

Report

Cabinet



Part 1

Date: 15 February 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 report provides an update on the external pressures faced by the council and our communities. As with previous reports, the cost-of-living crisis continues to significantly impact on our residents and businesses. The council itself is facing increased financial costs and increased demand on services leading to budgetary pressures.

Across Newport, work continues with partners and communities to identify, share, and provide advice and guidance on the help and support available and how this can be accessed.

Examples are provided within this report of the nature of support being provided including the opening of warm spaces, advice and guidance, and support through schools.

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 nature of pressures being faced by the council is multi-faceted and it is important that Cabinet members receive updates on those currently impacting on the Council and our residents and businesses.

With the current cost of living crisis following on from the COVID pandemic, alongside the war in Ukraine and other factors mean that many families are struggling like never before. These pressures are impacting on our residents, our business and our staff and this report aims to highlight how the council is identifying and working in partnership to respond in a way that best meets our communities across the whole city.

Cost of Living in Wales and the UK

Since early 2021, the cost of living has risen sharply in the UK affecting families, businesses, and communities in many ways. The cost-of-living crisis has also been associated with a reduction in wellbeing, including increased anxiety and worsening mental health. High food and energy prices will affect the more vulnerable in society the most, with many families having to make stark choices in order to manage. Figures show that many people are now accessing food banks for the first time, with national charities such as the Trussell Trust reporting in the media seeing a 31-35% increase on demands for food bank services as a direct result of the cost-of-living crisis.

NCC continues to focus on ensuring communities are able to access support to manage the current crisis. We have aligned available information and support with the 'warm spaces' across the city and seek to increase the number of warm spaces with the assistance of a grant from WG. Information is also readily available on NCC's website with a dedicated Support and Advice page. The NCC officer Cost-of-Living group have been meeting since late 2022. This is a positive forum for information sharing and to develop ideas on what can be improved to assist residents of Newport.

Since September 2022 Childrens' Services saw an increase in referrals before slightly declining from November. Adults' services referrals rose in August 2022 and have remained largely consistent since. It is noted the referrals are showing increases of people experiencing a lack of basic utilities including gas and electric, access to food and social housing. Also noted is the increase in Public Protection Notices (PPNs) being submitted by the police in relation to people experiencing a mental health crisis.

The wider impact on maintaining tenancies and homes appears to also be increasing, with families reported as having to sell their own homes as they can no longer maintain the costs of running them. Non-essential spend for many will decrease significantly, with their mortgage repayments increasing by as much as 100-150%. 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 continue to impact on all areas of Revenues and Benefits work. The team has seen a higher-than-expected number of direct debits being cancelled in November and December, which may indicate that households are juggling payments to enable them 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 adding to the workload.

Council tax and NNDR (non-domestic rates) collection rates at the end of December 2022 were again below the collection rates for the same time last year. 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 adding to the team's workload. Summonses for non-payment are being issued during January 2023 and numbers of non-payers are higher than for the same time in previous years, this is expected to add to the number of queries and correspondence directed to the team.

The Benefits Team continues to see a higher than usual 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. The scheme is due to close on 28 February 2023 so it is expected that this work should start to decline after that.

The team will shortly be involved in the roll out of the Energy Bills Support Scheme Alternative Funding, which is a UK Government initiative that will see eligible households/individuals receive a £400 payment. The full details of the scheme have not been received but it is expected that it will commence at the end of February 2023 although this is unconfirmed at present. Once full details of the scheme have been received an assessment on the impact it is likely to have will be made.

Welsh Government, Newport City Council and Partners Response

As mentioned, NCC's Cost of Living 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.

Council run warm spaces have been operating for just over a month and the grants programme, administered by GAVO, is live. Performance and utilisation data will be collated at the end of January and a summary provided in the next report. 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](#)

The council is working in partnership with GAVO to provide capital funding (up to £3000) to support community groups and third sector organisations who are responding to food insecurity in Newport and who are working towards making the city more sustainable in terms of food and access to food. NCC and GAVO have also successfully tendered for funding to develop a sustainable food partnership in Newport.

An overview of support provided by schools across Newport to address the impact on our children and young people within education include the following

- Roll out of Universal Free School Meals (FSM) to Reception, Years 1 and 2
- Year 7 Free School Meals Breakfast Club
- Transitional Protected Students captured
- Developed a 'Tackling All Aspects of Poverty in Education' (TAPE) Approach
- Developing a Tiered Approach to provision with schools
- Free Schools Meals visit with all secondary schools
- Listening to learners (FSM Focus)
- Working with Child Poverty Action Group (CPAG)
- LA Appliance Allocation Project in partnership with social care.
- Developing Community Focused Schools and enhancing the role of the Family Engagement Officer.
- Linked with Bank of England – Finance resources available to primary and secondary schools
- Promote Financial Ambassador programme across the city.
- Expand pilot project – One Million Mentors

With our officers and their families in mind a Cost-of-Living Advice and Support booklet has been developed and shared with all staff members providing information and links to sources of help from Newport City Council, our partners, and external organisations.

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. The council works 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.

Ukrainian Refugee Support

Homes for Ukraine (sponsorship scheme)

NCC are currently supporting 108 individuals, with 53 active hosting arrangements in place for the families and individuals, currently one completed move into the Public Rented Section (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 extending and expanding hosting arrangements and supporting people to move into the private rented sector.

Welsh government super sponsor scheme - hotels

Currently 59 people (43 households) are placed in hotel accommodation in Newport under the Welsh government super sponsor scheme. These hotels are currently leased until the end of the financial year. The Connected Communities Team is working proactively to confirm Welsh Government (WG) plans for the hotels and on contingencies should decants be required imminently.

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 Budget	5	4	See Cabinet reports on how the council is monitoring and adjusting spending and budgets to maintain a balanced budget within an environment of increased demand and costs	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 but is proposed to be addressed with investment in the 23/24 budget. 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, especially in areas where grant funding ends, 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

The report details the significant impact current pressures faced by the council, our staff, and our residents. Although this has a detrimental effect on many of our residents and communities, we know this will have an inequitable impact on our most disadvantaged and vulnerable residents. The support being provided via all areas of the council and our partners is hoped to mitigate this as much as possible.

The impact on our residents and our officers during a time of increased demand at a time of budgetary pressures is of particular concern. The council is considering HR implications and working with all service areas 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

Monthly reports to Cabinet.

Dated: 9 February 2023