

Local Welfare Support Scheme Update

Date: 14th November 2023

Report of: Director of Communities, Housing and Environment

Report to: Scrutiny Board for Environment, Housing and Communities

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

This report provides members of the Communities, Housing and Environment Scrutiny Board with an update on the progress of the Local Welfare Support Scheme (LWSS). The report details measures taken to ensure the scheme continues to support households in crisis whilst operating within budget and includes contextual information and updated eligibility criteria.

The LWSS is intended to support residents who may find themselves in an emergency or crisis, offering short term support to ease that position. In response to the cost-of-living crisis, the criteria for receiving a LWSS award was relaxed. The principal reason for relaxing the criteria was to open the scheme up to lower income households that were struggling to pay bills due to higher energy and food costs.

These changes saw the LWSS transform from a crisis support scheme designed to support relatively small numbers of households in a crisis to a fund available to lower-income households struggling to budget because of inflationary pressures. Despite additional funding from the Household Support Fund, it was recognised that the level of demand meant this model was unfortunately not financially sustainable.

During August 2023, the award criteria was changed to realign the LWSS with the original principal objective of crisis support. Furthermore, additional measures were introduced to help prevent fraud, improve consistency in decision making and ensure financial support was offered to those households who needed it the most.

Recommendations

Members of the Communities, Housing and Environment Scrutiny Board are asked to:

- a) Note the information contained within this report and the approach to delivering a financially sustainable LWSS.
- b) Note the contents of the enclosed eligibility criteria.
- c) Note the Action Plan and Next Steps set out at paragraph 29.

What is this report about?

- 1 This report provides the Scrutiny Board with an overview of the Local Welfare Support Scheme (LWSS) including contextual background to recent changes to the scheme in response to the cost-of-living crisis, and the current revised criteria and delivery model.

Background - Pre-April 2013

- 2 Before April 2013, emergency financial assistance was provided through the nationally administered Discretionary Social Fund. This included:
 - Budgeting Loans: Interest-free loans to help with costs that were difficult to budget for on a low income, such as furniture, clothing or removal expenses.
 - Crisis Loans: Interest-free loans to help with immediate needs in a crisis. 'Alignment Payments' were also provided to support claimants waiting for a first payment of benefit.
 - Community Care Grants: Non-repayable cash grants to help people leaving institutional care to resettle independently in the community, or to ease exceptional financial pressures facing a family.

Reforms in April 2013

- 3 The Government introduced reforms in April 2013:

Crisis loans (other than Alignment Payments) and Community Care Grants were abolished. Instead, funding was transferred to local authorities to establish their own Local Welfare Support Schemes.

Budgeting Loans remained nationally administered and are now called Budgeting Advances under Universal Credit. Crisis Loan Alignment Payments also remained under central control and became Short-Term Benefit Advances for those on legacy benefits or Advance Payments for those on Universal Credit.

Funding for Local Welfare Support Schemes

- 4 The Government determined that from 2015/16 onwards there would be no separate Local Welfare Support funding stream. Instead, it would become part of the general Revenue Support Grant that central government provides to councils to support spending on local services. This funding is not ring-fenced, and there are no statutory obligations for local authorities to provide a Local Welfare Support.

The base budget for Local Welfare Support awards in Leeds is £600k per annum. Recently this has been supplemented with funding available from the Government's Household Support Fund, however there is no guarantee this funding will continue, and the Government are yet to announce whether it will be available in 2024/25.

The National Picture

- 5 Nationally, there is significant variation in terms of how Local Welfare Support is delivered. In 2020 The Childrens Society reported that 1 in 7 local authorities did not run a Local Welfare Support Scheme, including 23 out of 151 'Upper Tier' Councils.

More recently, the Government's Household Support Funding has required all Local Authorities to deliver 'application-based' assistance with essentials such as food and fuel.
- 6 The different designs of Local Welfare Support Schemes nationally may reflect differences in local need and the emergency support which community and voluntary sector partners provide in each area.

Local Welfare Support Scheme in 2023/24

- 7 In response to the cost-of-living crisis, the criteria for receiving a LWSS award had been relaxed. The principal reason for relaxing the criteria was to open the scheme up to households that were struggling to pay bills due to higher energy and food costs. These changes saw the LWSS transform into a fund available to lower income households struggling to budget because of inflationary pressures. Despite additional funding from the Household Support Fund, it was recognised that the level of demand meant this model was unfortunately not financially sustainable.
- 8 The annual LWSS budget in 2023/24 is £2.1M. This includes a £1.5M contribution from the Household Support Fund. During June 2023, the total combined LWSS spend during April and May 2023 was reported as £874,041. This equates to an average of £437,020 per month and, at that time, a projected annual spend of £5.2M.
- 9 Given this, LWSS expenditure needed to be reduced in-year to ensure a budget continued to be available across the full financial year and this prompted a review of the scheme.

Key Principles of the Review

- 10 The LWSS scheme was originally established with the aim to help the most vulnerable households who are experiencing exceptional pressure, above the normal range of pressures. It was agreed that, to ensure the scheme remains within budget, eligibility for assistance was brought back in line with the original scheme intention.
- 11 The following principles were determined to be key in terms of the strategic success of the LWSS in Leeds and guided the review of the scheme:
 - **Accessibility:** Eligibility rules should be clear and widely available. Applicants should be able to apply online and provision should be available for residents who are digitally excluded.
 - **Administration:** Administration costs should be minimised where possible.
 - **Budget Management:** The scheme should operate within the allocated budget.
 - **Decision making:** Should be consistent and transparent.
 - **Protecting public funds:** Verification and cross checks should be used where possible to prevent fraudulent applications and to ensure support is given to those who need it most.
 - **Reporting:** Accurate management information should be available to enable effective budget management and effective regular appraisals of the scheme's success.
 - **Speed of awards:** Given that applicants are often in immediate need, awards should be processed quickly and ideally within 2 working days.
 - **Support:** Should meet the needs of the most vulnerable people in Leeds who are experiencing exceptional pressure. The scheme should strive to offer choice and dignity to residents receiving support.
 - **Team Leeds:** Delivery should include collaboration with, and referrals to, third sector organisations. A coordinated response is the most effective way to ensure all those households who require emergency financial support receive the help they need, and nobody falls through the gaps.

Outcome of the Review – Revised Criteria

- 12 In practical terms, as the focus of the new scheme is on crisis support only (full details of the revised LWSS criteria can be found in Appendix One), the review concluded that applicants will only be eligible for support if they have no savings, are in receipt of, or are applying for an eligible benefit, and are in a pre-defined crisis as follows:

- suffered a sudden loss of income due to a theft, benefits sanction, relationship breakdown, bereavement or other reason.
- recently diagnosed with an illness incurring additional expense and waiting for the outcome of a claim for Personal Independence Payments or another health-related benefit.
- a recent victim of a flood, fire or theft.
- fleeing violence or the threat of violence.
- moving from [supported or emergency accommodation](#) (as defined in the Housing Benefit regulations) into a property where they no longer receive support. For this situation, if the applicant has received a previous food or energy award in the last 12 months, they can still apply for support.

13 To compliment the revised scheme provision, officers have been Increasing awareness of, and signposting to alternative support provision available both nationally and locally, which includes:

- Budgeting Advances available under Universal Credit.
- Short-Term Benefit Advances for those on legacy benefits.
- Advance Payments for those on Universal Credit.
- National Cost of Living Payments
- Alternative provision available via the Household Support Fund
- Food Aid partners, such as food pantries, via the Leeds Food Aid map.
- Energy advice and support available via Green Doctor, Scope Disability Energy Support and the Citizens Advice Leeds – Energy Affordability helpline.
- Money and benefits advice services in the city via the Leeds Money Information Centre website and resources
- Discretionary Housing Payments
- Support available from Childrens Services
- The Council Tax Support Fund

14 Applicants who are not successful for a direct award are always directed to appropriate alternative support, which means that every applicant to LWSS receives support whether that be a direct financial award, signposting or advice.

Outcome of the Review – Type of Support provided.

15 The review concluded that the types of support on offer to households in crisis should remain the same. The following section of the report outlines the direct support available to Leeds residents who meet the criteria for a LWSS award.

White Goods

- Applicants can request white goods, such as fridges, freezers, washing machines, microwaves and cookers where they do not have the funds to pay for these themselves.
- The scheme is currently out of contract with their white goods supplier and a full procurement exercise is scheduled for completion in February 2024, with a view to improving value for money and increased choice around energy efficiency.
- An innovative partnership with a domestic appliance manufacturer has been successfully piloted and implemented. High quality, refurbished goods, that have been fully cleaned, repaired (where necessary) and tested are donated to the scheme to allocate to customers. All items have a 12-month guarantee. The manufacturer has agreed to donate between 100-200 fridge freezers per year. This has the potential to deliver savings which will help reduce the burden on the LWSS budget.

Support with Energy Costs

- Applicants in crisis can apply for a one-off emergency cash payment to help them meet their short-term energy bill commitments. The value of the award will vary between £30 and £90 depending upon the size of the household. Award values are reviewed periodically in line with available budget and seasonal pressures.

Support with Food Costs

- Applicants in crisis can apply for short-term support to purchase food. The value of the award will typically vary between £100 and £250. Applicants can choose between cash awards and supermarket vouchers. Award values are reviewed periodically in line with available budget and seasonal pressures.

Furniture

- Residents can apply for the provision of essential furniture including beds, mattresses, bedding, sofas, armchairs and curtain poles. Items of furniture are supplied by Leeds and Moortown furniture store who are a furniture re-use charity. The scheme is now out of contract with Leeds and Moortown and a full procurement exercise is scheduled for completion before April 2024.

Removals

- The scheme offers assistance with removal costs for eligible applicants. The LWSS have recently started to deliver this service internally using the Council's Civic Enterprise Leeds (CEL). This has resulted in reduced costs as well as an improved service for residents.

Flooring

- Residents who meet the eligibility criteria can apply for flooring or carpets from the scheme. This is delivered internally through Leeds Building Services (LBS).

Accessibility

- 16 The full eligibility criteria along with details on how to apply and request a reconsideration have been published online: [Local Welfare Support Scheme \(leeds.gov.uk\)](https://leeds.gov.uk)
- 17 Applicants continue to apply for support by telephoning the Council, however an online application is currently in production and is set to launch before April 2024. The online form will be embedded within the Local Welfare Support Scheme page at leeds.gov.uk and will offer improvements in terms of the customer journey, including the facility to upload supporting documents. Applicants without a telephone or access to the internet will continue to be able to visit a community hub and make a supported application.

Administration and Decision Making

- 18 Officers receiving telephone applications will determine whether the applicants meet the eligibility criteria. A significant change to the scheme is that potentially eligible applications are now referred to a back-office team within Welfare and Benefits (W&B) who will undertake verification checks, process applications and notify the applicant of their award by text message or email.
- 19 The W&B service, now manage the scheme using existing staff who are experienced in processing applications for benefits including Housing Benefit, Council Tax Support, Free School Meals and Discretionary Housing Payments.
- 20 Priority awards to provide support with food and fuel are being processed within 2 working days.

Impact

- 21 The measures introduced have been successful in terms of reducing expenditure. The LWSS is now forecast to remain within budget for the 2023/24 financial year.
- 22 The LWSS continues to provide support to households in crisis. Records show that 66 households received support with a total value of £33,489 during the period 13/10/23 to 13/11/23.
- 23 A reduction in applications to the scheme has reduced pressure on the Contact Centre who also no longer manage the scheme and have been able to assign staff to other work areas.
- 24 The W&B service, who now manage the scheme have absorbed the additional work using existing staff within the teams who are experienced in processing applications for benefit.
- 25 Measures introduced to secure the gateway to the scheme have proved successful with at least two fraudulent applications prevented and assurance that support is only being provided to households who are in financial hardship.
- 26 Following the rollout of the revised eligibility criteria, feedback from partners identified a potential gap in support for residents leaving supported or emergency accommodation. This issue was resolved immediately with an amendment to the criteria.
- 27 No significant issues have been reported by customer facing staff.
- 28 One Third Sector partner has reported an impact in terms of additional demand on their services, but this has not been quantified.

Action Plan and Next Steps

- 29 The following have been identified as key activities for the remainder of the 2023/24:
 - The introduction of an online LWSS claim form.
 - Ongoing engagement with partner services within the Council and community based third sector organisations, collaborating to ensure residents can access the support they need.
 - Careful budget monitoring to ensure the LWSS remains within budget.
 - Finalise outstanding procurement exercise for the provision of White Goods and Furniture.
 - Plan the scheme criteria/award values for 2024/25 in accordance with available budget. This will largely depend on whether the Government plan to continue with the Household Support fund in 2024/25.

What impact will this proposal have?

- 30 The LWSS has a citywide impact on residents facing financial insecurity and aims to support these residents through a period of crisis.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 31 The LWSS impacts all three pillars of the Best City Ambition. Health and Wellbeing – through the provision of welfare support that aims to tackle poverty and inequalities and provide improved wraparound support, linking to the wider determinants of health. Inclusive Growth – through working with the third sector around the provision of goods and tackling of poverty. Zero Carbon – through the focus on reuse and refurbished furniture and white goods.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

32 The service needed to act quickly to implement recent changes to the LWSS criteria to avoid significantly exceeding the allocated budget. Because of this, the opportunity for consultation and engagement was limited, however consultation included key services within the Council, including Customer Services and the Financial Inclusion Team in addition to the Chief Officer and Director of CH&E and the appropriate Executive Member for Communities.

What are the resource implications?

33 £1.5M of funding from the Household Support Fund was added to the LWSS budget for the financial year 2023/2024. This has now been spent. The current revised LWSS criteria and delivery model will be sustainable within the current base budget of £600K without additional Household Support Funding.

34 Further resource implications for the sustainability of a future scheme will be considered once the future of the Household Support Fund has been confirmed by Government.

What are the key risks and how are they being managed?

35 The key risks relate to budget management and the welfare of financially insecure households within the city. These risks have been managed as outlined within this report by ensuring that the LWSS offer is sustainable and complimented with appropriate advice and signposting where an award is not possible. As the LWSS progresses, risks will be a consideration in line with the regular approach to risk management and reporting.

What are the legal implications?

36 There are no legal implications to this work as there is no legal requirement for local authorities to provide a Welfare Assistance Scheme.

Options, timescales and measuring success

What other options were considered?

37 No other options have been considered.

How will success be measured?

38 Success will be continuously measured against the key principles outlined in section 9 of this report.

What is the timetable and who will be responsible for implementation?

39 Implementation is ongoing and subject to continuous review.

Appendices

- Appendix One – LWSS Eligibility Criteria

Background papers

- None

Eligibility Criteria for the Local Welfare Support Scheme 2023/24

To be eligible, the applicant or partner if they have one, must not have received a previous Local Welfare Support award in the last 12 months.

The applicant may be eligible for support if they:

- are a Leeds resident.
- are aged 16 years or over.
- have insufficient funds available for the support they require.
- are entitled to, or applying for, one or more of the following benefits:

Universal Credit	Guaranteed Pension Credit
Housing Benefit	Council Tax Support
Income Support	Child Tax Credit
Job Seekers Allowance	Working Tax Credit
Employment and Support Allowance	

The applicant must also be able to demonstrate that they meet one of the following crisis definitions:

- suffered a sudden loss of income due to a theft, benefits sanction, relationship breakdown, bereavement or other reason.
- recently diagnosed with an illness incurring additional expense and waiting for the outcome of a claim for Personal Independence Payments or another health-related benefit.
- a recent victim of a flood, fire or theft.
- fleeing violence or the threat of violence.
- moving from [supported or emergency accommodation](#) (as defined in the Housing Benefit regulations) into a property where they no longer receive support. For this situation, if the applicant has received a previous food or energy award in the last 12 months, they can still apply for support.

In extreme and exceptional cases, an officer may make an award where an applicant does not meet one of the above crisis definitions or has already received a LWSS award in the previous 12 months.

Support will be limited where an applicant or their partner have funds available to them as illustrated in the table below:

Less than £150	Eligible for all support
Between £150 and £400	Only eligible for support with up to 2 white goods, furniture and carpets £300 – single/couple & £600 families
Between £401 and £800	Only eligible for support with up to 2 white goods, furniture and carpets £300 – single/couple & £600 families BUT only eligible if impacted by fire, flood, fleeing violence or moving from supported/temporary accommodation.
Over £800	Not eligible for any support