

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2293

Title: Income maximisation service

Executive Summary:

A key 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 and enhanced support for benefit claimants in difficulty (including Londoners claiming Universal Credit). The need for this has been established in the Fuel Poverty Action Plan. Referrals will primarily come from boroughs funded to deliver advice and support through the Fuel Poverty Support Fund as well as other routes.

Approval is sought for spend of £60,000 to commission a seven-month pilot income maximisation service.

Decision:

That the Executive Director of Development, Enterprise & Environment and the Executive Director of Communities & Intelligence approve:

Expenditure of £60,000 to deliver a seven-month pilot for an income maximisation service; £30,000 will be provided by the Equalities & Fairness Team and £30,000 provided by the Energy Efficiency & Delivery Team.

AUTHORISING DIRECTORS

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: Lucy Owen

Position: Executive Director of Development, Enterprise & the Environment

Signature:



Date: 12/12/18

Name: Sarah Mulley

Position: Executive Director of Communities & Intelligence

Signature:



Date: 20.12/18

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 (more than 341,000 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 (DD2250) 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** in London by supporting benefits uptake campaigns, referral services and programmes that provide direct advice and support to the fuel poor. Since February we have funded, through the Fuel Poverty Support Fund, four boroughs to collaborate in delivering a pan-London fuel poverty advice and referral service which has so far helped around 1,000 vulnerable households access fuel poverty support such as Warmer Homes (see below), home energy advice, debt support and energy and water bill discounts. Increasing benefits uptake through an income maximisation support service is the subject of this Director Decision.
 - **Increasing the energy efficiency of London's homes** so they are better insulated and use less energy. The London Environment Strategy sets out the Mayor's ambition to create a world-class home energy efficiency programme. At the start of this year the Mayor launched his Warmer Homes fund, delivering heating, insulation and ventilation improvements to fuel poor households. As at 29 October 2018, Warmer Homes had received over 875 applications. Approximately 25 per cent of applications processed to date have been rejected as they did not meet the eligibility criteria for the scheme, but there have been over 500 successful applications to date. Over 200 qualifying London homes have been retrofitted with energy efficiency improvements, with installations in progress or pending for the remainder of the successful applicants.
 - **Delivery of an energy supply company**, aiming to offer fairer energy bills to Londoners as soon as possible. The Mayor published a tender for an energy supply company on 14 May 2018.
- 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. In addition, MD 2314 outlines the Equality and Fairness team's 2018-19 work programme in support of its role in delivering interventions to address some of the root causes of poverty and unfairness. It includes specific approval for a contribution to be made to the delivery of a benefits check service with referral routes for different groups – including those in or at risk of fuel poverty.
- 1.3 This Director Decision therefore seeks approval for expenditure to commission a pilot income maximisation service. It would be a telephone-based Benefit Entitlement Check and advocacy 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.

- 1.4 The principal referral route is expected to be through the emerging London-wide fuel poverty advice and referral network that we are supporting through the Fuel Poverty Support Fund (see MD2230). 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.
- 1.5 The pilot income maximisation service will operate between January and August 2019 and be delivered at a cost of up to £60,000. The service will be co-funded by the Energy Efficiency & Delivery Team and the Equalities & Fairness Team. Soft market testing has already taken place and we have established that there are several suitable organisations which could deliver the service.
- 1.6 An Invitation to Tender will be issued to a number of organisations identified through soft market testing. This tender will outline the service needs and evaluation criteria.

2. Objectives and expected outcomes

- 2.1 The overall objectives of an income maximisation service will be to:
- Support the objectives of the Fuel Poverty Action Plan and wider economic fairness programmes;
 - Raise awareness, and improve take-up, of the various forms of welfare benefit support for which low income Londoners are eligible;
 - Reduce fuel poverty by increasing the incomes and reducing the fuel poverty gaps¹ of low income Londoners;
 - Ensure that low income Londoners receive support with claims and challenging applications in a changing social security landscape; and
 - 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 650 households with benefit entitlement checks or with advocacy to the Department for Work and Pensions. The precise split between checks and support is challenging to quantify ahead of a pilot. Up to 450 households should receive additional income.
- 2.3 The final outcomes of the pilot service will be reviewed in late summer 2019. 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);
 - Self-reported physical and mental health improvements;
 - 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; and
 - Service user satisfaction surveys.

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.

3. Related Mayoral Strategies

3.1 Relevant Fuel Poverty Action Plan actions are:

- Implement a programme to help Londoners, particularly the long-term ill and disabled, through ensuring that they are getting access to all of the income support they are entitled to, including Benefit Entitlement Checks; and
- Improve identification of vulnerable energy and water consumers and ensure that they are aware of support available to them.

3.2 Relevant Equality, Diversity & Inclusion Strategy objectives are:

- Strategic objective 12: To work with government, businesses, transport providers, voluntary groups and all relevant partners to help ensure our approach to tackling fuel poverty and improving green spaces is inclusive; and
- Strategic objective 13: To work with government, boroughs, early years and childcare providers and businesses to help address the root causes of child poverty. These include affordability of housing, childcare and transport, low pay and lack of flexible working as well as the welfare system.

4 Equality comments

- 4.1 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.
- 4.2 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 certain groups, particularly those of pensionable age, women, disabled people and BAME Londoners, largely the same as those affected by fuel poverty.
- 4.3 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.
- 4.4 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 fuel poverty networks that the GLA is funding – are fully inclusive of these groups, and indeed proactively targeted at them.
- 4.5 The specification for this service will require bidders to collect appropriate demographic information on those supported, so that we can check that we are reaching the groups that we ought to be.

5 Other considerations

| Risk | Likelihood (out of 5) | Impact (out of 5) | Rating | Mitigation |
|--|-----------------------|-------------------|--------|---|
| No bidders for the contract | 1 | 2 | 2 | Avoid. Soft market testing has already taken place and there are several organisations which are well placed to deliver the service. |
| Insufficient referrals coming from the network | 2 | 2 | 4 | Avoid. After a two-month 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. The child poverty pilot coming onstream in early 2019 will also increase demand after the winter peak for fuel poverty services. |
| 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 benefit freeze 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. |

6 Financial comments

- 6.1 Approval is sought for expenditure of up £60,000 to deliver a seven-month pilot for an income maximisation service providing benefit entitlement checks and enhanced support for benefit and Universal Credit claimants in difficulty. £30,000 of this will be funded from 2018-19 Social Mobility Programme Budget within Communities and Social Policy Unit, previously approved under MD 2314. The balance of £30,000 will be funded from the 2019-20 New Mechanisms Budget within the Environment Unit.

7 Legal comments

- 7.1 The foregoing sections of this report indicate that the decisions requested of the directors fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to social development within Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;

- (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- (c) consult with appropriate bodies.

- 7.2 In taking the decisions requested of them, the directors must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the directors should have particular regard to section 3 (above) of this report.
- 7.3 Officers must ensure that any external services required for the project be procured in accordance with the Authority's Contracts and Funding Code (the "Code") and with the assistance of Transport for London's procurement team. Furthermore, officers must ensure that appropriate contractual documentation be executed by both the Authority and the relevant contractor prior to the commencement of the required services.
- 7.4 Finally, if the Authority intends to award any grant funding as part of the overall project, the said grant funding must be awarded in accordance with section 12 of the Code and taking particular note of sub-section 12.3.

8. Planned delivery approach and next steps

| Activity | Timeline |
|-------------------------|-------------------|
| Procurement of contract | End November 2018 |
| Award contract | January 2019 |
| Delivery start date | January 2019 |
| Project Closure | August 2019 |
| Final evaluation | September 2019 |

Appendices and supporting papers available on request:

Fuel Poverty Action Plan
 The Mayor's Equality, Diversity & Inclusion Strategy
 MD2230 – Fuel Poverty Support Fund
 DD2250 - Solar Action Plan and Fuel Poverty Action Plan publication
 MD23214 – Equality and Fairness Work Programme

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

Part 1 Deferral:

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

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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 that:

✓

Assistant Director/Head of Service:

Patrick Feehily has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Directors for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 10 December 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Allge

Date

10.12.18

