

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2570

Title: Pilot benefit entitlement check service

Executive Summary:

A key outstanding action of the Mayor's Fuel Poverty Action Plan is to boost the incomes of people in fuel poverty in London by supporting benefits uptake campaigns, referral services and programmes that provide direct advice and support to the fuel poor. Approval is sought to tender for the delivery of an income maximisation service providing benefit entitlement checks. Referrals will primarily come from boroughs funded to deliver advice and support through the Warmer Homes Advice Service as well as other routes.

Approval is sought for spend of £22,500 to commission a three-month pilot benefit entitlement check service.

Decision:

That the Assistant Director of Environment and Energy approves:

1. Expenditure of £22,500 to deliver a three-month pilot for an income maximisation service

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Catherine Barber

Position: Assistant Director of
Environment and Energy

Signature:



Date:

28/3/22

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Fuel poverty is caused by a convergence of three factors: high energy prices, poor energy efficiency; and low incomes. It affects an unacceptable number of Londoners each year (404,000 households according to the latest available data). Fuel poverty occurs when a household's income fails to meet the cost of heating and powering the home adequately, and it creates health problems ranging from poor mental health, to childhood asthma and excess winter deaths. The Mayor's Fuel Poverty Action Plan for London identifies those areas where the Mayor can have the most impact. While the aim is to reduce fuel poverty for everyone, interventions will be targeted at those most in need. Key actions within the plan include:
- boosting the incomes of people in fuel poverty
 - increasing the energy efficiency of London's homes
 - delivery of an energy supply company
- 1.2 The Mayor's Fuel Poverty Action Plan also contains an action to implement a programme to help Londoners, particularly the long-term ill and disabled, through ensuring that they are getting access to all of the welfare benefit income they are entitled to, including Benefits Entitlement Checks.
- 1.3 Low income Londoners are facing an exceptionally challenging period, with the ongoing impacts of coronavirus exacerbated by rising energy prices. From 1 April 2022 the price cap on energy bills will be increased by the regulator Ofgem to £1,971 a year, an increase of around 54 per cent. There is every possibility that this price cap will increase yet further in October, particularly due to the war in Ukraine and resulting implications for global gas prices. Beyond energy prices the costs of food and other essentials are also rising. Alongside the ending of the uplift on Universal Credit the next few months will likely see many tens of thousands of London households fall into fuel poverty.
- 1.4 This Assistant Director Decision therefore seeks approval for expenditure to commission a pilot income maximisation service. It would be a telephone-based Benefit Entitlement Check service able to take referrals from several sources. It would be aimed at the priority groups identified in the Fuel Poverty Action Plan: low income families; BAME communities; and people with disabilities or long-term health conditions. In addition, the service would address underclaimed older people's benefits.
- 1.5 The principal referral route is expected to be through the Warmer Homes Advice Service. The service will be able to take referral from a range of designated sources and will be able to introduce further referral routes as the income maximisation pilot progresses.
- 1.6 The pilot income maximisation service will operate between April and June 2022 and be delivered at a cost of up to £22,500.
- 1.7 We have carried out market testing and established that there are a limited number of organisations able to carry out such a project according to our specifications and only one, Auriga Services, has current capacity. TfL Procurement were engaged.

- 1.8 The service has been co-designed with the Communities Team and they will be involved in evaluation of the service. Should the pilot prove successful the Energy and Communities Team will work together to secure ongoing funding.

2. Objectives and expected outcomes

- 2.1 The overall objectives of an income maximisation service will be to:
- a. support the objectives of the Fuel Poverty Action Plan and wider economic fairness programmes
 - b. raise awareness, and improve take-up, of the various forms of welfare benefit support for which low income Londoners are eligible
 - c. reduce fuel poverty by increasing the incomes and reducing the fuel poverty gaps¹ of low income Londoners
 - d. contribute to the GLA's understanding of how best to target support in accessing rights and entitlements to low-income
- 2.2 The income maximisation service will be expected to support up to 300 households with benefit entitlement checks.
- 2.3 The final outcomes of the pilot service will be reviewed in summer 2022. Success will be measured against delivery of the aspects below:
- total amount of income gained (including detailed breakdowns of sources of gained income e.g. specific benefit accessed or increased)
 - number of people referred to the service detailed by referral source
 - number of people successfully contacted
 - number of referrals uncontactable
 - number of clients abandoning the service

3 Equality comments

- 3.1 The Mayor's Equality, Diversity and Inclusion Strategy contains a specific objective to "work with government, businesses, transport providers, voluntary groups and all relevant partners to help ensure our approach to tackling fuel poverty... is inclusive". This objective is underpinned by evidence that fuel poverty has a particularly damaging effect on children, older and disabled Londoners. Analysis for the Fuel Poverty Action Plan shows that Londoners most affected by fuel poverty are lone parent families, people with disabilities or long-term health conditions, and BAME communities.
- 3.2 The Equality, Diversity and Inclusion Strategy highlights the extent to which limitations on Housing Benefit and the introduction of Universal Credit have had a disproportionate impact on

¹ The fuel poverty gap is a measure of how much more fuel poor households need to spend to keep warm compared to non-fuel poor households.

certain groups, particularly those of pensionable age, women, disabled people and BAME Londoners, largely the same as those affected by fuel poverty.

- 3.3 The strategy also includes a specific objective to “work with government, boroughs, early years and childcare providers and businesses to help address the root causes of child poverty”. This objective is underpinned by evidence that women and children – especially those from BAME groups – and disabled people have lost out from welfare reforms. Evidence also suggests that families from BAME groups are less likely to take up tax credit for their children which they are entitled to.
- 3.4 To ensure that this scheme contributes to the delivery of these objectives, the GLA will ensure that the planned referral routes for the service – and particularly the Warmer Homes Advice Service – are fully inclusive of these groups, and indeed proactively targeted at them.
- 3.5 Service providers will be required to collect appropriate demographic information on those supported, so that we can check that we are reaching the groups that we ought to be.

4. Other considerations

Links to Mayoral strategies

- 4.1 Alongside its central role in delivering the Fuel Poverty Action Plan this proposal also aligns with relevant actions in the London Environment Strategy, Equality, Diversity & Inclusion Strategy and Health Inequalities Strategy.
- 4.2 Relevant recovery missions are:
- **A Robust Safety Net:** The pandemic has impacted on Londoners’ incomes and household bills and support from the income maximisation service will help to relieve hardship.
 - **A Green New Deal:** Londoners living in fuel poverty are more likely to live in energy inefficient homes. The income maximisation service will support households to claim “passport benefits” that will improve their entitlement to financial support such as the Mayor’s Warmer Homes programme and the Energy Company Obligation (ECO).

Key risks and issues

Risk	Likelihood (out of 5)	Impact (out of 5)	Rating	Mitigation
Procurement delays will lead to a delayed start	3	2	6	Accept. The service can be extended further into Quarter 2 if necessary.
Insufficient referrals coming from the network	2	2	4	Avoid. After an initial four-week period the number of referrals being received will be reviewed. If they are too low other Favoured Partners will be permitted to make referrals to the service.

Excessive number of referrals received	1	2	2	Avoid. Numbers coming through will be reviewed and the supply managed by setting tighter criteria.
External factors such as increases in fuel bills and the wider cost of living will limit the impact of the service	3	3	9	Accept. Challenging as these factors are out of our control but we will consider this when evaluating the impact of the project.

Conflicts of interest

- 4.4 There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1 The Environment Unit are proposing to create an income maximisation service aimed at supporting Londoners in fuel poverty. Those identified will be referred to this service which will carry out benefit entitlement checks for individuals.
- 5.2 As the first of its kind, a pilot of the service has been planned to take place over three months and is estimated to cost up to £22,500
- 5.3 An appropriate contractor has been identified, Auriga Services, who will carry out the service on behalf of the GLA.
- 5.4 This pilot will be funded from the 2022-23 Warmer Homes Advisory Service budget

6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	March 2022
Award contract	April 2022
Delivery start date	April 2022
Project Closure	July 2022
Final evaluation	August 2022

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

John Kolm-Murray has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 21 March 2022

✓

ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

22/3/22