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Welsh Government

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PUBLICATION

Cabinet Sub-Committee on Cost of Living meeting: 10 October 2022

Minutes of the Cabinet Sub-Committee on Cost of Living meeting on 10 October 2022.

First published: 25 November 2022

Last updated: 25 November 2022

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Present

- Rt. Hon. Mark Drakeford MS (Chair)
- Rebecca Evans MS
- Lesley Griffiths MS
- Jane Hutt MS
- Mick Antoniw MS
- Vaughan Gething MS
- Julie Morgan MS
- Lee Waters MS

External attendees

- Lindsey Kearton, Citizens Advice
- Ruth Marks, Chief Executive – WCVA
- Ellie Harwood, Child Poverty Action Group
- Naomi Alleyne, Director of Social Services and Housing WLGA
- Paul Slevin, Executive Chair Chambers Wales
- Shavanah Taj, General Secretary Wales TUC

Apologies

- Andrew Morgan OBE, Leader, WLGA
- Abdul-Azim Ahmed, Assistant Secretary General, Muslim Council Wales
- Archbishop of Wales Andy John

Officials

- Andrew Goodall, Permanent Secretary
- Des Clifford, Director Office of the First Minister
- Will Whiteley, Deputy Director Cabinet Division
- Jane Runeckles, Special Adviser
- Alex Bevan, Special Adviser
- Kate Edmonds, Special Adviser
- Jo-Anne Daniels, Director General Education, Social Justice and Welsh Language
- Reg Kilpatrick, Director General, COVID-19 recovery and Local Government
- Jo Salway, Director Social Partnership and Fair Work
- Claire Bennett, Director Communities and Tackling Poverty
- Toby Mason, Head of Strategic Communications
- Catrin Sully, Cabinet Office
- Liz Lalley, Director, Recovery & Re-start division
- Tom Smithson, Deputy Director COVID recovery and Local Government Group
- Christopher W Morgan, Head of Cabinet Secretariat
- Damian Roche, Cabinet Secretariat (Minutes)

Item 1: Minutes of previous meetings

1.1 The Cabinet Committee agreed the minutes of the meetings on 21 September and 3 October / Cytunodd Pwyllgor y Cabinet ar gofnodion y cyfarfod ar 21 Medi a 3 Hydref.

Item 2: Expert update – Lindsey Kearton, Citizens Advice

2.1 Croesawodd y Prif Weinidog bartneriaid cymdeithasol i'r cyfarfod a gwahodd Lindsey Kearton o Gyngor ar Bopeth i gyflwyno i'r grŵp. The First Minister welcomed social partners to the meeting and invited Lindsey Kearton from Citizens Advice to present to the group.

2.2 This was the first meeting of the Cabinet Committee on Cost of Living with social partners in attendance. An expert update would be provided from Citizens Advice, with a wider discussion amongst partners to follow. It was noted the response to the cost-of-living crisis must be a collective one and it was vital to hear a range of perspectives and the latest thinking and experience on the ground.

2.3 The presentation focused on 4 key themes and was based on the lived experience of those presenting to Citizens Advice for help and support.

2.4 Evidence from Citizens Advice suggested previous support packages had only a temporary impact, as worrying trends of requests for support had seen a return. Record numbers of people continued to seek help on energy bills, even throughout the warmer summer months. There had been steep rises in threatened homelessness cases in recent months and increasing numbers of debt clients living on negative budgets.

2.5 In relation to food banks, there had been a slight decrease in referrals during July, but the numbers had increased again since, with August and September reporting near record levels and around 2,000 referrals during September. These numbers were likely to increase further into the winter, as increased demand for energy could lead to more 'heat or eat' decisions that many people were having to take.

2.6 In relation to pre-payment meters (PPM), there had been a 117% increase in the number of people who were made to move to a PPM for energy debt reasons in 2022. PPMs were noted as usually being a more expensive way to pay for energy and the Citizens Advice Consumer Service helpline had seen more people in Wales who could not afford to top up their meters than the previous four years combined. Since March, fuel vouchers had been issued to 3,300 people across Wales, with 800 people given vouchers in September alone. Recent Citizens Advice analysis estimated over 9,000 households in Wales may be forced on to a PPM this winter.

2.7 The committee noted this issue would be raised with energy companies and it was hoped that through work with Ofgem a ban on the practice of requiring people to move to PPM over the winter would be implemented.

2.8 There was evidence that the nature of personal debt by local authority area in Wales had changed significantly since Q1 2019-20, when most debt was credit, store, charge card or council tax debt related. In contrast, in Q1 2022-23 most debts were energy or council tax related. Rent arrears were also significantly higher levels than pre- or during the pandemic. This had inevitably led to a rise in people who were homeless or were threatened with homelessness seeking advice from the LA homeless service.

2.9 It was acknowledged that clients reporting difficulties with debts were from across the board, but almost half were reporting they were operating under negative budget pressures, meaning there were not enough resources to cover even the basic bills every month.

2.10 In terms of demographics those in single adult households, including single parents, disabled people or those living with long term health conditions were disproportionately represented in the numbers of people seeking cost of living help.

2.11 The Cabinet Committee thanked Lindsey Kearton for her presentation.

Item 3: Progress on getting money into people's pockets

3.1 The Minister for Social Justice updated the committee on progress with getting money into people's pockets. Since November 2021, more than an additional £380 million had been specifically targeted to mitigate the impact of the cost-of-living crisis.

3.2 The First Minister had made a statement on the 20 September confirming further Welsh Government actions to support the current cost-of-living crisis.

3.3 Significant funding was being invested to support vulnerable households to keep warm this winter. The First Minister's announcement included £90 million to run another Welsh Government Fuel Support Scheme in 2022-23, which would support people on low incomes with a non-repayable £200 payment towards their energy bills.

3.4 The scheme launched on 26 September and had been extended to support more eligible households. The previous scheme, which ended in March this year reached 166,000 households. The new criteria would mean around 400,000 households would be eligible.

3.5 The announcement also included £1 million to support Warm Hubs as safe and warm places within the local community that people could go to keep warm during the winter.

3.6 Many organisations were already establishing such hubs, they were places in local communities where people could find a safe and warm environment to spend time and eat with others during the day, to help reduce the cost of heating their own homes. Guidance to Warm Hubs and the approach to funding had been developed working with the WLGA, local government representatives and

the third sector.

3.7 As part of the £90 million, funding was also being provided to the Fuel Bank Foundation to introduce a national fuel voucher and heat fund scheme in Wales. The scheme was providing direct financial support to households on prepayment meters at risk of self-disconnection and those not connected to the mains gas network who were struggling to prepay for their fuel.

3.8 Since August, the Fuel Bank Foundation had brought on board 40 partners who had referred households for vouchers, and they had distributed over 1500 fuel vouchers.

3.9 The Discretionary Assistance Fund was able to support off-grid households with up to £250 for a one-off oil payment or up to three payments of £70 for LPG. This support had been extended throughout the summer and winter to the end of March 2023.

Tackling food poverty

3.10 On the 4 October, the Minister for Social Justice announced an additional £1 million funding for food banks and other community food initiatives. This meant £1.5m had now been allocated to help meet growing demand for emergency food provision due to the cost-of-living crisis. £2.5 million had also been allocated to support the development of cross-sector food partnerships and strengthen existing food partnerships.

3.11 Information provided by the Trussell Trust, and the Independent Food Aid Network had illustrated an increase in need, more than 100% in some areas and a reduction in donations. This extra funding could be used to support the purchase of food and baby products, packs of warm goods and activities which would help build food knowledge and skills. This was in line with suggestions from feedback on usage of foodbanks in the first quarter of 2022.

£150 Cost of Living payment

3.12 The Cost-of-Living fund had provided a £150 cost-of-living payment for households in properties in council tax bands A to D and to all households that received support from the Council Tax Reduction Scheme across all council tax bands.

3.13 The main scheme had closed on 30 September and Local Authorities were continuing to provide support through their discretionary assistance schemes. To date, over one million eligible households had received a payment.

Discretionary Assistance Fund

3.14 Between 1 April 2022 and 31 August 2022, more than 100,000 awards had been made from the DAF, totalling over £11.1 million to those in the most financial need. Nearly £7 million were emergency cash payments helping people meet the cost of food and fuel.

Claim What's Yours

3.15 The Welsh Government had also allocated £0.4 million to support a third campaign to maximise the take-up of non-devolved and devolved welfare benefits in Wales and in particular the Welsh Government 2022/23 Fuel Support Scheme.

3.16 A 3rd campaign would be run to help people access all the benefits and support they were entitled to. The campaign would be branded 'Here to Help.' The first two campaigns, which had aired in March 2021 and April / May 2022, had been reported as very successful with over 9,000 responding and contacting Advicelink Cymru, which had resulted in over £2.7 million in extra income being

claimed.

Single Advice Fund

3.17 The committee noted the Single Advice Fund services were a lifeline for people struggling with the cost of living, helping them to maximise their income and deal with their debts. Since January 2020, Single Advice Fund services had helped 127,000 people deal with over 602,000 social welfare problems. Those helped were supported to claim additional income of £75 million and had debts totalling £22 million written off.

3.18 Collectively, a range of Welsh Government policies were helping to keep money in people's pockets, known as the social wage. These initiatives included:

- the Childcare Offer, providing 48 hours of funded childcare a year for working parents of 3 and 4-year-olds
- Free school meals, which were being extended to primary schools from September 2022 and free school breakfasts
- Free prescriptions
- The Council Tax Reduction Scheme
- The PDG Access scheme (which the Minister for Education would provide a separate update on)

3.19 In conclusion, it was acknowledged the Welsh Government was doing everything it could to support people through this cost-of-living crisis, by providing targeted help to those who needed it most and through programmes and schemes which put money back in people's pockets. This was worth an estimated £1.6 billion in the current year, 2022-23.

Item 4: Progress on support for children in schools

4.1 It was reported that the Pupil Development Grant Access scheme had been raised by £100 for one year per learner who were eligible for free school meals. All compulsory school years were now eligible. This meant PDG Access funding of over £23 million in addition to circa £130 million already committed for PDG main for the current financial year 2022 to 2023.

4.2 It was recognised that families were facing significant cost-of-living increases, with household budgets under increasing pressure, and the announcement would go some way to alleviating the worries of families about affording the essentials their children needed for school.

4.3 Eligible families would already be using the PDG for essential uniform for their children, so this additional payment would mean they could cover the costs of extra items such as PE kit, school shoes and other equipment, without needing to make tough decisions in their household budget.

4.4 This announcement meant that for those learners entering year 7, the grant would be worth £300, and for all other year groups the grant would be worth £225 per eligible learner.

4.5 In addition, further work was looking at whether non-branded school uniforms could be adopted, with iron-on logos offering a cost-effective option for parents. Schools had been asked to be lenient around uniform policy in the current circumstances and to help minimise the costs associated with the school day wherever possible.

Item 5: Discussion on making every contact count

5.1 The First Minister introduced the item, which sought to identify opportunities for all to work effectively together and to ensure that every contact counts.

5.2 There was evidence across many of the current and previous actions to support the ambition to make every contact count and maximise the take up of advice and support. In summary these were:

Dangos: empowering frontline staff

Free online training for frontline staff to increase understanding of benefits and encourage greater uptake from service users. Contract in place for sessions until March 2023.

Claim What's Yours campaign

Public campaign to raise awareness of financial support available to people in Wales, including distributing campaign materials through vaccination centres during the Autumn Booster Campaign. A third enhanced campaign was planned for the winter. A pack of materials was available for partners to support the campaign and additional benefit advisors had been recruited via Advicelink Cymru to cope with increased demand.

Single Advice Fund (SAF): Test and Learn projects

Tailored support to encourage take-up amongst groups least likely to claim all

financial support to which they were entitled. These pilots highlighted the instrumental role of the expertise in specialist organisations to deliver messages and support to help their service users access advice. Organisations involved remained as SAF access partners increasing the ability of services to reach people in communities.

COVID-19 Financial Support for Individuals leaflet

This was used widely to enable people to access financial support during the pandemic, for example hard copies provided by food banks in food parcels. The leaflet was being updated to reflect cost of living support and webpages developed.

Simplifying access to the Welsh 'Benefit' System

A best practice toolkit published to help simplify, streamline, and to improve accessibility of devolved support. Opportunities remained to implement this more widely, for example common eligibility criteria and greater levels of automation.

Warm Hubs

Support was being made available to help establish warm hubs in communities across Wales. This provided opportunities to incorporate advice and support services for those attending.

Housing and homelessness prevention

People seeking housing advice due to financial hardship through Shelter Cymru could access a range of housing-related advice. Shelter Cymru worked closely

with Citizens Advice and other advice agencies to ensure people were referred to sister organisations for related matters such as welfare benefits and debt advice when they could not provide specialist advice. Homelessness prevention support within local authorities also offered a range of support and cross-referral opportunities.

Fire Service home safety visits

The Fire and Rescue Service provided advice direct to vulnerable households. This covered the risk of fire, a range of other hazards, and signposted people to support from other agencies.

5.3 It was suggested that lobbying of the UK government should continue from all social partners, as many of the most powerful levers for change rested with UK ministers.

5.4 At a local level, making the links with all bodies, such as Community Voluntary Councils, Community Housing bodies, the health and social care sector, along with the work done by organisations such as Age Alliance and Care and Repair Cymru were vital. Working together would be particularly important in disseminating common messages from the Claim What's Yours campaign. This would also help ensure more effective targeting and reach as many people that might need support as possible.

5.5 It was suggested that overcoming bureaucratic hurdles was a major challenge for many people to access support, who may need additional support to navigate them. Ensuring a good return on investment for programmes was key.

5.6 Partners highlighted the range of support being put in place by different organisations across Wales, including local authorities. It was acknowledged that bringing together all the different forms of support and ensuring all partners

were aware of them would assist in delivering key ambitions like making sure every contact counts.

5.7 In conclusion, the First Minister thanked social partners for their attendance and input at the first of a series of meetings, which would continue to explore and build upon the various themes discussed to maximise the positive impacts for those people who were struggling during the cost-of-living crisis in Wales.

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