

Committee: Cabinet

Date: 20 March 2023

Agenda item:

Wards: All

Subject: Cost of Living Strategy and Action Plan and Cost of Living Emergency Support Fund

Lead Director: Louise Round, Interim Executive Director, Innovation and Change

Lead Member: Councillor Billy Christie, Cabinet Member for Finance and Corporate Services

Contact officer: Keith Burns, Interim Assistant Director, Customer, Policy and Improvement, Octavia Lamb, Policy and Scrutiny Manager, ext: 4721.

Recommendations:

- A. To agree the Merton Council Cost-of-Living Strategy and Action Plan 2023-25, attached at Appendix I.
 - B. To agree the indicative proposals for the second tranche of the Cost-of-Living Emergency Support Fund, as set out in Table 1 and at paragraphs 3.10-3.31, including further development of proposals around the CroydonPlus, the Credit Union for Merton, Sutton and Croydon, set out at 3.20.
 - C. Cabinet to agree to delegate authority to the Interim Executive Director for Innovation and Change, in consultation with the Cabinet member for Finance and Corporate Services to make the final decisions relating to this second tranche of funding.
 - D. Following receipt of the Household Support Fund guidelines on 20 February, to delegate authority to the Interim Executive Director for Innovation and Change, in consultation with the Cabinet member for Finance and Corporate Services to make allocations of this fund.
 - E. To note further work to support residents since the last update report to Cabinet in January.
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- 1.1. Nurturing Civic Pride is one of our key strategic objectives as part of our borough wide ambition to 'Build a Better Merton Together'. A key element of this is about us becoming a fairer, more equal and inclusive place, which is of particular relevance during the current cost-of-living crisis.
- 1.2. As part of our wider package of support, the majority of Merton residents are set to receive a 1% discount on their council tax bills this year, as the authority seeks to offset the impact of the cost-of-living emergency. The council is also helping to deliver the Government's Council Tax Support Fund reductions of £55 on all bills for those on Council Tax Support.
- 1.3. In this context, this report presents the proposed Merton Council Cost-of-Living Strategy and Action Plan 2023-25 – a cross-council boroughwide approach to supporting residents in Merton.

- 1.4. The council is uniquely placed to work with partners to identify needs and deliver services and support to protect people against higher costs, targeting help at those facing the most complex challenges. By maximising partnership working and establishing systems to provide targeted support, we can implement a targeted approach.
- 1.5. Also outlined in this report are the proposals for the second £1million tranche of the £2million Cost-of-Living Emergency Support Fund agreed by the Cabinet on 22nd September 2022. Cabinet is requested to agree to delegate authority to the Interim Executive Director for Innovation and Change, in consultation with the Cabinet member for Finance and Corporate Services to make the final decisions relating to this second tranche of funding.
- 1.6. In addition, the report includes an update on the fourth tranche of the Household Support Fund and proposals to delegate authority to the Cabinet Lead and the Lead Officer on allocations of this fund.
- 1.7. The report also provides further updates on key pieces of work undertaken by the Council and its partners to support residents affected by the cost-of-living crisis, since the last update report to Cabinet in January.

2 BACKGROUND

- 2.1. Since the council declared a cost-of-living emergency in July 2022, it is continuing to work with its partners to identify and support people in need.
- 2.2. A Cost-of-Living Emergency Support Fund of £2million was agreed by Cabinet in September 2022. Cabinet agreed allocations for the first £1 million, focusing on crisis support and addressing immediate challenges and an update on this first tranche of funding was presented to January Cabinet.
- 2.3. As part of tranche one Cost of Living Fund allocations, £200k was apportioned to the £60 Post Office voucher scheme in 2022-23. Based on the number of post office vouchers redeemed to date, spending up to when the vouchers expire in March 2023 is estimated at £70,000. This leaves an estimated £130,000 underspend from the first tranche. Proposals for allocations of this underspend are: £68,000 for £160 payments to care leavers, special guardians and in-house foster carers; topping up Thinking Works fuel vouchers by £18,429; £40,000 towards the Discretionary Housing Payments fund.
- 2.4. Ongoing mechanisms are in place for engaging with voluntary sector and other key partners, including the Community Response Steering Group made up of the Council and partners, sharing ideas and best practice, determining volunteering and neighbourhood support and oversight of local demand and emerging themes and its Fuel Poverty Subgroup, plus the Food Response Network.
- 2.5. A cross-council Cost of Living Working Group was also established in November 2022 which draws together and builds on the various strands of work being undertaken to address the cost-of-living crisis by sharing knowledge on the changing scale and nature of residents' cost of living needs, both short and long term.
- 2.6. This working group has developed and overseen the implementation of the draft Cost-of-Living Strategy and Action Plan setting out activities, timescales and ownership. The group has also taken the lead on collating

and considering proposals for the second tranche of the £2million Cost-of-Living Support Fund. Further details are outlined in section three below.

3 DETAILS

Cost-of-Living Strategy and Action Plan

- 3.1. The *Cost-of-Living Strategy and Action Plan 2023-2025 – A cross-council boroughwide approach to supporting people living in Merton*, sets out a two-year plan to ensure the council is responding to the cost-of-living crisis in the most effective and collaborative way possible by identifying and fully utilising means of support and funding across different areas, and by identifying and responding to the real needs of our residents.
- 3.2. Through work already undertaken, including community outreach, the council and its partners have identified five priority themes within which to consider actions that will best tackle the cost-of-living crisis, how it is affecting residents and how best to equip people for future challenges. These priority themes will form the basis of the Council's cost-of-living work: Food Poverty, Energy Efficiency and Homes, Finance, Benefits and Debt, Jobs and Skills, The Next Generation.
- 3.3. These themes have two overarching aims: meeting immediate needs and building resilience for the future. They are also underpinned by three guiding principles: Reaching People, Understanding Changing Need, Joining Up Working.
- 3.4. The priorities and actions set out in this plan will be aligned going forward with those set out in the new Council Plan and Equality, Diversity and Inclusion Strategy.

Grant proposals by theme

- 3.5. Cabinet agreed at their meeting on 16 January 2023 that a set of proposals for the allocation of the second tranche of the £2million Cost-of-Living Support Fund would be considered at March Cabinet, alongside the draft strategy and action plan.
- 3.6. These proposals are set out at Table I below and at paragraphs 3.10-3.31. This funding is to help respond to the immediate and ongoing short-term needs of residents, including those most impacted by the cost-of-living crisis, but also to build longer term sustainability for Merton's residents. It should be noted however, that these proposals are indicative only and flexibility will need to be built into delivery to ensure we remain responsive to the changing national picture, the needs of our residents and pressure points for local services.
- 3.7. In addition, it is proposed that a portion of this second tranche of funding (just under £25,000) is set aside as contingency as different priorities emerge, such as additional winter pressures in 2023/4 and any potential gaps in other related funding streams e.g. at present we do not know whether the household support fund will continue beyond March 2024.
- 3.8. To support this, it is proposed that any further or final decisions regarding the second tranche of funding are delegated to the Executive Director for Innovation and Change, in consultation with the Cabinet Member for Finance and Corporate Services.

- 3.9. Alongside the £2million Cost of Living Support Funding, the Cost of Living Working Group is also keeping track of other pots of funding we can potentially draw upon, to maximise our available resources. A matrix of current funding identified to date is attached at Appendix II.

Table 1 - Cost of Living Support Fund – second tranche indicative spending proposals

The following table sets out the indicative second tranche spending proposals and below this is further narrative on each of these proposals.

| COL strategy theme | Details | Timescale | Indicative costs |
|----------------------------|--|--|-------------------------|
| Food Insecurity/Poverty | Community Fridge Network funding extension | July 2023 to March 2025 | £154,113.33 |
| | Wimbledon Dons and the Trussell Trust - help to meet additional need over winter 2023. | Oct 2023 to March 2024 | £42,000 |
| | Emergency assistance funding – further funding round | Oct 2023 to March 2024 | £100,000 |
| Finance, Benefits and Debt | Discretionary Housing Payments fund top up | April 2023 to March 2024 | £40,000 |
| Jobs and Skills | Funding for Merton element of Towards Employment Team | July 2023 to June 2024 | £94,544.20 |
| Next Generation | CroydonPlus Credit Union – vouchers for Merton resident CroydonPlus Credit Union Junior Saver Accounts | October 2023 to March 2024 | £50,000 |
| | Extend Holiday Activities and Food programme provision to half term holidays | June 2023 to June 2024 | £200,000 |
| Cross cutting | Cost of Living Communications Campaign | First £24k – Jan to April 2023 Second £10k – Oct-Nov 2023 | £35,000 |
| | Cost of Living events | To cover event expenses | £10,000 |
| | Merton Community Hub | 1 June 2024 to end May 2025 | £199,621 |

| | | | |
|--------------|--|----------------------------|------------|
| | Data analysis around cost of living | April 202203 to March 2024 | £50,000 |
| | Contingency funding to address emerging priorities | | £24,721.47 |
| Total | | | £1,000,000 |

Food Insecurity/Poverty

- 3.10. Sustainable Merton are commissioned by Public Health to lead the borough's response to food poverty which involves the coordination and monitoring of the Community Fridge Network (including food provision), coordination of the food poverty response group and refreshing of Merton's Food Poverty Action Plan.
- 3.11. It is proposed that £154,113.33 is allocated from the second tranche of the cost-of-living fund to extend funding to the end of March 2025 for Sustainable Merton and partners to support the Community Fridge Network, in order to grow capacity in accordance with increasing need. The breakdown of this funding will be reviewed with Sustainable Merton and partners.
- 3.12. It is also proposed that £42,000 is allocated to the Wimbledon Dons and the Trussell Trust to help them meet additional need over winter 2023/24.
- 3.13. Part of the initial tranche of funding an allocation of £100,000 was agreed to support arrangements in the voluntary and community sector for delivering emergency assistance to residents. It is proposed that an additional £100k is set aside for a further round of emergency assistance funding in 2023/24.

Energy efficiency and homes

- 3.14. It is proposed that funding is set aside as a contingency to fund fuel vouchers/grants should the council not be allocated Housing Support Funding beyond March 2024.

Finance, Benefits and Debt

- 3.15. Households may be eligible for Discretionary Housing Payment (DHP) if they already receive Housing Benefit or the housing element of Universal Credit, but still have to pay some rent. Discretionary Housing Payment is paid from a limited amount of money that central government gives to the Council each year. It is proposed that there is provision of £40k to top up the Discretionary Housing Payment fund to cover the April 2023 to March 2024 period. This figure is based on the current projected overspend of £40k against the 2022/23 budget.

Jobs and Skills

- 3.16. DWP funding for the Towards Employment Team (TET) is coming to an end in June and it is proposed that we sustain some of the capacity for Merton as this service has a good track record and model of working. The funding would help sustain existing employment pathways and provide a focus to exploit new opportunities and ideas, including green jobs, etc. The Towards Employment Team TET currently works across three boroughs, but in future would be entirely Merton focused. We will monitor the number of people supported into employment through this service, their protected characteristics and by the most deprived wards.
- 3.17. It is proposed that £94,544.20 is allocated to retain one project manager and one project officer plus a small project development and engagement budget.

Next Generation

- 3.18. As outlined in the strategy, we want to identify ways to help minimise the fear around finances and money for young people, so that the cost-of-living does not define their futures. There is an urgency to ensure our young people are being made financially aware, given the skills to budget, and are encouraged to save from a young age.
- 3.19. In January, Cabinet considered options for developing the council's relationship with the Croydon, Merton and Sutton Credit Union (trading as CroydonPlus), including a voucher scheme similar to the supermarket vouchers that have been issued at the cost-of-living events
- 3.20. It is proposed that £50k is allocated to working with the Croydon, Merton and Sutton Credit Union (trading as CroydonPlus) to devise a scheme for helping Merton children starting Year 7 in September 2023 to open Merton resident CroydonPlus Credit Union Junior Saver Accounts by providing £20 start-up vouchers. The key aim of this proposed scheme is to encourage a positive savings habit among children.
- 3.21. A Junior Saver Account (0-16 years old) requires a Trustee who lives at the same address as the child and is a CroydonPlus member themselves. To address this, a £10 voucher would also be available for an adult household member where they are not already a Credit Union member. The adult is then the Trustee until the child turns 16. The child cannot access any money saved until then, so this scheme is very much about investing in the future.
- 3.22. Additional funding of £150,000 is proposed to extend to half terms the Holiday Activities and Food Programme which provides food and activities across school holidays for children on free school meals.
- 3.23. The scheme is running through longer holidays, and we have providers to extend the scheme to half terms. At a cost of £50,000 per half term, it is proposed the scheme be extended to cover the three half term holidays between and including June 2023 and February 2024.

Cross-cutting

- 3.24. The Council's Communications team is working with partners to develop a new combined Cost of Living Communications Campaign to promote cost of living advice and support to residents, particularly reaching those who are digitally excluded. The campaign, called 'Cost-Of-Living Action', features a refreshed [cost-of-living webpage](#) with signposted support organised by topic and community groups, plus a range of campaign resources. A localised and highly targeted advertising campaign will also begin on Monday 27 February and run for approximately four weeks in the borough, predominantly in outdoor locations including interior bus panels, tram stops, phone kiosks and on our JCDecaux printed and digital streetside boards. A printed directory listing organisations and programmes will signpost targeted households to cost of living support.
- 3.25. It is proposed that £35,000 of the second tranche of funding is allocated to the cost-of-living communications campaign. This funding will be allocated across the two phases of the campaign, to November 2023.

- 3.26. Following a series of well-attended cost of living events for residents in Merton's libraries and the Civic Centre during the latter half of 2022 a further event is currently planned for the end of March 2023 in Colliers Wood library, following a similar format. After this event is delivered, the working group will then review whether there is an ongoing need and demand for a continued schedule of events in Merton libraries in 2023.
- 3.27. It is proposed that £10,000 is allocated towards the cost of running this future programme of events.
- 3.28. The Merton Community Hub, set up during the Covid-19 pandemic by the Council working in partnership with Merton Age UK, Wimbledon Guild and Merton Connected, has pivoted to providing assistance and support to residents in response to the cost-of-living crisis. It is proposed that this service is to be funded for one year to end of May 2024 via Better Care funding. It is proposed that £199,621 of the tranche two funding is then used to fund this service from 1 June 2024 to end May 2025, so funding is extended for two years in total from June 2023.
- 3.29. One of the key challenges in responding as effectively as possible to the cost-of-living crisis and to ensuring that funding is targeted in ways that maximises benefit for our residents and communities, is our capacity to analyse complex data from multiple sources. There is also a need to ensure that any analysis that includes personally identifiable data is compliant with the Council's obligations under the Data Protection Act 2018 and UK General Data Purpose Regulation (UK GDPR). In order to provide the capacity to undertake the complex analyses required it is proposed that a 12-month fixed term Data Analyst be recruited at a cost of £50,000. The Data Analyst will focus on using existing data from multiple sources to develop tools that allow the Council to increasingly tailor its responses for maximum benefit. There are examples from other Councils of where this has worked successfully.
- 3.30. The Department for Innovation and Change will undertake a project to scope the development of a cost-of-living data set that enables household and population analysis. This will be linked to the Insight to Intervention project.
- 3.31. It is also proposed that consideration is given whether additional officer capacity is required as a project resource for some of the initiatives outlined here.

Household Support Fund 2023-24

- 3.32. The Government has announced a fourth tranche of the Household Support Fund for the period April 2023 to March 2024. The guidance received on 20 February states that part of the fund must be used for an application-based process for residents to access. Taken together with the Cost-of-Living Support Fund the council has £3.373m available in 2023/24 to support residents.
- 3.33. The conditions for the Household Support Grant are broadly similar to the third tranche. As before, the purpose is to transfer the value to households to offset increased household bills and it cannot be used to support information and advice services. The guidance stipulates that part of the

fund has to be used for some form of application process that residents can access. One of the new elements of this scheme is that authorities are encouraged to explore ways in which people with caring responsibilities in their area may be supported.

- 3.34. Officers are in the early stages of developing plans for allocating funding from the fourth tranche of the Household Support Fund, which will further complement the cost-of-living funding. Cabinet is therefore asked to agree to delegate authority to the Cabinet Lead and the Lead Officer on allocations of the Household Support Fund.
- 3.35. As part of the plans being developed, it is proposed that we will continue to support of holiday Free School Meal vouchers from April 2023 to March 2024 (including Easter 2024) through this fund.
- 3.36. Work is also underway liaising with schools to ascertain the scope for extending breakfast club provision across the borough.
- 3.37. Any potential funding for any of these options would need to be sought outside of the Cost-of-Living fund.

4 ALTERNATIVE OPTIONS

- 4.1. There are other approaches, but the above is recommended by the Cost of Living Working Group as the clearest way forward.

5 CONSULTATION UNDERTAKEN OR PROPOSED

- 5.1. There has been ongoing engagement with a range of partners at the Summit and Merton Partnership Exec Board around the medium to longer term planning.
- 5.2. Proposals for the spending of the second million were developed in collaboration with the Cost of Living Working Group.

6 TIMETABLE

- 6.1. Some elements of the funding will be used into the next financial year.
- 6.2. Household Support Grant is for use April 2023 and March 2023.

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1. The proposals outlined in this paper in Table 1 are linked to the second £1million tranche of the £2million Cost of Living Support Fund agreed at September 2022 Cabinet.
- 7.2. The first tranche of £1million from this Cost-of-living Support Fund has been allocated as detailed in the January 2023 Cabinet report, now running with a current underspend of £25,000.

8 LEGAL AND STATUTORY IMPLICATIONS

- 8.1. The Council has the power to make the payments proposed in this report by virtue of section 1 of the Localism Act 2011.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 9.1. None specific to this report

10 CRIME AND DISORDER IMPLICATIONS

10.1. None specific to this report.

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. None specific to this report

12 APPENDICES

- **Appendix I - Draft Merton Council Cost of Living Strategy and Action Plan 2023-25**
- **Appendix II- Funding Matrix**

13 BACKGROUND PAPERS

13.1. None

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