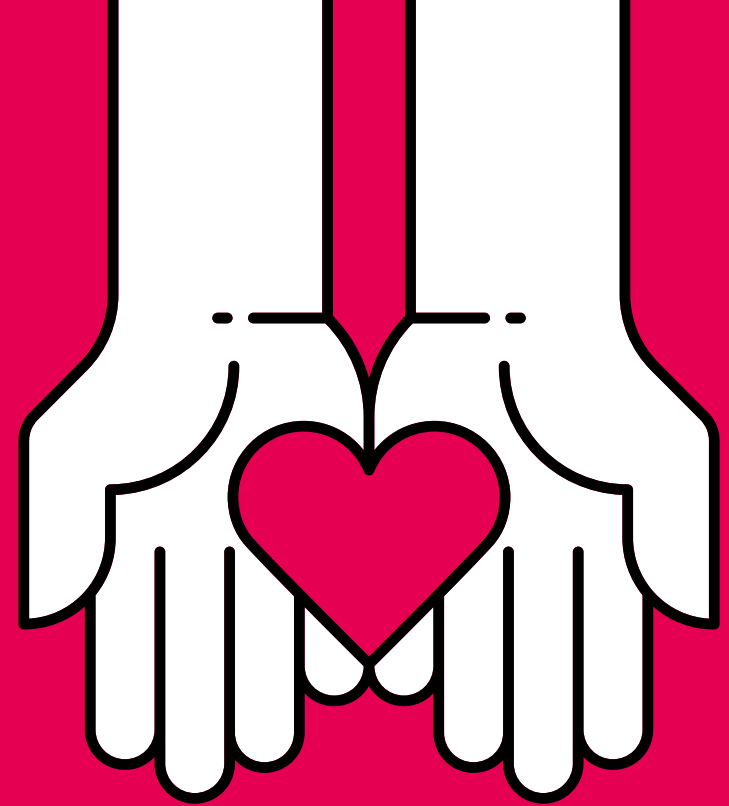
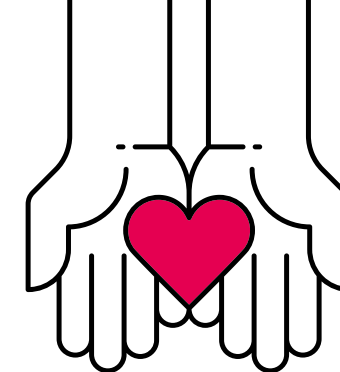


# Cost of Living Crisis

Response plan 2023-2024



Lambeth



# Foreword

“It's only been the last year where things have become unbearable. I didn't know any other organisations providing support. I was broke... I just need to sustain myself and my kids”

## Julia, Lambeth Resident

Triggered by record-high inflation rates, a fall in real wages, and soaring energy costs, the cost of living crisis has affected many across the UK and Lambeth in the last year. Many Lambeth residents have had to live with increasingly tight budgets, often forcing painful decisions to cut back on essentials. This reality is exacerbated by the lingering effects of the Covid-19 pandemic and over a decade of central government-imposed austerity on public services, which have disproportionately harmed the same residents currently suffering most from the rising cost of living.

Yet while the cost of living crisis affects us all, it does not affect us all equally. As our most vulnerable, low-income residents are hit disproportionately hard by high prices for essential goods, stories like Julia's have become distressingly common. Julia is a single mother of three struggling with the high cost of living, food costs, bills and debts. Julia has not looked for support before, so she didn't know where to go. Like many low-income residents in Lambeth, the cost of living crisis has left Julia financially precarious and in urgent need of assistance.

Julia is not alone—in comparison to the UK, Lambeth has a relatively high proportion of residents who live in poverty.

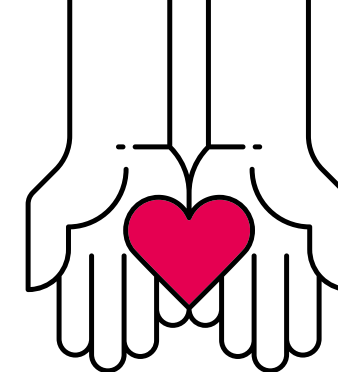
Lambeth Council has been shoulder to shoulder supporting our residents through the cost of living crisis, working hard to help the people in our borough who have been impacted the most.



In response to the rising cost of living, Lambeth Council has distributed £8.1 million<sup>1</sup> of targeted financial support for those who are struggling. Support has ranged from:

- Financial assistance in the holidays for households with children in receipt of free school meals
- To providing direct payments to more than 27,000 people across Lambeth
- Supporting a network of warm spaces where residents can find warmth across the borough and
- Enhanced funding to support local, independent advice agencies for those residents that require the additional support to manage their finances and access the support they are entitled to.

<sup>1</sup>Lambeth's allocation of the Department of Work and Pensions' Household Support Fund



We've also reduced the council tax bills of over 18,000 households to nil as part of our expanded Council Tax Support scheme, whilst maintaining Lambeth's Council Tax rate as one of the lowest in London and England.

However, we recognise that the cost of living crisis continues for our residents who are struggling and we are determined to do all we can to support those in greatest need. With real household disposable incomes projected to fall again in 2023 and economic forecasts predicting real wages to remain below their pre-pandemic levels until 2027, it is clear that the cost of living crisis is not going away.

The aim of this plan is to build on our work in mitigating the impact of the crisis on our most vulnerable residents and supporting them to become more financially resilient in 2023/24.

Lambeth Council's cost of living crisis response plan will direct an extra £10 million<sup>2</sup> to vital support for those hit hardest by the cost of living crisis through:

- Direct payments to households most affected by rising costs
- Expanding our application-based
- Emergency Support Scheme, which provides cash payments to people in crisis

- Vouchers during the school holidays for households with children receiving free school meals
- Extra free childcare for low-income families with young children
- Free period products in council-run buildings, with free home delivery for low-income residents.
- Additional funding for independent advice agencies.

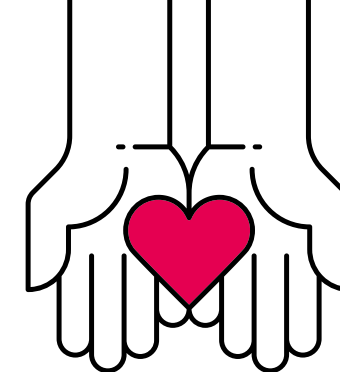
Standing up for those who have been hit hardest by the cost of living crisis is a top priority of Lambeth Council. The proposals which we have developed as part of this cost of living crisis response plan will make a real difference to the households that are struggling the most.



**Cllr David Amos**  
Cabinet Member for  
Finance and Cost of Living



<sup>2</sup>Comprising £5.4m of the Department for Work and Pensions' Household Support Fund, Discretionary Council Tax Support Fund and additional council funding



# Executive Summary

Residents are feeling the effects of the cost of living crisis across all areas of their daily lives.

This plan sets out how the council will mitigate the impact of the crisis on our most vulnerable residents and support them to become more financially resilient in 2023/24. This means focussing on residents who are least financially resilient and/or people whose circumstances make them more vulnerable to the impact of rising costs, for example because they are disabled, a carer or a lone parent.

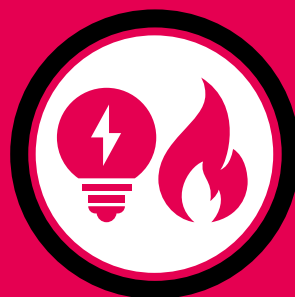
The plan will deliver against the following four objectives:

- **Responding to urgent need**
- **Minimising costs**
- **Maximising incomes**
- **Building financial resilience and managing debt**

The Covid-19 pandemic and this economic crisis have deepened inequity and poverty in Lambeth, but these underlying problems are not new. By addressing the cost of living crisis in front of us we are also working to reduce long-standing poverty rates in the borough.

*In line with Lambeth 2030: Our Future, Our Lambeth, our commitment to becoming a borough of equity and justice runs throughout this document.*

**Recent survey figures indicate that residents predict they will find it difficult to pay for the following over the next 12 months...**



**60%**

Electricity & Gas



**30%**

Food



**36%**

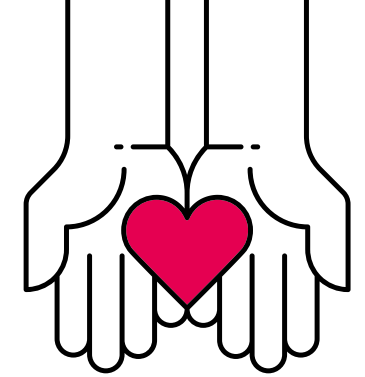
Rent



**38%**

Council tax

The cost of living crisis impacts households with the lowest-incomes disproportionately. This is because the cost of essentials makes up a greater proportion of low-income households' weekly spend.

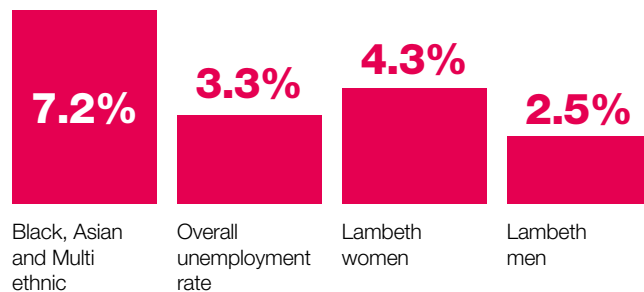


# Equity & Justice

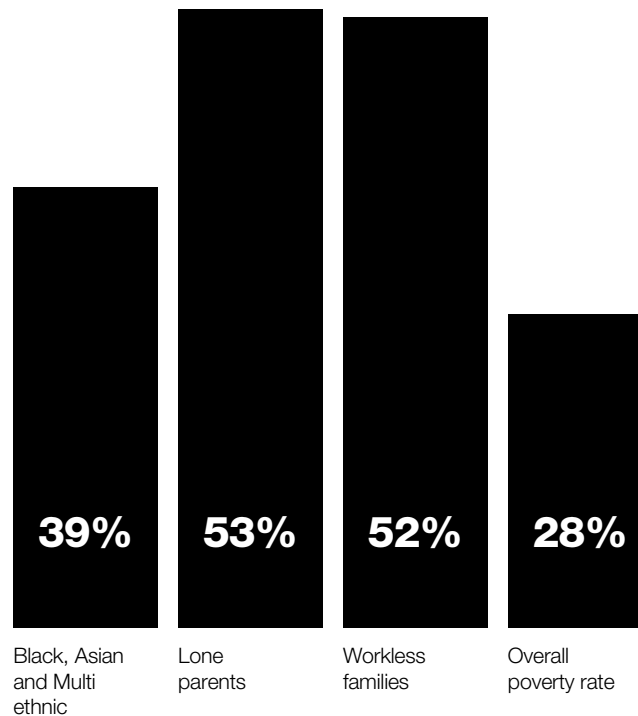
As we address the rising cost of living, we must acknowledge that, because of systemic inequalities, the residents most impacted by the crisis are not representative of the Lambeth population as a whole.

Poverty rates across London for Black, Asian and Multi ethnic groups (39%), lone parents (53%), and workless families (52%) are far above the overall poverty rate of 28%. Black, Asian and Multi ethnic groups, for instance, are on average around twice as likely in London to not have savings of at least £1,500 and are significantly more likely to report that they have struggled to pay their Council Tax. In Lambeth, 7.2% of people from Black, Asian and Multi ethnic communities are unemployed, compared to the 3.3% overall unemployment rate, and 4.3% of Lambeth women compared to 2.5% of Lambeth men.

**Unemployment rates in Lambeth**

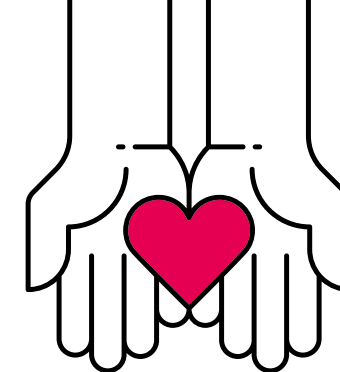


**Poverty rates across London**



Addressing these inequalities has been central to the development of this plan. By using the data available to the council, we will be targeting support residents most vulnerable to rising costs. By providing grants to voluntary and community sector (VCS) organisations, we are enabling them to do the same, recognising that they are uniquely positioned to understand the needs of their communities. In addition, we are leveraging our partnerships and data together to understand how we can help build the financial resilience of all Lambeth residents.

Dismantling the systemic inequalities that are the root causes of poverty in the borough cannot be accomplished within the 12-month scope of this crisis plan. Nevertheless, as part of honouring our Lambeth 2030 commitment to become a borough of equity and justice, we will use this work as an opportunity to continue this process. In doing so, this will help us create a stronger, fairer borough that delivers for everyone.



# Responding to urgent need

Recent years have seen significant increases in demand to provide urgent financial support to residents. This support acts as a safety net to prevent households falling into destitution and to prevent the escalation of crises.

## What we are doing

Throughout 2022/23 and into 2023/24 the council has been delivering the following activity:

### Delivery of Local Welfare Provision

- Additional funding is being placed into the Emergency Support Scheme (ESS), which helps residents facing hardship, a crisis, emergency, or disaster, including struggling to pay bills or afford food
- The ESS will move to being entirely cash-based in 2023/24 enabling residents to choose how they address their crisis rather than providing specific items
- All applicants will be signposted to benefits maximisation and other self-help tools
- Residents who do not meet the income/savings-based eligibility criteria can receive payments from the ESS if referred by trusted partners such as food banks and advice agencies
- A support worker will provide information and guidance to residents requiring specialist support.

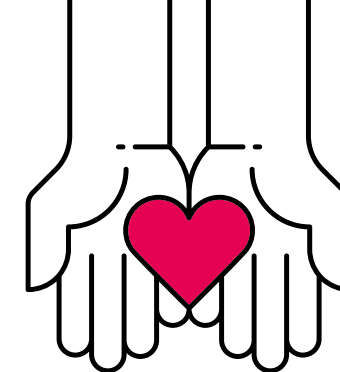


### Why local welfare provision is important: a London case study from our partners Policy in Practice

“Without this emergency payment, I don't know how I would have done.... It was a massive difference. I was able to do the gas and electric, know that that was done. We already had food bank vouchers, the food bank gives you a lot of pasta and sauces and stuff like that. So, I was able to buy the mince to go with that. I had that opportunity. Got the nappies, got the wipes. Obviously, I couldn't get my normal shop, but I just got the basics of what we needed to do that week.”

**Policy in Practice, 2023**





# Minimising costs

The costs of essentials have risen faster than overall inflation, with food price inflation particularly high in early 2023. A key focus of our cost of living programme is therefore how we can help residents minimise the cost of essentials.

## What we are doing

- Provision of energy-savings kits and advice
- Expanding access to free over-the-counter medication
- Reducing Council Tax liability for those in receipt of Council Tax Support
- Expanding eligibility for free school meals to all primary school children from low-income households
- Supporting the most vulnerable households with costs of childcare and work
- Increasing creche and stay-and-play capacity in children's centres
- Providing local VCS organisations with small grants, as they can understand how to best help their communities with the impact of the crisis
- Offering low-income residents free period products delivered to their homes
- Making free period products available in council-run buildings including libraries and leisure centres
- Providing additional support for residents in financial crisis in the private rented sector to ensure they are able to maintain their accommodation.



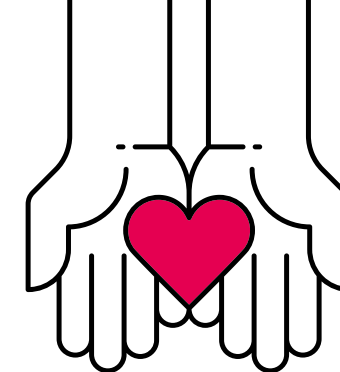
## Case study

Anthony, aged 58, has been a Lambeth resident for 40 years. He works part time and is on benefits but is struggling with rising rents and bills.

Anthony was signposted to the Lightning Reach portal<sup>3</sup> after contacting the council. He applied for and received a Discretionary Housing Payment within 2 weeks which helped reduce his stress and enabled him to eat better.

He was matched with a further seven sources of support including some, like social tariffs (cheaper broadband and phone packages for people claiming Universal Credit), that he had never heard of before.

<sup>3</sup>For more information on the Lightning Reach portal: [www.lightningreach.org](http://www.lightningreach.org)

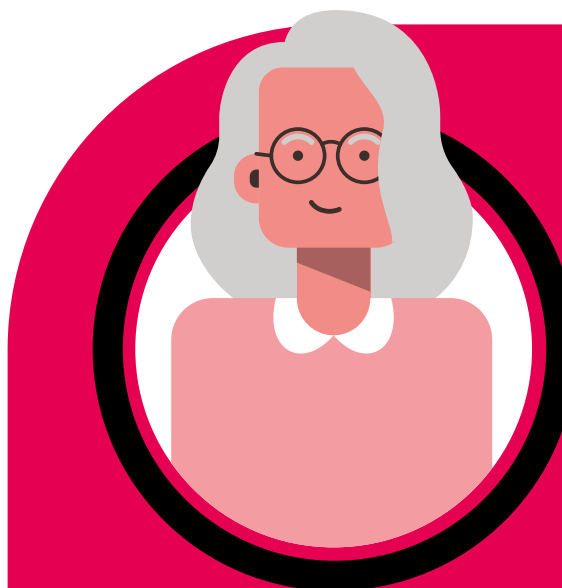


# Maximising incomes

For many Lambeth residents, the council's assistance in minimising costs is a lifeline. However, for those facing debt and other forms of financial insecurity, efforts to maximise income are equally critical.

## What we are doing

- Targeting cash payouts (via the Post Office) to low-income residents most vulnerable to rising costs and least financially resilient, throughout 2023-24
- Continuing targeted information campaigns to make sure more people maximise the benefits available to them e.g. Pension Credit and Free School Meals
- Maximising incomes, through the Every Pounds Counts Team, for residents experiencing significant long-term ill-health or disability
- Implementing a range of employment support programmes including through Youth Hubs, Opportunity Lambeth, Centrepoint and Multiply
- Providing community learning courses on energy advice, cooking, and gardening skills, with cost of living issues embedded in these settings
- Maintaining our commitment to good work in the borough through incentivising and advising businesses to pay the London Living Wage.



## Case study

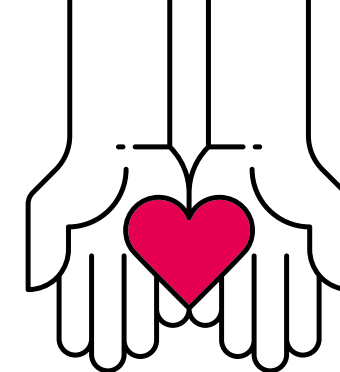
Jane is a housing association tenant living alone and was identified through the council's Pension Credit uptake campaign. Jane received a letter about her eligibility for Pension Credit and a further follow up call to encourage uptake. Jane stated that her gas and electricity bill had increased significantly and she was very concerned about how she would manage financially.

Through the campaign, the council was able to support Jane to claim for Pension Credit and requested a three-month backdated payment. Jane was also referred to the Green Doctor service for advice on reducing her energy bills and fuel vouchers where required.

As a result of this support, Jane was able to receive an additional £100 per week to help with her costs, as well as an annual reduction of up to £450 from her energy bills after working with the Green Doctor.



# Building financial resilience & managing debt



The cost of living crisis threatens to trap more residents in debt. Therefore, building financial resilience and supporting residents to manage their debts is a foundational piece of the council's response to the cost of living crisis.

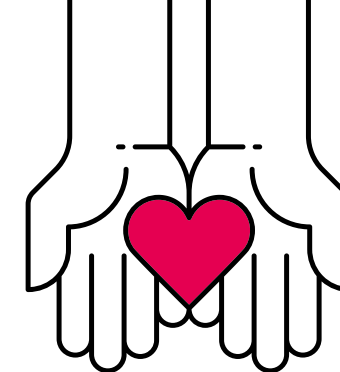
## What we are doing

- Increasing the amount of advice agency activity in the borough based in particular communities and community settings (e.g. healthcare, children's centres)
- Ensuring grant and budget maximisation tools such as Lightning Reach, Turn2Us and EntitledTo are easily accessible to residents on the council website and portals
- Producing a range of information and signposting materials to support those who are not on-line
- Collating support available in a single space on the council's website
- Increasing the specialist finance, debt and worklessness support available to social workers working with families impacted by the crisis
- Offering signposting and guidance training to frontline workers and voluntary and community sector organisations, so residents can access consistent signposting wherever they need.



## Case study

Steven is single with a learning disability and mental health issues. He was referred to one of the borough's advice agencies to provide support with money management. The advice agency supported Steven with maximising their income, understanding their tenancy rights after accruing rent arrears and working with the service to address their debt and manage their money.



# Delivering our plan in partnership

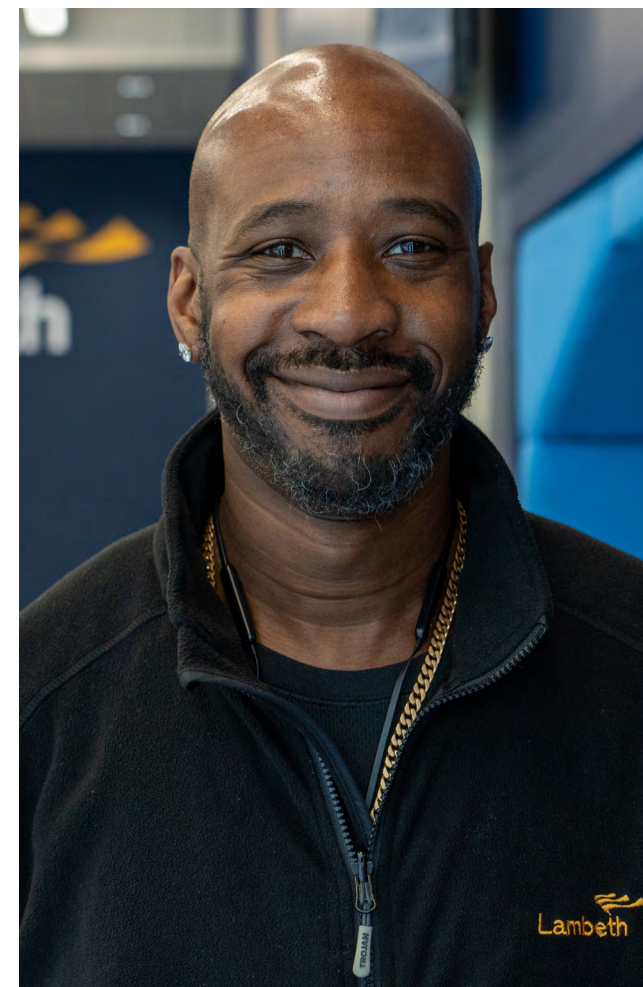
**The development of this plan would not have been possible without the contributions of the range of voluntary and community sector organisations, partners and council departments that work tirelessly to support the borough's most vulnerable residents.**

This is particularly exemplified by the delivery of warm spaces in winter 2022-23 by our voluntary and community sector organisations, supporting residents to minimise their costs and building more resilient communities. As we deliver this crisis plan, we will continue working in tandem with these partners to ensure that Lambeth's cost of living support is holistic and responsive to our residents' needs. Principles of partnership, engagement and the sharing of information will therefore be central to our approach to delivery and our efforts to tackle poverty and inequity in the borough.

## Next steps

**The objectives set out in this plan are bold and ambitious—the severity of the cost of living crisis and its impact on our residents demands it. We recognise the immensity of our goal to improve the financial resilience of our most vulnerable residents and the challenges we will face in pursuing it.**

We know that the issues of financial insecurity, debt, and poverty are problems that cannot be solved in a twelve-month time frame. Nevertheless, we have a unique opportunity to act now to set a clear vision for the coming year and build upon the progress we have already made in helping residents manage rising costs. While this plan is focused on the coming year, our progress now will lay the groundwork for subsequent, longer-term activity to deliver Lambeth 2030, a borough with equity and justice at its heart.



## Further information

To access additional resources and information on Lambeth's cost of living crisis response, including more detail on the activities described in this plan, please visit our website here:

**[www.lambeth.gov.uk/costofliving](http://www.lambeth.gov.uk/costofliving) or pick up a leaflet in your local library or gym**

