

**Community Wealth Building
7 Newington Barrow Way
London N7 7EP**

Report of: Corporate Director of Community Wealth Building

Meeting of: Policy & Performance Scrutiny Committee

Date: 15 September 2022

Ward(s): All

Subject: Scrutiny - Cost-of-living crisis

1. Synopsis

- 1.1. In July 2022, the Policy & Performance Scrutiny Committee launched an in-depth scrutiny to examine how the Council can best support residents experiencing hardship in the current climate. The scrutiny will run through to February 2023 and will explore, amongst other things, what the Council and partners are doing to support residents most impacted by the cost-of-living crisis, and what more could be done. The resident voice will be an essential element of review and will be featured throughout.
- 1.2. This report provides details of key elements of financial support provided by the Council to support those residents on the lowest incomes to meet essential costs and work towards financial resilience. It will form part of the body of evidence that will be presented to the Committee over the next six months to help inform its' final report and recommendations.

2. Recommendations

- 2.1. The Committee is asked to note the support being provided by the Council, particularly through the Resident Support Scheme, Income Maximisation Team, and distribution of government grants to support those facing financial hardship.

3. Background

- 3.1. The Council has in place a programme of support to help improve the financial resilience of residents and mitigate the impacts of the cost-of-living crisis.

3.2. Community Wealth Buildings Economic Wellbeing offer, empowers residents to build financial resilience, future proofed skills, and secure and retain good quality jobs. The offer is framed around six themes which have recently been reviewed to ensure they are fit for purpose. The six themes are;

- Ensure a safety net to support residents in severe financial hardship
- Maximise income for vulnerable low-income households
- Support residents to tackle problem debt and manage household finances
- Reaching residents most in need of employment support
- Provide employment & skills support to find a good job
- Support those in work to find better or more secure jobs

3.3. Part of our Economic Wellbeing offer is delivered by the Community Financial Resilience service within Community Wealth Building. The offer includes:

- Council Tax Support scheme – with a refreshed policy for 2022/23 to provide a higher level of subsidy to the lowest income households
- Resident Support Scheme - providing a safety net of financial support to those facing severe financial hardship
- Income Maximisation Team - supporting residents on low incomes to claim benefits and other financial support to maximise their household income
- Distribution of Government grants including the Household Support Fund and Council Tax Energy Rebate to those most in need

3.4. At its' last meeting, the Committee heard about Islington's Council Tax Support Scheme and the policy changes introduced for 2022/23 which increase the level of support for the lowest income working age households from 91.5% to 95% of their council tax bill. This report focuses upon the other three measures: our Resident Support Scheme, the work of the Income Maximisation Team, and the role we have played in the distribution of government grants.

4. Resident Support Scheme

4.1. Islington's Resident Support Scheme (RSS) provides a vital safety net for vulnerable residents facing severe financial hardship. The RSS supports the Council's vision of a fairer Islington by offering temporary financial support to residents. It helps them to improve their situation, for example by moving into employment or moving home.

4.2 The RSS involves a partnership with Cripplegate Foundation to integrate their grant making resources and experience into the scheme, pooling hardship funding streams - administered by the Council, Cripplegate Foundation and St Sepulchre - into a single scheme. There is also a small amount, contributed by Cloudesley but sitting outside the main scheme, to support those residents with No Recourse to Public Funds.

4.3 There is a referral only access into the RSS. However, there are a number of access points, including through the council's Statutory Services, through 'Trusted Partners' and through identified referral agencies including other council services.

The council's statutory services - Housing, and services for Adults and Children and some key partner organisations such as Housing Associations are able to recommend Islington residents for financial support from the RSS if they identify a need through their existing assessment processes. Each of the statutory services and partner organisations are allocated a notional budget, which they manage and make recommendations of, spend on behalf of service users.

The council also enables designated local referral organisations, such as Citizens Advice Islington to make applications on behalf of a resident. These organisations do not have notional budgets in order to prevent conflicts of interests with their role as advocates for individuals who ask for their assistance.

4.4 A Strategic Management Board (SMB) oversees the strategic objectives of the RSS as administered by the Resident Support Team partnership. The SMB is chaired by the Executive Member for Finance, Planning and Performance. The SMB consists of representatives from Community Wealth Building, Cripplegate, statutory services, trusted partners and voluntary sector representatives.

4.5 There are four types of support (or awards) available through the RSS:

- Crisis Provision: food and fuel vouchers to cover basic necessities
- Community Care: grants to purchase essential household items such as 'white goods'
- Discretionary Housing Payment (DHP): DWP funding to mitigate impact of welfare reforms for households impacted by the likes of the Bedroom Tax and Benefit Cap
- Council Tax Welfare Provision: Council Tax reduction in exceptional personal circumstances or exceptional hardship

4.6 In 2021/22 the RSS distributed 1,948 awards totalling £1.889m of support to Islington residents.

4.7 In 2022/23 we are expecting a similar level of spend for crisis provision, community care grants and council tax welfare provision. For DHP, the DWP have

significantly reduced the budget available to all LA's. The Islington budget has reduced from £1.107m in 2020/21 to £629k for 2022/23. DHP expenditure will be adjusted to come within budget.

- 4.8 It is difficult to anticipate the impact that the ongoing cost-of-living crisis will have on demand. However, based on current trends, we are broadly on track and within budget. Community Financial Resilience will closely monitor the position to ensure we are able to respond to any spikes in demand as required.
- 4.9 The monthly £350 'Thank you' payments to Ukrainian sponsors are being made via local welfare provision through the RSS. To date, 85 hosts have received payment, totalling £70,350 of payments.

5. Income Maximisation Team

- 5.1. Ensuring that residents are accessing their full entitlement to benefits is key to maximising household income, particularly at a time when those on the lowest incomes are really struggling to make ends meet.
- 5.2. We are adopting an evidence-based approach, analysing our Council Tax and Housing Benefit data to identify and proactively contact those who may be entitled to other benefits, including Pension Credit, Attendance Allowance, Personal Independence Payment and Healthy School Vouchers, but have not yet made a claim. We are also exploring the potential to analyse data on take up of Universal Credit which will inform targeted work to support working age families in, or on the edge of, poverty.
- 5.3. Our Income Maximisation Team (IMAX) leads on this work. In 2021/22 IMAX secured £5.064m additional annual benefit income for residents through income maximisation work. A similar target has been set for 2022/23, and a new Corporate Performance Indicator will enable us to monitor progress.
- 5.4. In 2022/23 IMAX have so far helped residents claim an additional £1.869m of annual benefit entitlement up to the week beginning 1 August 2022.
- 5.5. In addition to providing general advice and support, IMAX is running targeted benefit take-up campaigns, focusing on a specific benefit / cohort and using data to identify and contact those residents who may be eligible to encourage them to make a claim and offer support to do so.
- 5.6. The Department for Works & Pensions estimates that up to one million pensioners nationally, around a third of all those who are eligible, are missing out on unclaimed

Pension Credit. This equates to £1.7 billion of benefits that could be worth around £3,300 for an individual pensioner household.

- 5.7. In 2021/22, the team focused on promoting take up of Pension Credit to tackle poverty amongst older people. Two Pension Credit campaigns have been run to date, resulting in 274 older people households being supported to claim a total of £1.245m of annual benefit entitlement. This is an average of £4,544 per household. This continues to be a priority as our data analysis indicates a further 404 pensioner households that should be eligible for pension credit. A third pension credit take-up campaign has recently commenced engagement with these 404 households. We plan to do this annually going forward to capture new pensioner households.
- 5.8. We have conducted further analysis of the two pension credit take-up campaigns which has highlighted that the overall economic impact on the borough of these campaigns is an additional £6.431m. This factors in average life expectancy at the point of claiming the additional benefits providing an estimated total additional amount of money for these households.
- 5.9. Five carer households in the Pension Credit take-up campaign cohort were successfully helped to claim additional benefit entitlement. It is estimated that if the improved financial resilience for these households delayed the need for a care home package for one year this would translate to a saving of £210k.
- 5.10. This year, in addition to focusing on older people, IMAX are running targeted campaigns to increase take up of Disability benefits (Personal Independence Payment and Disability Living Allowance). These claims are more complex so will take longer and require more intensive support. However, in the first quarter of this year (April to June 2022), 96 disabled people were supported to claim disability benefits equating to £506,000.

6. Distribution of government grants

- 6.1. Community Financial Resilience has responsibility for administering a range of additional government grants to address the impacts of Covid-19 and the rising cost of living.

Test & Trace Support Payments

- 6.2. The Test and Trace Support Payment scheme ran from 28 September 2020 to the 6 April 2022 It supported people on low incomes who were unable to work from home and would lose income if they are required to self-isolate because of COVID-19. Eligible individuals received a £500 payment. This was to help ensure people who had tested positive for COVID-19 and their close contacts self-isolated for the required period, and to encourage individuals who have symptoms to get tested.

- 6.3. Islington made 2,389 payments during the Test and Trace Support Payment Scheme period, providing a total of £1,194,500 of support to Islington residents.

Household Support Fund

- 6.4. The Household Support Fund provides support to vulnerable households in most need of support to help with significantly rising living costs. Councils have broad discretion on how to spend the grant, but for the first Household Support Fund at least 50% of the funding had to be spent on vulnerable households with children.
- 6.5. The first round of the Household Support Fund ran from October 2021 to March 2022. £2.218m was distributed to Islington residents to help with cost of living increases, particularly for food, utility bills and other household essentials. All Free School Meal eligible households received support for the school holiday periods, along with those low-income households with children under school age. There was also support provided for 5,800 of our least financially resilient households with a £200 voucher. All those receiving an award were also advised of the support they could get through SHINE and IMAX.
- 6.6. We are currently distributing the second Household Support Fund grant of £2.218m which covers the period April 2022 to September 2022. The criteria for the grant changed from the first Household Support Fund. This time at least one third of the total funding must be spent to support households with children, at least one third of the total funding will be ring fenced to support pensioners with up to one third of the total funding to other households genuinely in need of support.
- 6.7. We have distributed the funding to Free School Meal eligible households and to households with children under school age on a low income, to cover the May half term and summer holiday period. Around 7,000 low-income pensioner households and 4,700 of our least financially resilient households will receive support. Care leavers under 25 resident in Islington and some exceptional housing cost related cases will also receive support via this grant.
- 6.8. The government has announced a third grant of the Household Support Fund which will cover the period October 2022 to March 2023. It is expected that the funding Islington will receive will be the same or very similar to the first two Household Support Funds. The criteria of the grant could change, we will confirm our strategy and priorities for allocating the grant as soon as we receive further guidance from government.

Council Tax Energy Rebate

- 6.9. In February 2022, the government announced a package of support known as the Council Tax Energy Rebate to help households with rising energy bills, worth £9.1 billion in 2022-23. This included:
- A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Energy Rebate (CTER).
 - £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the CTER, known as the Discretionary Council Tax Energy Rebate (DCTER).
- 6.10. The funding for Islington is £10,604,700 for the CTER and £2,465,100 for the DCTER.
- 6.11. In Islington, payments through the scheme have been made as follows.
- Households in council tax bands A-D received an award of £150 from the main CTER scheme.
 - In addition, households in council tax bands A-D in receipt of council tax support on the 1 April 2022, received a top-up award from the DCTER of £62.50, resulting in a total payment of £212.50.
 - Households in council tax bands E-H in receipt of Council Tax Support on the 1 April 2022 received an award from the DCTER of £212.50.
 - Islington foster carers, shared lives and care leavers who had not already received an award, received an award from the DCTER of £212.50.
- 6.12. The number of Islington households who have received support through the scheme at the 31 July 2022 is:
- 67,197 households have received an award of £150 for council tax bands A-D from the CTER. This totals £10.080m of support.
 - 9,029 households have received an award from the DCTER. This totals £873k of support.
 - All payments for both CTER and DCTER will be fully completed by the 30 September 2022.

Cost of Living Payments Administered by DWP

- 6.13 The government announced in May 2022 an extra payment to help with the cost of living if you're entitled to certain benefits or tax credits.

You could get up to 3 different types of payment depending on your circumstances:

- a Cost of Living Payment, if you get a qualifying low-income benefit or tax credits
- a Disability Cost of Living Payment, if you get a qualifying disability benefit

- a Pensioner Cost of Living Payment, if you're entitled to a Winter Fuel Payment for winter 2022 to 2023

6.14 For the Cost of Living Payment, you will get a payment of £650 paid in 2 lump sums of £326 and £324 if you get payments of any of the following:

- Universal Credit
- income-based Jobseeker's Allowance (JSA)
- income-related Employment and Support Allowance (ESA)
- Income Support
- Pension Credit
- Child Tax Credit
- Working Tax Credit

The first payment of £326 was made by the end of July 2022, with the £324 to be paid in the autumn of 2022.

6.15 For the Disability Cost of Living Payment, you will get a lump sum payment of £150 if you're getting any of the following:

- Attendance Allowance
- Constant Attendance Allowance
- Disability Living Allowance for adults
- Disability Living Allowance for children
- Personal Independence Payment
- Adult Disability Payment (in Scotland)
- Child Disability Payment (in Scotland)
- Armed Forces Independence Payment
- War Pension Mobility Supplement

These will be paid in September 2022.

6.16 For the Pensioner Cost of Living Payment, if you're entitled to a Winter Fuel Payment for winter 2022 to 2023, you will get an extra £300 for your household paid with your normal payment from November 2022. This is in addition to any Cost of Living Payment you get with your benefit or tax credits.

7. Monitoring

7.1. This work is monitored through the Economic Wellbeing Working Group, an internal officer group chaired by the Corporate Director for Community Wealth Building and including senior leads for Community Financial Resilience and Inclusive Economy & Jobs.

7.2. We have also introduced two key corporate performance indicators – the number of residents claiming Council Tax Support – as a proxy measure for vulnerable low-income households. This will help us to monitor trends in terms of financial

resilience. At the end of March 2022, there were 25,365 households claiming CTS, a slight decrease on the same period the previous year (lower is better). We are also monitoring the total additional benefit secured for Islington residents through our Income Maximisation team. In 2021/22, £5.064m additional annual benefit income for residents was successfully claimed.

8. Implications

Financial Implications

- 8.1. As this report is providing an update on existing and funded support, there are no financial implications arising from the recommendations within this report.

Legal Implications

- 8.2. There are no legal implications arising from this report.

Environmental implications and contribution to achieving a net zero carbon Islington by 2030

- 8.3. There are no environmental implicating arising from the recommendations in this report.

Equalities Impact Assessment

- 8.4. The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.
- 8.5. An Equalities Impact Assessment is not required in relation to this report, because the recommendation being sought does not have direct impacts on residents.

9. Conclusion and reasons for recommendations

- 9.1. The Committee is asked to note the work being undertaken by the Council to improve the financial resilience of residents and to help them with the rising cost of living.

Final report clearance:

Signed by: Stephen Biggs



Corporate Director of Community Wealth Building

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