

Local Welfare Support Scheme Review Update

Date: 17th October 2022

Report of: Director of Communities, Housing and Environment

Report to: Scrutiny Board (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 aims to provide members of the Environment, Housing and Communities Scrutiny Board with an update on the progress of the Local Welfare Support Scheme Review. It details proposals for a revised policy document, including updated eligibility criteria, bringing it in line with the current cost of living.

Recommendations

- a) It is recommended that the members of Environment, Housing and Communities Scrutiny Board consider the updates contained within this report and provide feedback on the progress of the Local Welfare Support Scheme Review.
- b) It is recommended that the members of Environment, Housing and Communities Scrutiny Board consider the proposed revised policy document and make recommendations for its content.

What is this report about?

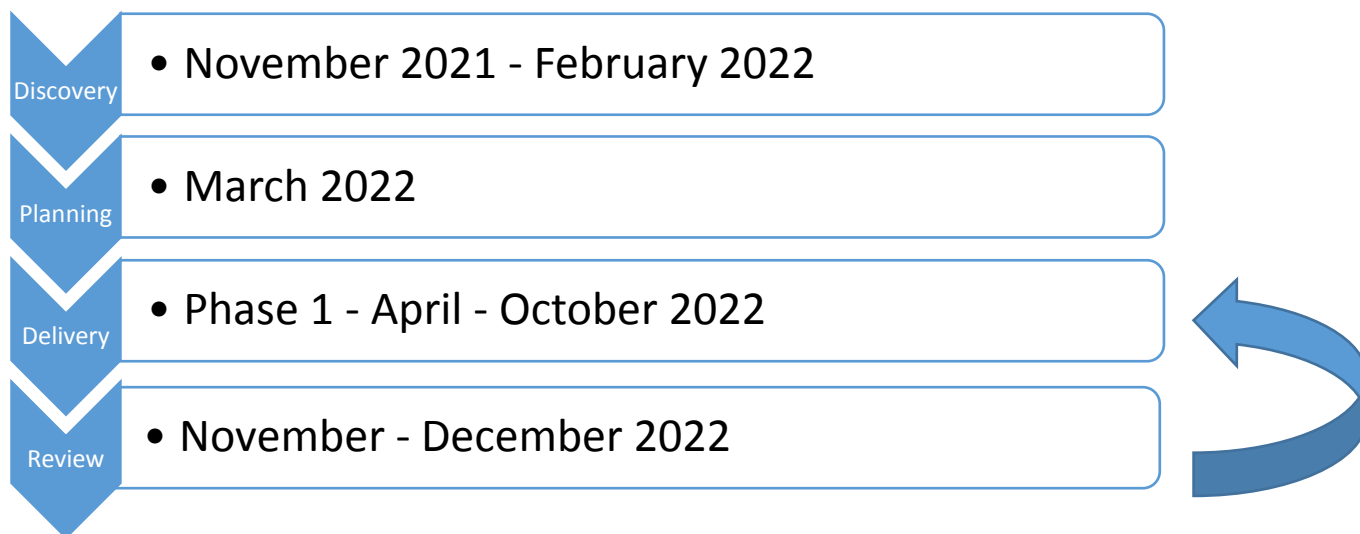
- 1 This report provides details on the review of the Leeds City Council Local Welfare Support Scheme (LWSS); setting out the progress since the last update to Scrutiny Board and proposing a revised policy document and next steps following the pilot of a cash grant scheme via LWSS.
- 2 LWSS is designed 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: supermarket vouchers, 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.
- 3 The scheme, in its previous form, required improvement as the short-term support provided to customers in financial crisis often resulted in customers returning for further support. The COVID-19 pandemic put further pressures on low-income households and the most vulnerable in our society; pushing many more households into financial uncertainty, hardship, to seek support and advice, and to claim benefits. This has been further exacerbated by the cost-of-living crisis. A review of the scheme was 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.
- 4 The review of LWSS began in August 2021, with initial proposals presented to Scrutiny Board in November 2021 outlining the discovery work needed to obtain a fuller understanding of the former scheme and the improvements required to make it a more effective offer for the city's most vulnerable residents, making best use of the budget available.
- 5 The review has been undertaken during the height of a cost-of-living crisis, the context of which is outlined in the following reports 'Reducing Poverty and Improving Financial Inclusion' (September 2022) and 'Understanding and addressing the cost-of-living crisis' (July 2022).
- 6 In order to respond to the cost-of-living crisis and the disproportionate impact on those on the lowest incomes, this report outlines the steps taken to better support vulnerable customers and meet increased demand to LWSS, whilst also transitioning from the COVID-19 pandemic.
- 7 During the 22/23 financial year the Household Support Fund has been used to double the LWSS budget to £1.2 million. This has meant the service is in a better position to cope with the increased demand and will allow the Council to continue to increase the fuel awards in line with the further energy price cap rise. Funding requirements for the financial year 2023/2024 are currently under review.

Methodology

- 8 The LWSS review has been broken into four distinct phases; **discovery, planning, delivery and review**, based on PM lite/agile project management methodology. The first phase began in November 2021, following the scrutiny board meeting, taking on board recommendations from members, which are summarised below:
 - Ensure that signposting is effective
 - Review Reuse Network offer
 - Ensure NHS or relevant Third Sector representation for Mental Health and suicide
 - Ensure cash grants are used for intended purposes

- Consult with members
- Ensure input of smaller groups in citywide welfare offer is recognised

9 The initial timeline for delivery is outlined below. Following completion of phase 1, a review and prioritisation exercise will take place and phase 2 will begin:



Discovery

10 A number of activities took place in order to gather learning and understand what urgent improvements of the scheme were required in order to better meet the needs of vulnerable customers. In light of the cost-of-living crisis and the challenges this presented in the background of this review, an agile approach had to be taken and a number of areas had to be prioritised. This meant that further engagement with wider groups was limited but will be undertaken in the future.

11 Engagement took place via an immediate working group with relevant services and the third sector represented, via team meetings, surveys, meetings with partner services such as Money Buddies and Citizen's Advice Leeds.

12 A Cash Grant Pilot also took place between 1st October to 1st April.

13 Key learning from this phase is summarised below:

- **Eligibility** is outdated and applied inconsistently- results in repeat referrals
- £330k of the £600k budget is spent on **white goods** – opportunity to make savings
- **Wraparound support/signposting** was not adequate – resulting in repeat referrals
- **Referral process** needed to be improved – method (phone only – no online option) and communication of outcome
- No formal **third-party referral process** – partners wanted this and it would ease the pressure on Contact Centre team
- Existing **processes** are time-consuming, including evidencing eligibility by sharing proofs
- **Staff training** needed; to challenge outdated approaches and move to a more supportive model

- **Other funding sources** exist for similar purposes – Tenancy Intervention Fund and Section 17
- **Greater choice** could be offered to customers- dignity and agency

Planning and delivery

- 14 In order to build on the learning from the Discovery Phase, a number of workshops were organised in order to develop key actions to tackle each area of development. These workshops focussed on the aims and objectives of the scheme, Resourcing, the LWSS offer and Eligibility and led to the production of the detailed action plan.
- 15 The action plan was broken down into priority areas, with the immediate priority areas spanning from April to October. The key areas of focus for delivery this period included resourcing, eligibility and the LWSS offer.
- 16 Further detail on each of these key areas is provided in the following section of this report.

Resourcing

- 17 LWSS experienced a sharp increase in calls since the energy price cap rise and in April 2022, calls increased by 41%, rising to 42% in May when compared with the same period in 2021. This increased demand has put pressure on an already busy team. To help ease this pressure, targeted work to create efficiencies has been a key focus as part of the review, a selection of which are provided in the following section. The Contact Centre have also recently appointed ten Customer Service Officers in order to cope with the significant increase in demand. These posts have been funded by the central Contact Centre Resourcing budget and not the LWSS budget. As further efficiencies are introduced as part of the review and the increased demand reduces, these roles will be absorbed into other areas of the Contact Centre.
- 18 The volumes of calls have continued to increase during the summer, placing the LWSS scheme under huge pressure. From July 2022 through to August 2022 there has been a month to month increase of 78% in applications for support. The majority of applicants have never previously applied to the scheme and the most common reason for applying is due to the rising cost of living and applicant's income no longer meeting their outgoings. Most of these requests are for emergency food or fuel.
- 19 More recently and as a year-on-year comparison, LWSS has seen a significant increase in contact; from August 2021 – August 2022 the increase has been approximately 122%. See table below:

	August 2021	August 2022	Increase
Granted	316	766	142%
Refused	118	197	67%
Total	434	963	122%

NB: the majority of refusals are due to customer becoming uncontactable or not producing proof of income.

- 20 The team currently use two Customer Record Management (CRM) systems as part of their role. This is both time-consuming, causes duplication and means that reporting is inaccurate. The team are now being moved onto one system, already used by the Council, and savings of £15,000 per year will be achieved by decommissioning the former system, which will be by the end of 2022.
- 21 After a detailed review of the end-to-end process of ordering white goods and furniture, it was identified that these two processes were the most time-consuming for Customer Service Officers. Each individual item ordered required an order to be raised on FMS (Financial Management System). From October 2022, instead of raising individual orders, bulk ordering will be introduced as well as monthly invoicing. This will create significant efficiencies.
- 22 To further respond to the burden of administrative tasks on Customer Service Officers, a new back-office function will be introduced from October with one member of staff trialling this role on a pilot basis. The role will pick up tasks, such as the bulk ordering of white goods, raising orders on FMS and arranging deliveries of Hisense fridge freezer donations.
- 23 The Customer Service Officers (CSOs) within the LWSS team are currently split into two key areas: the initial call taking and assessing. The CSOs that take the initial calls collect the details of the customer's current situation and needs, screen and either add to a work queue to be assessed or signpost to alternative support. The CSOs that focus on assessing pick up cases from the work queue and determine their eligibility for an LWSS award, based on the previous policy document. This may also involve collecting additional information about the customer's situation or requesting evidence, such as a bank statement. These considerably different roles have both deferred from the original job description of a Customer Service Officer significantly since the introduction of the scheme.
- 24 It is proposed that this role be streamlined and brought back to its original job description, in line with Customer Service Officer roles within the Contact Centre environment. This will ensure fairness in the distribution of tasks across the team and mean that all officers can undertake all tasks expected of the role.

LWSS Offer

- 25 The following section of the report outlines the priority areas of the LWSS offer, which have been reviewed and initial improvements implemented. Additional aspects of the offer will be reviewed in the future, such as carpets and removals.

White Goods

- 26 White goods, such as fridges, freezers, washing machines, cookers and other items account for over 50% of the LWSS budget spend each year. The scheme is currently out of contract with their white goods supplier, which has meant that value for money is not being achieved. As such, this has been high priority area to review and act on, in order to generate savings where possible.
- 27 Work has been undertaken alongside the Procurement Team to prepare for a full procurement exercise. As part of this, a Market Sounding Exercise was undertaken with potential suppliers, to test the market and gauge interest in a procurement with a social value focus. This exercise provided useful learning to inform the full procurement, such as around the purchase of high efficiency, refurbished items where possible. This provides both a high-quality item for customers, minimises the ongoing energy costs as best as possible, whilst providing value for

money to the Council, so that more vulnerable customers can be supported with a finite budget. The exercise also provided useful learning around how the procurement should be made accessible to charitable organisations. The procurement exercise is expected to start in autumn 2022.

28 A new innovate partnership with Hisense is being piloted, where high quality, refurbished goods, that have been fully cleaned, repaired (where necessary) and tested are donated to the scheme to allocate to customers. Hisense have agreed to donate between 100-200 fridge freezers per year, which are being delivered in-house by the Civic Enterprise Leeds team and has the potential to lead to £46,000 in savings for the scheme overall. This will allow further funding to be allocated to fuel vouchers, in response to the energy price cap rise.

Cash Grants

29 A **Cash Grant Pilot** scheme ran from 1st October 2021 to 1st April 2022 with a £50,000 budget, in partnership with Trussell Trust. An independent evaluation of the pilot has been undertaken and the report will be published in October this year. The aim of the pilot was to understand whether cash grants impacted the following areas for grant recipients:

- To increase their emotional wellbeing
- To negate the need for further food bank use within 12 months
- To enable them to be better able to afford the essentials
- To enable them to be better able to manage their financial situation

30 Draft findings from the evaluation revealed that the cash grant pilot scheme has had a positive impact on grant recipients, allowing them to prioritise their household's needs which were mainly to buy food and pay for gas and electricity. It also gave them more freedom of choice than a food parcel, and the majority were happy receiving the grant as cash from a cash machine and found it to be a straightforward process. Examples of customer feedback are shown below:

“This scheme was brilliant, you guys really did save me, when I had nobody else to turn to you guys were there for me, thank you. I appreciate everything you have done for me, your grant literally saved my life and my home, I can’t thank you enough” – Web survey respondent

“I'd say it had a good impact on mental health because knowing that you've got extra money to buy your essentials and make sure that you've got what you need for that week or for that month.” – Interviewee from the second round of interviews

“It gives you breathing space so that you don't panic as much as to where your money is going or how far your money can stretch” – Interviewee from the second round of interviews

31 The final research paper is to follow shortly, however based on the draft report it is expected that LCC will seek to adopt a cash grant offer as part of the LWSS review. Additional methods for the customer to collect a cash award will also be considered, such as Post Office Payout and direct payments into bank accounts.

Fuel

- 32 LWSS have worked in partnership with Green Doctor to offer fuel support since May 2020. This has been a successful arrangement and has allowed customers to be supported with both fuel vouchers and wraparound support to reduce their energy bills and increase energy efficiency within their homes in the long term.
- 33 In April 2022, this partnership expanded so that the majority of fuel-related referrals are now awarded via Green Doctor, with all customers offered wraparound support. Work with Leeds Credit Union continues, where it is more convenient for a customer to collect their award from one of their branches.
- 34 On the 3rd February 2022, Ofgem announced that the energy price cap was to rise by 54% in England, Wales and Scotland from April, affecting 22 million households overall. This led to an estimated increase of £693 per average household and £708 for households on pre-payment meters per year. Although most households would be affected to some degree, Joseph Rowntree Foundation summarised “the impact of rising energy bills is expected to be much harsher for families on low incomes, there is a clear case for targeted protections to prevent serious hardship once the energy price cap is lifted.”
- 35 In order to respond to this emerging need, and in consultation with the Executive Member for Communities, it was agreed that the budget for LWSS fuel support and award amounts were increased by 54%, to bring them in line with the energy price cap rise. This was funded using Household Support Funding. The funding requirements for fuel awards for the financial year 2023/2023 will continue to be reviewed and the energy situation monitored.
- 36 A review is now underway ahead of the further fuel cap rise in October 2022 which will enable the LWSS service to bring the budget and award amounts in line with the further increases.
- 37 Research is being undertaken in partnership with Green Doctor to model energy costs across a range of households, based on property type, household size, fuel type and month of the year. This would allow LWSS to introduce seasonal awards that meet the needs of each particular household, better support customers during the winter months and make the best use of the budget available.

Furniture

- 38 Partnership working has been taking place to re-establish a relationship with the Furniture Reuse Network post-lockdown and look to purchase items from the network again, with the aim of reuse being the first choice for LWSS to direct funds into community partners, reduce waste and ultimately be able to buy more goods for more customers.
- 39 Work is also underway with the network to improve how items are purchased, reducing the administrative burden on the network members whilst a longer-term solution is developed.

Digital

- 40 The introduction of a digital offer within the scheme is being considered, to tackle digital exclusion and better link in with the work being done in the city to address this issue, including working with third sector groups within the city. This could, for example, introduce areas such as free sim cards loaded with data, calls and messages obtained via LCC partnership arrangements with the ‘Good Things Foundation’.

Eligibility

41 The LWSS policy document was last updated in 2017 and is now significantly outdated. As such, it has been reviewed and a number of areas introduced, and criteria suggested. Whilst there are still aspects of the process being developed, an early draft revised policy document can be found in **Appendix A for Scrutiny Board comment**. A summary of the key changes is provided below:

- Introduction of **low income** as a broader criterion, where previously only those on benefits were accepted, recognising the rise in in-work poverty and current cost-of-living crisis.
- **No refusals** – awards and/or quality signposting will be provided to all customers, within the remit of the LWSS and wider welfare offer in Leeds.
- Greater emphasis on **wraparound support** introduced, to help address the needs of vulnerable customers longer term, as appropriate.
- Introduction of a **person-centred, intensive support programme** that will connect customers to wider support services in Leeds, for example with debt management, benefits advice or budgeting support. This programme will particularly support those that return for support, working with the customer to access support, in a way that best meet their needs. This may include a package of longer-term awards until they are in a position to best receive this support. It is anticipated that this programme will be piloted from 2023 and funding has been applied for from the Shared Prosperity Fund to fund the full cost of the pilot.
- Removal of the £10,000 low-income threshold and introduction of a **variable low-income threshold**, based on household size and make up, current cost of living at the time of application and is evidence-based.
- Introduction of **new application methods**; online application form for self-referrals and supported referrals via Community Hub sites and trusted partner agencies. These applications methods are dependent on the development of the existing, or a new, Customer Records Management System. This work has been taken on as part of the Contact Centre Digitisation Programme and will begin in September 2022.
- The introduction of a **digital award**; recognising the impact of digital exclusion and the barriers this presents when accessing support services. An example of an award is a free sim card with credit for a set time period.
- The introduction of **new payment methods**, taking learning from the Cash Grant Pilot, the full report of which will launch in late September 2022, cash and bank transfers are to be introduced as payments methods, where appropriate.

Next Steps

42 This report outlines the current focus of the LWSS review, which has been adapted to meet significantly increased demand to the scheme during a cost-of-living crisis. The below section summarises the next steps that will follow:

- **Launch revised policy document** with amendments suggested by the Scrutiny Board. The design of the document will be updated, working with the Council's Communications Team. The updated eligibility criteria will also be shared with relevant partners and published on the Council's website so that applicants and supporting organisations are aware of the criteria before they apply.

- **Budget** to be reviewed, demand monitored, efficiencies/savings costed, and further government funding/other grant funding considered to provide a clear indication of the budgetary requirements for financial year 2023/2024.
- **Review fuel awards** in line with any further energy price cap rises and government support packages.
- **Review payment methods** to ensure that a range of options are available that enable dignity and choice for LWSS customers and best meets their needs. This will include both a review of the Cash Grant Pilot findings and a review of voucher schemes available including the Charity Gift Card and additional supermarkets.
- **Develop and implement technical solution** that will allow for referrals to be made by trusted partner agencies, Council services and individuals, to reduce call volumes to LWSS and increase access to the scheme.

What impact will this proposal have?

- 43 The proposal will have a citywide impact on residents facing financial insecurity and aims to better support these residents through a period of crisis.
- 44 The delivery of the review has already introduced some key areas that are making a positive difference to the lives of residents through a better provision that better meets needs in light of the challenges the cost-of-living crisis has presented.
- 45 In addition to the support offered to vulnerable residents, the review also seeks to direct funding to charitable organisations for the provision of wraparound support or the purchase of items, such as furniture.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 46 This proposal will impact 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, reducing embodied carbon.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted?

Yes

No

- 47 A number of services, organisations, members and recipients of support via the LWSS have been consulted through a range of methods, including surveys, phone/teams interviews and meetings/workshops.

What are the resource implications?

48 £600,000 of funding from the Household Support Fund was added to the LWSS budget for the financial year 2022/2023. Further resource implications for the sustainability of a future scheme are being considered within the next stage of this review.

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

49 A corporate risk has been identified on Escalating Poverty. Further details of the risk can be seen in the Annual Corporate Risk Report, as presented at Executive Board Meeting – July 2022.

What are the legal implications?

50 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?

51 No other options have been considered.

How will success be measured?

52 This is currently being reviewed and new reporting being developed to ensure that data detailing the number of customers supported, range of awards and wider signposting is reported more accurately. Once the technological solution is in place, it is intended that improved reporting around the outcomes of wider wraparound support and referrals will be in place, to better understand the success of this support, to meet the needs of vulnerable customers in Leeds.

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

53 Implementation is ongoing and the delivery of key actions with the action plan are likely to be completed in 2023, with some schemes and pilots ongoing.

Appendices

- Proposed Revised Policy Document – Appendix A

Background papers

- 'Reducing Poverty and Improving Financial Inclusion' (September 2022)
- 'Understanding and addressing the cost-of-living crisis' (July 2022)