

Cyngor Sir Gâr Carmarthenshire County Council

Carmarthenshire County Council

Cost of Living

July / August 2022

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1. **Background**

1.1 The Welsh Government announced a package of measures to help people with support towards the cost of living. The package includes £152 million to provide a £150 cost-of-living payment to eligible households (the main scheme) and £25 million to provide discretionary support for other purposes related to living costs.

1.2 The schemes are intended to provide immediate support as Wales recovers from the pandemic and support households to deal with the impact of increasing energy and other costs.

1.3 The Discretionary Scheme funding can be used by each local authority to support households it considers to need assistance with their living costs. Carmarthenshire has been allocated £1.556 million to spend on a discretionary scheme

2. Cost of Living Scheme - Main Scheme

2.1 A payment of £150 can be made to a household under the main scheme if the householder(s) meets one of the following conditions.

2.2 Council Tax Reduction Scheme Entitlement Condition

2.2.1 If the householder(s) was in receipt of support through the Council Tax Reduction Scheme on 15th February 2022, they are automatically assessed as being entitled to a payment of £150 regardless of the valuation band in which their property is placed.

2.2.2 Council Tax Band Condition

Households occupying properties in council tax Bands A to D are assessed as being entitled to a payment of £150 provided they were:

- liable for council tax at a property on 15th February 2022;
- not in receipt of an exemption for that property on 15th February 2022;
- living in the property as their main residence on 15th February 2022; and
- responsible for paying the associated utility and other regularly incurred bills for the property on 15th February 2022.

2.3 Local authorities administering the scheme will be able to make the reasonable assumption that household(s) liable to pay council tax are also responsible for paying the utility and other regularly incurred bills.

2.4 Households living in properties which have been valued as Band E and are in receipt of disability band reduction are also eligible to receive the payment.

2.5 Households are eligible for a payment if their property band recorded on a valuation list is amended retrospectively after 15th February 2022 to fall within an eligible category, for example, as a result of a successful review or appeal made to the Valuation Office Agency (VOA) that concluded after this date. Households living in new builds awaiting an

official banding from the VOA are also eligible for a payment if the official banding subsequently allocated by the VOA, meets the eligibility criteria for the scheme.

2.6 Only one £150 payment is to be made in relation to any single dwelling under the main scheme. In cases of joint and several liability, only one payment is to be made and it should be paid to the first named person on the council tax bill. Where this is not possible, local authorities have discretion to identify the most appropriate person to whom the payment should be made.

2.7 Cost of Living Main Scheme - Households/Payments. The following table summarises the current position in relation to the payments made under the mandatory scheme. At present we have paid out 93% of the eligible households. Two media campaigns were run in May and June / July as well as two reminders sent to those that haven't applied on 13th June 2022 and 18th July 2022, with reminders sent to 8,196 and 4,345 households respectively. A further reminder and media campaign will be run in early September, given that the scheme closes at the end September 2022.

In summary @ 31st August 4,534 households have yet to claim their £150, totaling £680,100.

Mandatory Cost of Living Payments

	Total Number Households	Number Households Paid @ 22 July 2022	Amount Paid £ @ 22 July 2022	Number Households Paid @ 31 August 2022	Amount Paid £ @ 31 August 2022
£150 to all households receiving Council Tax Reduction	15,509	12,034	1,805,100	12,617	1,892,550
£150 to all households in Bands A to D (excluding households receiving Council Tax Reduction)	47,692	45,179	6,776,850	46,050	6,907,500
Total	63,201	57,213	8,581,950	58,667	8,800,050

3. Cost of Living – Discretionary Scheme

3.1 In addition to supporting the eligible categories through the main scheme, each local authority may use the funding provided under the Discretionary Scheme to provide support to households it considers to need assistance with their living costs. This support may take the form of a payment to a household not already covered in the main scheme, or an additional payment, or it may cover the cost of essential services provided to the household.

3.2. The total funding in Wales for the discretionary scheme amounts to £25 million with Carmarthenshire's allocation being £1.556 million.

3.3 The Welsh Government has stated that in developing the local Discretionary Scheme, local authorities have complete autonomy to target the funds to best support residents and to ensure their approach best suits the need of their individual residents.

3.4 The authority has discretion over the value of the award and to pay by instalments if it considers making a full payment would not be in a household's best interests or that it might compromise their welfare.

3.5 It is recognised that payments or the provision of other support to such households may be more readily administered by specialist services within the local authority – e.g. social services, homelessness services, educational support services etc.

3.6 **Vulnerable groups.** Proposed elements using the revenues sources for inclusion in the Carmarthenshire County Council Discretionary Scheme.

3.6.1 Key vulnerable groups that were excluded from the main scheme and as recommended in the Welsh Government guidance for the use of this discretionary scheme. Proposal to pay £150 per household, irrespective of which Band the household is in and in receipt of the exemption on 15th February 2022.

Table 1

Council Tax- Tax exemption criteria	Number of Households	Amount Payable £
Class I – Receiving Care	36	5,400.00
Class J – Providing Care	10	1,500.00
Class U – Severely Mentally Impaired	312	46,800.00
Class X – Care Leavers	35	5,250.00
Total	393	58,950.00
Method of processing Identified from the Council Tax billing System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues		

3.6.2 Suggested other exempt categories within the council tax system.

Proposal to pay £150 per household for Class S noted below and £75 per household for Classes K and N, irrespective of which Band the household is in and in receipt of the exemption on 15th February 2022.

Table 2

Council Tax- Tax exemption criteria	Number of Households	Amount Payable £
Class K – Unoccupied by Students	1	75.00
Class N – Occupied only by students	313	23,475.00
Class S – Under 18	16	2,400.00
Total	330	25,950.00
Method of processing Identified from the Council Tax billing System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues		

3.6.3 There are other groups of people that are captured on the revenues system that could be classed as financially vulnerable.

Proposal to pay £150 per household, irrespective of which Band the household is in, and living at the property on 15th February 2022.

Table 3

Criteria	Number of Households	Amount Payable £
Foster Carers'	122	18,300.00
DBR -Bands E - I	428	64,200.00
Families with 3 children or more on Housing Benefits	14	2,100.00
Benefit Capped	23	3,450.00
Total	587	88,050.00
Method of processing Identified from the Council Tax billing System, Benefits system and Social Services Foster Care Team For DBR Automatic payments to those paying by Direct debit or already received a payment under main scheme if on CTRS For other 3 categories Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues Communities		

3.7 Grant funding initiatives. Carmarthenshire County Council provide a variety of support through grants and funding received to assist individuals in arrears and support the third sector that provide valuable services to the residents of Carmarthenshire that are affected by the cost-of-living crisis. It's proposed to provide top up grants to the following to ensure that financial resources are available to continue to deliver these initiatives.

Table 4

Grant	Proposal	Suggested top up £	Responsible Service Area
Discretionary Housing Payments	Enhance the Discretionary Housing Scheme	100,000	Administered by Revenues – working closely with Housing
Background	<p>Discretionary Housing Payments (DHP) are payments that help tenants who are struggling to pay their rent.</p> <p>To be eligible for a DHP, tenants must receive either Housing Benefit or Universal Credit (with a housing element). Some examples of the criteria supported through this scheme are where claimants affected by the:</p> <ul style="list-style-type: none"> • benefit cap • Social Sector Size Criteria ('bedroom tax') • Local Housing Allowance (rental values > market rent, or unused rooms) <p>Funding for this scheme is allocated to the Local Authority from the Department of Work and Pensions (DWP). This allocation has been significantly reduced year on year by 31% in 2022/23 to £262,876. No Welsh Government funding is available for 2022/23.</p> <p>The total spend for 2021/22 amounted to £397,583 supporting 720 applicants. The cost was met from the DWP grant allocation of £378,584 with the £18,999 excess spend funded from a Welsh Government grant.</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to enhance this existing DHP fund, and therefore bring the amount available through this scheme back to 96% of level of financial support provided by DWP in 2021/22.</p> <p>Robust procedures and processes are already in place to claim and make these payments.</p>		

Table 5

Grant	Proposal	Suggested top up £	Responsible Service Area
Household Poverty Grant	Enhance the scheme	50,000	Administered by Economic Development
Background	<p>Household Poverty Grant received from Welsh Government is used to support food banks that we have in Carmarthenshire. Funding is distributed to local food banks that are helping tackle food poverty within the county. All Foodbanks that we are aware of are invited to apply, not all take up the opportunity. Assessment is based on need for the activity and how they plan to target the most in need.</p> <p>Example of organisations funded to date are: Llandoverly Youth and Community Centre, Newcastle Emlyn Foodbank, Llanelli Foodbank Myrtle House, Llwynhendy and Pemberton Forum, Salvation Army, Ty Gwyn Church, Dr. Mz.</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to enhance this scheme fund through supporting revenue funding initiatives and not capital schemes. Robust procedures and processes are already in place to claim and make these payments.</p> <p>The outputs expected to be reported upon by the recipients of a grant through this scheme are as follows:</p> <ul style="list-style-type: none"> • How many families will be supported • How many single people will be supported • How many homeless people will be supported • No. of people receiving skills and training through regarding healthy food, nutrition and decreasing food waste 		

Table 6

Grant	Proposal	Suggested top up £	Responsible Service Area
Poverty Grant	Enhance the scheme	50,000	Administered by Economic Development
Background	Poverty Grant received from Welsh Government is used to support voluntary bodies that we have in Carmarthenshire that assist the residents of Carmarthenshire through support, advice, financial assistance. Example of organisations funded to date through this scheme are CETMA, Llandovery Youth Centre, Ty Enfys Family Centre, Siwper.box CIC, Threshold, Cwmaman Foodbank, Llanelli Railway Goods Shed Trust, Tyisha Foodbank, Plant y Cwm.		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to enhance this scheme through supporting revenue funding initiatives and not capital schemes. Robust procedures and processes are already in place to claim and make these payments. The outputs expected to be reported upon by the recipients of a grant through this scheme are as follows:</p> <ul style="list-style-type: none"> • How many families will be supported • How many single people will be supported • How many homeless people will be supported • No. of people receiving skills and training through regarding healthy food, nutrition and decreasing food waste • How many Jobs safeguarded • How many Jobs created • Levered funding (match funding if any) 		

Table 7

Grant	Proposal	Suggested top up £	Responsible Service Area
Rural Poverty	Fund a scheme	50,000	Administered by Economic Development
Background	<p>Research carried out in 2016 reported that 23% of the population of rural Wales is living in poverty, a larger proportion than in any other part of the UK (Joseph Rowntree Foundation, 2016).</p> <p>Thirty nine of the 51 wards in Carmarthenshire are classified as rural. Farmers, it has been demonstrated, do not readily seek assistance. Financial hardship can cause mental health issues and the isolating nature of their work means that they are more difficult to reach.</p>		
Approach	<p>Grant to be provided for organisations that can demonstrate that they can provide support to the rural community within Carmarthenshire.</p> <p>To raise awareness of the financial support that is available to them, to identify individuals and families in isolation and provide the necessary advice, guidance and financial support.</p>		

3.8 Long term initiatives. The following are initiatives that Carmarthenshire intend to implement / re-introduce.

Table 8

Initiative	Proposal	Estimated £	Responsible Service Area
Budgeting advisors	Fund three new posts for one year	150,000	Posts to be at Hwbs
Background	<p>We have in the past had budget advisor posts that have assisted any of our residents that have been in financial difficulty. These officers could liaise with the job centers and link up with the food banks so that we have a presence at these sites to assist in -situ.</p> <p>This will assist in managing our housing tenants rent arrears, council tax arrears and assist in residents general debt management. Signposting to the various financial support that is available will also be a key part of the roles.</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to fund these posts. Robust procedures and processes are already in place to appoint and to record and document the advice given.</p> <p>These posts could also link to the following initiatives:</p> <ul style="list-style-type: none"> • Ten Towns project – an outreach initiative providing access to the budget advisors for residents in and around the Ten Towns through the Mobile Hwbs • the Shared Prosperity Fund initiative of improving adult numeracy, a budgeting module could be incorporated into that scheme • Food banks 		

Proposal to introduce an initiative to assist households in reducing their electricity costs in the longer term by issuing LED bulbs to those that are financially vulnerable.

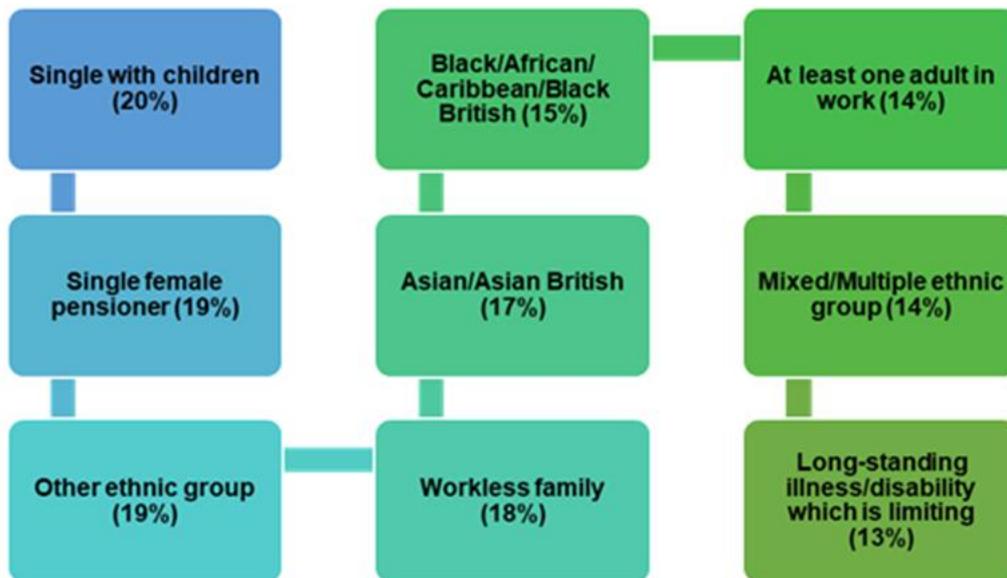
Table 9

Initiative	Proposal	Estimated £	Responsible Service Area
Payment towards LED light purchases	Distribution of LED bulbs to all in receipt of CTRS / or to those directly seeking help through food banks	300,000	Distribute light bulbs through Hwbs / or Food banks
Background	<p>This is considered to be beneficial in the longer term as this would assist in reducing utility bills in the longer term, whilst also have an impact on the net zero carbon agenda.</p> <p>LED light bulbs last for about 100,000 hours of use, which is much longer than their incandescent counterparts. LED light bulbs also use less electricity, bringing utility bills down.</p> <p>Energy saving light bulbs can typically save around 80% more electricity than incandescent bulbs</p>		
Approach	<p>It is proposed funding from the cost-of-living discretionary scheme would be utilised to fund this scheme.</p> <p>Benefits of distribution through Hwbs, would increase the footfall in towns, and the Hwb officers have access to the systems and keep a record of those that have received the bulbs.</p> <p>Benefits of distribution through food banks would means those that are reaching out for assistance will be captured in this initiative.</p>		

3.9 As part of the tackling poverty plan we've started to develop our data profile for Carmarthenshire. See below an extract which highlights the groups most at risk of being in poverty with the Carmarthenshire specific groups noted below the flow-chart.

Proportion of Groups Most At Risk

3.9.1 Income dynamics data published by DWP provide an indication of the groups that are most likely to be in persistent low income at an UK level. A visual of this is provided below¹;



3.9.2 Since low income is one of the primary contributory factors of poverty utilising this data and placing it in a Carmarthenshire context provides an indication of where and which type of poverty might be most prevalent in the county.

3.9.3 The above average presence of these groups within the county may provide an indication as to where poverty is concentrated and therefore where and which interventions should be prioritised (these figures are based on 2011 Census figures and will be updated as the data for 2021 becomes available).

¹ % of population groups in persistent low income (before housing costs) UK - [2-income-dynamics-individuals-in-persistent-low-income-2019.ods \(live.com\)](#)

Table 10

Family Type	Sub -type	Carmarthenshire	Wales	England & Wales
		% of households	% of households	% of households
Single with children	Lone parents in part-time employment	32.2	33.5	33.4
	Lone parents in full-time employment	28.0	25.0	26.0
	Not in employment	39.8	41.5	40.6
One Person Household (of pensioner age)	Aged 65 and over	14.8	13.7	12.4
Household (where all inhabitants are of pensioner age)	All aged 65 and over	0.5	0.3	0.3

3.9.4 The data that we do have on these categories are those that are in receipt of Housing Benefits and / or Council Tax Reduction Scheme. These groups of people will have received £150 per household under the mandatory scheme. The following table summarises these totals and the cost of a **proposed additional £50 per household**. In addition to the above categories a further category of those in receipt of disability allowances are noted below for consideration.

Proposal to pay additional £50 per claimant, and in receipt of the benefit on 15th February 2022.

Table 11

Category in receipt of HB and / or CTRS	Number of claimants	Amount Payable £
Applicants with dependants (excl Families with 3 children or more on Housing Benefits – already included in Table 3 above)	2,656	132,800
In receipt of disability	4,648	232,400
Total		365,200
Method of processing Identified from the Revenues and Benefits System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online. Alternatively, if we have processed payments to these individuals under the mandatory scheme, relevant information is therefore held, another payment run could be actioned.		
Responsible Department / Service Corporate Services / Revenues		

3.9.6 Further analysis of poverty data shows that 35.6% of households in Carmarthenshire are considered to be living in poverty owing to the fact that their total household incomes are below 60% of the median income for GB (as of 2021 = £19,641- 60% of median GB income which is £32,736).

3.9.7 The table below provides an indication of the 24 wards (based on historical ward boundaries) which exhibit rates higher than the Carmarthenshire average for the respective year, suggesting that the effects of poverty are possibly more acute in these areas than others. It is also possible to deduce which wards have seen the most substantial changes in levels over the last ten years with the arrows depicting a change in position. The evidence indicates that several wards in Carmarthenshire have seen significant increases in the numbers of households falling below the income threshold over the last ten years.

Ward	% of Households below 60% GB Median Income(2011) ^[1]	Pattern of Change in terms of Ranking in Carmarthenshire	% of Households below 60% GB Median Income (2021)	% Change
Tyisha	47.8%	No change	49.9%	+2.1%
Felinfoel	44.1%	↑	47.9%	+3.8%
Llwynhendy	43.0%	↑	45.6%	+2.6%
Ammanford	39.3%	↑	44.9%	+5.6%
Glanymor	44.5%	↓	43.9%	-0.6%
Cwarter Bach	38.0%	↑	41.9%	+3.9%
Llandovery	43.6%	↓	41.2%	-2.4%
Dafen	37.6%	↑	41.0%	+3.4%
Bigyn	37.7%	↑	41.0%	+3.3%
Carmarthen Town South	35.2%	↑	41.0%	+5.8%
Glanamman	33.3%	↑	40.4%	+7.1%
Burry Port	40.3%	↓	40.0%	-0.3%
Trimsaran	41.2%	↓	39.9%	-1.3%
Lledi	40.6%	↓	39.3%	-1.3%
Llanybydder	38.1%	↓	38.8%	+0.7%
Garnant	37.9%	↓	38.8%	+0.9%
Kidwelly	36.3%	↑	38.7%	+2.4%
Pontyberem	34.3%	↑	37.6%	+3.3%
Elli	33.2%	↑	37.6%	+4.4%
Cenarth	39.4%	↓	37.4%	-2.0%
Carmarthen Town North	34.3%	↑	37.3%	+3.0%
Pontaman	35.3%	↓	36.5%	+1.2%
Llanfihangel-ar-Arth	38.8%	↓	35.9%	-2.9%
Trelech	30.7%	↑	35.7%	+5.0%

^[1] Above Carmarthenshire average of 34.7%

3.9.8 The number of households in the above wards are noted below.

Parish / Ward	% Households below 60% GB Median Income (2021)	Number of Households Bands A-D	Number of Households Bands E – I	Total Number Households	Minimum %age households in receipt of mandatory payment
Llanelli Town		11,359	980	12,339	92%
• Tyisha	49.9%				
• Glanymor	43.9%				
• Bigyn	41.0%				
• Lliedi	39.3%				
• Elli	37.6%				
Llanelli Rural ^µ		9,103	1,575	10,678	85%
• Felinfoel	47.9%				
• Llwynhendy	45.6%				
• Dafen	41.0%				
Ammanford ^µ		2,350	274	2,624	90%
• Ammanford	44.9%				
• Pontaman	36.5%				
Cwarter Bach	41.9%	1,285	98	1,383	93%
Llandovery	41.2%	801	193	994	81%
Carmarthen Town ^µ		5,645	1,551	7,196	78%
• Carmarthen Town South	41.0%				
• Carmarthen Town North	37.3%				
Cwmamman		1,947	210	2,157	90%
• Glanamman	40.4%				
• Garnant	38.8%				
Pembrey & Burry Port ^µ		3,511	641	4,152	85%
• Burry Port	40.0%				
Trimsaran	39.9%	997	158	1,155	86%
Llanybydder	38.8%	592	157	749	79%
Kidwelly ^µ	38.7%	1,346	377	1,723	78%
Pontyberem	37.6%	1,117	203	1,320	84%
Cenarth ^µ	37.4%	270	286	556	49%
Llanfihangel-ar-Arth	35.9%	617	401	1,018	61%
Trelech	35.7%	142	176	318	45%
TOTAL		41,082	7,280	48,362	85%

^µ Note: there are additional wards within these regions – therefore the number of households noted are for the region rather than for the wards listed here.

Given that a minimum (this assessment is based purely on properties in Bands A to D, the number of payments made to those on credits within Bands E to I have not been included) of 85% of these households have received £150 under the mandatory cost of living scheme and given that discretionary funding is limited its proposed that no further payments are made to the wards noted above.

3.10 **Proposal to extend the mandatory scheme** of all households receiving financial support in Bands A to D to include Band E. The number of Band E properties total 12,462 but 722 of these have already received support through the mandatory scheme due to the fact that they are in receipt to Council Tax Rebate. The proposal is to provide support for the remaining 11,740 households. Dependent on which initiatives are accepted above the amount available to fund this proposal is limited. Proposal for £50 per household that were in resident on 15th February 2022, would mean we overspend, but the figures are noted below for information.

Table 12

Council Tax- Tax exemption criteria	Number of Households	Amount Payable £
Band E properties	11,740	587,000
Total	11,740	587,000
Method of processing Identified from the Council Tax billing System. Letters issued confirming their eligibility along with instructions of how to claim the award. Unique activation key to be issued which when entered along with Council Tax account number and personal details will enable them to claim online.		
Responsible Department / Service Corporate Services / Revenues		

3.10.1 Should all the above proposals noted above from Table 1 to Table 12 inclusive be accepted, this would mean that we have a shortfall of £269,150. This could be partly funded from the underspend that is currently predicted on the mandatory scheme, however, should take up increase on the mandatory scheme and it be fully utilised then this shortfall will not all be funded from the cost-of-living grant available. It is recommended therefore that this final initiative in Table 12 is not processed until after the mandatory scheme has closed and the actual financial position established, to ensure that sufficient funds are available to deliver the initiative.

RECOMMENDATIONS

Cabinet is recommended to:

- note the delivery of the Cost-of-Living Support Scheme (main scheme).
- To approve the categories summarised below as the approach for Carmarthenshire locally determined Discretionary Scheme noted from Table 1 through to 12 above, as summarized below:

Category of funding	Amount Payable £	Running total of grant available: £
		1,556,000
Class I – Receiving Care	5,400.00	
Class J – Providing Care	1,500.00	
Class U – Severely Mentally Impaired	46,800.00	
Class X – Care Leavers	5,250.00	
Total	58,950.00	1,497,050
Class K – Unoccupied by Students	75.00	
Class N – Occupied only by students	23,475.00	
Class S – Under 18	2,400.00	
Total	25,950.00	1,471,100
Foster Carers'	18,300.00	
DBR -Bands E - I	64,200.00	
Families with 3 children or more on Housing Benefits	2,100.00	
Benefit Capped	3,450.00	
Total	88,050.00	1,383,050
Grants / Top up / Enhance schemes:		
Discretionary Housing Payments	100,000	
Housing Poverty Grant	50,000	
Poverty Grant	50,000	
Rural Poverty Grant	50,000	
	250,000	1,133,050
Budget support officers	150,000	983,050
LED Lights	300,000	683,050
Further £50 per vulnerable household in receipt CTRs / HBens	365,200	317,850
£50 to all Band E	587,000	-269,150

- To agree that the final initiative in Table 12 is not processed until after the mandatory scheme has closed at the end of September 2022 so that the actual financial position can be established, to ensure that sufficient funds are available to deliver the initiative.
- To approve delegated authority to the Director of Corporate Services, in consultation with the Cabinet Member of Resources, to determine if Table 12 Initiative proceeds subject to sufficient funds available from the mandatory scheme underspend to fund the proposal.
- Delegate authority to the Director of Corporate Services, in consultation with the Cabinet Member for Resources, the ability to vire any additional underspent elements of funding either from the main scheme or between discretionary options agreed as necessary, to ensure full spend of the Council's allocated funding.