



## **Neath Port Talbot County Borough Council**

### **Cabinet**

**29<sup>th</sup> June 2022**

#### **Report of the Chief Finance Officer – Huw Jones**

#### **Matter for Decision:**

#### **Neath Port Talbot Hardship Relief Scheme**

#### **Wards Affected: All**

#### **Purpose of report**

To seek Cabinet approval to implement a hardship relief scheme within the County Borough.

#### **Background**

At the Cabinet meeting of 28<sup>th</sup> February 2022 Members set aside £2m into a hardship relief reserve and tasked the Chief Finance Officer with developing a hardship relief scheme.

The purpose of the scheme is to target those who are most in need and where opportunities exist to provide support within the current financial year.

#### **Deliverability considerations**

Following the Cabinet meeting of 28<sup>th</sup> February 2022 a number of discussions have taken place between Officers of the Council including discussion at the internal poverty group.

What is clear from these discussions is that there is no capacity within the organisation to administer any sort of application based hardship support scheme, given that there are approximately 64,000 properties within the County Borough.

At present, in addition to usual work responsibilities, officers are administering or will shortly be administering the following schemes on behalf of the Welsh Government:

- Self-isolation payment scheme
- Cost of living support scheme
- £500 grant to unpaid carers
- £1,498 payment to social care workers
- Round 2 of the Winter fuel grant

### **Proposed schemes for consideration**

This report sets out two options for Cabinet to consider.

Option 1- One off additional 'cash' payment of £100 to households in receipt of Council tax support.

Households who receive council tax support are in receipt of a means tested benefit. This means that they have already had their income assessed to determine eligibility. As a result they represent some of the most financially vulnerable within our society.

This proposal under these options would be that we make an additional £100 hardship support payment to every household in receipt of council tax support. This will be **in addition** to any support provided by the Welsh Government cost of living support scheme.

We have received confirmation from the Department for Works and Pensions, via the WLGA, that this proposal can be delivered via 'Local Welfare Provision' and will therefore not impact on any other benefit entitlements. Confirmation has also been received from HMRC that the payment would not be taxable.

This option would be the quickest and easiest to deliver as we already have bank details for all recipients due to the fact that we have recently administered the Welsh Government Cost of Living Support Scheme.

However, the disadvantages of this option would be: that only households in receipt of Council Tax support would receive a payment; there would be no support available for any households falling just outside of the eligibility criteria; it is a one-off, short term, intervention; with no assessment as to what intervention would make the most

difference and also there would be no opportunity for signposting households to further avenues of support.

### Option 2 – Deliver a hardship relief scheme utilising a partner agency (Warm Wales)

Discussions have taken place with a number of external agencies since the funding for this initiative was set aside in February 2022. Over recent months positive discussions have taken place with Warm Wales in relation to entering into a partnership agreement for Warm Wales to deliver a hardship relief scheme on behalf of the Council.

Warm Wales are a Port Talbot based organisation who are in a unique position to draw on a range of support both local and national ensuring best value for the hardship fund while creating a longer-term legacy of warmer, more efficient homes within Neath Port Talbot.

The proposed scheme will provide a range of targeted interventions, one of which could be 'cash' support with referrals coming via existing mechanisms. Interventions could be delivered on a one-off basis such as emergency electricity top up vouchers or longer lasting support like home insulation. Further details regarding this option and its advantages are set out in Appendix 1 of this report.

Although this option would support fewer households than option 1, it would offer support to those who do not currently meet the criteria for financial support through means tested benefits but who may still be struggling. There would be other advantages in terms of tailored support, maximising other opportunities and the opportunity to signpost to ongoing support are deemed to outweigh this disadvantage.

A disadvantage of this option compared to option 1 is that there will be a cost to administer the scheme of approximately £200k over an 18 month period. This cost can be met from additional funding provided previously by Welsh Government to administer various other schemes on their behalf which remains unspent. This will ensure that the £2m set aside for hardship relief will all be utilised supporting residents of the County Borough.

## **Financial Impact**

All financial impacts are set out within the report.

## **Integrated Impact Assessment**

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment, attached at Appendix 1, has indicated that a more in-depth assessment is not required.

## **Valleys Community Impacts**

Positive impact.

## **Workforce impacts**

There will be additional staff resource time required to deal with the administration of the scheme if option 1 is the preferred option. There will be no impact for option 2 as the scheme will be administered by Warm Wales and instead will be covered by a partnership agreement.

## **Legal impact**

The Council would be utilising its general power of competence pursuant to Section 22 of the Local Government and Elections (Wales) Act 2022 in facilitating this scheme.

It should be noted that an agreement with Warm Wales would have to be entered into to facilitate this arrangement and delegated authority is sought to the Chief Finance Officer to agree this arrangement, in consultation with the Head of Legal and Democratic Services.

However, one issue that must be considered is that this agreement is being entered into by the Council with an organisation without having undertaken a competitive tender exercise with Warm Wales.

It is anticipated that the contract value will be below the threshold for competitive tendering of £213,477 set out in the Public Contract Regulations 2015.

However, the Council must comply with its own Contract Procedure Rules which apply to the letting of arrangements such as this proposal. The Council is obliged to act in an open fair and transparent manner, ensuring that contract opportunities for such services are advertised to reach a wide market in order to encourage competition and to ensure equal treatment of all bidders.

There is a risk therefore of potential challenge to this arrangement by not competitively tendering this arrangement. However, it would be contended that the risk of potential challenge here is limited in that Warm Wales would be the only organisation who could be capable of providing this service, as explained above and the risk of not pursuing this arrangement is that the Council will be unable to treating avenues of support that help people to heat their homes affordably and the mechanisms necessary to achieve this cannot be implemented.

### **Risk management**

No impact.

### **Consultation**

There is no requirement under the Constitution for external consultation on this item.

### **Recommendation**

It is recommended, having due regard to the integrated impact assessment and excluding the requirements of the Neath Port Talbot Council Contract Procedure Rules, that members approve the delivery of a hardship relief scheme utilising a partner agency as set out within this report and that delegated authority be granted to the Chief Finance Officer to enter into a partnership agreement with Warm Wales to facilitate delivery of this hardship relief scheme.

### **Reason for proposed decision**

To enable the Council to provide hardship relief to residents of the County Borough.

### **Implementation of decision**

The decision is proposed implementation after the three day call in period.

### **Appendices**

Appendix 1 – Warm Wales Hardship Relief Proposal

Appendix 2 – Stage 1 Integrated Impact Assessment

### **List of background papers**

Cabinet report 28<sup>th</sup> February 2022.

### **Officer contact**

Mr Huw Jones – Chief Finance Officer

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### NPT Hardship Fund - DRAFT

#### Context

The UK is currently experiencing a cost-of-living crisis affecting food, fuel and energy prices, and hitting the poorest and most vulnerable the hardest. Tens of millions of households are being affected by this.

In Wales, the latest statistics indicate that up to 45% of households are in fuel poverty, and that 8% are in severe fuel poverty, spending 20% of their income on heating their homes<sup>1</sup>.

Creating avenues of support that help people to heat their homes affordably, either directly through measures such as more efficient heating systems, or indirectly through income maximisations schemes, will embed greater financial stability, longer term.

This proposal outlines mechanisms for distributing the £2 million hardship relief fund ring-fenced by Neath Port Talbot County Borough Council.

The focus is on spending that lifts householders further from fuel poverty more sustainably by providing repairs, maintenance, heating measures and financial support that is not usually available. In this way, the funding will reach those most in need and provide unique support for critical matters.

#### Delivery approach

Householders will be referred to the *Healthy Homes, Healthy People* project so they receive the full range of support provided by the project – see schedule below.

This approach ensures all forms of supporting someone are explored, that the hardship fund is a fund of last resort and that funds are maximised. For example, a householder could be

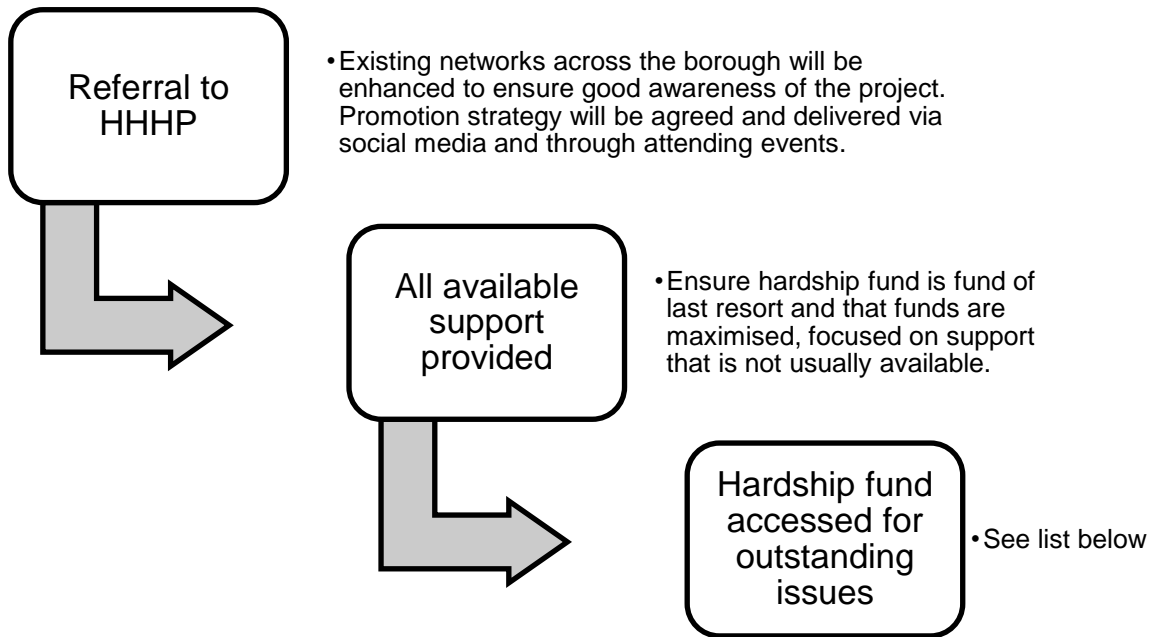
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<sup>1</sup> <https://www.nea.org.uk/news/new-statistics-highlight-up-to-45-of-households-in-wales-now-in-fuel-poverty/>

supported to access Nest for a new boiler, and then use the NPT fund to pay off fuel debt that was accrued from having an inefficient heating system.

HHHP staff are qualified in City Guilds Energy Awareness, Level 3 and bring years of experience in supporting people to live in warmer, safer, healthier homes.

## Process



## Oversight and reporting

As the fund is discretionary and will be available to support a range of needs, it is not feasible to make precise projections about how the funds will be utilised.

A number of support options have been outlined on the following pages to provide an illustration of possible outcomes. Given the flexibility of the pot, it would be advantageous to factor in regular discussions to shape priorities and focus.

We would propose that:

- Funds are released to Warm Wales in increments of £100,000
- When 80% of that is spent, Warm Wales will liaise with the local authority about what the money has been spent on and agree future priorities for the spending
- This will mean approximately monthly discussions
- Quarterly reports will be submitted in addition to this, and the monthly meetings may be reduced once clearer projections for the remainder of the work can be made.



## **Distribution scenarios**

Staffing time and on costs will be determined by aspects of how the fund is distributed. However, allowing a very rough figure of 10% of the fund for this would then require total administrative support of c£200k over an 18 month period.

| <b>Support</b>             | <b>Estimate per measure</b>                      | <b>Estimate of volume</b> | <b>Partners required</b>           | <b>Funding approach</b>                              | <b>Comments</b>  |
|----------------------------|--|---------------------------|------------------------------------|--|--|
| <b>Fuel debt</b>           | Variable - £100s up to £1000+                    | Increasing all the time   | Citizens Advice and other agencies |  | Will need to be delivered via a certified partner and provide wider budgeting and financial management support.  |
| <b>Income Maximisation</b> | Will cost approx. £150 per referral              |                           | National Energy Action (NEA)       | Payment to NEA                                       | This will ensure the HH is in receipt of everything they are entitled to which will support longer-term financial stability.<br><br>Returns can be up to £10,000                                       |
| <b>Boiler services</b>     | £100   |                           |                                    |  | Many people do not service their boiler because of the cost but this leads to them breaking sooner.<br><br>Barring schemes that are run and accessed by DNOs only, there are no boiler repair schemes. |
| <b>Boiler repairs</b>      | £100 call out fee<br><br>£500 average for repair |                           | NEA                                | Payments direct to the person undertaking the repair |  |

|                                     |   |  |   |  |  |
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| <b>Heating system maintenance</b>   | Power flush - £450 for 3 bed house  |  |   | Payments direct to the engineer doing the work | Power flushes clear out the heating systems making them more efficient.<br><br><b>***These three services would often be delivered together, creating a package of support for homes to be heated more efficiently***</b>  |
| <b>Home repairs</b>                 | Variable – focused on small but significant repairs, eg broken window catches |  | Care & Repair                                     | **As above                                     |  |
| <b>Home installs &amp; measures</b> | **This would need eligibility criteria and prior agreement with the Council** |  | Could we use the ECO agents and their installers? | Payment to 3 <sup>rd</sup> party contractors   | This could cover: <ul style="list-style-type: none"> <li>• Loft installation (often requested and rarely a standalone measure in other schemes)</li> <li>• Heating systems for those that don't qualify for Nest or ECO but are in fuel poverty eg those that have a Nest measure previously, possibly up to 10 years ago</li> </ul> |

|  |  |                         |   |  |  |
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|  |  |                         |   |  |  |
| <b>White goods</b><br>(cooker, fridge, freezer, washing machine) | £350 – average including install & recycling |                         | Establish relationship with local supplier. | Purchased directly by Warm Wales and delivered to the HH | Ideally these would all come from local shops thereby having a knock-on effect for the local economy as well as for the householder.<br><br><a href="http://www.vjbailey.co.uk/">http://www.vjbailey.co.uk/</a>  |
| <b>Small measures</b>  | Capped at £250. Measures chosen from a list  |                         |   | **As above   | **Same as white goods – ideally from local suppliers.  |
| <b>Credit meter energy payments</b>                              | £255 (average taken from CEP activity)       |                         | n/a – will need to have an account with PO  | Cash payment direct to the HH via the Post Office        | Making payments to energy companies on behalf of others takes hours and is unexpectedly difficult. Cash payments via the Post Office mitigates this – HH will be told to keep evidence of making a payment for their utilities.<br><br><a href="https://www.postoffice.co.uk/post-office-payout">https://www.postoffice.co.uk/post-office-payout</a><br><br>Costs approx. £1000 to set up. |
| <b>Emergency top up vouchers</b>                                 | £50 – average cost per                       | 10,000 electricity pre- | Fuel Bank Foundation                        | Vouchers (codes) will be issued by                       | We have an existing partnership with this organisation providing top-up vouchers in  |

|                             |   |                 |  |   |   |
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|                             | voucher (including admin fee) over two winters and a summer | payment meters* |  | the Fuel Bank Foundation direct to the HH | parts of north Wales, this can be extended to also cover NPT.<br><br>£49 – winter<br>£30 - summer<br>Plus £5 admin fee per voucher  |
| <b>Solid fuel purchases</b> | Oil is approx. £500   |                 |  |   | Oil is a minimum order of 500 litres – costs vary depending on wholesale prices, currently around £1 a litre.<br><br>LPG and wood cost less per delivery.<br><br>Fewer than 5,000 homes in NPT are off-gas. |

\* Figures from 2017, updated in 2019

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/793448/Local-authority-prepayment-electricity-statistics-2017.csv/preview](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/793448/Local-authority-prepayment-electricity-statistics-2017.csv/preview)

**Impact Assessment - First Stage**

**1. Details of the initiative**

|  |
|--|
| <b>Initiative description and summary:</b> Hardship Relief Scheme<br>Each applicant will be assessed to ensure that nobody is excluded from accessing support. |
| <b>Service Area:</b> Council Tax / Welfare Support   |
| <b>Directorate:</b> Chief Executive  |

**2. Does the initiative affect:**

|                                      | Yes | No |
|--------------------------------------|-----|----|
| Service users (council taxpayers)    | X   |    |
| Staff                                | X   |    |
| Wider community                      | X   |    |
| Internal administrative process only |     | X  |

**3. Does the initiative impact on people because of their:**

|            | Yes | No | None/<br>Negligible | Don't<br>Know | Impact<br>H/M/L | Reasons for your decision (including evidence)/How<br>might it impact? |
|------------|-----|----|---------------------|---------------|-----------------|--|
| Age        |     | X  |                     |               |                 |  |
| Disability |     | X  |                     |               |                 |  |

|                            |  |   |  |  |  |   |
|----------------------------|--|---|--|--|--|---|
| Gender Reassignment        |  | X |  |  |  | There will be no impact to any prohibited characteristic given the scheme will establish eligibility to all those impacted by the cost of living crisis detailed in |
| Marriage/Civil Partnership |  | X |  |  |  |   |
| Pregnancy/Maternity        |  | X |  |  |  |   |
| Race                       |  | X |  |  |  |   |
| Religion/Belief            |  | X |  |  |  |   |
| Sex                        |  | X |  |  |  |   |
| Sexual orientation         |  | X |  |  |  |   |

**4. Does the initiative impact on:**

|   | Yes | No | None/<br>Negligible | Don't<br>know | Impact<br>H/M/L | Reasons for your decision (including evidence used) /<br>How might it impact?   |
|---|-----|----|---------------------|---------------|-----------------|---|
| People's opportunities to use the Welsh language            |     | X  |                     |               |                 | Applications for support can be dealt with in Welsh and accordingly no restriction on the use of the Welsh Language                     |
| Treating the Welsh language no less favourably than English |     | X  |                     |               |                 | Applications for support can be dealt with in Welsh and no applicant who applies in Welsh will be treated less favourably than English. |

**5. Does the initiative impact on biodiversity:**

|  | Yes | No | None/<br>Negligible | Don't<br>know | Impact<br>H/M/L | Reasons for your decision (including evidence) /<br>How might it impact?   |
|--|-----|----|---------------------|---------------|-----------------|--|
| To maintain and enhance biodiversity   |     | X  |                     |               |                 | There will be no impact on the maintenance and enhancement of biodiversity |
| To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc. |     | X  |                     |               |                 | There will be no impact on the promotion of the resilience of ecosystem    |

**6. Does the initiative embrace the sustainable development principle (5 ways of working):**

|   | Yes | No | Details  |
|---|-----|----|--|
| <b>Long term</b> - how the initiative supports the long term well-being of people | X   |    | <p>The UK is currently experiencing a cost-of-living crisis affecting food, fuel and energy prices, and hitting the poorest and most vulnerable the hardest. Tens of millions of households are being affected by this.</p> <p>In Wales, the latest statistics indicate that up to 45% of households are in fuel poverty, and that 8% are in severe fuel poverty, spending 20% of their income on heating their homes.</p> <p>Creating avenues of support that help people to heat their homes affordably, either directly through measures such as more efficient heating</p> |



|  |   |  |  |
|--|---|--|--|
|  |   |  | systems, or indirectly through income maximisations schemes, will embed greater financial stability, longer term.  |
| <b>Integration</b> - how the initiative impacts upon our wellbeing objectives                                    | X |  | The proposal will have a positive impact on two of the Council's Wellbeing Objectives in that it will contribute to the objectives of ensuring children get the best start in life and all our communities are thriving  |
| <b>Involvement</b> - how people have been involved in developing the initiative                                  | X |  | Discussions have taken place with a number of external agencies since the funding for this initiative was set aside in February 2022. Over recent months positive discussions have taken place with Warm Wales in relation to entering into a partnership agreement for Warm Wales to deliver a hardship relief scheme on behalf of the Council. |
| <b>Collaboration</b> - how we have worked with other services/organisations to find shared sustainable solutions | X |  | Discussions have taken place with a number of external agencies since the funding for this initiative was set aside in February 2022. Over recent months positive discussions have taken place with Warm Wales in relation to entering into a partnership agreement for Warm Wales to deliver a hardship relief scheme on behalf of the Council. |
| <b>Prevention</b> - how the initiative will prevent problems occurring or getting worse                          | X |  | The scheme will provide additional financial support to the most vulnerable citizens of Neath Port Talbot during an unprecedented cost of living crisis.   |

**7. Declaration - based on above assessment (tick as appropriate):**

|  |   |
|--|---|
| A full impact assessment (second stage) <b>is not</b> required   | X |
| Reasons for this conclusion  |   |
| There will be no impact on protected characteristics, no impact on Welsh language or biodiversity issues and the proposal supports compliance with the sustainable development principle |   |

|               | <b>Name</b> | <b>Position</b>       | <b>Date</b>               |
|---------------|-------------|-----------------------|---------------------------|
| Signed off by | Huw Jones   | Chief Finance Officer | 9 <sup>th</sup> June 2022 |