

Community Wealth Building Directorate
Town Hall, Upper Street
London, N1 2UD

Report of: Leader of the Council

Meeting of: Executive

Date: 13 October 2022

Ward(s): All

Subject: Islington's response to the cost of living crisis

1. Synopsis

- 1.1 The cost of living crisis is already having a significant impact on Islington residents and businesses, and is likely to get worse over the coming months. Inflation hit a 40-year high in August and is expected to remain high for the next two years. And from October, residents will be paying twice as much for their energy as they were at the start of the year, despite the Government's Energy Price Guarantee. Interest rates are rising, impacting mortgages and business loans. Wages are falling in real terms.
- 1.2 At its meeting on 1 September 2022, the Executive considered a report which set out the impact of soaring energy prices. The report recommended that the Council enter into a new energy supply contract arrangement and other mitigations, and this was agreed.
- 1.3 As part of this discussion, Executive Members touched upon the wider impacts of the cost of living crisis, and the response needed from the Council, its partners, and the local community. It was agreed that a report be brought to the next meeting, setting out what is being done to address the rising cost of living crisis, and to minimise the impacts for those residents and businesses most affected.

2. Recommendations

2.1 It is recommended that the Executive:

1. Note Islington's collective response to the cost of living crisis, including:
 - a comprehensive programme of activity and support
 - mechanisms to monitor the impacts of this activity to ensure it makes a difference
 - a communications campaign to ensure everyone is aware of what's on offer and how to access
 - a cost of living summit, drawing together key partners in a collective call to action, to start an ongoing dialogue with key local organisations
 - a Cost of Living Board to coordinate the range of activity, and to ensure the Council and partners are doing everything possible to support residents and businesses.

2. Note that a Winter Resilience Board is also being established with responsibility for oversight of the enhanced winter plan (social care and physical & mental health) as well as ensuring business continuity given the risks of potential energy shortages, industrial action, and supplier failure

3. Cost of Living Crisis

- 3.1 The cost of living crisis puts further pressure on Islington households who are already struggling. In Islington there are more than 11,500 families living in fuel poverty, and 27,400 people in households receiving housing benefit or council tax support. As well as many households who are just about managing will also soon start to see a decrease in their financial resilience.

- 3.2 Businesses in Islington are closing at the fastest rate since 2017, faced with uncertainty on energy bills and soaring costs for services, labour, and raw materials. In addition, some businesses are already experiencing a drop in consumer spend (e.g., delivery food items) and this is only expected to increase as households reduce discretionary spend. At the same time, the number of businesses carrying debt has more than doubled, initially because of the pandemic, and now increasing because of increased supply and borrowing costs.

- 3.3 The Leader has written to the new Prime Minister calling for an immediate package of support for families and businesses, including:
 - Freezing gas and electricity prices at their current level to give people breathing space over the winter
 - Investing in renewable energy generation, held in common ownership
 - Increasing the National Minimum Wage to match the Real Living Wage
 - Increasing Universal Credit and all other benefit payments in line with inflation

- Introducing universal free school meals for all children (as Islington Council has done for primary school children since 2009)

3.4 On 22 September the Council declared a “cost of living emergency” and pledged to do all it can to help the tens of thousands of residents likely to be hit hardest by spiralling energy and food costs, and soften the blow for local small and medium-sized businesses.

4. Council and Community Response

4.1 The Council is committed to ensuring that we are doing all we can – both across the Council and through working with partners - to help those residents, businesses and communities who are struggling to cope with the rising cost of living. In addition to a core offer of support that has been protected despite many years of funding pressure, significant new activity is underway to maximise the effectiveness of our local response to the cost of living crisis.

4.2 Crucially, we can build on the foundations established by the fantastic community-led work during the pandemic. The cost of living crisis features many of the same pressures and challenges faced only a short time ago, but the incredible spirit of mutual aid has left a positive legacy of relationships, assets, and processes that we can take advantage of during the current crisis.

4.3 Our programme of activity comprises:

- ongoing delivery of the Council’s core offer of financial and other support for residents and businesses
- maximising the effective targeting of relevant Government grants and ensuring they are rapidly distributed
- working with voluntary sectors partners to maximise the borough’s collective offer, with a particular focus on a network of warm spaces
- measures across all directorates to monitor the impact of the crisis, to help assess if our actions are making a difference and to understand and to respond to what will inevitably be a disproportionate impact on some local communities
- a communications campaign to maximise awareness and take up of the support available, including a Cost of Living Summit
- a new Cost of Living Board to coordinate this activity and ensure that the Council and partners are doing all we can to support residents and businesses.

5. Core Support Offer

5.1 Despite ongoing pressures on local authority funding, the Council continues to provide a comprehensive range of support for vulnerable and low income households and to support local businesses and communities. This provides a solid foundation to help support Islington through the cost of living crisis. The core offer includes:

- Making Every Contact Count (MECC): taking advantage of our well established approach, ensuring the extensive day to day contact with the Council's frontline teams is used to identify residents and businesses who are struggling with the cost of living and signpost them to further support. Specific MECC cost of living training is being rolled out to Council staff (potentially to members and partners), supported by toolkits and other resources. A good example is in Adult Social Care, where advice and support on cost of living issues are being incorporated in care and support plan reviews, through service user engagement with frontline staff and the Single Point of Access, and active identification of service users at risk from cost of living crisis.
- Hardship funding: through the Resident Support Scheme, including food and fuel vouchers and other crisis grants, and Discretionary Housing Payments to help those struggling to pay rent
- Maximising household income: our IMAX team helps residents to claim benefits and other financial support they are entitled to, to increase household income. The team helped residents recoup over £5m of benefits during 2021/22
- Employment support: our iWork team and the wider Islington Working Partnership help residents to find good, sustainable employment, whilst our Adult & Community Learning service and Apprenticeship programme help residents build skills for work.
- Support with energy costs: advice and support around heating and energy costs through our Seasonal Health Intervention Network (SHINE) and Safe & Warm grants to improve heating and insulation for vulnerable households.
- Support with food poverty: significant joint work, led by Manor Gardens, with support from the Council and other partners, including support and advice on infant feeding, early years, and school age children, eating well and affordably at home, support for older people including lunch clubs' health promotion initiatives including water fountains and refill, and the development of the Food Poverty Action Plan

- Supporting families: a wide range of initiatives including Universal Free School Meals for Primary pupils, Healthy Start Vouchers, School Uniform Grant, Year 12 Grant, Childcare Bursaries, free childcare for 2, 3 and 4 year olds, subsidised childcare across our network of Early Years centres, breakfast, after school and holiday clubs, a network of libraries offering family activities, free Wi-Fi / digital access, and homework spaces for children and families, support for Care Leavers (Wi-Fi, Winter Funding and covering rent arrears), and Section 17 emergency funding for families. In addition, all schools have access to a named Council Early Help Officer, allowing early referrals where schools become aware of cost of living related risks including food hunger.
- Support around housing: including housing needs advice, rent-deposit scheme for people at risk of homelessness, and payment plans to help tenants who have fallen into arrears
- Supporting businesses: through our Local Economies team, affordable workspaces, and Inclusive Entrepreneur programme, and piloting a Childcare Bursary Scheme for Entrepreneurs. The Council's Energising Small Businesses scheme is being expanded and is helping local business cut their carbon emissions and save money on bills. The Council also remains committed to targeting the payment of all Council suppliers, including SMEs, within 10 days and individual providers such as foster carers the next day
- Supporting a strong voluntary and community sector: our VCS Core Grants programme funds around 50 local organisations to provide vital support to communities. This includes supporting a network of community hubs, and providing free independent advice through our advice partners around welfare benefits, debt, housing, employment, and immigration
- Supporting local communities: empowering local people and communities to develop projects to meet local needs through our two small grants schemes:
 - Local Initiatives Fund: Ward councillors have an annual budget of £13,000 per ward for small grants that deliver benefit to the residents of their ward
 - Islington Community Chest: a jointly funded initiative between the Council and Crip legate Foundation providing grants of up to £5,000 for voluntary organisations that work with Islington residents who are experiencing poverty and/or isolation.

6. Grant Distribution, Warm Spaces and Partnership Working

6.1 In addition to the core support offer, a range of additional support is being delivered or planned, including ensuring any government grants are targeted as effectively as possible in support of the cost of living crisis and distributed as quickly as possible. Some of the new or planned initiatives are set out below, including a warm spaces plan. The Cost of Living Summit identified further opportunities, and these are being explored.

6.2 Distribution of government grants

- Hardship Support Fund: targeted local schemes to ensure Government funding provides support to vulnerable households in most need of support to help with significantly rising living costs. £2.2m was distributed in Round 1 (October 2021 – March 2022) and a further £2.2m in Round 2 (April – September 2022). Round 3 will be distributed from October 2022 to March 2023
- Council Tax Energy Rebate: comprehensive distribution of £13m of Government funding, with 100% of the Council Tax Energy Rebate distributed to all households in Bands A-D through awards of £150, and 100% of the Discretionary Council Tax Energy Rebate distributed, providing households in Bands A-D in receipt of Council Tax Support with a £62.50 top-up and households in Bands E-H in receipt of Council Tax Support with an award of £212.50.
- DWP Cost of Living Payments: monitoring delivery of three schemes - Cost of Living payment for residents claiming key benefits (£650), Disability Cost of Living payment for households claiming specific disability benefits (£150), and Pensioner Cost of Living payment for residents entitled to a Winter Fuel Payment for winter 2022-2023 (£300).

6.3 Business rates relief

- In 2021, Islington was allocated £17.2m through the Government's COVID-19 Additional Relief Fund (CARF) to support those businesses affected by the pandemic but ineligible for existing support linked to business rates.
- The Council used this funding to award a payment of £2,000 to eligible local businesses. However, as a result in changes to overall rates bills for businesses, the £2,000 limit has resulted in unspent allocation which would have needed to be returned to the Government if it had not been spent by 30 September 2022.
- The Council therefore increased the value of the awards to a maximum of £6,500 per business to provide further support to local businesses and distributed 100% of its allocation during September.

6.4 Warm Spaces Initiative

- The Council is working with the Octopus Community Network to provide an offer of warm spaces in community centres across the borough.
- The scheme, which will launch from mid-October and into 2023, will aim to provide spaces across the borough and, ideally, a seven day a week offer
- The Council, Octopus and other partners will work with facility managers to develop, launch, and publicise the warm spaces initiative. Maps and guides will be developed so all residents are clear on the offer and how they take advantage of it

6.6 Targeted use of Local Initiatives Fund

- Members are keen to use the Local Initiatives Fund to deliver activity to address the impacts of the cost of living crisis in their wards and across the borough.
- The scheme will be kept open to take applications relating to the cost of living over the coming months.
- The priority will be to build upon the network of warm spaces currently being developed, to either extend the hours or provide additional spaces or capacity where there are gaps.
- The new Cost of Living Board will act as a sounding board / sense check for other cost of living LIF applications.
- The Executive Member for Homes & Communities will have delegated authority to approve applications to ensure projects can quickly get up and running.

6.7 Joint working with the VCS

- Our local voluntary and community sector groups are often where residents turn when they are most in need. The Council's Communities Team is working closely with the sector, not only on the Warm Spaces initiative but also to share and gather information around the range of other support.
- Activities include an event for the VCS with Islington Advice Centre, RSS, and IMAX teams, improving awareness of and access to the Shine energy advice service, communications planning, production of an information toolkit/leaflet, and working with the Criplegate Foundation to launch of a cost of living fundraising campaign

7. Monitoring the impact

- 7.1 Understanding who or where is most affected by the cost of living crisis will be essential to further developing and targeting our response. And demonstrating that we are making a difference. We are adopting a three-pronged approach to monitoring impact:

- A cost of living dashboard – a basket of indicators to monitor economic and social impact including rent, council tax and business rates arrears, food and fuel poverty, homelessness, free school meals take-up, domestic abuse & acquisitive crime, and service contact volumes. London Councils is already piloting a dashboard, so we will use this as a starting point and build in additional measures as appropriate
- Deeper analysis – to provide a more nuanced understanding of the impacts, particularly disproportionality (e.g., by equalities, geographical areas, or issues such as debt).
- Resident and business insight – gathering case studies and qualitative feedback on how the cost of living crisis is impacting real people.

7.2 This will be a standing agenda item for the new Cost of Living Board and the intelligence will be used to review the effectiveness of our offer, identify gaps or areas where we need to enhance or refocus our collective approach.

8. Communicating the offer

8.1 Ensuring that residents, businesses, partners, and staff are aware of where they can get help and advice is essential to ensuring we maximise the wide range of support across the Council and partners. The cost of living crisis communication strategy comprises:

- Core cost of Living communications campaign, launched in early September and targeting residents, businesses, and staff, through digital content, social media, posters, leaflets, and staff and partner briefings
- a toolkit for members, providing a range of resources and information around the cost of living and the support available has already been produced. Further information, including leaflets and videos, will be added shortly and the toolkit recirculated to Members.
- a toolkit for VCS and partners is also being produced and will be launched shortly.
- Cost of Living Summit: On 3 October 2022, the Leader hosted a Cost of Living Summit which brought together partners from the voluntary and community sector, public sector, anchor institutions and business to share what we are already doing to help tackle the cost of living crisis, and identify what else we could do collectively to support people through these challenging times. The additional ideas and opportunities generated by the summit are being explored.

9. Coordinating the response

9.1 A new Cost of Living Board has been established to ensure that every part of the Council and all our partners are doing what we can to support our residents and local businesses through the cost of living crisis.

9.2 The role of the Board will be to:

- monitor the impact of the cost of living crisis on different groups / stakeholders across Islington and assess the impact of council and community interventions and support
- coordinate the range of activity across the Council and its partners to ensure we maximise the effectiveness of support
- continue Identifying what more could be done to mitigate the impacts of the cost of living crisis
- review applications for the Local Initiatives Fund, with the immediate priority being to ensure a network of warm spaces across the borough
- maintain a strategic risk register and associated mitigations
- keep our residents and local businesses informed and engaged, and ensure that Executive, Members and Corporate Management Board are kept up to date

9.3 The Board, chaired by the Corporate Director for Community Wealth Building, brings together representatives from across Council directorates and, as it becomes established, will look to also involve other key players (e.g., voluntary and community sector partners, Anchor Institutions, and business).

9.4 In parallel to the Cost of Living Board, further governance is being established in the form of a Winter Resilience Board. The Board will have responsibility for oversight of the enhanced winter plan (social care and physical & mental health) as well as ensuring business continuity given the risks of potential energy shortages, industrial action, and supplier failure.

10. Implications

10.1 Financial Implications

There are no financial implications directly arising from this report.

10.2 Legal Implications

The Council has broad powers under Section 1 of the Localism Act 2011, the General Power of Competence, to be exercised in accordance with best value and fiduciary duty and reasonably and properly.

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

There are no environmental implications directly arising from this report.

10.4 Equalities Impact Assessment

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.

An Equalities Impact Assessment is not required in relation to this report, because there is no change in council policy. The actions set out in this report largely capture activity and services already in place or enhanced support for the most vulnerable.

The cost of living crisis is likely to have a disproportionate impact on some of our most vulnerable communities. Through the Monitoring Impacts strand of the programme, we will be actively seeking to collect and analyse data through an equalities lens. This will enable us to identify any groups – or places – that are particularly impacted, and to shape and target our support accordingly.

11. Conclusion

- 11.1 The cost of living crisis will have a significant impact on many Islington residents and businesses, particularly those already struggling or just about managing.
- 11.2 The Council has in place a strong offer of support to help those most impacted, and we are working with partners across the public, voluntary and business sector to raise awareness of the support available and to better understand and respond to the impacts of the cost of living crisis, and work with partners to shape an effective response.

Final report clearance:

Signed by:



**Cllr Kaya Comer Schwartz
Leader of the Council**

Date: 30 September 2022

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