

28th October 2022

Cost of Living – Impact on Households

Purpose

1. This paper updates members on the WLGA activities to support councils in their cost-of-Living approaches and seeks views on any further support required.

Background

2. Helping citizens in financial difficulty is not new to local authorities. However, the scale and impact of the current cost-of living crisis, combined with councils' own significant budget pressures requires sustainable focus on what is a broader programme of work to tackle poverty and inequality in our communities.
3. Inflation in September 2022 hit 10.1 per cent and is now [at its highest level for 40 years](#). While largely driven by the impact of Russia's invasion of Ukraine on food and energy prices and a global supply crunch following the coronavirus pandemic these international pressures are hitting people and businesses in local communities right across the Wales.
4. Welsh Government estimates that up to 45% of Welsh households (614,000 households) could be in fuel poverty following the April 2022 energy price cap rise (i.e., spending more than 10% of their income on heating) this figure increases to [98% of Welsh households](#) when considering those receiving the lowest incomes.
5. The Trussell Trust's recent [YouGov survey](#) of 1,846 people in receipt of Universal Credit found that more than two million people have skipped meals while 38% have gone a whole day without food or just one meal, in the past three months to keep up with other essential costs. 64% reported spending the Cost-of-Living payment of £326 from the Government on food and 70% having spent it all within weeks of receiving the payment. With food and energy prices continuing to rise the September payment is unlikely to cover the essential costs.
6. Councils are not looking to re-invent the wheel but are in the process of mapping existing provision within their local authority areas to identify and address any gaps whilst taking steps to increase capacity within public services and voluntary sectors and building the resilience of local community and faith groups.

7. We are utilising the Wales Tackling Poverty and Inequality Network to undertake a desktop exercise to map the cost-of-living activity underway across Councils.
8. The detail of the 14 returns received so far are distilling into 5 key areas of activity, details of which can be found at Annex I
9. There is agreement that this crisis requires national intervention and local government collaboration.
10. The First Minister made an Oral Statement on the cost of living in the Senedd on Tuesday 20th September 2022 which is set out as Annex II.
11. We are continuing to work with councils to deliver many Welsh Government initiatives to support individuals including:
 - Nearly 44,000 unpaid carers have benefitted from a £500 payment, this support of just under £22m equates to a take up rate of 77.5% of eligible individuals across Wales.
 - 94% of eligible households in Wales have received their cost-of-living support payments of £150, with more than 140,000 households benefiting from additional support through LA discretionary schemes. Registrations to the main scheme closed on 30th September however councils can use unallocated funding from the main scheme to bolster the discretionary scheme funding which will be delivered until 31st March 2023.
 - Delivery of the Welsh Government Fuel Support Scheme which opened on 26th September 2022. LAs have provided payments in excess £34m to over 170,000 households in the first 3 weeks of delivery alone. Eligibility to the scheme has been vastly increased this year, with over 400,000 households potentially eligible for a payment of £200. Applications to the scheme are being accepted until 28th February 2023.

WLGA support for Councils

12. WLGA support for councils includes:
 - Briefings for Leaders ahead of the fortnightly Ministerial meetings, where cost of living is a standing agenda item.
 - Supporting the WLGA Leader (and Finance Spokesperson as alternate) on the Welsh Government Cabinet Committee's fortnightly meetings on the cost-of-living crisis. The Cabinet Committee has met twice, to date, and the WLGA has provided briefings and made presentations.
 - Establishment of a WLGA cost-of-living group to co-ordinate internal activity across all policy areas with the aim of developing a Local Government cost-

of-living position and is attended by the Head of Tackling Poverty at Welsh Government to ensure alignment

- Developing web content for the WLGA website, signposting to the support available across Welsh Councils and through other government departments
- Co-ordinating events/seminars alongside external stakeholders such as voluntary and other public sector such as Welsh Government, Wales Audit, Wales Council for Voluntary Sector, Building Communities Trust and Community Housing Cymru to provide elected members and officers with opportunities for learning and showcasing collaborative approaches to service delivery and sustainable good practice models etc
- Progressing work with Wales Tackling Poverty and Inequality Officer Network to understand the challenges, issues and opportunities being faced by councils
- Fortnightly meetings between WLGA and Local Authority communications leads to support consistent and transparent messaging across all layers of government and to develop a cost-of-living communications strategy to provide coherent and clear messaging to citizens and communities.
- Mobilisation of WLGA Digital Team (alongside CDPS) to assist councils in simplifying access to their services and supporting a “no wrong door” approach to accessing support

Recommendations

13. Members are asked to note and comment on the content of the report

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Annex I

Overview of latest Local Government Cost-of-Living position

Key Area	Details
Governance and Accountability	<p>The need for strategic direction and robust governance arrangements to keep responsible parties accountable is something that has been acknowledged and addressed across councils in various ways including:</p> <ul style="list-style-type: none"> • Establishment of Cross-party / All-party working groups • Utilising established links into Public Service Boards through existing wellbeing plans and poverty strategies • Development of specific taskforces and partnership boards to co-ordinate and share cost-of-living activity • Use of workshops and multi-agency steering groups to develop bespoke cost-of-living work programmes, action plans and strategies accountable • Reinstatement of Business Resilience forums
Targeting and co-ordination of support	<p>Understanding the impact of the cost-of-living crisis across Welsh households is paramount to ensuring that support is both accessible and appropriate to those that need it. A needs assessment of citizens is taking place through:</p> <ul style="list-style-type: none"> • Vulnerability mapping alongside PHW (similar to shielding approach during the pandemic) • Development of “customer intelligence” and creation of poverty dashboards • Identifying cost-of-living co-ordinators and community connectors • Expansion and enhancement of existing frameworks for LA, commissioned and community-based support • Inclusion of poverty as a key theme within plans for SPF funding • Practical support for the wellbeing of council employees and volunteers • Exploring the use of proportionate universalism – recognising that the crisis will impact on households in genuine need but that would not usually be identified as at risk, and which targeted support could unintentionally exclude

<p>Accessibility to affordable products and services</p>	<p>The cost-of-living crisis has ramped up efforts to ensure citizens have access to affordable products and services. Given that lower income households spend a higher proportion of their net income on food and fuel it will come as no surprise that a significant number of initiatives are taking place in this space.</p> <ul style="list-style-type: none"> • Co-ordination of various food initiative including access to emergency food provision, well-fed food stores, community fridges, food pantries, delivered meal boxes, slow cooker programmes, community cooking champions, free fruit for high schools, well-fed meals on wheels and hospital to home safety boxes, lunch vouchers for families attending lunchtime hospital appointments • Development of circular economy initiatives such as “take what you need” shelves in schools for bags/coats, uniform recycle and exchange schemes, baby banks, toys banks, wood banks (re-use of fell trees), warm clothes donation boxes • Enhancement of community and subsidised transport offers • Supporting access to social utility tariffs and promotion of affordable credit to avoid use of illegal money lenders • Collaboration between college and community centres to offer free/reduced cost services such as haircuts, manicures, massages • Supporting development of heating oil syndicates to meet minimum purchase requirements • Establishing mutual aid programmes within communities
<p>Early intervention and crisis prevention</p>	<p>All Councils have embraced the concept of warm hubs and welcome spaces and are working collaboratively across their communities to enhance existing offers within education, youth and community settings by extend opening hours, providing of meals and access to advice services and enrichment activities. For individuals unable to access warm spaces, Councils are establishing transport networks as well as preparing and delivering warm packs. Other initiatives include:</p> <ul style="list-style-type: none"> • Re-launch of street-based scheme to take support into communities • Preparing support to assist with additional household budget pressures relating to Christmas including toy banks, toy box schemes, Christmas food parcels and meal deliveries • Ring-fencing of funding to support hardship style payments to those households in most need

	<ul style="list-style-type: none"> • Targeting of discretionary elements of WG and UKG funding to prevent homelessness and ensure families have warm homes and food on tables e.g., Discretionary Cost-of-living Support Scheme, Discretionary Homeless Prevention funding and Discretionary Housing Payments • Top up of “thank you” payments for Ukrainian hosts to assist within increasing costs • Extra payments to support retention of foster carers and supported lodgings providers • More frequent expense claim payments to help council staff that travel a lot for work alongside an increase in mileage rate • Additional support with expenses for volunteers • Provision of one-off cash payments to lower paid council staff
Awareness raising and information sharing	<p>All Councils have recognised that communicating the help that is available to the people in our communities is key to success. There are multiple ways in which this is being progressed:</p> <ul style="list-style-type: none"> • Cost-of-living web pages to centralise support • Online directory of cost-of-living support and interactive maps of warm spaces and other “help near me” • Drop-in information sessions in community settings • Creation of digital and physical assets detailing support available • Targeted communication at residents • Supporting local and national campaigns to increase take up of benefits • Promotion of cost-of-living interventions taking place across communities including those in private sector e.g., kids eat free during half term and availability of community spaces in Asda branches • Targeted campaigns to increase take of locally administered Welsh benefits • Campaigns to support households with understanding energy costs and how to save energy • Commissioning of new advice line services and introduction of local area co-ordinators in communities • Cost of living roadshows / summits and other shared learning events • Additional support with expenses for volunteers • Provision of one-off cash payments to low

	<p>To support the vision that every contact with the public sector counts, there is a significant amount of activity underway to ensure that front line LA staff, external stakeholders, partners, voluntary and third sector staff are aware of the support available in their local authority area and can assist with accessing services or signpost to available support. This includes:</p> <ul style="list-style-type: none"> • Increasing capacity in financial inclusion services • Upskilling of front-line staff • Briefings for internal and external stakeholders and partners • Establishing food and fuel champions to offer bespoke advice and support • Promotion of DAF and other grant schemes alongside take up of social tariffs • Procurement of technical energy efficiency advice services
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Annex II

Key details of the First Ministers Oral statement (20 September 2022)

Statement	Details
New cost of living Cabinet Committee established	Weekly meeting chaired by the First Minister involving key social partners from beyond government
Roll out of Free School meals commenced in primary schools	Universal Primary Free School meals is being delivered to all reception pupils from September 2022 with 8 LAs also delivering to year 1 and 2 pupils from this date. The remaining 14 LAs committed to providing meals to year 1 and 2 pupils from April 2023 with the offer being expanded to include all primary pupils by 2024.
Launch of Welsh Government Fuel Support Scheme next week	Households can apply for payments via their Local Councils website from 26 th September. Extended qualifying criteria has increased the number of households eligible for a £200 payment to over 400,000.
New fuel bank scheme operational from next week	£4m providing in funding to provide vouchers of between £30 and £49 to households at risk of self-disconnection from pre-payment or off grid fuel supply. Referral into the fuel bank from approved partners is required.
Extend free school meals during the school holidays for the rest of this financial year	Learners eligible for Free School Meals under current benefit criteria will receive alternative provision during October half term, Christmas holidays and spring half term in February 2023. Equating to an additional £11m in funding for the most vulnerable learners.
Funding for a further round of the Claim What's Yours campaign	Campaign will run this autumn to increase take up of both WG and UKG schemes that go unclaimed in Wales including Pension Credits and other DWP benefits, Child Trust Funds and WG provision such as Council Tax Support, healthy start vouchers, free school meals and support for school uniforms.
Support to establish "warm banks"	Additional £1m in funding has been made available to support the implementation of "Warm Banks" across Wales to prevent people facing extreme fuel poverty this winter. Further details to follow.