

COUNCIL

20 JULY 2022

ITEM NO:

TITLE: “Cost of Living support package – alternative options”

PROPOSING COUNCILLORS: Matt Hartley, Pat Greenwell, John Hills

1. Cost of Living support package – alternative options

This Council:

- 1.1. Notes that at the last meeting of Full Council, on 29 June 2022, a Motion was proposed by Councillors Hartley, Greenwell and Hills entitled *“Additional Cost of Living Rebate of £50 for all households in Band A to D, and all households in receipt of Council Tax Support, in Greenwich”*, that this motion was substantively amended by Full Council, and that the proposal it contained was therefore not considered by Cabinet.
- 1.2. Notes that on 22 June 2022, one day after the Council Motion referred to at 1.1 was published, an ‘Urgent’ agenda item was added to the agenda for Cabinet that evening, entitled *“Cost of Living Crisis”* and with a Preferred Option to undertake a “multi layered engagement exercise” – and that a “taskforce” was announced by the Council on social media later that day.
- 1.3. Notes that £4.988 million of one-off Government funding via the Services Grant 2022/23 remains unallocated in the Council’s accounts, since the Medium Term Financial Strategy was approved by Full Council in February 2022.
- 1.4. Requests that – following the amendment of the Council Motion in June 2022 referred to at 1.1 – Cabinet considers the alternative Cost of Living Support Options that are outlined in Section 2, as soon as possible, given the urgency of the cost of living crisis affecting Greenwich residents.
- 1.5. Requests that, as part of 1.4, Cabinet considers recommending to Council that the introduction of one of these alternative Cost of Living Support Options is funded from the as-yet unallocated £4.988 million of Government funding referred to in 1.3.

2. Cost of Living Support Options

- 2.1. Council notes the following alternative Cost of Living Support Options, for requested consideration by Cabinet as per 1.4.

Option A – £230 Council Tax Rebate for CTS households

- 2.2. Option A would see the introduction of a Council Tax Rebate of £230 for Council Tax Support recipients in all Council Tax Bands (A-H), regardless of the level of Council Tax Support they receive (and would include recipients of 100% Council Tax Support).
- 2.3. The £230 Rebate would be distributed via the same mechanisms the Council has already had to establish to distribute the Government’s £150 Council Tax Rebate, with direct payments to Council Tax Payers who pay by Direct Debit and an application process for all other households.
- 2.4. All 21,225 CTS households would be eligible for the £230 Rebate.
- 2.5. The total cost of Option A would be £4.988 million, as shown in *Table 1*.

Table 1 – Cost of Living Support Option A

Option A	£m
Rebate for CTS households – £230 payments	4.882
Payment distribution – admin cost	0.106
Total cost	4.988

Option B – £180 Council Tax Rebate for CTS households, and £1m Anti-Poverty Fund

- 2.6. Option B would combine a version of Option A (but at a lower level of support, £180 instead of £230) with a £1m Anti-Poverty Fund (to be used to scale up the Council’s Emergency Support Scheme, scale up the Holidays Activity and Food programme, provide grants to local foodbanks, or a combination of the three).
- 2.7. All 21,225 CTS households would be eligible for the £180 Rebate.
- 2.8. The £1m Anti-Poverty Fund would be used to scale up the Emergency Support Scheme (with a communications campaign to increase applications in order to meet unmet need), scale up the Holidays Activity

and Food programme, provide grants to local foodbanks, or all three – in a combination to be agreed by Cabinet.

- 2.9. The total cost of Option B would be £4.988 million, as shown in *Table 2*.

Table 2 – Cost of Living Support Option B

Option B	£m
Rebate for CTS households – £180 payments	3.821
Payment distribution – admin cost	0.106
Anti-Poverty Fund (ESS/HAF scale up, foodbank grants)	1.061
Total cost	4.988

Option C - £125 Council Tax Rebate for CTS households, extra £200 for low-income pensioner households, and £0.7m Anti-Poverty Fund

- 2.10. Option C would combine a version of Option A (but at an even lower level of support, £125 instead of £230), with an additional £200 payment for targeted low-income pensioner households, and a £0.7 million Anti-Poverty Fund (to be used to scale up the Council’s Emergency Support Scheme, scale up the Holidays Activity and Food programme, provide grants to local foodbanks, or a combination of the three).
- 2.11. All 21,225 CTS households would be eligible for the £125 Rebate. 7,500 pensioner CTS households would be eligible for the additional £200.
- 2.12. The £0.7m Anti-Poverty Fund would be used to scale up the Emergency Support Scheme (with a communications campaign to increase applications in order to meet unmet need), scale up the Holidays Activity and Food programme, provide grants to local foodbanks, or all three – in a combination to be agreed by Cabinet.
- 2.13. The total cost of Option C would be £4.988 million, as shown in *Table 3*.

Table 3 – Cost of Living Support Option C

Option C	£m
Rebate for CTS households – £125 payments	2.653
Low-income pensioners – extra £200	1.500
Payment distribution – admin cost	0.106
Anti-Poverty Fund (ESS/HAF scale up, foodbank grants)	0.729
Total cost	4.988

Distributional impact of Options A, B and C

- 2.14. Council notes the distribution of the total cost funding for Options A, B and C as shown in *Table 4*.

Table 4 – Distributional impact of Options A, B and C

Option	Working age £m, %	Pension age £m, %	Anti-Poverty £m, %	Paym. admin £m, %	Total £m
Option A	3.157 63%	1.725 35%	0.000 0%	0.106 2%	4.988
Option B	2.471 50%	1.350 27%	1.061 21%	0.106 2%	4.988
Option C	1.716 34%	2.438 49%	0.728 15%	0.106 2%	4.988

Option D – A variant of one of Options A, B or C at different levels of support

- 2.15. Option D would be a variant of one of Options A, B or C at different levels of support – e.g. a different balance between payments to working-age households, payments to pension-age households, and/or level of Anti-Poverty fund, within a total cost envelope of £4.988 million.