

Report



Leader / Cabinet Member for Community Wellbeing

Part 1

Date: 23 December 2022

Subject Discretionary Cost of Living Support Payment Scheme

Purpose To request approval for the second and final allocation from the cost-of-living support scheme discretionary fund.

Author Head of Finance

Ward All

Summary This report sets out the options for distributing the balance of funds that Welsh government has made available to the Council by way of a 'discretionary cost of living support payment scheme'. The Council can set its own scheme provided the wider remit of helping households with the cost of living is met.

The initial allocation, approved in July, was based on direct financial payments support for those households who did not meet the criteria for the 'main scheme' element of the cost-of-living support scheme. This report sets out the second and final elements of the Newport City Council Scheme. This has a different focus and provides more indirect and equally valuable support to residents of Newport.

Together, the initial element and those contained here make up the totality of the Newport Cost of Living support scheme.

Proposal That the scheme set out in this report is approved.

Action by Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Head of Law & Standards
- Head of People, Policy and Transformation
- Head of Housing & Communities

Signed

Background

The Welsh Government made available a package of measures to help people with the cost-of-living crisis in 2022/23. The package includes, for Newport alone:

'Main Scheme cost of living payment' - £7,596k.

To provide a £150 cost-of-living payment to eligible households (the main scheme) comprising all households in council tax bands A-D, those in receipt of council tax reduction, and those in receipt of a disability reduction in band E. This was paid to c50,000 households in Newport and was closed in September 2022.

'Discretionary Scheme cost of living' - £1,249k

A local scheme devised by the City Council, targeting funds to best suit local needs and circumstances. The local scheme is wide ranging, and the Council is free to use the fund in any way it feels is appropriate under the broad remit of alleviating the impact of the increase in the cost of living. This support may take the form of direct payments to households not already covered in the main scheme, additional payments, or it may cover the cost of essential services provided to households.

The first part of the local scheme was agreed by Cabinet Member in July 2022 and comprised:

- Those households/groups exempt from paying Council Tax and which were recommended by WG for inclusion in local schemes. These were considered and included in the local scheme and a £150 payment was made to c800 households here at a cost of c£120k
- Those households/groups awarded an additional payment due to their circumstances where utility bills are higher due to the age or disability of the residents. Under this section, three broad categories comprising over 13,000 households received additional payments of £50 / £65 at a cost of c£740k
- Those households which did not claim their £150 from the Main scheme were credited £150 into their Council Tax account or given a Post Office voucher to 'cash' for the same value, thereby ensuring all the unspent Main Scheme funding was utilised locally for those eligible.

As noted above, the Main Scheme has now closed, and the above local scheme payments are largely completed with c£805k spend already incurred.

There is now a forecast balance of c£400k still to allocate for the local discretionary scheme and this is likely to increase further as further unspent monies from the first phase of the local discretionary scheme is identified. Following discussions with Council service areas and a range of partners organisations working within and for communities at a 'Cost of Living Summit' held on the 2nd November, the balance is recommended for allocation as follows:

- Subsidise the cost of 'paid for' primary school meals to fully delay a proposed price increase that was due to take place upon commencement of the Autumn Term in early September; until April 2023. This will support families through the Autumn/Winter to April 2023 when those households on low income and/or receiving work related and other benefits will see these increase and winter costs around heating/electricity start to reduce. This is anticipated to cost £55k.
- Fund the cost of two money/debt advisers to support those living with family / friends, the private rented sector and owner – occupiers. This is anticipated to cost £180k
- Fund on-going support provided by the Citizen's Advice Bureau and MIND in supporting individuals and households. This is anticipated to cost £160k.

- Given the likely possibility of further funds from the first phase of the local scheme, any additional residual balance of funding will be used to provide energy and food vouchers to households and be managed by the Community Cohesion Team.

The above areas of spend, alongside those included in the first phase of the local discretionary scheme make up the totality of the Newport Discretionary Cost of Living Scheme. Together, they include a mixture of both immediate and longer lasting support and help to local residents and households.

Financial Summary (Capital and Revenue)

- Newport has been awarded £1,249,635 to distribute under the cost-of-living discretionary support payment scheme.
- The proposals included in this report fully utilises the funds available
- There will be no ongoing financial liability once the funds have been distributed.

Risks

The scheme is fully funded by Welsh Government therefore there are no financial risks for the Council from this proposal.

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Nil				

Links to Council Policies and Priorities

Corporate Plan 2022-27

The proposed scheme will help to meet the objective to have a fairer Newport since it will enable more residents that are not included in the main scheme to receive a cost of living payment along with assisting vulnerable groups with additional assistance.

Preferred Option and Why

To adopt the scheme detailed in this report to enable on-going support to Newport residents.

Comments of Chief Financial Officer

The report outlines all the key financial issues. This is a much-needed resource to support Newport Communities and households and the scheme in totality includes a number of one-off financial support and on-going other support to Newport residents.

The scheme ensures that all the funds coming from the 'main scheme' is utilised and the discretionary scheme will need to be managed carefully to ensure the Council keeps to within the available resources.

Comments of Monitoring Officer

The Discretionary Cost-of-living Support Scheme is in accordance with the Council's statutory well-being powers under Section 2 of the Local Government Act 2000. The principle of providing financial support to those in greatest social and economic need is also consistent with the Council's socio-economic duty under the Equality Act. As noted within the report, the Main Scheme has now closed, however, this additional funding is provided to enable local authorities to operate an entirely discretionary local scheme providing immediate and longer-term support related to living costs, supplemental to the Main Scheme.

The Council has discretion as to how it utilises the available funds and the support may be provided, either by way of making individual payments to households deemed by the Council to be in need of assistance with living costs or to cover the costs of providing living cost related services to those households. However, as with all discretionary decisions, the Council has a duty to act fairly and consistently and must have regard to the Welsh Government grant conditions and relevant guidance in relation to the Scheme. The Welsh Government guidance provides for the Discretionary Scheme to be used to support households who are excluded from the categories of the Main Scheme, and it is for the Council to decide who is eligible, provided that the eligibility criteria is clearly published on the Council's website. The guidance also allows for the funding to be used to support the delivery of cost of living services to households eligible for assistance through the Discretionary Scheme, for example by extending the provision of free school meals or meals on wheels.

As this is a discretionary framework for the allocation of hardship funding, as opposed to a statutory Council tax reduction scheme, then this is an executive function and a decision for the relevant Cabinet Members. It does not require the adoption of a formal scheme by full Council.

Comments of Head of People, Policy and Transformation

Newport City Council recognises the impacts which inflationary cost of living pressures are having on vulnerable and low income households. As outlined in the report, Newport City Council has successfully distributed funding across households in Newport to support household costs. Those household impacts will also include residents working for Newport Council and our partner organisations. The proposals outlined in the report supports Newport Council's Strategic Priorities set out in the Corporate Plan as well as provide short term relief whilst supporting residents with longer term support. Newport Council is also providing staff with support, guidance and links to money / debt advice services.

Comments of Non-Executive Members

Councillor M Evans:

Whilst I welcome most of the recommendations contained in the report, I am not convinced re this one:

"Fund the cost of two money/debt advisers to support those living with family / friends, the private rented sector and owner – occupiers. This is anticipated to cost £180k"

Is best value for money? Surely, we can find a better way of ensuring this money goes directly to those in most need instead?

Response:

The Discretionary Cost of Living Support Scheme funded by the WG gives LA's a discretion as to how the money can be used to provide cost-of-living support to residents. The aim of the scheme is to provide not only short-term assistance in terms of direct payments, but also to deliver longer-term solutions. One of the longer-term solutions is to provide households in need of support with advice and guidance in relation to managing their cost-of-living finances. With this in mind, these posts would provide a larger number of residents longer lasting financial assistance, to a value potentially far in excess of the £180k cost of delivering these services and the long-term benefits are likely to outweigh the cost. The two posts in question would be fixed-term for two years to support residents through the cost-of-living crisis, therefore the £180k figure equates to £45k per post, per year providing a longer period for residents to seek advice.

Councillor Jones:

I would like to comment on the proposed consideration of spending 180k on two new posts, money / debt advisers, to help and assist NCC with this important matter. I do not agree to the high costs of this option, and we should be seeking external assistance with this matter and reducing the costs. The taxpayers of Newport would be concerned to learn of this expenditure especially as the Cabinet are proposing cuts to services and increasing the council tax by 9.5%, it would be hard to support such a proposal at this sensitive time.

Scrutiny Committees

N/a

Fairness and Equality Impact Assessment:

This impact assessment considers our legislative responsibilities under:

- The Equality Act (2010), including the Socio-economic Duty
- The Wellbeing of Future Generations (Wales) Act (2015)
- The Welsh Language (Wales) Measure (2011)

- **Wellbeing of Future Generation (Wales) Act**

In the development of this report, the Council has considered the Sustainability principles:

Long Term – The decision considers providing short term financial and non-financial support to the City's most vulnerable and disadvantaged residents. The funding of money / debt advisors also supports the Council enabling residents to find long term solutions and support with cost-of-living pressures.

Prevention – The report considers how the funding will help prevent and/or mitigate the impacts of the cost of living on household costs and living standards.

Collaboration – The delivery of the funding will be delivered in collaboration with partners such as the Citizen Advice Bureau, MIND, and schools.

Involvement – The Council will provide opportunities for residents to access services delivered by the Council via digital and telephone services. The involvement of residents and their feedback on the receipt of services will be considered as part of any future decisions.

Integration – The report outlines how the delivery of this funding will be integrated into existing arrangements and processes delivered by the Council. The decision supports the Council's Corporate Plan 2022-27 and its strategic priorities.

This proposal and the scheme in totality supports the following well-being goals:

- A prosperous Wales the payments outlined in the scheme will support those on low incomes across the city.
 - A healthier Wales – residents with disabilities, receiving domiciliary care or who are elderly are all adversely affected by the increase in energy prices due to the fact that they spend more time at home, the proposed scheme will assist these residents.
 - A more equal Wales – in targeting the payments and support at the households that have higher needs due to low income, age or disability ensures an equitable distribution of the funds.
- **Equality Act 2010**
The proposed scheme is positive and the beneficiaries of the scheme will be those households that have additional needs with resulting increased energy bills or are on low incomes or require advice and guidance.

There are no impacts on the protected categories in the Equality Act 2010

- **Socio-economic Duty**

The Socio-economic Duty is set out in the Equality Act 2010, and requires the council, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. Inequalities of outcome are felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

The proposed scheme is positive and will be beneficial to the households identified in the scheme and targets help to those with higher needs namely:

- Low Income/income poverty – working age and pensioner households receiving council tax reduction will benefit from the scheme.
- Low and/or no Wealth – low income groups will benefit.
- **Welsh Language (Wales) Measure 2011**

There are no adverse effects on the Welsh Language

Consultation

This report has been drafted in consultation with the Cabinet Member.

Background Papers

External Pressures Dec 2022 report to Cabinet

Discretionary Cost of Living Report – CM July 2022

Dated: 23 December 2022