

Meeting of:	Cabinet
Date of Meeting:	Thursday, 09 June 2022
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Discretionary Cost of Living Scheme
Purpose of Report:	To agree a Vale of Glamorgan Scheme to distribute £825k of funding to support those most impacted by the Cost of Living crisis.
Report Owner:	Executive Leader and Cabinet Member for Resources and Performance
Responsible Officer:	Tom Bowring, Director of Corporate Resources
Elected Member and Officer Consultation:	<p>Cllr Burnett, Leader and Cabinet Member for Performance and Resources</p> <p>Rob Thomas, Chief Executive</p> <p>Matt Bowmer, Head of Finance / s151 Officer</p> <p>Paul Russell, Operational Manager Exchequer</p> <p>Gemma Jones, Operational Manager Accountancy</p> <p>Strategic Leadership Team</p> <p>Relevant Heads of Service</p> <p>Legal Services</p>
Policy Framework:	This matter is for decision by Cabinet
<p>Executive Summary:</p> <ul style="list-style-type: none"> • Welsh Government have put two schemes in place to provide support for those impacted by the Cost of Living crisis. • The mandatory scheme has made £150 available to all Band A to D Council Tax Payers and those in receipt of Council Tax Reduction. • There is also a discretionary scheme for which the Vale of Glamorgan has been awarded £825K to target those who have potentially fallen through the gaps of the mandatory scheme and those most impacted by the crisis. • The report sets out the Council’s proposed Discretionary Scheme which target support to: 	

- Those not covered by the mandatory scheme, predominantly those in Houses of Multiple Occupation, including students;
- Those receiving specific Council Tax exemptions - care leavers, severe mental impairment, providing/receiving care, disability;
- Those with restricted benefits;
- Those with housing support or in temporary accommodation;
- Those receiving domiciliary care;
- Those in receipt of free school meals;
- And block payments to food banks (or similar organisations).

Recommendations

1. Cabinet is recommended to note the operation of the £150 Cost of Living Scheme.
2. Cabinet is recommended to agree the design of the discretionary Cost of Living Scheme for the Vale of Glamorgan set out in paragraphs 2.5 to 2.23.
3. Cabinet is recommended to delegate authority to the Director of Corporate Resources in consultation with the Leader/Cabinet Member for Performance and Resources to make minor adjustments to the scheme to ensure the full £825K grant allocation is fully distributed.

Reasons for Recommendations

1. To appraise Cabinet of the operation of the £150 Cost of Living Scheme.
2. To ensure Cabinet approval for the operation of the discretionary scheme so as to target the £825K grant to those most impacted by the Cost of Living crisis at the earliest opportunity recognising the challenges in identifying the appropriate recipients and make prompt payment.
3. To enable the full use of the funding available.

1. Background

- 1.1 The Welsh Minister for Finance and Local Government, Rebecca Evans announced a support package to help people in Wales manage their budgets and meet some of the rising costs during the next 12 months.
- 1.2 The Minister wrote to local authorities on 29 March setting out the details of the support. At the heart of the package of support is £152M to provide a cost of living payment to all households in properties in Council Tax bands A to D and to households in all Council Tax bands receiving support through the Council Tax Reduction Scheme. In addition, a further £25M has been made available in the form of a discretionary scheme to allow local authorities to help households who may not be eligible for the main scheme but who are struggling with increasing financial pressures. The Vale of Glamorgan's share of the £25M is £825K.
- 1.3 The full details on the scheme can be found at: [Cost of Living Support Scheme: guide for local authorities \[HTML\] | GOV.WALES](#)
- 1.4 The Council has until 30 September 2022 to make payments through its discretionary scheme. Any shortfall in payment against the £825K grant allocation would need to be returned to Welsh Government.

2. Key Issues for Consideration

Overview

- 2.1 The operation of the £150 scheme has been mandated by Welsh Government. The Vale of Glamorgan has been awarded £5,014,200 of the £152M available

nationally and will make payment to approximately 34,000 out of all Council Tax Payers.

- 2.2 Of the 34,000 households receiving the £150, approximately 17,000 currently pay their Council Tax by direct debit where the bank account name matches the person liable to make the Council Tax payments. As a result, the Council has been able to simply pay the £150 into their bank accounts. Making the payments for the remaining 17,000 Council Tax payers is less straightforward. The Council has put a process in place with its payment provider Bottomline whereby the Council Tax payer will receive a letter with a bar code which can be scanned using a smartphone to enable the payment to be made directly to their nominated bank account. For those without access to the necessary technology to use this method, other arrangements have been put in place so that those eligible can contact the Council to progress payments.
- 2.3 For the discretionary scheme the Vale of Glamorgan has been awarded £824,865 of the £25M made available nationally. The Council has designed a scheme which has needed to address three key challenges – it needs to target resources to those facing the greatest hardship, the payment needs to be of a value that will make a difference and the scheme needs to be straightforward to administer. Officers have had internal discussions to explore how best to allocate the funds and have also been supported with advice and guidance from Welsh Government much of which is in line with Council thinking.
- 2.4 The following outlines the proposed operation of the discretionary scheme, indicating the number of eligible recipients as at the time of drafting the report.
Discretionary Scheme
- 2.5 The scheme has initially been designed to make payments to those residents who have fallen through the gaps of the main scheme, and it is proposed that to these groups, a £150 payment will be made.
- 2.6 There are four key groups which the Scheme will support – residents in houses of multiple occupation (HMOs), students in such accommodation, tenants in Council or housing association accommodation of Band E or higher property and those with a Council Tax Disability reduction living in a Band E or higher property.
- 2.7 There are in the order of 500 properties in multiple occupation in the County. The majority of these have cooking and washing facilities and will have been assessed for Council Tax in which case the resident will have benefited through the main scheme. However, there are 113 properties where this is not the case and the Council Tax team will need to write to the relevant Landlord to identify the number of tenants in each case.
- 2.8 The Council does, however, hold data on students in such HMOs as they will have needed to apply for an exemption from Council Tax. This will though require a manual process to go through the certificates.
- 2.9 Finally, the Council Tax system does not identify Council Tax Payers who are tenants in Council housing or other social housing such as that run by Housing Associations. The Council's Housing team is reviewing its records to enable

payments to be made to those tenants in properties of Band E or higher who would not have been part of the £150 scheme. This is a small group and despite property values will be experiencing hardship and should receive a payment.

- 2.10** Finally, the scheme will directly support to those with a disability, and this is proposed to be affected through making a payment to those with Disability Band reduction under the Council Tax scheme. There are 159 such residents but a number of these will be in residential care and supported through the care provider so it is not proposed to make a payment to that specific cohort.
- 2.11** The Council is also proposing to make supplementary payments to a number of groups of residents.
- 2.12** The first group are residents in receipt of specific Council Tax exemptions – care leavers, those with severe mental impairment and those providing/receiving care. This is a group Welsh Government had advised that local authorities should look to support through their discretionary schemes. These number 272 in total and are separately identifiable in the Council Tax system so payment is straightforward.
- 2.13** The second group are those who have restricted benefits under the Benefits Cap, familiarly known as the “Bedroom Tax”. There are a very small number of local residents impacted by this cap, just 16, and it is proposed that they are provided with a supplementary payment. They will have already received a payment of £150 through the mandated scheme.
- 2.14** Thirdly, are those residents receiving Housing support so already a targeted group and those in temporary accommodation.
- 2.15** Fourthly, those receiving Domiciliary Care. This is a group recognised to be to generally challenged by the Cost of Living crisis but particularly so due to the rising cost of utilities. Social Services commission domiciliary care for residents in the Vale of Glamorgan and it is proposed to make a supplementary payment to this group. Further, this category will be extended to those in receipt of telecare.
- 2.16** Finally, those in receipt of Free School Meals are also a group widely recognised as being greatly impacted by the crisis. Currently, there are 3,542 families with pupils receiving free school meals. The Council’s Benefits Team holds this data and is validating with the Schools Team. It is expected that the vast majority of these families will have received a payment through the mandated scheme, but where that is not the case a ‘mandatory £150 payment will be made in addition to the supplementary payment.
- 2.17** The Cost of Living crisis for many will lead to difficult choices, such as between heating and eating. To ensure support for those in the most extreme need it is also proposed to make contributions to food banks in the Vale of Glamorgan. The scheme does allow for payments to be made to bodies as well as individual residents. It is proposed that a block award of £50k is allocated to foodbanks (or similar organisations). Further it is proposed that in the event that the grant is not fully utilised towards the end of September, the balance will also be paid across to the local foodbanks (or similar organisations).

- 2.18** Additionally, any unclaimed £150 payments from the mandated scheme will be transferred to the discretionary scheme. A further attempt to pay will be made or a credit applied to the individual's Council Tax account. This is to ensure that this Council is able to fully utilise the money allocated by Welsh Government for the benefit of residents who need support during what is an extremely challenging time.
- 2.19** Appendix 1 sets out the individual elements of the scheme including estimated numbers of recipients and the value of the payment. At this stage it has been necessary to estimate the numbers in some of the groups which will impact on the value of the discretionary payment. The value of the supplementary discretionary value is therefore indicative at this stage and will be set once definitive numbers for all the supported groups are known.
- 2.20** For the discretionary scheme, where the Council has direct debit details for the individual a letter will be sent out and payment made directly to their bank account. For all other the Council will use the Bottomline solution outlined above.
- 2.21** From previous experience it is clear there will be a high level of queries received by the Council which will put additional pressure on existing teams, especially those in Exchequer Services and Contact OneVale. Further it is anticipated that some residents not paid through the scheme will believe they are wrongly or rightly entitled to a payment. Any appeals against the operation of the scheme will be considered by an officer panel comprising the Head of Finance / s151 Officer and Operational Manager Exchequer Services. Where the claimant is not satisfied with the outcome of the appeal, there will be final recourse to the Leader of the Council in consultation with the Head of Finance, this being the route that currently exists in the Council Tax Discretionary Reduction Scheme where the relevant part on appeal process states the following:
- 'If the decision is challenged by the applicant the request will then be considered further by the Head of Finance and the Leader and a reply will be issued within 2 months notifying the applicant concerned of the decision'.*
- 2.22** It is recognised that whilst the scheme attempts to target resource to those in most need in the community, £825k can in no way address all of the hardship felt at this time and later in the year when the utilities gap is raised further.
- 2.23** There are a number of external bodies which are supporting population at these times and the Council continues to signpost residents to Citizens Advice Cymru and the Money & Pensions Service, through their Money Helper guidance. The Council also has teams ensuring residents claim all of the benefits they are entitled to and Welsh Government also raises awareness through initiatives such as "Claim What's Yours". Additional effort is currently being invested to draw together these support arrangements to provide a resource for citizens and Council staff so as to maximise the availability of information and advice.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The Council's Annual Delivery Plan 2022/23 has a theme specifically relating to hardship and draws together a series of actions across the Council focused on providing support, advice and assistance to those most in need.
- 3.2** A collaborative approach has been taken to identify how the £825k grant can most effectively be distributed. An Officer Huddle group was established to fully understand the impact of the Cost of Living crisis on the residents and staff of the Vale and to make connections in an integrated way between the objectives of the Council's different departments. This has been cross Council with input from Housing, Social Services, Learning and Resources. This Huddle group has drawn on national, regional and local data and insight to inform the proposals set out in this report. Whilst no direct engagement with the public has been undertaken, many of these data sources evidence involvement in their production.
- 3.3** The funds whilst not fully eradicating the full impact of the Cost of Living Crisis will support as far as possible those in greatest need at home and in their community and will contribute towards preventing future problems such as greater debt for individuals.

4. Resources and Legal Considerations

Financial

- 4.1** There will be no additional cost to the Council in distributing payments through the two schemes. Welsh Government has also provided an administration grant which will enable additional resource to be brought into the Council Tax team in the short term and to cover the costs of the external payment service.

Employment

- 4.2** There are no direct employment considerations resulting from this report. Teams across the Council will be involved in the administration of the schemes from within existing structures, supplemented by the services of the Council's payment provider, Bottomline.

Legal (Including Equalities)

- 4.3** There are no direct legal implications relating to this report. The Welsh Government's Cost of Living Support Scheme described in paragraph 1.3 sets out the criteria and requirements on Local Authorities in operating the scheme.
- 4.4** The scheme is intended to provide additional support to those most in need. The scheme as described has been designed taking into consideration the Council's Equality Duty and the Socio-Economic Duty. Data and insight have been used to inform the design of the scheme, taking into consideration the protected characteristics (and impact of the cost of living crisis on those people) as well as the socioeconomic profile of the Vale of Glamorgan.

5. Background Papers

None.

Distribution of £825k Funding

Category	Numbers	Proposed Payment £	Allocation £
<p>Items that should be considered in a Discretionary Scheme:</p> <ul style="list-style-type: none"> • Households in receipt of the following Council Tax exemptions. <ul style="list-style-type: none"> ○ Care Leavers – Class X ○ Severe Mental Impairment – Class U ○ Providing & receiving care – Class I & J 	<p>Care Leavers (X) = 19 Severe Mental Impairment (U) = 244 Providing/Receiving Care (I&J) = 9</p>	82	22,304
<p>Items that could be considered in a Discretionary Scheme:</p> <p>The discretionary nature of this scheme permits authorities to consider other categories that could be eligible for support, namely.</p>			
<ul style="list-style-type: none"> • Payments may be made to separately identifiable households living in Houses in Multiple Occupation (HMOs). • Payments may be made to dwellings wholly occupied by students (not halls of residence). 	<p>Houses in Multiple Occupation = 113 (assume 3.5 average eligibility)</p> <p>Wholly Occupied by Students = 158 (assume 3.5 average eligibility)</p>	150 150	59,400 82,950
<ul style="list-style-type: none"> • Social sector properties banded E+. 	<p>Council housing and Housing Associations, estimated 280 properties.</p>	150	42,000
<ul style="list-style-type: none"> • Households with restricted entitlement under the Benefit Cap or 2-child limit. 	<p>Restricted entitlement under the Benefit Cap/two child limit = 16</p>	82	1,312

<ul style="list-style-type: none"> Households who are receiving housing support services and/or are living in temporary accommodation or a refuge. 	700 Housing Support 254 units of temporary accommodation. Some overlap so estimated total eligible 835	82	68,470
<ul style="list-style-type: none"> Properties with Disability Band reductions (E-I) 	Disability Band reductions (E-I) = 99 total population of 149 but excludes those in Residential care homes (52) who will not directly impacted.	150	14,850
<ul style="list-style-type: none"> Properties where a Domiciliary care plan in place due to additional costs incurred 	Expanded to include those in receipt of Telecare. 1,206 residents receiving Domiciliary care and 1,380 Telecare but there is overlap of 229 receiving both	82	193,273
<ul style="list-style-type: none"> Households in receipt of Free School Meals but not captured in the main scheme 	Free School Meals: 3,542 Sourced from the Benefits system and being validated with Learning. Supplementary payment to all those on Free School Meals	82	290,441
<ul style="list-style-type: none"> Food banks 	Block sum	50,000	50,000
<ul style="list-style-type: none"> Outstanding mandatory scheme payments 	Money carried through from the mandatory scheme.	150	Will not be known
Total			825,000