

**CABINET MEETING: 23 JUNE 2022**

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**COST OF LIVING SUPPORT SCHEME**

**FINANCE, MODERNISATION AND PERFORMANCE  
(COUNCILLOR CHRIS WEAVER)**

**AGENDA ITEM: 1**

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**Reason for this Report**

1. The reason for this report is to provide details of Welsh Government's Cost of Living Support Scheme including a proposal in respect of the associated Discretionary Scheme, for which the Council can determine a use locally.

**Background**

2. The Welsh Government announced a package of measures to help people with support towards the cost of living. The package includes £152M to provide a £150 cost-of-living payment to eligible households (the main scheme) and £25M to provide discretionary support for other purposes related to living costs.
3. The schemes are intended to provide immediate support as Wales recovers from the pandemic and support households to deal with the impact of increasing energy and other costs
4. The Discretionary Scheme funding can be used by each local authority to support households it considers to be in need of assistance with their living costs. Cardiff has been allocated £2.193 million to spend on a discretionary scheme.

**Cost of Living Scheme - Main Scheme**

5. A payment of £150 can be made to a household under the main scheme if the householder(s) meets one of the following conditions.

**A. Council Tax Reduction Scheme Entitlement Condition**

6. If the householder(s) was in receipt of support through the Council Tax Reduction Scheme on 15th February 2022, they are automatically assessed as being entitled to a payment of £150 regardless of the valuation band in which their property is placed.

## B. Council Tax Band Condition

7. Households occupying properties in council tax Bands A to D are assessed as being entitled to a payment of £150 provided they were:
  - Liable for council tax at a property on 15th February 2022;
  - Not in receipt of an exemption for that property on 15th February 2022;
  - Living in the property as their main residence on 15th February 2022; and
  - Responsible for paying the associated utility and other regularly incurred bills for the property on 15th February 2022.
8. Local authorities administering the scheme will be able to make the reasonable assumption that household(s) liable to pay council tax are also responsible for paying the utility and other regularly incurred bills.
9. Households living in properties which have been valued as Band E and are in receipt of disability band reduction are also eligible to receive the payment.
10. Households are eligible for a payment if their property band recorded on a valuation list is amended retrospectively after 15th February 2022 to fall within an eligible category, for example, as a result of a successful review or appeal made to the Valuation Office Agency (VOA) that concluded after this date. Households living in new builds awaiting an official banding from the VOA are also eligible for a payment if the official banding subsequently allocated by the VOA, meets the eligibility criteria for the scheme.
11. Only one £150 payment is to be made in relation to any single dwelling under the main scheme. In cases of joint and several liability, only one payment is to be made and it should be paid to the first named person on the council tax bill. Where this is not possible, local authorities have discretion to identify the most appropriate person to whom the payment should be made.
12. The estimated number of eligible households in Cardiff is shown below:

<b>Main Scheme</b>	<b>Households/Payments</b>	<b>Value £</b>
£150 to all households receiving Council Tax Reduction	30333	4,549,950
£150 to all households in Bands A to D *	58572	8,785,800
*Excluding households receiving Council Tax Reduction		
<b>Total</b>		<b>13,335,750</b>

13. To date (17<sup>th</sup> June 2022) 75,850 payments have been made totalling £11.377 million (the majority of which have been paid within 14 days). During the summer, the Council will be writing to all remaining eligible

households under the main scheme to ensure that the support available is utilised in full.

### Cost of Living Scheme – Discretionary Scheme

14. In addition to supporting the eligible categories outlined above through the main scheme, each local authority may use the funding provided under the Discretionary Scheme to provide support to households it considers to be in need of assistance with their living costs. This support may take the form of a payment to a household not already covered in the main scheme, or an additional payment, or it may cover the cost of essential services provided to the household.
15. The total funding in Wales for the discretionary scheme amounts to £25M.
16. The Welsh Government has stated that in developing the local Discretionary Scheme, local authorities have complete autonomy to target the funds to best support residents and to ensure their approach best suits the need of their individual residents.
17. The authority has discretion over the value of the award and to pay by instalments if it considers making a full payment would not be in a household's best interests or that it might compromise their welfare.
18. It is recognised that payments or the provision of other support to such households may be more readily administered by specialist services within the local authority – e.g., social services, homelessness services, educational support services etc.
19. The proposed design of the Cardiff Council Discretionary Scheme is detailed in the paragraphs that follow.
20. Firstly, in relation to key vulnerable groups that were excluded from the main scheme and not requiring means testing:

<b>Discretionary Scheme</b>	<b>Households/Payments</b>	<b>Value £</b>
£150 to all households receiving the following Council		
Tax exemptions -		
Providing or receiving care (Class I and J)	22	3,300
Occupied solely by under 18-year-old (Class S)	14	2,100
Severe Mental Impairment (Class U)	485	72,750
Occupied granny annex (Class W)	30	4,500
Care Leavers (Class X)	155	23,250
£150 to all households receiving Council Tax Disability	480	72,000
Band Reduction in Bands F to I *		

*Excluding households receiving Council Tax Reduction		
<b>Total</b>		<b>177,900</b>

21. The above households will be identified from the Council Tax billing system and will receive a letter confirming their eligibility along with instructions of how to claim the award. The letter will provide them with a unique activation key which when entered along with their Council Tax account number and personal details will enable them to claim online.

### **Increase in Demand on Services**

22. The impact of the cost-of-living crisis is leading to more residents seeking assistance from the benefits, homelessness prevention and advice teams.
23. The benefit assessment team are responsible for the administration of Housing Benefit, Council Tax Reduction, Free School Meals, the Uniform Grant and other programs including the Winter Fuel and Unpaid Carers Schemes. The number of children now in receipt of Free School Meals in Cardiff has increased in the past 3 years by 32% to 15,823 in June 2022. It is anticipated that over 30,000 applications will be made to the Winter Fuel scheme in the autumn.
24. The welfare liaison team support our council tenants who are struggling to pay their rent. Appointments made with this team have more than doubled compared to last year.
25. Local Housing Allowance (LHA) is the maximum amount people renting from a private landlord can claim in Housing Benefit or Universal Credit (Housing element). A Bevan Foundation report- "Wales' Housing Crisis: the role of the LHA" states that only 3.9% of properties advertised for rent in Cardiff between May and August 2021 were within LHA rate. Tenants need to make up any shortfall from their other income. This is making the cost of private renting even more unaffordable for many tenants
26. The rent arrears pathway was introduced in 2021. This gateway approach supports tenants regardless of their tenure or income type. Last year 1,375 tenants who were at risk of becoming homeless were given financial assistance as well as practical support to prevent them from facing eviction.
27. Calls to the Adviceline have increased from an average of 4,637 a month in 2021 compared to 5,216 in 2022. In May 2022, 41% of all calls received by the team were related to the cost of living crisis.
28. Whilst advice officers are still able to support residents to claim benefits, grants, and discounts, it is proving more difficult for them to reduce clients' outgoings when completing budgeting statements. Switching tariffs to find cheaper alternatives is no longer a viable solution and with costs continuing to escalate it is becoming more difficult for advice officers to use budgeting as a complete solution to money issues.

29. It is therefore proposed that for the means tested element of the scheme, the funding is directed towards those that need it most. The following six schemes would be introduced to further enhance the support on offer and encourage residents to engage with the services available to ensure that they were claiming all the payments they are entitled to. The combination of these schemes will provide a more inclusive offer as it will consider both those on benefits and those experiencing in-work poverty.

#### **A) Enhance the Discretionary Housing Payment scheme**

30. Discretionary Housing Payments (DHP) are payments that help tenants who are struggling to pay their rent. To be eligible for a DHP, tenants must receive either Housing Benefit or Universal Credit (with a housing element). Funding for this scheme is allocated to the Local Authority from the Department of Work and Pensions. This allocation has significantly reduced this year.
31. It is proposed funding from the cost-of-living discretionary scheme would be utilised to enhance this existing DHP fund. This scheme would build on the success of last years Rent Arrears Pathway, helping to prevent tenants from becoming homeless. Robust procedures and processes are already in place to claim and make these payments. The Money Advice Team will also complete a full financial assessment for each applicant, ensuring that all those seeking assistance are claiming all the grants, discounts and benefits they are entitled to.

#### **Proposed allocated budget £700,000**

#### **B) Applications via the Money Advice Team**

32. The Money Advice Team provide support to residents of Cardiff who are struggling with their finances. Advice Officers complete Standard Financial Statements which detail incomings, outgoings and any priority and non-priority debts. Advice Officers then provide income maximisation help, budgeting assistance and low-level debt advice based on these statements.
33. During completion of these financial statements the Advice Officer will often identify issues that a one-off payment would resolve. It is proposed that in these situations, the Advice Officer would make an application to the scheme on behalf of the resident. The payment amount would be based on need. This approach would support anyone living in Cardiff regardless of tenure type and whether they are in or out of work.

#### **Proposed allocated budget £700,000**

#### **C) Fuel Voucher Scheme**

34. Together For Cardiff, in partnership with Action for Caerau and Ely (ACE), provide gas and or electricity vouchers to residents on prepayment meters who are struggling with the cost of their utility bills.

35. To access these vouchers, residents must have a financial assessment from an advice provider. Following this assessment, if there is a requirement for a fuel voucher, residents are referred to ACE who will then provide the voucher. These vouchers are redeemed towards gas or electricity via a paypoint outlet. It is proposed that a budget is allocated to ACE to enhance and continue this scheme.

**Proposed allocated budget £50,000**

**D) Families affected by the Benefit Cap**

36. The Benefit Cap restricts the amount of benefits that a family can receive. This reduction is taken from Universal Credit or Housing Benefit.
37. Many families affected by the cap in Cardiff have 3 or more children. It is therefore proposed that a direct payment of £150 would be made to help support these families.

**Proposed allocated budget £205,000**

**E) Families in receipt of Free School Meals (FSM) but have not already been awarded £150 through the main scheme.**

38. There are a maximum of 2,000 families in the city that are in receipt of FSM but have not been awarded £150 through the main scheme. It is proposed that these families are directly awarded £150 through the discretionary scheme.

**Proposed allocated budget £300,000**

**F) Supporting those struggling with care costs.**

39. It has been identified that due to the cost of living increases some Adult Services clients are struggling with essential care costs. Referrals from Adult Services to the scheme would instigate the payment request, and this would demonstrate the financial need. These payments are not to pay for care but will support clients with the rising costs of living.

**Proposed allocated budget £50,000**

40. In terms of processing the means tested elements of the discretionary scheme, where possible, the Council will utilise existing data sets to make direct payments to those who would qualify for these schemes. These payments would be made either by the Council Tax team and / or Benefit Assessment teams. Where an application or up to date bank details are required, the Benefit Assessment teams will administer these payments.
41. To ensure full take up of the discretionary schemes, a wide-reaching publicity campaign will be launched. This will include the use of social media and updates to the Council's website. This would promote the Money Advice Team and Adviceline as the points of contact for any residents struggling with the cost-of-living crisis. Letters advising

residents of the help the Money Advice Team can provide, would also be sent to households likely to qualify for support under the discretionary scheme. In addition, information could also be included with Council Tax reminders. To promote these schemes, a full communication plan would be required with the Adviceline and Hub officers fully briefed supporting residents to ensure maximum take up.

42. In Summary therefore the full allocation for the Discretionary Scheme of £2.193M is proposed with £0.178M non-Means Tested and the remainder £2.015M requiring means testing. It is also proposed that should spend be lower in some aspects through take up being less than anticipated, a mechanism exists to vire funding between agreed discretionary purposes as defined in this report. In addition, there is provision within the scheme to vire any underspend from the main scheme to the Discretionary Scheme after netting off the administration element provided by Welsh Government.
43. The Cost of Living Support Scheme is currently open until 30th September 2022, although subject to Welsh Government Minister approval, there is likely to be an extension to the discretionary element of the scheme.

#### **Reason for Recommendations**

44. To note the delivery of the main scheme elements of the Welsh Government's Cost of Living Support Scheme to nearly 90,000 households in the city and to agree a mechanism to support the most vulnerable households through the locally available Discretionary Support Scheme.

#### **Financial Implications**

45. The covering report sets out in detail how the £2.193 million discretionary Grant will be spent. As noted in the report, the deadline for spend to be incurred is currently 30 September 2022 and there is the ability to vire between the proposed discretionary headings. Control measures must be put in place not just to ensure that the amount available is not exceeded but also to ensure that records of spend are captured with both rationale and date to ensure that any subsequent request for evidence either of total or category spend can be responded to promptly and accurately.
46. It is noted in the report that there is an element of uncertainty in respect to both the deadline currently and in case any further money may become available to the discretionary scheme. In Identifying the control measures to be put in place consideration should be given to ensure that any flexibility required is in place to maximise the opportunity given to assist those identified in greatest need.

## Legal Implications

47. There are no direct legal implications raised by this report. However, in considering this report, regard should be had, amongst other matters, to:

- (a) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, when making decisions, Councils must have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief; and
- (b) the Well Being of Future Generations (Wales) Act 2015. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by the Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Cabinet must:
  - look to the long term.
  - focus on prevention by understanding the root causes of problems.
  - deliver an integrated approach to achieving the 7 national well-being goals.
  - work in collaboration with others to find shared sustainable solutions.
  - involve people from all sections of the community in the decisions which affect them.



### **HR Implications**

48. There are no HR implications arising from this report and its recommendations.

### **Property Implications**

49. There are no property implications arising from this report and its recommendations.

## **RECOMMENDATIONS**

Cabinet is recommended to:

1. note the delivery of the Cost of Living Support Scheme (main scheme).
2. agree the recommended approach to target the most vulnerable households in the City through a locally determined Discretionary Scheme.
3. delegate authority to the Corporate Director Resources (in consultation with the Cabinet Member for Finance, Modernisation & Performance), the ability to vire any underspent elements of funding either from the main scheme or between discretionary options agreed as necessary, to ensure full spend of the Council's allocated funding.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>Chris Lee</b> Corporate Director Resources
	17 June 2022