

COUNCIL

29 JUNE 2022

ITEM NO: 16

TITLE: “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

PROPOSING COUNCILLORS: Matt Hartley, Pat Greenwell, John Hills

1. Additional Cost of Living Rebate

This Council:

- 1.1. Notes the financial support being received by Greenwich residents in 2022/23, both via Government-funded schemes delivered by the Council, and via schemes delivered by Central Government directly – but remains highly concerned about the impact of the current cost of living crisis on households across Greenwich.
- 1.2. Requests that Cabinet considers at its meeting on 20 July 2022 the introduction of an Additional Cost of Living Rebate of £50 for:
 - a) all households in Council Tax Bands A to D, whether or not they receive Council Tax Support
 - b) all households in Bands E to H who receive Council Tax Support.– benefiting a total of 99,770 households across Greenwich.
- 1.3. Requests that as part of 1.2, Cabinet considers recommending to Council at its meeting on 20 July 2022 that the Additional Cost of Living Rebate is funded by deploying the as-yet unallocated £4.988 million funding from Central Government provided via the one-off Services Grant in 2022/23. This sum remains unallocated in the Council’s budget, since the adoption of the Medium Term Financial Strategy by Full Council in February 2022.
- 1.4. Requests that, subject to 1.2, Cabinet agrees to distribute the Additional Cost of Living Rebate using the same mechanism that the Council has already established to deliver the Government’s Council Tax Rebate Scheme.

- 1.5. Requests that, subject to 1.2, Cabinet agrees distribute the Additional Cost of Living Rebate to all eligible Council Tax Payers who pay by Direct Debit no later than September 2022, and encourages all non-Direct Debit Council Tax Payers to apply as soon as possible, and by no later than February 2023.
- 1.6. Requests that, given the urgency described below, Cabinet considers the introduction of the Additional Cost of Living Rebate at its meeting on 20 July 2022.

2. Existing cost of living support schemes for Greenwich residents

Council notes:

- 2.1. That Greenwich households are receiving financial support in 2022/23 through a range of schemes that are being delivered by the Council using funding from Central Government, as shown in *Table 1*.

Table 1 – Financial support for Greenwich residents in 2022/23 being delivered by the Council and funded by Central Government

Scheme	Support and eligibility	Funded by
Council Tax Rebate (Band A to D)	£150 payment to all households in Bands A to D	Central Government (£15,111,600 for Greenwich)
Council Tax Rebate (Discretionary Fund)	£150 payment to Band E-H households in receipt of Council Tax Support, £65 payment to all other Band E	Central Government (£891,750 for Greenwich)
Further £175 Council reduction agreed in MTFS	Further £175 reduction in Council Tax for all current and new working age Council Tax Support recipients in 2022/23	Underspend in Covid Hardship Fund in previous two financial years (£0.658m) plus balance from additional council

		tax resources to meet overall cost (estimated to be around £1m)
Household Support Fund (1st April to 30th September 2022)	Targeted support payments to vulnerable households, and grants through existing schemes e.g. Emergency Support Scheme	Central Government (£2.378m for Greenwich)
Household Support Fund (1st October 2022 to 31st March 2023)	As above	Central Government (funding tbc)
Holiday Activities and Food Programme	HAF programme in Easter, Summer, Winter holidays 2022	Department for Education grant (£1.2m for Greenwich)

- 2.2. That this support comes on top of the Council Tax Support Scheme that has offered 100% support for residents on the lowest incomes since 2020, as well as the Emergency Support Scheme, and the Council's increased funding for advice provision via new Advice Hubs.
- 2.3. That households in Greenwich are also receiving further Cost of Living Support in 2022/23 through schemes delivered directly by Central Government through the welfare system and via energy bills, as announced by the Chancellor of the Exchequer on 26 May 2022 and summarised in *Table 2*.

Table 2 – Financial support schemes for Greenwich residents in 2022/23 being delivered directly by Central Government

Scheme	Support and eligibility	Funded by/via
Energy Bills Support Scheme	£400 grant credited to energy bills in 6 instalments over winter 2022/23	Central Government, credited directly to energy bills

Cost of Living Payment	£650 one-off payment for those on means-tested benefits, paid in two instalments (£326 paid on 14 July, and £324 paid in Autumn)	Central Government, direct payment via welfare system
Pensioner Cost of Living Payment	£300 one-off payment to support pensioners who receive the Winter Fuel Allowance	Central Government, direct payment via welfare system
Disability Cost of Living Payment	£150 one-off Disability Cost of Living Payment for those receiving disability benefits	Central Government, direct payment via welfare system

2.4. That despite this significant level of support – delivered both via the Council and by Central Government directly – households across Greenwich continue to struggle with the cost of living crisis.

3. Overall impact of Council Tax increases in 2022/23

Council notes:

- 3.1. That Greenwich households have seen significant increases in Council Tax in 2022/23, with a 1.99% increase in the Borough Element and a further 1.00% increase via the Adult Social Care Precept.
- 3.2. That this has resulted in total increases in the total Borough Element of Council Tax for Greenwich residents ranging from £25 to £76 across Council Tax bands, amounting to £38 for Band D, as shown in *Table 3*.

Table 3 – Impact of Council Tax increases on Greenwich residents in 2022/23

Valuation Band	ASC Precept +1.00% £	Borough Element +1.99% £	Total RBG Council Tax	Mayoral/GLA Precept +8.8% £
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			increase £	
A	+9	+16	+25	+21
B	+10	+20	+30	+25
C	+11	+23	+34	+28
D	+13	+25	+38	+32
E	+16	+31	+47	+39
F	+18	+37	+55	+46
G	+21	+43	+64	+53
H	+26	+50	+76	+64

- 3.3. That these increases were joined by an 8.8% increase in the GLA Precept announced by the Mayor London, adding an additional £32 for Band D, and additional amounts for other Bands as shown in *Table 3*.
- 3.4. That these Council Tax increases in both the Borough Element and GLA Precept have further added to the financial burden facing Greenwich households amidst the current cost of living crisis.

4. Effect of proposed Additional Cost of Living Rebate

This Council:

- 4.1. Believes that more should be done to support Greenwich households through the cost of living crisis, over and above the Government-funded support being delivered by the Council, and the schemes being delivered by Central Government directly.
- 4.2. Notes that a total of £4.988 million of Central Government funding through the one-off Services Grant for 2022/23 remains unallocated in the Council's budget, since the adoption of the Medium Term Financial Strategy by Full Council in February 2022.
- 4.3. Notes that the Additional Cost of Living Rebate will more than cancel out this year's total borough element of Council Tax increase for all households in Bands A to D, as shown in *Table 4*.

Table 4 – Effect of the proposed Additional Cost of Living Rebate for households in different Council Tax bands – non-CTS recipients

Valuation Band	Borough Element £	Total RBG Council Tax increase 22/23 £	Additional Cost of Living Rebate £	Net effect of both measures £	Net effect of both measures %
A	851	+25	-50	-25	-2.9%
B	993	+30	-50	-20	-2.0%
C	1,135	+34	-50	-16	-1.4%
D	1,276	+38	-50	-12	-0.9%
E	1,560	+47	0*	+47	+3.0%
F	1,844	+55	0*	+55	+3.0%
G	2,127	+64	0*	+64	+3.0%
H	2,553	+76	0*	+76	+3.0%

* Note: Council Tax Support recipients in Bands E to H will receive £50

- 4.4. Notes that the Additional Cost of Living Rebate can be administered through the same mechanisms already set up by the Council to deliver the Government's Council Tax Rebate Scheme – with direct payments to all Council Taxpayers who pay by Direct Debit, and using the same claim mechanism that has been set up for non-Direct Debit Council Tax payers.
- 4.5. Notes that the introduction of the Additional Cost of Living Rebate has been costed at £4.938 million for Band A to D households, and £0.050 million for households in receipt of Council Tax Support in Bands E to H, as shown in *Table 5*.

Table 5 – One Offs Capacity Deployment

One Offs Position	£m
Unallocated Services Grant 2022/23	(4.988)
(i) Additional Cost of Living Rebate Bands A-D	4.938
(ii) Additional Cost of Living Rebate Bands E-H (CTS)	0.050
One Off Capacity c/f	0.000

- 4.6. Notes that the Additional Cost of Living Rebate will benefit a total of 99,770 households across the borough, with households in lower Council Tax Bands and Council Tax Support recipients benefiting the most.

- 4.7. Notes that the Additional Cost of Living Rebate will benefit a high proportion of households in every ward, as shown in *Table 6*.

*Table 6 – Number and proportion of households who will benefit from the Additional Cost of Living Rebate in each ward**

Ward	Number of households eligible*	Proportion of all households eligible*
Abbey Wood	6,229	96%
Blackheath Westcombe	4,239	57%
Charlton Hornfair	4,211	88%
Charlton Village & Riverside	3,819	89%
East Greenwich	5,306	75%
Eltham Page	3,377	93%
Eltham Park & Progress	3,267	76%
Eltham Town & Avery Hill	4,356	65%
Greenwich Creekside	3,970	69%
Greenwich Park	3,371	67%
Greenwich Peninsula	4,875	80%
Kidbrooke Park	3,045	73%
Kidbrooke Village & Sutcliffe	2,497	77%
Middle Park & Horn Park	2,993	81%
Mottingham, Coldharbour & New Eltham	3,667	61%
Plumstead & Glyndon	7,239	94%
Plumstead Common	5,995	95%
Shooters Hill	3,999	80%
Thamesmead Moorings	4,360	95%
West Thamesmead	3,775	94%
Woolwich Arsenal	6,025	92%
Woolwich Common	4,636	88%
Woolwich Dockyard	4,519	91%
Total across the borough	99,770	81%

* modelled

- 4.8. Notes that the Additional Cost of Living Rebate would further respond to the results of the 2022/23 Budget public consultation, as outlined in the Medium Term Financial Strategy presented to Full Council in February 2022, which found that:

- 60% of respondents want the council to prioritise spending on reducing poverty and trying to support residents struggling with the cost-of-living crisis
- 59% want the council to prioritise spending on supporting families in dealing with the cost-of-living crisis
- 64% want the council to reduce poverty by helping working age residents on the lowest incomes.