

## Review of Local Welfare Support Scheme

Date: 2/11/2021

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

### **What is this report about?**

#### **Including how it contributes to the city's and council's ambitions**

- This report provides details on the existing Leeds City Council Local Welfare Support Scheme (LWSS); setting out details of what support is in place, how the scheme currently runs and overall costs/budget available to run the scheme.
- LWSS is designed to support residents who may find themselves in an emergency/crisis - offering short term support to ease that position. This typically consists of an award made up of one or a number of the following: food hamper/e-voucher, fuel vouchers, white goods, furniture and flooring, all of which is underpinned by the provision of advice, guidance and signposting to additional services and partner agencies.
- However, the scheme, in its current form, requires improvement as the short-term support provided to customers in financial crisis often results in customers re-presenting for further support. The COVID-19 pandemic has put further pressures on low-income households and the most vulnerable in our society and has also pushed many more households into financial uncertainty, hardship, to seek support and advice, and to claim benefits. A review of the scheme is needed in order to provide better support to customers in-need over the short, medium and long-term and to ultimately reduce dependency on local welfare support across the city, whether through Leeds City Council, our partner advice services or third sector organisations.
- The provision of a more effective and wide-ranging LWSS scheme contributes to the Best Council Plan focus of tackling poverty and reducing inequalities and achieving the council's ambition for a strong economy and compassionate city. The provision of an LWSS scheme also supports the Best City Priorities of Safe, Strong Communities, Inclusive Growth, Health & Wellbeing, Child-Friendly City, Age-Friendly Leeds and Housing.

## Recommendations

- a) It is recommended that the members of Environment, Housing and Communities Scrutiny Board consider the content of this report, in order to make recommendations around improvements and efficiencies to the running of the LWSS scheme moving forward.

## Why is the proposal being put forward?

- 1 The proposal to review the LWSS scheme is being brought forward due to the impact of the COVID 19 pandemic highlighting the need to consider how the existing scheme is currently run. This includes areas of focus such as streamlining processes, strengthening city wide partnerships and the consideration of what support can be offered to residents over the short, medium and longer term when experiencing crisis.

### Context

Leeds City Council and partners have been working to address financial inclusion in Leeds since 2003. The work, which is key to reducing poverty in the city, has been based on building knowledge and research, and a strong collaborative partnership to develop innovative and sustainable actions for the residents of Leeds. Even before the COVID-19 pandemic the scale of the challenge was significant, with an estimated 174,000 people in Leeds in relative poverty, and local research in 2018 highlighting that households were less resilient and worse prepared for an external financial shock or crisis than in 2004.

The COVID-19 pandemic has put further pressures on low-income households and the most vulnerable in our society and has also pushed many more households into financial uncertainty, hardship, to seek support and advice and to claim benefits. Advice agencies have reported a significant rise in enquires related to benefits and Universal Credit, employment and housing. In addition, partners are also reporting that many more people presenting to services are unable to manage or cover basic living costs.

As a result, it is imperative that emergency and crisis support in the city is fit for purpose, well managed and connected in order that people are able to access support when needed.

## LWSS Background and Funding

Following the abolition of Crisis Loans and Community Care Grants in April 2013, the government provided funding for local authorities to establish local welfare schemes. This funding was ring fenced until 2015. The contribution of £2.89m in 13/14, &14/15 was used by LCC to for the following; to deliver Local Welfare Support, to fund welfare initiatives to tackle poverty (Fareshare, FAN, CAB, Advice services, LCU), to offer section 17 support to Children and families, to contribute to Discretionary Housing Payments and Local Council Tax Support, and to offer wider support to the 3<sup>rd</sup> Sector.

From 15/16 funding became part of the settlement, and LCC have continued to allocate a proportion of this to deliver LWSS.

The table below details the budget reduction experienced in Leeds from 2013/14 up to 2020/21 for the LWSS element of the funding only. The removal of ringfenced funding and the subsequent drop in identified replacement funds continues to present challenges to how LCC can operate the LWSS scheme.

Year	LWSS scheme budget
2013/14 (Ring fenced Government Funded)	£1,317,000
2014/15 (Ring Fenced Government Funded)	£1,054,000
2015/16 (LA Funded from this point)	£742,000 (HRA £100k contribution)
2016/17	£694,000 (HRA £100k contribution)
2017/18	£685,000 (HRA £100k contribution)
2018/19 (from this year SIF funded other initiatives)	£600,000 (HRA £100k contribution)
2019/20	£600,000 (HRA £100k contribution)
2020/21	£600,000 (HRA £200k contribution)

The changes in **LWSS** spending following the removal of the ringfenced funding, and the subsequent years reduction in LA funding can be summarised as follows:

- Funding of things other than direct awards was significantly reduced / withdrawn following removal of Government funding
- The scheme moved away from the costly direct awards of store cards and food hampers to customers and moved to the, lesser cost, funding of Food Banks with associated referrals by us to them
- The budget for the funding of Foodbanks eventually moved from LWSS to Financial Inclusion SIF budget

Despite the reduction in funding shown above many Local Authorities although not all, continue to operate an LWSS scheme, although delivery models can vary quite significantly.

## The Current Scheme

The main aim of the Local Welfare Support Scheme is to support residents who may find themselves in an emergency or crisis, offering short term support to ease that position. As referred to above, this typically consists of an award made up of one or a number of the following: food hamper/e voucher, fuel vouchers, white goods, furniture & flooring all of which is underpinned by the provision of advice, guidance and signposting to additional services/partner agencies. Priority groups identified for the support within the existing policy document are as follows:

- Families or vulnerable people under exceptional pressure
- Homeless people or rough sleepers
- Vulnerable older people
- People fleeing domestic violence
- Young people leaving care or living independently
- People moving out of institutional or residential care into the community
- Ex-offenders leaving prison or detention centres
- People with disabilities

The LWSS team sits currently within the Contact Centre environment. There is a dedicated Team Leader overseeing the work of a group of claim assessors. An assessor will take evidence from customer/s to gather information regarding their current emergency/crisis position, and to gain an insight into their financial circumstances (including any income expenditure). Council systems are utilised to perform an additional check against any information provided, and in some circumstances the customer may be required to provide proofs before an award is made. This process is always accompanied by a quality conversation regarding how we can help with any wider support needs and suitable onward referrals are subsequently made.

In terms of demand/uptake of the scheme and the funding required to deliver in its current format, **Appendix 1** details per annum the number of beneficiaries and associated costs running from 2013/14 right up to and including the last 12 months. It should be noted that COVID 19 has impacted delivery over the last 18 months and this will have impacted the figures. Before the pandemic approximately 3,000 customers received support each year. Over the last two financial years, the majority of the budget has been used for furniture and flooring (84%), followed by food and fuel (14%) and removals (2%).

### Current Customer Journey

Marketing of the scheme at present time largely relies upon word of mouth, with partner agencies recommending that a customer contact the Council to request support being the main entry point. This is not sufficient and is in need of development/improvement – flyers/posters/web presence and social media platforms amongst others could all be brought into use, along with a directly referral option.

In addition, the existing LWSS policy document (**see appendix 2**) has not been updated for many years, this has resulted in outdated, time consuming and inefficient customer journeys. Marketing of the scheme, referrals into the scheme and processes including decision making around granting an award are in need of a significant update.

The Communities, Housing and Environment Development team have undertaken a mapping exercise which details the current customer journey, this can be found in **appendix 3**. At present the LWSS experience can create unnecessary contact with the customer, for example – certain customers having to present physically at a LCC Community Hub site to show proof of income/benefit claim to a Customer Service officer. This can also delay the customer accessing food/fuel etc for a number of days. It can also result in a ‘no show’ meaning a customer does not actually benefit from an award they could badly need.

The customer journey can and should be significantly improved. Automation within the process would streamline the experience for the customer and would allow assessors to complete their work more efficiently. This is the case for both uploading of proofs/evidence, the granting of an award, as well as other areas such as onward referral/signposting (circumstances depending).

## Links to Wider Support Networks

Although information, advice and guidance are built into the current system, on the whole the current scheme operates separately from other welfare support, advice and guidance provision in the city. This results in a disconnect between agencies and impacts both accessibility for the customer and in ultimately providing the support they need.

There is a wide range of support available within the third sector in Leeds and nationally, which can be broadly broken down into the following categories: food, advice, housing, fuel/energy, white/brown goods and health & wellbeing. There are several existing partnerships that the LWSS would benefit from being better linked into as part of the review. An overview of the Leeds welfare offer can be found in **appendix 4**. There are many examples of duplication but also of successful partnerships that LWSS could work with to maximise support for vulnerable residents in Leeds.

Although assessors do currently refer customers to wider support if needed, this is largely dependent on how up to date the assessor is with their knowledge and is reliant on them following up work with a manual referral. Signposting being followed up is also dependent on the customer proactively taking up the opportunities offered, which are shared verbally over the phone. The team have access to a small directory of key organisations that can offer support, but this needs substantial development to encompass the broad range of organisations both in Leeds and nationally.

An example of good partnership working is demonstrated by the 3<sup>rd</sup> sector run Community Care Hubs (CCH) who have been taking referrals from and referring into LWSS during the pandemic. This has worked well, however the funding for the CCH arrangement is currently due to end in March 2022 and further consideration is needed around a permanent partnership arrangement.

Ideally a future LWSS would successfully incorporate elements of automation within the process, this should be done taking into account access to other services (internal and external to the council). This would help to ensure that when a customer presents in crisis, a suitable 'package' of options could be put into place which could cater for both the short, medium and longer terms through a more systematic approach. There is a need for a city-wide approach to local welfare support with LWSS as a key component that is fully integrated with the other support that exists in the city. This would create a wider welfare support package for Leeds residents, something that does not current exist in any of the core city offers.

## Comparison with other Core Cities

Other Core Cities have been contacted in relation to their welfare support schemes and **appendix 5** details how they currently run their LWSS. Learning should be taken from how these schemes run and certain elements could potentially be adapted by LCC.

## Next steps

A group has been formed to undertake a review of the scheme, with representation from the following services: Customer Access, Financial Inclusion, Benefits, Housing and the third sector. The group have started to identify the changes needed within the scheme including customer journey mapping, comparisons with other local authorities and a review of the wider welfare offer in Leeds to ensure that efficiencies and improvements are made and that support for customers is maximised by avoiding duplication of support. The group will focus on the scope and remit of the scheme, process, funding, partnership arrangements, marketing and where the scheme sits in the Council structure.

It is proposed that each strand of work will have a dedicated working group who will review and propose changes, an update on which will be presented to the Scrutiny Board in Spring 2022 for consideration providing details of progress.

A Cash Grant Pilot began on 3 October 2021 and provides an opportunity to trial a new approach and new systems as part of the LWSS offer with a view to making it part of the permanent offer, subject to its success and available funding. This pilot will also allow for learning to be taken from new, more structured approaches to welfare awards, from which learning will be taken as part of the wider review.

### What impact will this proposal have?

#### Wards Affected:

Have ward members been consulted?      Yes      No

- 2 This proposal to review the LWSS scheme will affect all ward areas due to the scheme being delivered city wide.

A full review of the existing scheme will ensure that LCC are providing the best possible support to communities that are most disadvantaged. It is anticipated the demand for the scheme will increase due to a number of factors such as the ending of furlough, the removal of the U/C £20 uplift, rising living costs including energy price hikes. This makes the provision of an efficient and high quality LWSS scheme of paramount importance.

As part of the review a stakeholder survey will be developed which will gather information from a number of key sources including from those with lived experience. This will provide comprehensive feedback and will ensure that in line with Poverty Truth Commission, the views of people actually experiencing poverty are taken into account. Evidence will also be gathered from other LA schemes and a number of reports including publications from the LGA and Trussell Trust amongst others.

In addition, as we develop the new look scheme an expert panel will be put into place in order to test and shape options before they are embedded long term. As well as including key local agencies/partners, the panel will also draw from the LGA reshaping financial inclusion work that is currently taking place on a national level.

The review of the LWSS scheme will take into account equality, diversity, cohesion and integration issues. In order to do so effectively an Equality Impact Assessment has been completed and a copy of this can be found in **appendix 6**.

### What consultation and engagement has taken place?

- 3 The relevant Chief Officers and Directors have been consulted on these proposals.

To understand the approach being adopted by other local authorities, colleagues across Core Cities and other West Yorkshire local authorities have been contacted.

The Financial Inclusion Team have developed a stakeholder survey to ensure all partners have the opportunity to comment/feedback on how they feel an LWSS scheme could operate more effectively.

An internal working group with representatives from Benefits, LWSS, Financial Inclusion, Housing, Customer Access is also in place and will oversee development and implementation of the new scheme.

Member of the Financial Inclusion Steering Group have been made aware of the LWSS review and will receive the stakeholder survey so they can comment and provide feedback.

### **What are the resource implications?**

A new-look scheme depending on proposals brought forward could require additional funding, both in terms of the support offered to the customer and resources to deliver the scheme. This will need to be carefully considered as proposals are brought forward and developed.

### **What are the legal implications?**

There is no legal requirement for local authorities to have a Local Welfare Support Scheme.

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

There are no key risks associated with this work.

### **Does this proposal support the council's 3 Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

### **Options, timescales and measuring success**

#### **a) What other options were considered?**

There are no other options to be considered.

#### **b) How will success be measured?**

Success will be measured through the development of an affordable, new-look LWSS scheme. Data detailing the number of customers accessing the scheme which drills into each area of support offered will be reviewed and mapped against previous data to ensure an improved scheme is in place.

#### **c) What is the timetable for implementation?**

Implementation will begin following recommendations made by the initial scrutiny board meeting scheduled for the 15<sup>th</sup> November 2021.

### **Appendices**

- 1 LWSS data report
- 2 LWSS policy document
- 3 Customer mapping document
- 4 Wider Leeds welfare offer
- 5 Core City comparison

### **Background papers**

There are no background papers.