficiency of our buildings is the most effective way to reduce energy demand in homes, both reducing resident energy bills and reducing the carbon impact of heating.

43. We will also keep our focus on supporting residents with the COL this winter. The opening of our Warm Welcomes, launch of our new CPF and schemes such as Winter Ready Homes will help to offset some of these pressures, but are now at risk because of the cut of HSF from 2024/25. We will build on our co-production work talking directly with residents on the support they need to feed into our future plans.
44. We will continue to work with partners in the COL Alliance to listen to how residents are being impacted. Our response will carry on being guided by data, strong governance and scrutiny, and Cabinet Member leadership. We will continue to reflect on the changing national economic picture, evaluate delivery of the response programme over the winter, and identify our plan of action for the future.

## APPENDIX A – COST OF LIVING SUPPORT SCHEMES

Workstream	Description of activity	Support schemes
COL Alliance	Alliance Steering Group (ASG) progressing agreed priorities.	Digital signposting platform.
		Strengthening training for VCS and volunteering opportunities.
Third sector support	Our strategy includes funding for targeted grants/ support to voluntary and community sector organisations against key COL priorities.	COL Alliance Conferences and workshops.
		Tackling food poverty – Foodbank and Food for All Partnership Co-ordinator.
		Specialist debt advice – Crosslight.
Essential Costs - Low Income Households	Funding for 2023/24 offers support for residents who are struggling with essential living costs and to provide direct financial assistance to groups particularly impacted by the crisis.	Winter Support Fund small grants scheme (H&F Giving).
		Council Tax arrears scheme.
		Local COL payment to Housing Benefit claimants.
		Extending holiday activity for children.
		Essential living cost support - Children in need and Care experienced young people.
Crisis Prevention	Direct financial support to residents who do not have access to other funding.	Big Christmas Lunch for older residents.
		Crisis prevention fund.
Community Support	Direct help and advice to residents to maximise their income and access services. Available on phone, online and on estates, shopping centres and other locations.	Local Support Payments extension.
		COL Advice Team – telephone, online and in person.
		Live Well Team – Warm Welcomes and COL Pop-Ups.
Housing and Homelessness	Support to prevent homelessness and sustain tenancies and provide direct welfare support to social housing tenants.	Communications and promotion – COL Advice and Guidance Booklet for 2023/24.
		Homelessness prevention and Temporary Accommodation.
		Rental Income - discretionary support.
Energy Cost Support	Energy cost support and grants to most impacted groups.	Discretionary Housing Payments.
		Disabled residents & families energy support.
		Winter Ready Homes scheme.
		Prepayment meter vouchers.

