

Report

Cabinet



Part 1

Date: 22 March 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 provides an update on the main external pressures being faced by the council and our communities. The report is provided in the context of increased demand on the council and our staff through increased demand and own increased costs.

In addition to highlighting the key pressures being faced by our communities and services, this report provides information on how collaborative working with our partners and communities is providing as much support, advice, and guidance as possible.

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 multi-faceted pressures being faced by the council and the citizens of Newport are continuing to adversely affect our communities, local businesses, and the services being provided. Therefore, it is important for Cabinet members to receive regular updates on the issues and the support available.

The Cost-of-Living crisis is having the biggest impact locally and nationally and as a council we are working with our partners and citizens to respond in a way that meets the needs of our communities across the city as much as possible. As with previous reports, residents experiencing difficulty in paying their council tax or who have fallen into arrears are encouraged to contact the Council to discuss how we can help.

Cost of Living Crisis

Inflationary / cost of living pressures are continuing to persist and costs in energy, food and other living costs are continuing to impact on household budgets.

In the last 12 months, The Office of National Statistics (ONS) has reported costs of food and non-alcoholic beverages have increased by 16.8%. The ONS [‘Public Opinions and Social Trends’](#) survey also reported 95% of responses stated their cost of living had increased because of the price of food shopping with 79% stating their cost of living had increased because of gas or electricity bills. Other national surveys and market analysis have also reported similar findings with inflationary prices affecting prices of basic basket of food items, a recent article showed the cost of [The Food Foundation’s Basic Basket](#) has increased by approximately 17- 22% since March 2022.

More recently supermarkets have reported supply chain issues with fresh produce and suppliers reporting increasing energy bills, and poor weather affecting crops.

The Council’s Cost-of-Living officer Task and Finish Group are continuing to collaboratively work with partners to support residents and are planning the next community cost of living event in the City. Below are some of the work and activities which the Council’s front-line services have reported.

Collaboration with GAVO continues to support Community Food Organisations in Newport. To date 30 grants have been allocated through the grant schemes and GAVO are continuing to support organisations. As reported above, the supply chain impacts are also impacting Community Food Organisations and projects which rely on supermarket surplus that is collected at stores whilst those who use Fare Share (as a direct supplier) have reported a decline in the quality of stock being delivered. From March 2023 the work will focus on developing a long-term sustainable food network for Newport.

The Council’s Housing service alongside its Housing partners are continuing to see households (homeowners and rental) who are at risk of eviction or becoming homeless approach the Council. The Financial Inclusion team are also seeing increased issues with housing benefits. Additionally there are currently 350 children in temporary accommodation across Newport.

The signposting of residents to additional support, including promoting access to the Money Guiders Programme aimed at maximising income and reducing debt remains a key priority, along with practical financial support such as winter fuel payments for 2022-23 prior to the scheme closing at the end of February.

The Council will also be supporting and facilitating the UK’s Energy Bills Support Scheme aimed at households who do not have their own energy supplies such as those in ‘off grid’ properties, park homes and temporary accommodation.

Newport schools continue to see the impact of the cost-of-living crisis on pupils and families and are working closely to support families in need. A range of initiatives were outlined in last month’s report and additionally secondary schools are supporting a ‘nearly new’ uniform shop and are looking to link school-based food banks with those already existing across the city.

Adult Services teams are reporting an increasing trend with mental health issues. Childrens Services are experiencing increased requests for food, clothing, furniture, and other household needs including children's birthday gifts.

Warm Centres

Warm Centres offer safe spaces for citizens to go to stay warm and to access advice and guidance on further support available. Newport's Warm Centres programme commenced at the beginning of December 2022. GAVO have been administering the Welsh Government grant take up has been quite high and positively received in general.

Currently 19 Warm Centres across the city have been funded and provided with support through the partnership with GAVO, with an additional 3 centres being given further guidance to meet requirements to access funding. The NCC Cost-of-Living task and Finish Group will begin planning for the winter of 2023-24 in the summer to ensure maximum impact for our citizens during the colder period.

Ukrainian Refugee Support

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. Within Newport there are 175 Ukrainian nationals being accommodated through the Homes for Ukraine scheme (119 individuals) and the Welsh Government's Super Sponsor scheme (56 individuals).

Services across Newport City Council continue to provide resettlement support for all arrivals on both schemes. Cost of living impact has been noticed through reductions in offers for accommodation on the Homes for Ukraine scheme, along with withdrawn sponsorship agreements, owing to the rising cost of fuel bills.

In addition to the pressures experienced through reduced sponsorship offers, we are working towards closure dates for the initial accommodation sites at Newport hotels, with support being given to guests in both to find secure and safe move-on options.

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

* 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 provides an update on the impact and support available resulting from the key pressures being faced by our communities, residents, workforce, and staff. 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.

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: 15 March 2023