

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Policy and Oversight Board

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Subject: Cost of Living Update

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SUMMARY

This report provides an update on our Cost of Living (COL) response programme and work underway to develop our strategy for 2024/25 given the government's very late decision to extend the Household Support Fund (HSF). This follows previous reports to the Policy and Oversight Board, the last being in December 2023.

The report shows how the COL programme has continued to provide a comprehensive package of support to residents and how we have made the best use of resources to work flexibly across the organisation and respond to the needs of residents with compassion and efficiency.

RECOMMENDATIONS

1. That the Policy and Oversight Board note the report and provide comments and feedback on H&F's response to the Cost of Living crisis.
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Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
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	Support to residents with energy bills and with energy efficiency improvements have formed a key part of the programme.

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

1. The COL programme has reacted quickly to the economic climate and implemented a comprehensive programme of support to residents, despite an absence of long-term funding certainty from central government. We have built on our successful track record of compassionate local government and keeping council tax low for residents, making the best use of resources to respond to the needs of residents with compassion and efficiency. We have continued to work closely with the COL Alliance of voluntary and community sector organisations, resident groups, business representative organisations and public sector partners to work together as part of our response.
2. Local authorities were allocated limited central government funding delivered through the HSF. H&F has enhanced this provision with an allocation of £1 million to be used flexibly in 2023/24 and 2024/25. The COL Programme has effectively used business intelligence (BI) and data insights to target resources at those most in need. By tracking key indicators, the programme has responded to specific needs within the borough, including targeting low-income households, and anticipating the impact on service demand.
3. This report sets out the key activities that have taken place under the COL response programme through our Six Point Plan. It considers the impact of our schemes, the outcomes achieved and key successes. The report concludes with reflections on future challenges and opportunities, to inform work which is underway to develop our strategy for 2024/25.

POINT 1: We've delivered a funded package of support and kept costs down

4. The Council has a very generous Council Tax Support Reduction Scheme (CTRS) that provides 100% relief for residents on the lowest income and with additional support needs. The COL programme has extended this to support

residents in reducing arrears. As of the end of March 2024, this scheme had supported 683 households struggling with the essential Council Tax cost, totalling payments of £430,000.

5. For winter 2023/24, we launched Winter Ready Homes, a new pilot microgrant scheme that offered residents small energy efficient measures to help them stay warm and save money. H&F has been one of the few local authorities in the UK offering such a scheme as part of our broader fuel poverty strategy and strategy to tackle the climate and ecological emergency. The scheme supported 2,050 residents over the winter months. This was a mixture of almost 150 residents applying to the scheme for energy efficient measures they could make to their home; and the distribution of 1,900 standardised packages of simple measures such as draft excluder tape and radiator foil to residents in fuel poverty via community organisations and outreach. In addition, the Climate Change Unit have attended engagements across the borough to talk about energy action including at the Livat Centre, Dementia Action Alliance, Our Place of Sanctuary and at Warm Welcome spaces such as The Nourish Hub and Age UK H&F.
6. We have also helped residents on pre-payment meters at immediate risk of having their energy cut off through the issuing of fuel vouchers through the Fuel Bank Foundation. The COL Advice Team, other Council services and the Foodbank issued 2,342 vouchers across the year which were redeemed by residents. This supported 3,180 adults and 1,067 children, with the Council funding £110k and the Fuel Bank Foundation funding an additional £58k through donations they received.
7. The number of vouchers awarded in the year increased dramatically compared to previous years, reflecting the high cost of energy over 2023/24, and the absence (when compared with 2022/23) of the government's £400 energy support scheme, which most residents received. However, the rise in 2023/24 also reflects residents in need knowing they can receive help from the Council and strengthened referral of residents to the scheme.

POINT 2: We've built alliances across the borough to help tackle this crisis, together

8. To effectively respond to the COL crisis, we have co-produced a response with our COL Alliance, with a regular programme of Alliance Steering Group meetings as well as workshops, and conferences. The views of our Alliance partners have helped shape the delivery of the programme, utilising knowledge and expertise garnered from working directly with residents, understanding their needs, and identifying essential support and advice that can help.
9. Towards the end of 2023, we launched the Winter Support Fund, in partnership with Alliance partner H&F Giving. This fund has seen 35 local community organisations receive funding to the total value of £340,000, to directly support residents that are facing hardship. We responded to the huge demand and quality of the applications received for the fund, increasing the budget available so more residents could be assisted.

10. H&F Giving are currently compiling monitoring returns from each of the projects, but we know they helped thousands of residents, providing a range of help including the provision of food support, warm clothing, essential goods, support with utility costs and advice. The fund has also provided an important resource for staff and volunteers of the community projects. It has helped residents across the borough and from a range of demographic groups including families, young people, older residents, refugees/asylum seekers and socially isolated individuals. Some of the positive stories include the following:

“I can’t keep up with this cost-of-living crisis – I have 4 children, 2 with SEN and I am caring for my sister, this helps so much” Parent supported by SEAPIA

“It was fantastic experience with such lovely people and I’m very thankful for...getting essential shopping to provide for my 2 children in these hard times with a very low income” Single Mother of 2 (aged 7-13) supported by Bassuah Legacy Foundation

11. We have also been able to work closely with the Alliance Steering Group on the development of a resident-facing signposting tool. This was identified early on as a priority of the Alliance. The tool will provide a directory of services and support available across our rich VCS, enhancing resident access to the support on offer. Advice services will become more accessible for residents allowing them to make better informed choices. We are currently implementing the new signposting tool so it will be ready in the summer.

POINT 3: We’re targeting our resources to residents and families most in need

12. We launched a Crisis Prevention Fund (CPF) in 2023/24. This new initiative has offered emergency payments of up to £900 to residents in crisis to prevent further escalation of problems. We successfully helped 360 residents who had insufficient funds for basics like food, gas, or electricity, with an average award of around £600. Residents with large arrears were referred to Crosslight for debt and financial literacy advice. This can help residents improve money management skills and access other debt management support such as debt relief orders.
13. The CPF operated alongside our long-standing Local Support Payments (LSP). This provides support to residents experiencing financial difficulties because of an unexpected event. COL provided additional funding to supplement the Council’s existing budget, and together this made 1,061 awards of support across the year.
14. Homelessness has been a rising issue in the borough during the COL crisis. This has resulted from fast growing private rents, more residents falling into arrears as well as family break-down. Through our COL programme, we have funded help and support to prevent homelessness, making 1,100 awards to 642 households at a cost of £350k. This has supported almost 340 households with children, 252 single person households or couples, 44 households with Disabled residents and 10 households of pension age. We helped with service charges and rent and energy arrears, with food costs, and home set-up costs

such as furniture and/or flooring, including for care leavers living independently in new permanent homes.

15. Uniquely in H&F, we have also provided direct financial assistance to key groups that we knew would be most impacted by the crisis. The payments have provided financial assistance with rising bills including energy costs. To date, we have made:
 - 940 awards to low-income Housing Benefit claiming households
 - 885 awards to low-income households with a Disabled resident or to families or carers of a Disabled children
 - 120 awards to care experienced young people living independently, with food support also provided at our Care Leavers Hub and in-borough supported accommodation provider and financial assistance with utilities service charges, which collectively has reached 645 households
 - 180 social housing households assisted with range of welfare assistance including budgeting
 - Awards to support the safeguarding of children.

POINT 4: We've ensured residents can access help to maximise their income and keep costs down

16. H&F established the dedicated COL Advice Team from the start of the crisis. The team supports residents to maximise income, processes requests for emergency food parcels or fuel vouchers, assists residents with applying for help from the COL programme, signposts residents to external organisations or internal services for support, and has assisted with community outreach. The team have provided a presence at 145 King Street for face-to-face support, as well as offering telephone and digital assistance.
17. Across 2023/24, the team received almost 18k calls, helping 5,700 people. The team also handled 1,600 emails. The team completed over 500 'triage' assessments with residents to understand their circumstances and what support they need, assisting 440 residents. Over 90% of the residents helped were in receipt of benefits, showing how our help has been targeted to those most in need.
18. We have communicated and promoted our COL support widely across the year. Our COL webpages, which can be translated into over 100 languages, have continued to provide advice and guidance to residents and details on our support schemes. The pages had 19,000 page views across the year, seen by 15,000 individuals. In winter 2023/24, we produced again a COL booklet packed with advice and information, building on the successful booklet from the previous year. Over 10,000 physical copies were delivered across the borough through schools, GP surgeries, libraries, and VCS partners.
19. Our successful community outreach Warm Welcomes and Pop-Ups continued over the winter months. This year we offered grants to local community organisations to provide Warm Welcomes across 15 venues in the borough. The Warm Welcomes have offered food, activities, information and advice (e.g. on the Winter Ready Homes scheme) and a friendly place for residents to go. Feedback has been positive, and venues have seen attendance of up 40

residents per activity, most are women from a range of ethnicities, aged 40-60+. Ninety-one percent of residents that attended said that they are likely to take part in other H&F support schemes.

20. In addition, 56 Pop Ups were delivered in 2023/24 in a range of venue including community centres, the Warm Welcomes and Livat and W12 shopping centres, with over 1,400 unique residents engaged. Officers were able to answer enquiries on the day and signpost residents to more specialised sources of help such as Citizens Advice, or H&F Law Centre. This was an excellent example of partnership working with Alliance partners.

POINT 5: We are building economic resilience and an inclusive economy

21. H&F has continued to offer support to residents in accessing employment and improving skills via H&F Works and the Adult Learning service. A range of support schemes have been available to businesses throughout the year, including access to specialist business advisors.
22. We have built economic resilience by providing training to upskill and improve financial awareness for both residents and officers. Crosslight received a grant to increase their debt advice referral capacity, funding a full-time post which is helping to refer and steer residents towards Debt Relief Orders (DROs). Residents have also been referred to Crosslight for help to improve financial literacy and people's ability to maximise their income, helping to develop money management skills. We have also used Crosslight to develop the skills and knowledge of front-line officers support residents with the COL crisis.

Point 6: Building a strategic approach to tackling poverty

23. H&F has a long history of tackling poverty and supporting residents with additional support needs, through trail-blazing policies such as offering free breakfasts to all primary-age children and food activity support in holidays; free Homecare for older residents, the only authority to do this; the Local Support Payments scheme; and a generous Council Tax Reduction Scheme that means 47% of households receive some form of discount on their Council Tax.
24. The COL crisis has shown the value of these policies and raised new pressures for residents facing hardship. Many of the levers over tackling poverty rest with central government, and much of the budget and decision-making power is held centrally. Repetitive cycles of short-notice, reactive HSF announcements provide a temporary fix, however, little has been done to mitigate the broader impact of social and economic conditions.
25. There is no statutory requirement on localities to establish tackling poverty as a priority. The Local Government Agency (LGA) and other industry groups express that national austerity measures have strained local resources to act in this area. The COL has placed significant pressures on the Council from rising inflation and need for temporary arrangements to respond to rising demand for help from residents. The temporary arrangements are increasingly hard to sustain as resources have been depleted following the cumulative impacts of austerity, a pandemic and the COL crisis.

26. The successful delivery of a COL programme has progressively laid a foundation for developing a longer-term strategic approach to the high cost of living. Supported by the Council's new Corporate Plan for 2023-26, which makes preventing poverty and its impacts a key priority, the implementation of the Council's Fuel Poverty, Food, Health and Wellbeing, Industrial Strategy and Financial Inclusion strategies can help to reinvigorate the next phase of COL support and long-term solutions.
27. Through the COL programme we have also seen the benefit of a strong network of third sector organisations, many aided by H&F grants, that deliver frontline support to residents suffering hardship, much as was the case during the Covid-19 pandemic. Their expertise and knowledge of the communities they work so closely with will be crucial to our long-term strategy to tackle poverty and its impacts.

What next for the Cost of Living programme

28. Despite falls in inflation, prices are still rising, but at a slower rate, and will be experienced acutely in lower income households. 2022/23 remains the fiscal year with the largest year-on-year drop in living standards since the Office for National Statistics (ONS) records began in the 1950s. The Office for Budget Responsibility (OBR) now forecasts that real household disposable income per person is to recover to pre-pandemic peak by 2025/26 – a more positive outlook than previously given.¹ Nevertheless, [Figures](#) from the Trussell Trust show that almost 13,000 emergency food parcels were provided to H&F residents between April and September 2023, more than double in the same period the year before. [The](#) UK's food poverty [rate](#) is now among the highest in Europe. Despite stabilising economic conditions, demand for support remains.
29. We therefore welcome the government's announcement in the Spring Budget for a further six-month extension of the HSF. But as the LGA has said, it is hugely disappointing that the government waited until the very last minute to announce the extension, when government officials had previously indicated it would end, and that the extension is only for a short six months, with all of the grant needing to be spent by 30 September 2024. We only received guidance and essential information on the next round of HSF on 26 March 2024, four days before the current programme of funding concluded. This is also the fourth six-month extension of the HSF, with the 2023/24 tranche the only one that has operated for a full year.
30. H&F has been allocated £1,414,374.97. The remit of the extended HSF is largely unchanged, providing immediate support for food, utilities, and wider essentials to households with additional support needs. The fund must be spent in its entirety with no option to carry forward funding into winter months. Despite being six months of funding, the formulation of delivery plans, monitoring and evaluation will be subject to the same level of rigour.
31. In parallel with preparing this report, we are developing our strategy for 2024/25, including the use of HSF until September 2024 and transition of COL

¹ [Economic and fiscal outlook – March 2024 - Office for Budget Responsibility \(obr.uk\)](#)

support into longer-term arrangements. The short-term nature of the funding has several implications for the pace and agility of delivery. It requires consideration of the types of schemes that can be supported, together with understanding the impact on the organisations capacity to support this work.

32. Ongoing analysis of the current programme and how this can transition into the next tranche of funding will be reflected in the design of delivery plans which are being discussed with the Cabinet Member for Social Inclusion and Community Safety and Cabinet colleagues.

LIST OF APPENDICES

None.