

Report

Cabinet



Part 1

Date: 11 January 2023

Subject Newport City Council response to external pressures impacting Council services

Purpose To present an update to Cabinet on Newport City Council's response to external factors impacting on delivery of Council services.

Author Policy and Partnership Manager

Ward All

Summary This month's report highlights the external pressures affecting the council and our communities including but not limited to the increasing impact of the cost of living on our residents, businesses, and the council. This crisis and the support of those in need migrating into the city for safety and sanctuary is leading to our teams across service areas seeing increased calls for advice and support and they continue to work internally and with partners to provide as much help as possible whilst also managing the impact on our services and officers.

This report provides examples of the support being provided from across the council, including support for school pupils, food banks, warm spaces and advice and guidance sessions.

Proposal Cabinet to consider the contents of the report on the Council's activity to respond to the external factors on Newport's communities, businesses, and council services.

Action by Executive Board and Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Executive Board
- Corporate Management Team

Signed

Background

The report is an update for Cabinet on a range of external pressures currently impacting on the Council, communities and businesses. Our communities, staff and residents are experiencing an unprecedented situation linked to the cost-of-living crisis, and all areas are working together with partners to transform the way in which we are providing advice, guidance and services.

Cost of Living Impacts in Wales and the UK

Individuals and communities continue to feel the impact of rising costs due to cost of living increases and inflation. Food banks continue to be under unprecedented demands, with community organisations doing what they can to support families and individuals. We are receiving increasing enquiries about accessing funds for heating.

The Housing Team expect to see an increase in the number of people approaching for advice due to affordability issues. There are currently 456 people on the common housing register who have reported financial issues as a reason for registering.

The effects of the cost-of-living crisis are being felt in all areas of income collection and in the Benefits Team. The team has seen a higher-than-expected number of direct debits being cancelled in November, which may indicate that households are struggling to pay their bills. As well as the implications for collection, the cancellation of large numbers of direct debit plans requires new bills to be issued.

Council tax and NNDR (non-domestic rates) collection rates at the end of November 2022 were slightly below the rates for the same time last year resulting in an increase in the number of reminder and final notices being issued, which in turn generate more enquiries and customer contacts. The collection rates are being closely monitored and the Council Tax team is supporting households with extended payment plans where appropriate to avoid arrears building up, however the increase in correspondence and enquiries regarding financial issues is significantly adding to the team's workload.

The Benefits Team has seen an increase in the number of new applications for council tax reduction, many of those applying do not qualify however the assessment process for these unsuccessful cases is adding to the team's workload as is the increase in enquiries from households regarding eligibility for assistance.

There has also been an increase in housing benefit claims for the homeless living in temporary accommodation, these cases are not covered by Universal Credit and are complex in nature requiring significant staff time to process.

Winter fuel payments continue to be processed, all those receiving housing benefit and council tax relief have been paid their entitlement by way of a Post Office voucher, however following the expanded criteria for the scheme this year there is a steady flow of applications that are being processed within the team.

Welsh Government, Newport City Council and Partners Response.

The Task and Finish group continues to meet monthly. This is a shared forum of practitioners and partners to share information, concerns, and experiences with agreed outcomes on how we can support communities throughout the cost-of-living crisis. The focus is on supporting and enabling communities and wider partners to provide support, the role of Newport City Council (NCC) is facilitating this. A Welsh Government grant is available for these organisations to access to assist them with running costs for any warm spaces they may be offering.

The NCC offer will be a mixture of social activities and more formal advice on cost-of-living issues in council run warm spaces in a range of community venues, including libraries. We have been allocated £56k by Welsh Government to support our Warm Spaces work. NCC will use £12K to support 8 warm spaces run by the council and to make £44k available to the community and faith sector. The money will

be allocated as grant of up to £2k by GAVO, who possess excellent community links and already act in this capacity for the Council's food poverty work. There is an expectation that these grants will be targeted in areas where there is not currently sufficient provision, as well as supporting established warm spaces.

Information on the location and opening hours of warm spaces in Newport can be found on the council website: [Warm welcome sessions | Newport City Council](#). An interactive map will be linked to this site shortly.

Support provided by schools across Newport for our children and young people include the following

- Ensuring all Foundation Phase children in Primary have their universal entitlement to Free School Meals
- Planning the work towards rolling out a Universal Free school meal entitlement to year 3, 4 , 5 and 6 after Easter.
- Assessing schools Pupil Deprivation Grant spend to ensure that the grant terms and conditions are met to get the best outcomes for pupils entitled to Free School Meals at Primary and Secondary Level.
- Operating Free Breakfast clubs across the majority of Primary schools in Newport and for year 7 in secondary schools. This is linked to the WG Free Breakfast Club scheme.
- Continuing to share information with schools on how parents can access School Uniform Grants. This is for those parent accessing benefits within or new to the benefits system.
- Signposting parents to uniform recycling schemes. This is particularly important as pupils grow out of uniform during the school year.
- Signposting to their own 'in house' food banks or to those set up within the local community.

Asylum Dispersal

Newport has a long history of welcoming people seeking sanctuary and will continue to offer a place of safety for those fleeing conflict and persecution.

The Home Office is responsible for the procurement and management of all accommodation provided to asylum seekers which includes hotel accommodation in Wales. For purposes of safety, we do not disclose the name or location of hotels used for this purpose. As part of this, it has been reported in the media, the Home Office have highlighted a hotel in Newport as contingency accommodation for people seeking asylum (families only).

The council will, in such circumstances, work with all the agencies involved to ensure the most appropriate assistance is available and that both our communities and those arriving in our city are supported and safe. Officers are also working with the hotel team to identify anyone who has a lost their job as a result of these developments and will offer employment support and advice accordingly.

Ukrainian Refugee Support

Homes for Ukraine (sponsorship scheme)

NCC are currently supporting 105 individuals, with 52 active hosting arrangements in place for the families and individuals, currently one completed move into PRS and 5 occasions where emergency accommodation has been needed due to the break down or ending of a placement. The next quarter is a time of a significant risk as the initial 6-month placements come to an end. NCC is proactively working on plans to mitigate against these risks, including supporting people to move into the private rented sector.

Welsh government super sponsor scheme - hotels

Currently 56 people (32 households) are placed in hotel accommodation in Newport under the Welsh government Ukraine scheme. These hotels are currently leased until the end of the financial year. Welsh Government have introduced new requirements for residents to contribute a modest amount for their

hotel stays, have removed the provision of lunch, and have introduced absence and refusal policies. The responsibility for moving people on from these hotels is likely to largely lie with local authorities.

Family Scheme

Additionally, support is given through the externally funded Vulnerable People Resettlement Scheme for 16 individuals who have arrived in Newport under the Family Scheme, this support is 'lighter touch' than the Super Sponsor and Homes for Ukraine arrivals.

Risks

Newport Council will be reviewing the Council's Corporate and service area risks as part of the new Corporate Plan.

Risk Title / Description	Risk Impact score of Risk if it occurs* (1-5)	Risk Probability of risk occurring (1-5)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Cost of Living impact on Council services	4	4	See this report on the Council's response to the cost-of-living crisis.	Corporate Management Team
Supporting refugees to settle in Newport.	4	2	See this Report on the Council's response to re-settlement programmes.	Corporate Management Team, Head of Housing and Communities, Director of Social Services
Balancing the Council's Medium Term Finance Plan	5	4	See this report on the MTFP work and statement. Also, Council's Finance updates and Corporate Risk Register.	Corporate Management Team / Finance

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan
Strategic Equalities Plan

Options Available and considered

1. To consider and note the contents of the report on the Council's response.
2. To request further information or reject the contents of the report

Preferred Option and Why

1. To consider and note the contents of the report on the Council's response.

Comments of Chief Financial Officer

The report highlights the various factors which are putting pressure on Council services to help and respond, with the report highlighting the support which is available. Whilst a significant amount of this specific support is funded from UK Government and Welsh Government, certain factors are having an impact on the Council's in-year financial position and affecting the medium-term financial outlook.

There are some specific financial risks highlighted, such as the potential that the pressure on the Housing service will increase and result in increased demand for temporary or emergency

accommodation. This is an area that is already significantly overspent and, therefore, every available option will need to be considered in order to avoid an increase in the overspend. Another example is the challenge being experienced in terms of collecting debt and the potential for an increase in demand for Council Tax reduction, which could manifest itself in lost income or overspending against the CTRS budget.

Issues and risks such as those highlighted above, have the potential to impact the Council's financial position over the medium term, especially in the context of an extremely challenging medium term horizon. Budget managers and Heads of Service will be expected to continue to monitor the impact of the external factors included in this report and work with Finance colleagues to escalate any material financial implications and report them where relevant. This will need to also include plans to mitigate any issues, as far as is possible.

Comments of Monitoring Officer

There are no legal issues arising from the report. Any specific legal implications will be addressed as part of the Council's operational responses to the key issues identified in the report.

Comments of Head of People, Policy and Transformation

As detailed throughout this report, our staff and residents are experiencing an unprecedented situation linked to the cost-of-living crisis. This affects the council and our services, and all areas are working together with partners to transform the way in which we are providing advice, guidance and services.

We are seeing increased demand on all services at a time when we are looking at budget savings as for 2023-24. The council is considering HR implications and working closely during this period.

Scrutiny Committees

Not applicable as this an information only report and no decision is required from the Council.

Fairness and Equality Impact Assessment:

Not applicable as this is an information only report and no decision is required from the Council.

Wellbeing of Future Generations

Long Term – The short term actions the Council is taking now is considering the longer-term impacts which the cost of living is having on communities and businesses in Newport. Newport Council alongside partners are providing financial and non-financial support to help households and businesses.

Collaborative – Newport Council is working collaboratively across the organisation and also our external partners from Aneurin Bevan University Health Board, schools, Welsh Government and other local partners to support cost of living support.

Integration – The actions that the Council and is taking supports the Council's organisational priorities for community cohesion, early intervention, and prevention. This also supports the Welsh Government's priority for Wales being a nation of sanctuary.

Involvement – We are involving communities and residents who are providing vital front-line support and helping vulnerable / disadvantage households, and refugees. The Council is also providing regular updates and communications to those impacted by the cost-of-living crisis.

Prevention - The short term actions the Council is taking now is considering the longer-term impacts which the cost of living is having on communities and businesses in Newport. Newport Council alongside partners are providing financial and non-financial support to help households and businesses.

Consultation

Not Applicable

Background Papers

Not applicable

Dated: 4 January 2023