



## Overview and Scrutiny Committee

### Report title: Cost of Living

**Date:** 21 September 2022

**Key decision:** No.

**Class:** Either Part 1

**Ward(s) affected:** All

**Contributors:** Catherine Mbema (Director of Public Health), Pinaki Ghoshal (Executive Director Children & Young People)

### Outline and recommendations

The purpose of this report is to brief Overview and Scrutiny Committee on Lewisham Council's response to the Cost of Living Crisis. It is recommended that Overview and Scrutiny:

- Note the work done to date to support residents.
- Note and comment on the proposed work to be carried out by the Cost of Living working group.
- Note and comment on the suggestions for scrutiny roles for the Cost of Living work programme.

## Timeline of engagement and decision-making

- A cost of living briefing was presented to the Executive Management Team in June 2022
- A Cost of Living working group was convened in July 2022
- The Cost of Living working group meets fortnightly
- Local Strategic Partnership meeting will be held in September/October 2022 to confirm partnership action in response to the rising cost of living

## 1 Summary

- 1.1. The cost of living has been increasing across the UK since early 2021. The annual rate of inflation was the highest it has been since 1982 in July 2022, affecting the affordability of goods and services for households. This is a national issue facing all parts of the UK, arising from a number of national and international factors.
- 1.2. The Council's response to this crisis is proportionate given the current financial constraints and the need to make budget cuts. One off funding to support the development and delivery of this work is being considered by the s151 officer.
- 1.3. Recognising the potential impact of the Cost of Living Crisis in Lewisham, the Executive Management Team (EMT) requested a research task group to be convened, made up of key services from across the organisation and facilitated by the Insight Team. The purpose of this research group is to investigate the effects of the cost-of-living crisis on Lewisham residents and services as it builds.
- 1.4. Lewisham's response to the Cost of Living crisis builds on existing support already in place for residents.

## 2 Recommendations

- 2.1 To note the work done to date to support residents.
- 2.2 To note and comment on the proposed work to be carried out by the Cost of Living working group.
- 2.3 Note and comment on the suggestions for scrutiny roles for the Cost of Living work programme.

## 3 Policy Context

- 3.1 This work supports our Equalities Framework.

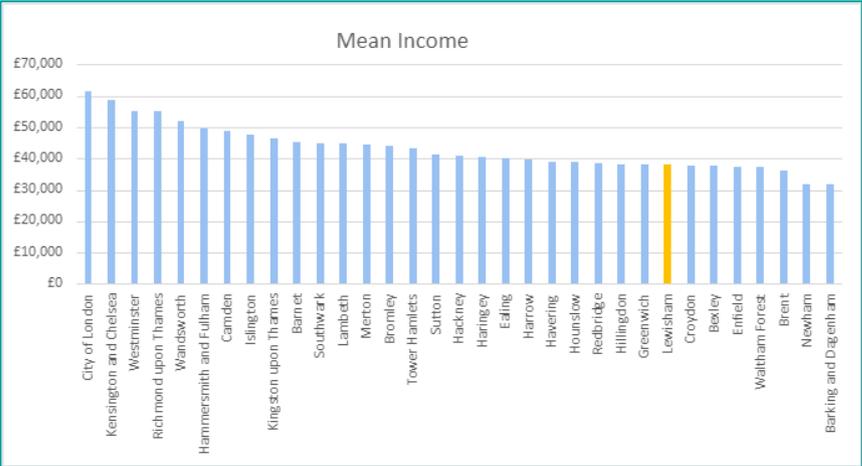
### Is this report easy to understand?

Please give us feedback so we can improve.

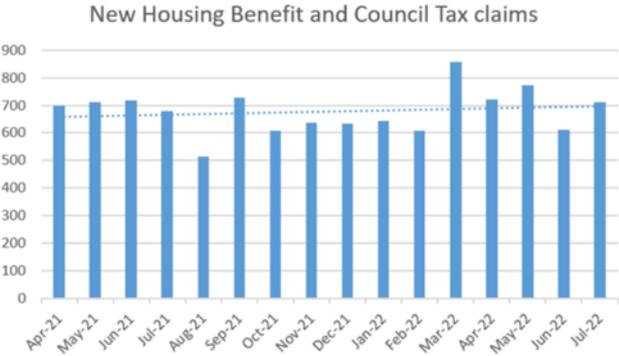
Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 4 Background

- 4.1. The cost of living has been increasing across the UK since early 2021. The annual rate of inflation was the highest it has been since 1982 in July 2022, affecting the affordability of goods and services for households. This is a national issue facing all parts of the UK, arising from a number of national and international factors.
- 4.2. According to the Office for National Statistics, 89% of adults in Great Britain reported an increase in their cost of living in July 2022. Coupled with this, real household incomes are expected to fall in 2022. In August, the Bank of England expected post-tax household income to fall by 1.5% in 2022, then fall by 2.25% in 2023, before rising by 0.75% in 2024.
- 4.3. Low-income households spend a larger proportion than average on energy and food, so are affected by price increases. Whilst the employment rate (78.2%) in Lewisham is comparable to the London average, our average income is the 8th lowest out of 33 London boroughs, leaving many of our residents more vulnerable to changes in circumstance.

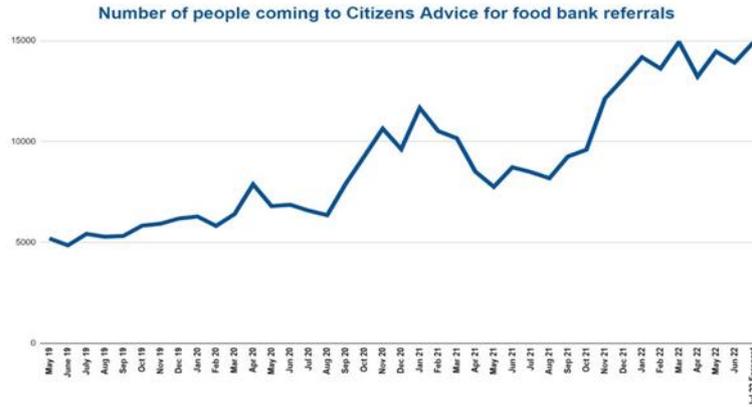


- 4.4. An internal study of Council Tax arrears data showed that the overall amount of Council Tax arrears had increased in 2020-21. This mirrors a trend at national level during the pandemic. The pattern of debt in Lewisham has changed; in financial year 2020/21, a higher number of households had missed one or two payments. Half of these were not in debt the previous year.
- 4.5. The number of housing benefit and council tax support applications in Lewisham is gradually increasing, and has reached a monthly peak of almost 860 in March 2022.

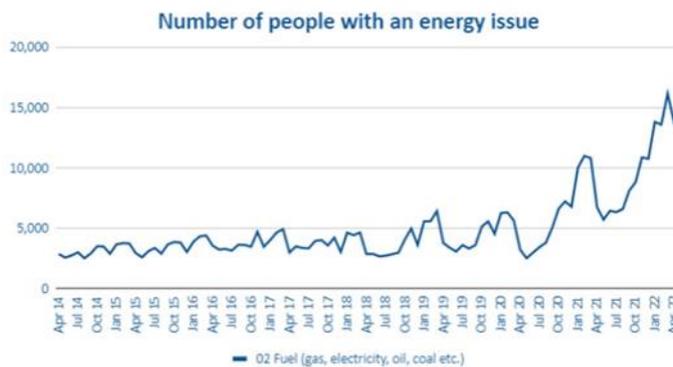


- 4.6. Local partners involved in food banks and food justice are reporting a large increase in demand for emergency food aid as households are struggling to cope, as well as a reduction in cash and in-kind donations. Citizens Advice Bureau data shows referrals nationally to food banks has doubled compared to mid-2021. Lewisham Foodbank

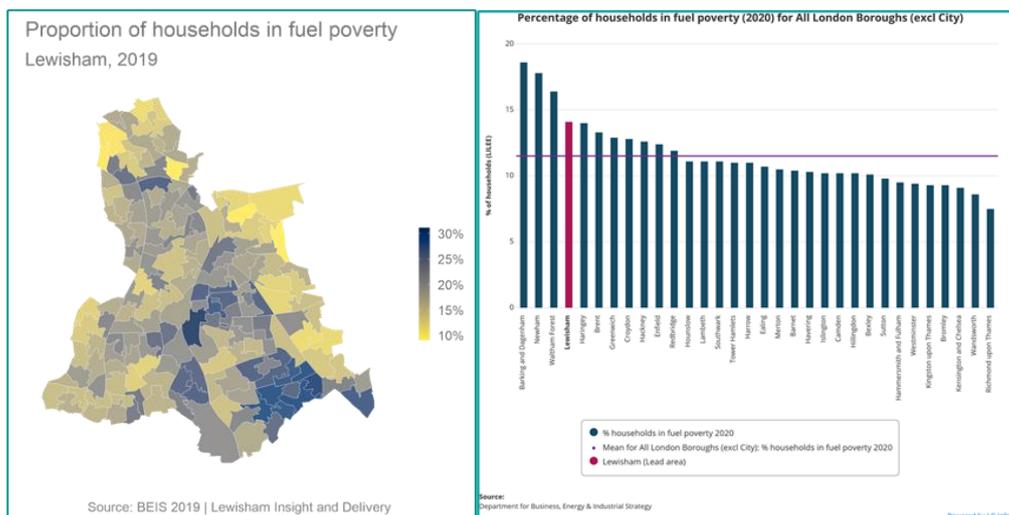
currently supports 173 households with 370 beneficiaries



4.7 Similarly, energy advice services have been reporting an increase in reported fuel poverty, and an increased demand for general debt support beyond basic energy savings advice. A growing number of households are depleting their savings and are facing with the choice of heating their homes or feeding their families this winter. Citizens Advice Bureau data shows that the number of clients reporting an energy-related issue has tripled between Summer 2021 and April 2022 nationally.



4.8 Data shows a significant number of households in Lewisham are living in fuel poverty, particularly in Rushey Green, Hither Green, Downham, and other parts of the Borough. These are households that are particularly vulnerable to further changes in energy cost.



**Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

## 5. Lewisham's response

- 5.1. The Council's response to this crisis is proportionate given the current financial constraints and the need to make budget cuts. One-off funding to support the development and delivery of this work is being considered by the s151 Officer.
- 5.2. Recognising the potential impact of the Cost of Living Crisis in Lewisham, the Executive Management Team (EMT) requested a research task group to be convened, made up of key services from across the organisation and facilitated by the Insight Team. The purpose of this research group is to investigate the effects of the cost-of-living crisis on Lewisham residents and services as it builds.
- 5.3. The objectives of the cost-of-living research task group are:
  - To identify key issues of concern affecting residents or services, including unmet needs.
  - To develop support for decision-making and intervention planning, for example evidence and models that help with prioritisation.
  - To produce briefings for wide internal distribution based on these discussions.
- 5.4. A focus is being placed on supporting the development of action, and to identify and address barriers to action. The Senior Responsible Officers overseeing the Cost of Living research group are Pinaki Ghoshal (Executive Director Children Young People) and Catherine Mbema (Director Public Health).
- 5.5. The Lewisham Cost of Living programme covers the following areas for action:
  - Food justice programme
  - Energy advice and fuel poverty support
  - Income maximisation
  - Debt triage
- 5.6. Lewisham's response to the Cost of Living crisis builds on existing support already in place for residents in these four areas for action:
  - Single Support Grant of up to £250 for people who are homeless or are being released from prison or another institution. Beneficiaries receive a pre-paid card equal to the value of the award, which can be used at specific high-street stores to purchase goods
  - Development of a Food Justice Action Plan in partnership with the Good Food Lewisham Network. The Action Plan is currently being co-designed with stakeholders across Lewisham with the publication of the action plan due in November 2022.
  - Developing £100K Public Health Grant proposal for local food action, including:
    - A small grant scheme to enable local communities to bid for funds to address their specific needs around food insecurity
    - Extending the pilot of the "Cash First" approach to emergency food provision
  - Household Support Fund to support vulnerable residents with the cost of food and utility bills. The fund will be distributed to households with children received Free School Meals, families with children not receiving free school meals but receiving housing benefit and/or council tax reduction and pensioner households receiving

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

housing benefit or council tax reductions or receiving pension credit. To date 20,855 families with children and 8,832 elderly households have received the fund.

- Grants and loans for home repairs including emergency repairs, up to the value of £2000 for emergency works needed such as dangerous gas or electric installations, no heating and hot water and roof leaks.
- Lewisham Works, a free service to support unemployed residents into good jobs.

Successful applicants receive:

- A dedicated Employment and Training Advisor
- Careers advice and guidance
- CV development, job application support and interview techniques
- Sector specific training
- Access to volunteering and work experience opportunities
- Access to vacancies and apprenticeships in Lewisham and the surrounding areas
- Financial advice to maximise the benefit of working

Once enrolled onto an ESF programme the service can provide funding for:

- Travel costs for appointments, interviews and the first month of work
- The first month of childcare once a lone parent has moved into work
- Interview clothing and other employment essentials
- Small emergency payments for living costs, facilitated by credit union.
- Other BACS payments, within reason & at the Employment and Training Advisors discretion.

The service continues to support residents once in work, for up to 6 months, to help them sustain employment.

- Sector based work academies - helps those receiving unemployment benefits get a job in a new area of work.
- Lewisham Youth Hub – supporting young people with personalised one-to-one specialist information, advice and guidance service providing access to training, job and other development opportunities.

5.6 As a result of the initial work by the research group that has taken place to date the following responses are planned or have started:

- A new [Cost of Living page](#) on the Lewisham Council website, launched on 9<sup>th</sup> August 2022, signposting residents to the different types of help they may be entitled to via the Council and other partners. The page is prominently featured on the Lewisham Council website homepage and has been promoted via Resident's news and social media. In the first two weeks (9<sup>th</sup> – 21<sup>st</sup> August 2022), this new webpage has received 1162 unique visits.
- Project to combine existing benefits and DWP datasets to better understand financial circumstances of residents and target support for :
  - Identifying unclaimed benefits or other forms of income maximisations
  - Better targeting of discretionary payments
  - Improved debt management for families

## Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

- Preventative measures by being able to predict resident who are likely to fall into poverty due to changes in circumstances
- Support such energy grants and free school meals
- Increasing employment support
- Commitment to providing Warm Havens for residents where they can spend time when the weather turns colder
- Proposal for joint working with Citizens Advice Lewisham to increase resourcing to support residents with debt
- Looking into the provision of free period products for residents

5.7 Recognising the scale of the Cost of Living crisis, Lewisham Council has started working with partners through the Local Strategic Partnership (LSP). The first meeting held on 7th July 2022 saw agreement from partners to work on this crisis together. The next meeting will focus on the Cost of Living crisis and the opportunities for collaboratively supporting our residents.

## 6 Scrutiny role

6.1 It is recommended that the following scrutiny roles be considered to support the Lewisham Cost of Living programme:

- Healthier Communities Select Committee review the draft Food Justice Action Plan as part of the consultation process.
- Safer Stronger Communities Select Committee review the Cost of Living programme from an equalities perspective to ensure that support is being provided in an equitable way for Lewisham residents.

## 7 Financial implications

7.1 One off funding to support the development and delivery of this work is being considered by the s151 Officer.

## 8 Legal implications

7.1 There are no legal implications.

## 8 Equalities implications

9.1 Certain demographics are known to be more vulnerable to the cost of living crisis. This work is being established with a data and insight base that will support our equalities aims.

## 9 Climate change and environmental implications

10.1 There are no direct climate change and environmental implications, however fuel poverty could have an indirect implication upon these factors.

## 10 Crime and disorder implications

### Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

11.1 There are no direct crime and disorder implications.

## **11 Health and wellbeing implications**

12.1 Stress and anxiety are often known impacts on residents facing financial pressures.

## **12 Background papers**

13.1 None.

## **13 Report author and contact**

13.1 Atika Mohammed (Head of Insight, Transformation & OD), Catherine Mbema (Director of Public Health)

## **14 Comments for and on behalf of the Executive Director for Corporate Resources**

14.1 As set out in the financial implications above (section 7 of the report).

### **Is this report easy to understand?**

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>