



Llywodraeth Cymru  
Welsh Government

Appendix A

PUBLICATION

# Cost of Living Support Scheme: guide for local authorities

Advice on how local authorities can manage the cost of living support scheme.

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# Purpose

This guidance provides local authorities with information to enable them to deliver the £150 Cost of Living Support Scheme (COLSS) and a Discretionary Cost of Living Support Scheme (DCOLSS) on behalf of the Welsh Government.

The package was announced as part of the Welsh Government's Supplementary Budget on 15 February 2022.

## Overview

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

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.

The Discretionary Scheme fund can be used by each local authority to support other households it considers to be in need of assistance with their living costs. Each local authority will determine its use of discretionary support as it deems appropriate to address local needs.

## Eligibility for payments: Cost of Living Support Scheme

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

## **A: Council Tax Reduction Scheme entitlement condition**

If the householder(s) was in receipt of support through the Council Tax Reduction Scheme on 15 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.

## **B: 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 satisfy all of the following criteria:

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

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.

Households living in properties which attract a disability adaptation band reduction are eligible for a payment, for example, a property which has been valued as Band E but which receives a disability adaptation band reduction to Band D is eligible.

Households are eligible for a payment under this scheme if their property's band as recorded in the council tax banding list on the 15 February 2022 is amended retrospectively after this date to fall within an eligible band, for example, because of a successful banding challenge made to the Valuation Office Agency (VOA) that concluded after this date. Households living in new-builds awaiting a banding from the VOA are also eligible for a payment if the band subsequently

allocated by the VOA, effective on 15 February 2022, meets the eligibility criteria for the scheme. Any disputes about property banding should be resolved through the VOA's usual processes. However, for operational reasons, payments will no longer be made in these respects after the scheme has closed on 30 September 2022.

## **Each household is restricted to only one payment of £150**

Only one 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.

## **Eligibility for payments: Discretionary Cost of Living Support Scheme**

In addition to supporting the eligible categories outlined above through the main scheme, each local authority may use the funding provided under the Discretionary Scheme to provide support to households it considers to be in need of 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 it may cover the cost of essential services provided to the household, for example extending the provision of free school meals or meals-on-wheels.

Each local authority will determine how it utilises the available funds and some areas for consideration in the local discretionary scheme are listed below:

- Payments (or other support) may be provided to households who do not fall into one of the eligible classes A or B in the main scheme but who live in a property which is exempt from council tax, for example care leavers and people with a severe mental impairment exemption.
- Payments may be made to separately identifiable households living in

Houses in Multiple Occupation (HMOs).

- Households who are receiving housing support services and/or are living in temporary accommodation or a refuge may be awarded a payment.

The supplementary nature of this scheme recognises that these households may be more difficult to identify and may require the exercise of a local authority's discretion in determining whether a household should be eligible for support.

The authority will also have discretion to award a reduced amount or 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.

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. separately from the administration of payments based on council tax records.

## Process

Local authorities will use existing council tax databases to identify households eligible for a payment under the main Cost of Living Support Scheme. They hold all the property information on valuation bands needed to select the relevant cohort for support. If current bank details are held by the local authority for direct debit payment, and the authority is satisfied that the data is correct, they may make a payment to the relevant bank account.

Local authorities are also asked to identify eligible households from existing Council Tax Reduction Scheme (CTRS) caseload data. Where the authority is satisfied that it holds current bank details, again it may make a payment to the relevant bank account.

There will however be many households who appear to be eligible for the £150 payment but for whom all the necessary information is not held. People in this

group will be required to complete a registration form to provide the authority with the required information. Each local authority will be responsible for providing its own registration form in whatever format it considers appropriate. The Welsh Government will work with local authorities to design a 'model' form for this purpose.

Responses to the registration must be completed by 5.00pm on 30 September 2022.

## Accessibility requirements

Authorities will need to ensure the registration form, and any local awareness-raising materials are accessible. They will also need to provide information in Welsh and English and support customers who have difficulty using online facilities.

## Verification requirements

### Verification of identification

It is anticipated that the information provided through the registration process and/or already recorded as part of council tax records or Council Tax Reduction Scheme data will be sufficient to validate identification of the householder(s) (and their partner). Authorities can decide to implement more stringent verification checks according to their risk appetite and these should be clearly stated within the content of the registration process.

To prevent authorities from having to undertake verification of associated property costs for all applicants, it has been agreed that if a householder (or their partner) is liable for council tax and in occupation of the property, this can be accepted as proof that they and/or their partner are responsible for paying the associated bills.

The Welsh Government accepts that there is very small risk that a householder

(or their partner) could be liable for council tax but not be responsible for paying the utility bills. This risk would not justify undertaking verification of such liability for all payments and would be mitigated in part by the householder's declaration that they are the utility bill payer as part of the registration process, where such registration is required.

It is also acknowledged that there are some situations where the person(s) liable to pay the associated utility bills may not be liable for council tax. Such households could be considered for support under the Discretionary Scheme.

## **Checking that the householder or their partner has not already received a payment under the scheme**

The main scheme is intended to provide one-off support to each eligible household although additional support may be provided under the Discretionary Scheme to households which have received support under the main scheme. Authorities will need to ensure that they have mechanisms in place to prevent duplicate payments unintentionally being made to households where they or their partner have already received a payment from the authority under the scheme either as a single person or as part of the same or a different household.

## **Decisions, payments and appeals**

### **Decisions**

An award made under the Cost of Living Support Scheme is not a crisis payment or an income replacement. For this reason, there is no specific timeframe for making decisions. However, decisions must be made promptly to facilitate payments as soon as possible. A suitable time window will be determined for operational purposes.



## Payments

Authorities are encouraged to provide payments to eligible households in a timely manner and payments should be made as soon as practically possible after a decision to pay has been made.

Payments under the main scheme should be made as a single payment of £150 to the bank account details available or provided on registration. It is recognised that some authorities may wish to make the payments by cheque or other method. Therefore, local authorities have discretion to choose how this support is delivered to each eligible household in order to best ensure speedy delivery.

Each recipient should receive a letter, email, or a text message to confirm that they are eligible and that their payment has been processed.

## Appeals

There is no right of appeal against any decision not to award a payment. People who are declined a payment will not be eligible because they do not meet the eligibility criteria. However, it would be good practice to outline the reason for refusal and make it clear that people can resubmit information if it was incorrect.

## Impact on tax and benefits

The DWP has confirmed that payments made under Local Welfare Provision are disregarded in the assessment of Income Support, Income Based Job Seekers Allowance (JSA) and Income Related Employment and Support Allowance (ESA), so these will not be affected. Universal Credit claimants will not experience any change in entitlement as a consequence of receiving a payment under this scheme.

HMRC has confirmed that the payment of £150 would be made as Local Welfare Provision and is not taxable. As a result, authorities will not need to provide details to HMRC of the payments made under this scheme.

As this payment is classed as Local Welfare Provision, it will also be disregarded as income for the purposes of assessing entitlement to the Council Tax Reduction Scheme.

## **Funding and projected demand**

### **Funding**

As outlined above, a total of £177m of funding has been identified for the Cost of Living Support Scheme and the Discretionary Scheme. It has been noted that there will be large volumes of cases where the local authority will not hold all the relevant information to make payment and will have to ensure the scheme is available to all households identified as eligible.

### **Projected demand**

The Welsh Government has identified around 740,000 properties currently in council tax Bands A to D.

There are also around 273,000 properties that are in receipt of support under the Council Tax Reduction Scheme, including 18,600 in Bands E to I.

To assist authorities with resource planning, more detailed calculations of expected volumes for each authority will be provided.

Authorities will be required to baseline a starting position for the delivery of the scheme by extracting the volumes of eligible properties from council tax and council tax reduction scheme databases.

## **Records to be kept by Welsh authorities**

Authorities should provide requested information to the Welsh Government to

allow for reporting on the delivery of the Cost of Living Support Scheme. This information should include:

- number of properties identified in each of the property bands A to D
- number of CTRS properties in Bands E to I
- number of households eligible
- number of registration requests
- number of payments made
- breakdown of the categories under which they have been paid.

The frequency of returns will be monthly.

## Privacy notices

As the data processors, authorities are advised to update privacy notices to indicate that they are processing Cost of Living Support Scheme payments.

Read our [privacy notice](#).

## Monitoring and evaluation

The Cost of Living Support Scheme will be monitored, and evaluations shared with Welsh Government officials and authority scheme contacts. Updates will be provided to Welsh Ministers as required.

This will include reporting on the number of households supported under the scheme, overall expenditure and an overview of any issues experienced in relation to the administration of the scheme.

## Escalation of queries

Queries in relation to the scheme should be directed as follows:

- All disputes relating to the award/non-award of payment should be addressed to the relevant local authority.
- Issues relating to the overall principles of the main Cost of Living Support Scheme should be addressed to the Welsh Government via the Welsh Local Government Association.

## Frequently asked questions

### **If authorities can identify eligible households and have current bank details for them, can the Cost of Living Support Scheme payment be made without the need for confirming details?**

Yes provided the local authority has satisfied its own requirements.

### **There will be groups of low-income households who are not liable for council tax. Why have these not been included as eligible for the scheme?**

This scheme is intended to provide support to those easily identifiable through the use of council tax data. A Discretionary Scheme is also being provided to assist households who are not liable to pay council tax.

Households can also apply to the [Discretionary Assistance Fund](#) if they are experiencing financial hardship.

### **Will the £150 payment affect means-tested benefits?**

The DWP has confirmed that payments made under Local Welfare Provision are disregarded in the assessment of Income Support, Income Based JSA and Income Related ESA so these will not be affected. For Universal Credit claimants, there is no such provision but as there is no period attached to the

payment, it will count as capital and claimants may need to report this to the DWP if their capital is over £5,800.

**A householder(s) who has their main residence in England has applied to the scheme for their second property in Wales. They are liable for paying council tax and are responsible for paying the fuels bills at the property, are they eligible for a payment?**

No. The scheme is there to support households in their primary residence only.

**A householder(s) owns two homes in Wales, are they eligible for assistance through the scheme?**

Only in respect of the property they inhabit as a primary residence (if they do occupy one of these properties as their primary residence).

**A householder(s) lives in a Band E property but receives a Disability Band Reduction which drops the charge to that of a B and D property, are they eligible?**

Yes. The revised band is used in eligibility for this scheme.

**Is there a target date by which payments should be made?**

No. Authorities are encouraged to make payments in a timely manner and as soon as practically possible after a successful decision.

**Can a householder(s) appeal against a decision not to**

## **award a payment under the Cost of Living Support Scheme?**

No. There is no right of appeal against a decision not to grant a payment as a refusal will arise because the household does not meet the conditions of the scheme. Authorities should look to reconsider cases where new information may change the outcome, for example, where a property is retrospectively listed as liable for council tax.

## About this document

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