



CABINET – 26TH SEPTEMBER 2022

SUBJECT: CAERPHILLY COUNTY BOROUGH COUNCIL - RESPONSE TO THE COST-OF-LIVING CRISIS

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES AND HOUSING

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1. PURPOSE OF REPORT

- 1.1 To agree the initial response from Caerphilly County Borough Council to assisting our communities and some of our most vulnerable citizens in terms of the current cost of living crisis, a crisis that is likely to worsen through the winter months, as utility bills soar and general inflation will move towards 20%.
- 1.2 The concept of the Council assisting residents in financial difficulty is not new. This report will provide an update on current work being undertaken to date and will illustrate the range and extent of the support currently being provided.
- 1.3 To agree the provision of a Caerphilly CBC Cost Of Living Hardship Fund to fund a range of responses that will bring some relief to those people in our communities who are likely to be in greatest need.
- 1.4 To provide a brief update on the Welsh Government (WG) Cost of Living Support Scheme, and to seek approval for an amendment to the discretionary element of the Scheme previously approved by Cabinet.
- 1.5 To agree a scheme of delegation to allow support to be provided quickly where it is deemed assistance is needed and council resources can provide some relief to the difficulty being experienced.

2. SUMMARY

- 2.1 Inflation within the United Kingdom is at the highest level for over 30 years and is projected to reach 20% as we enter 2023. Energy prices are rising at the fastest rate in living memory, with the average household likely to spend over £1000 on energy bills between now and the end of the year. Media coverage with regard to increases in utility bills has been extensive and has prompted some action from national Government. Despite promises to limit the rise in the energy cap there is no doubt that many people will be unable to find the money for these increases and will face some hugely difficult choices when trying to care for themselves and their families as the winter progresses.

- 2.2 At the same time as the cost of living is rising exponentially, in real terms earnings are falling, interest rates are rising, and the Bank of England has forecast the country will enter a recession by the end of this year.
- 2.3 At times of crisis we know that people will turn to the Local Authority for advice and assistance. Consequently, we are likely to be faced with challenges that will require a similar response to that provided during the pandemic. The need to prioritise and resource our response is required, as are strong networks, effective communication, and collaboration across services, as well as the coordination of all the support offered to our residents.
- 2.4 The need to continue to deal with the longer-term impact of the crisis, alongside driving forward any plans for longer-term transformational change and budgetary pressures, will require difficult choices to be made. It is clear that the rise in the cost of living is not a momentary challenge but unfortunately will be with us for some time to come.

3. RECOMMENDATIONS

- 3.1 For Cabinet to: -
- 3.1.1 Approve an amendment to the previously approved discretionary element of the WG Cost of Living Support Scheme which will allow Post Office vouchers to be issued to those households that have not registered for payments under the Main Scheme.
- 3.1.2 Note the recommendation in the 2021/22 Provisional Revenue Budget Outturn Report to set aside one-off funding of £3m from surplus General Fund balances to create a Cost of Living Hardship Fund to support a range of initiatives that will assist our communities.
- 3.1.3 Agree that decisions with regard to the use of to the Cost of Living Hardship Fund are delegated to the Corporate Director for Social Services & Housing in conjunction with the Leader of the Council and the Cabinet Member for Education and Communities.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 The current cost of living crisis will provide an unprecedented financial challenge to many of our citizens within the County Borough. The creation of a Caerphilly CBC Cost Of Living Hardship Fund will allow the Council to undertake a series of initiatives aimed at providing some relief to those in need.
- 4.2 To ensure that those households who have not registered for the £150 payment through the WG Cost of Living Support Main Scheme will receive a voucher that can be cashed at Post Offices.
- 4.3 The need to be able to make decisions and deploy resources quickly will be key in responding to the challenges likely to be faced, the delegation process referred to in paragraph 3.1.3 will assist in this area.

5. THE REPORT

5.1 Current Key Support

Helping people in financial difficulty is not new to the local authority, but we also need to recognise the wider social and health impacts of the crisis. Current key support includes:

5.1.1 Caerphilly Cares

- Development of a 'landing page' on Caerphilly CBC's website
- 22 Cost of Living sessions organised throughout September to raise awareness of the landing page and support already available to residents (both from CCBC and other partnership organisations). These will continue through the autumn and winter.
- Calls taken and assistance given in the processing of Winter Fuel, Unpaid Carers, Pupil Development, Isolation grants and the Council Tax reduction scheme.
- Directly supported 4000 residents, of which 2646 were self-referrals: residents are becoming more aware of the service and the level of support offered.
- Support and development of Foodbank/Fare Share and wider food insecurity initiatives.
- Development of healthy cooking on a budget session supported by Catering.
- Private sponsorship secured from Morrisons & Screwfix to support food poverty.
- Over 400 Foodbank/Fare Share referrals made.
- 45 community led organisations supported to access to food poverty funding. £158,000 awarded to date.
- Referral processes established across the Council.
- Period Dignity Working Group.
- Buddy/Befriending Service – volunteer led support for isolated/vulnerable adults. £130,000 of WG/WCVA funding secured to help develop the Corporate Volunteering Scheme.
- 37 community led organisations and groups supported to access Community Development/Isolation funding. £35,000 awarded to date.
- Training front line staff on 'What Matters' conversation and appropriate signposting for cost-of-living support.

5.1.2 Housing Rents

- Purchase of fuel vouchers for pre-payment top up for residents in fuel poverty.
- Creation of a crisis fund for residents who require financial support but do not meet eligibility criteria of existing schemes.
- £3.2m additional income generated for residents during 21/22 financial year.
- 800 successful applications for discretionary housing payments.
- Energy advice to 249 tenants.
- 350 referrals to CAB for debt and money advice.
- Supported 1000 residents to apply for the £200 Winter fuel grant from the Welsh government.
- 300 food parcels arranged.

5.1.3 Supporting People

- Housing Support for all people over 16 who live in the borough.
- Homelessness Prevention.
- Financial Capability assessments for all people.
- Support for those sleeping rough, roofless, and homeless/sofa surfing.

5.1.4 Council Tax

- Payment of £150 to qualifying households occupying properties in Council Tax Bands A to D, and all households in receipt of support through the Council Tax Reduction Scheme (regardless of property valuation Band).
- Payment of £100 to all eligible households in Council Tax Bands E and F not in receipt of support through the CTRS.

- Payment of £150 to occupied and some unoccupied households covered by a statutory council tax exemption.
- Payment of £150 to around 330 households in Houses of Multiple Occupation (HMOs).
- Circa £15.5m is being awarded to households in the current financial year through the Council Tax Reduction Scheme.

5.1.5 Catering Services

- 2,124,030 meals delivered & 7,298 children receiving meals.
- Universal Free school meals from September.
- Free breakfast to year 7 in secondary schools.
- Free breakfast clubs to primary aged children.

5.1.6 Housing Benefits

- Winter Fuel Payments – 11,211 households paid in 2021/22 totalling £2,242,200. Details of the 2022/23 Scheme have now been received from WG and preparations are under way to pay eligible households.
- Unpaid Carers Support Grant - 2,900 individuals paid totalling £1,450,000.
- Discretionary Housing Payments - part funded by the Discretionary Scheme.

5.1.7 Education

- Pupil Development Access Grant - 6,072 payments made totalling £1,409,025.

5.2 Work undertaken as the crisis has emerged has included changing the focus of Caerphilly Cares from pandemic response to supporting people already impacted by the increased cost of living with an emphasis on different conversations and prevention. Additional resources now in place include:

- Movement of Community Connectors from Social Services to Caerphilly Cares
- Appointment of Cost of Living Co-ordinator
- Production of “landing page” linked to CCBC website – live 05/09/22
- Delivery of Cost-of-Living Support Sessions in 22 locations throughout September
- Cost of Living specific Newline to be delivered to every household in the Borough and supplemented with additional articles online and in the media.

- 5.3 Clearly most of the services/responses referred to above will continue where funding allows, but there is a significant reliance on grant funding for some of the schemes. However, given the enormity of the challenge, even the above measures will not be enough to fully mitigate the impact of the rising cost of energy, fuel at the pump and food in the supermarkets.
- 5.4 The emphasis on support moving forward is striking the right balance between prevention and crisis support and doing the former based on data – reaching people before they get to or even near crisis point. Developing a response focussed on supporting individuals with immediate emergency and welfare support as well as building resilience within communities themselves. Taking a social justice and asset-based community development approach, using learning from our response to COVID-19.
- 5.5 Moving into the forthcoming winter, demands on local councils are going to increase and to that end we have engaged with our staff with a view to understand the current pressures emerging and how we can best respond to these issues. In constructing the

responses that may be required the Council will adhere to a series of Strategic Principles and will use its resources to;

- Enhance and expand community support groups already in existence and not replicate their role and function.
- Prioritise prevention.
- Remove the duplication and complexity caused by our different structures.
- Streamline application and join things up.
- Aspire to develop "customer intelligence" which provides a more in depth picture of our citizens and allows us to be proactive in identifying individuals who are getting into difficulty.

5.6 Further proposals for Targeted Support

5.6.1 Staff have already started working on a series of initiatives that could assist people through the crisis. These have been taken from the list of suggestions submitted by staff and Councillors as well as some examples from initiatives from across the UK.

Among the proposals currently being considered are;

- Increasing the number and range of food banks in the County borough – also development of community fridges and larders
- Possibility of toy banks / food parcels in readiness for Christmas.
- School Uniform and Sports Kit grants.
- Donation schemes for pre worn school uniforms.
- Increased budget to expand existing financial support e.g., fuel vouchers, crisis grants.
- Stopgap funding to support during first 6 weeks of Universal Credit claim – ongoing discussions with DWP
- Re-use/Recycling hub – soft launch took place 06/09/22
- Basic welfare benefit and cost of living support training for all frontline CCBC staff – currently in development via Caerphilly Cares/Rents team.
- Greater use of leisure centres via expansion of free/low-cost swim sessions and reduced costs for gym and other sessions – to include access to hot showers and use of centres for further social activities such as cinema clubs. Discussions ongoing to develop this.
- "Cash first" approaches to hardship payments – e.g., using Post Office Payment (POP).
- Local authority partnerships with local food suppliers to provide discounted hot meals & drinks – currently being explored by Caerphilly Cares team.
- Household food and cooking initiatives – provision of slow cookers, microwaves, "kettle food packs" currently in development via Caerphilly Cares team.

5.6.2 **Fuel & Energy Support:**

- Warm the human not the home initiative - provide warm packs: thick curtains, draft excluders, warm clothing etc, including the establishment of donation boxes on a similar line to those used by food banks.
- FREE impartial advice to help identify the best energy saving solutions for homes
- Campaigns on actual energy costs and how to save energy
- Energy saving schemes – initiatives at both large scale (e.g., collective buying schemes for solar panels) and small scale (e.g., provision of free low energy light bulbs, draught excluders)
- Cost of Living and Energy "Champions"

5.6.3 **Food Poverty**

- School meal support for Secondary pupils
- Food to Fork schemes – encouraging use of open spaces for food production

5.6.4 **Community Support**

- Production of “budgeting books” identifying and highlighting shops where there are special offers - could also include low-cost recipes and advice on bulk cooking / storage of food.
- Expansion of support via libraries (e.g., reduction in fines, access to free printing/photocopying, donation of surplus stock)
- Access to reduced costs for sports pitches – enabling families to keep children in sports clubs through reduced subscription fees
- Discounted access to CCBC tourist attractions
- Opening council-owned facilities (such as school kitchens) to provide hot meals for families in the evenings
- Cost of Living checklist/toolkits for frontline staff

5.6.5 **Direct Financial Assistance:**

- Top up payments of any Welsh Government “hardship grants” whether to individuals or businesses.
- Additional salary top-up payments for staff on lowest pay grades
- Consideration of current CCBC debt collection procedures – to include enhanced support offer
- Expansion of debt advice services (e.g., via Citizens’ Advice Bureau)
- Discounted bus/train passes
- Reduced public transport costs (“Tap and Cap” schemes)

Flexible rent schemes – enabling flexible payment plans for tenants who also agree to engage with additional support via a financial plan.

5.7 **Getting Ready for Winter Campaign**

A borough-wide communications campaign focused on supporting everyone to be as prepared for increasing winter pressures as possible, with a focus on signposting residents to the range of self-help resources already available around welfare, housing, finances, and wellbeing. The campaign will also focus on equipping frontline staff to appropriately signpost people to support.

5.8 **Community Hubs**

Expedite the development of community hubs and enable local people to be involved in coordinating the local response to the cost-of-living crisis, with a focus on promoting community activities, organising social action responses, and signposting people to local support. Integrating financial and wellbeing workforce into the hub model.

5.9 **Cost of Living Volunteers**

The Council and partners working together to develop a cost-of-living volunteer role, to build and relieve capacity within the advice sector. Volunteers can be recruited through the volunteering team and receive training and guidance on supporting residents. Volunteers will then be based in community hubs as a means of light-touch support.

5.10 Welcoming Spaces

A network of Welcoming Spaces – physical venues spread across the borough where people will be able to access warmth, social connection and community interaction. Existing community spaces could be invited to be badged under the initiative and promoted via the Landing Page and communication channels. The coordination of Welcoming Spaces will be interlinked with Community Hubs, the latter being encouraged to open a physical Welcoming Space. To avoid stigmatisation, spaces could be framed as inclusive community spaces rather than emergency support offers.

5.11 Findings from the Cost of Living Support Sessions

As referred to in paragraph 5.1.1 staff have already commenced a series of cost of living support sessions. 22 are initially planned at various locations across the county borough with further sessions to be arranged as the months progress.

In the first week, over 60 referrals forms were completed, all of which will be dealt with directly by the Caerphilly Cares Team to ensure residents are appropriately supported.

Main issues raised by residents include:

- Fuel & food poverty
- Benefits eligibility
- Understanding of what support is available and how to access it
- Various Housing issues
- Council Tax/Housing Arrears

5.12 Update on WG Cost of Living Support Scheme

5.12.1 At its meeting on 13 April 2022 Cabinet was presented with details of the WG Cost of Living Support Scheme, which consisted of a package of measures to help people with support towards the cost of living. The package includes £152m across Wales 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 (the Discretionary Scheme). Caerphilly CBC's share of the funding is £10.15m for the Main Scheme and £1.67m for the Discretionary Scheme.

5.12.2 The Discretionary Scheme funding can be used by each local authority to support other households it considers to be in need of assistance with their living costs. Each local authority has determined its use of discretionary support as it deems appropriate to address local needs, with Caerphilly CBC's Discretionary Scheme being approved by Cabinet on 13 April 2022.

5.12.3 Under the Main Scheme all eligible households receive a payment of £150, with those who pay their Council Tax by direct debit having the payment credited to their bank accounts. Eligible households who do not pay their Council Tax by direct debit have been required to register for the payment to ensure that bank details can be captured for payments to be made.

5.12.4 To date, 62,934 households have been paid under the Main Scheme totalling £9.44m. The closing date for registrations under the Main Scheme is 30 September 2022. However, despite the issuing of 2 reminder letters there are still 3,493 eligible households that have not applied. Staff have been working with the Post Office in recent weeks to implement a service whereby the remaining eligible households can be issued with a unique voucher that can be cashed at Post Offices.

5.12.5 The Post Office service will not be implemented by the end of September but following discussions with colleagues at the WLGA and WG it has been agreed that subject to Cabinet agreement the outstanding registrations can be picked up as part of the Discretionary Scheme (which has an end date of 31 March 2023). Cabinet is therefore asked to agree an amendment to the previously approved Discretionary Scheme to allow Post Office vouchers to be issued to those households that have not registered for the payments. It is understood that a number of other Local Authorities have endorsed a similar approach.

5.13 **Moving Forward**

The ability to act quickly and respond to need is as essential in relation to the cost of living crisis as it was during the pandemic.

We will need to undertake a cost-of-living impact assessment to evidence the disproportionate impact that rising costs will have on equalities groups and people already in poverty. The assessment would include a cost-of-living risk index by ward to estimate the risk in different areas of the borough. This mirrors the methodology of the Centre for Progressive Policy.

A key priority is to ensure that residents get a holistic range of support to meet their immediate financial needs, avoid falling deeper into crisis, and build longer term resilience. To streamline the process of finding and applying for support and ensure that residents receive the right support at the right time.

We need to develop a comprehensive grant application to move away from the 'sticking plaster' approach of short-term support. When residents apply for funds, they are also offered tailored support that may help them improve their longer-term circumstances, such as debt advice or employment support. This will need to recognise that people may need extra support such as with digital, numeracy or literacy, or they may have a lack of confidence to complete the form independently or be unable to access the documents. Applicants should be able to request support to complete the application and follow up emails and phone calls made to check if further support is required after initial application. On-going support sessions in communities through the autumn and winter, to ensure we reach as many people as possible, are also required.

Research also needs to be undertaken to determine whether the proposals are existing initiatives that can be promoted or expanded upon, or new schemes for consideration that will need to be assessed for viability and deliverability. In addition to this the development and delivery of any scheme will require staff resource as well as financial resources to implement. Community and resident engagement also takes time to plan and staff to support.

Using the Making Every Contact Count (MECC) approach. This allows people to signpost support in areas they may not feel confident in. Equipping all front-line staff with the skills to have different conversations with basic knowledge of where to sign post for support is also key. Recognising that support for our residents through the crisis is the responsibility of all of us. As such, discussions have already started with leisure, libraries, and housing to roll out the 'what matters' training, as well as basic benefits advice and signposting for support, equipping staff with the skills and knowledge to help.

This report outlines a range of potential responses to the cost of living crisis, but implementation will require additional investment to be identified. The 2021/22 Provisional Revenue Budget Outturn Report therefore recommends to Cabinet that £3m one-off funding is set aside from surplus General Fund balances to create a Cost of Living Hardship Fund to support a range of initiatives that will assist our communities.

Conclusion

The cost-of-living crisis will place significant demands on the authority. Whereas we already know some of the areas of difficulty people are likely to experience, the fact that we have no idea of the duration of the crisis, or its severity means we will need constant dialogue with citizens through a number of channels.

Training our staff and increasing their awareness of cost-of-living issues is key as is an ongoing presence in the community whether through the cost of living support sessions or attending community events.

The authority will need to be very “fleet of foot” in responding to issues that are likely to emerge with very short notice.

6. ASSUMPTIONS

- 6.1 Every person in the county borough will be affected in some way or another. The negative impacts of the rise in the cost of living are on a par with the pandemic and consequently, require a pandemic level of response.

This highlights the need to take an in depth look on how we intend to support our communities moving forward, to respond to the anticipated growing demand for support.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 [Link To Integrated Impact Assessment.](#)

8. FINANCIAL IMPLICATIONS

- 8.1 The 2021/22 Provisional Revenue Budget Outturn Report recommends to Cabinet that £3m one-off funding is set aside from surplus General Fund balances to support a range of initiatives that will assist our communities.
- 8.2 To date, 62,934 households have been paid under the Main Scheme of the WG Cost of Living Crisis Support Scheme. However, there are still 3,493 eligible households that have not registered for payment under the Main Scheme which closes on 30 September 2022. Colleagues at the WLGA and WG have advised that subject to Cabinet agreement the outstanding registrations can be picked up as part of the Discretionary Scheme (which has an end date of 31 March 2023). If this is approved by Cabinet, there will be no financial implications for the Council as the cost will be covered by the overall WG Cost of Living Support Scheme grant funding.

9. PERSONNEL IMPLICATIONS

- 9.1 For the Council to respond to growing demand staff support will be required. This may require additional staff or the redeployment of existing staff to support this agenda.

10. CONSULTATIONS

- 10.1 Due to time constraints in relation to the content of the report, consultation responses will be fed-back verbally at Cabinet.

11. STATUTORY POWER

11.1 The Local Government and Elections Act 2021 and Local Government Act 2000.

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Cllr. S. Morgan, Leader of Council
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