

Report for: Cabinet, 9 February 2021

Title: Introduction of a Local Welfare Assistance Scheme (LWAS)

Report authorised by: Richard Grice, Director of Customers, Transformation and Resources

Lead Officer: Jean Taylor, Head of Policy
Edward Ashcroft, Policy and Equalities Officer

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 This report sets out the Council's approach to introducing a Local Welfare Assistance Scheme (LWAS) as part of a suite of support available in the borough with a focus on residents who are facing short-term financial hardship. £0.3m per year has been allocated in the Council budget to deliver this scheme over the next two years. Strategically, this sits within our approach to combatting debt and reducing inequality, and operationally enables us to support residents in new ways, particularly in light of the reality of Covid-19.
- 1.2 This report seeks approval from Cabinet for the approach to our LWAS set out here.

2. Cabinet Member Introduction

- 2.1 We know that our community in Haringey faces huge financial pressures. Inequality in our borough runs deep, and the challenge has become greater with years of cuts to social security. 2021 will be particularly hard for many of our residents as unemployment remains high and with the Government poised to end much of its Covid-19 support, such as the Coronavirus Job Retention Scheme (CJRS). Amidst these pressures, old and new, unexpected financial shocks – as simple as a broken fridge or a sudden emergency – can create unassailable problems for those who are not fortunate enough to have the support they need to tackle them.
- 2.2 We cannot solve this problem ourselves – providing dignified social security remains the responsibility of the Government – but we can keep striving to support our community. I am therefore pleased to recommend that Cabinet approves the approach we have set out here to launching a Haringey Support Fund. This will complement the wide variety of work we are already doing to support everyone in our community and provide an additional safety net for our most vulnerable residents.

3. Recommendations

3.1 It is recommended that Cabinet:

- a) Agree the approach to introducing a Local Welfare Assistance Scheme set out in this report, which will be known as the Haringey Support Fund.
- b) Agree the principles and proposed scope of the scheme as set out in paragraphs 6.4 to 6.7.
- c) Agree that approval of the final operational detail of the scheme and final public policy document – which will follow the approach agreed in recommendation 3.1 b) – should be delegated to the Director of Customers, Transformation and Resources in consultation with the Cabinet Member for Transformation and Public Realm Investment.
- d) Note that the Council will monitor the design and impact of the scheme and regularly review our approach, including through a review at the end of the first year of funding. Minor amendments to the detail of the scheme, where required, should be delegated to the Director of Customers, Transformation and Resources in consultation with the Cabinet Member for Transformation and Public Realm Investment.

4. Reasons for decision

- 4.1 Ongoing structural inequalities in the borough have been amplified by the impact of Covid-19. In this precarious environment, the economic realities mean that many residents are more vulnerable than previously to acute financial shocks and are at risk of falling into crisis. Although the Council does not hold all the levers to tackle these challenges, and providing social security remains the responsibility of Central Government, it is more important than ever that we find new ways to support our residents.
- 4.2 Although the challenge in Haringey is ongoing, this year, in particular, many residents are likely to face increased pressures due to ongoing high levels of unemployment coupled with the gradual winding down of Central Government support schemes, such as the Coronavirus Job Retention Scheme (CJRS) and the temporary Universal Credit (UC) uplift. Whilst it is not the role of local government to replace these schemes, introducing a local welfare assistance scheme will support our wider efforts to help residents in urgent financial need.
- 4.3 As we respond to these challenges, the primary function of the Haringey Support Fund will be to provide an additional safety net for residents who are facing temporary financial crisis – sitting within and complementing our other support to residents on a low income. An important secondary objective will be to connect residents to support which can help them to find sustainable ways to navigate financial adversity.
- 4.4 This work also supports our overall approach to reducing community inequality, including as set out in our Borough Plan principles and our 'Recovery and Renewal' report, which sets out our ambition to support residents in new ways.

- 4.5 Due to the timeframe required to launch this scheme, the full operational detail is being worked up by officers, in consultation with the Cabinet Member for Transformation and Public Realm Investment and with partners in the Voluntary and Community Sector. The Director of Customers, Transformation and Resources will approve the operational detail of the scheme, including the final public policy document – both of which will be based off the principles agreed in this report – in consultation with the Cabinet Member.
- 4.6 As this is a new scheme, which will be launched in the complex environment created by Covid-19, monitoring and evaluating the impact of our work will be particularly important. It is therefore requested that minor amendments to the scheme, where required, should be delegated to the of Customers, Transformation and Resources in consultation with the Cabinet Member for Transformation and Public Realm Investment.

5. Alternative options considered

- 5.1 Divert local welfare assistance funds to alternative support programmes
There is no statutory requirement to provide hardship support in this format. The money set aside in the Council budget could therefore be diverted to other schemes supporting residents on low incomes – such as Council Tax Reduction (CTR). However, the Council believes that in the present economic climate this new scheme will diversify and complement the support we already provide, adding a new flexible support option for residents, and widening our reach. This fits within the strategic goal to support residents in new ways.
- 5.2 Do Nothing
The Council would not take steps to establish a Local Welfare Assistance Scheme to support residents facing financial hardship. There is no statutory requirement to provide this service. Doing nothing would undermine the ability of the Council to deliver its strategies to tackle community inequality. Without an equivalent intervention, we anticipate it would also lead to an increase in residents falling into financial crisis, escalating debt, and destitution.

6. Background information

- 6.1 *The purpose of introducing a local welfare assistance scheme*

Ongoing structural inequalities in the borough have been amplified by the impact of Covid-19. In this precarious financial environment, sudden shocks – from a broken fridge through to a delayed Universal Credit payment – can push residents who were previously managing into crisis. As the number of vulnerable households grows, more people are at risk of falling into debt, destitution, and hunger.

Whilst no single organisation can hold all the levers to tackle financial adversity, we have an important role to play – alongside our community and voluntary partners and Central Government – in supporting vulnerable residents as they navigate these challenges. This work sits within the Council's wider strategy to reduce inequalities within our communities, and the Council has set aside

£0.3m in the budget for the next two financial years to stand-up a scheme to deliver this support.

The primary objective of this scheme will be to provide an additional safety net to meet the immediate needs of residents who are facing crisis or – in the case of vulnerable residents who (for example) have previously been homeless, are victims of Domestic Abuse, or are leaving institutional care – who require practical financial assistance to move into or stay in the community. Whilst our focus will be on addressing urgent needs, an important secondary goal will be to support residents to access a wider range of medium- and long-term support that they may be eligible for but not aware of.

Depending on the size of our grants, we anticipate that through this scheme the Council will be able to make between 400 and 1000 grants per year to residents. This will not meet all of the demand in the borough: and we will therefore need to prioritise this support for those who are most vulnerable, ensuring that the Council continues to offer a wider set of supports to those in need.

The Council currently supports residents who are struggling through a range of mechanisms. We reach 26,000 residents through our Council Tax Reduction Scheme (CTRS) and around 900 through our Discretionary Housing Payments (DHPs). We also support families with access to school uniforms and free school meals, and support to help residents to maximise social security income. During Covid-19, the Council has also expanded its offer to include proactive support to vulnerable residents as part of our Emergency Local Welfare Assistance Scheme (ELWAS). Beyond the Council, we also work closely with our Voluntary and Community Sector and other statutory partners, each of which plays a pivotal role connecting residents to a range of short-, medium-, and long-term support on offer in the borough.

Against this backdrop, and recognising that residents still face sudden financial challenges which risk driving them into crisis, our ambition is that the Haringey Support Fund will complement the support that which is already in place by providing a small but targeted and flexible safety net through which we can support our most vulnerable residents when routes to other support have been exhausted. Our focus will be on adding to our existing offer and taking responsibility for proactively connecting residents to the support that can most effectively help them.

6.2 *Background to local welfare assistance in the UK and Haringey*

Local Welfare Assistance Schemes (LWAS) are used by local authorities to provide short-term financial support to people on low incomes. Previously, Central Government provided equivalent discretionary support through the Department for Work and Pensions (DWP) administered Social Fund. This included 'Crisis Loans' for those facing one-off emergencies and 'Community Care Grants' to support vulnerable residents to stay or return to their homes. Under the terms of the Welfare Reform Act (2012), key elements of this Social Fund were removed.

6.3 *Welfare assistance in the context of Covid-19*

We are now operating in a different context. Covid-19 has deepened structural inequality which existed before the pandemic. In doing so, it has made more residents vulnerable to acute financial challenges.

During the pandemic, with its partners the Council has provided increased proactive support to our residents, drawing on the £500m 'hardship fund' announced by Central Government in March 2020. Our support has included boosting our Council Tax Reduction Scheme (CTRS) and launching an Emergency Local Welfare Assistance Scheme (ELWAS) to provide direct cash and in-kind support to vulnerable residents.

As this support winds down, the Haringey Support Fund will enable us to continue to support our residents during the recovery phase from Covid-19 and enhance the support that we already have in place.

6.4 *Principles*

Learning from best practice across the country, our policy principles are as follows:

- We will ensure that our Local Welfare Assistance Scheme is **joined-up** with, and complementary to, our other support available in the borough: including through Council Tax Reduction and Discretionary Housing Payments, and the Advice Partnership.
- We will **communicate** our offer of support **clearly and compassionately**: ensuring that we reach as many residents who may need our help as possible.
- We will take responsibility for **helping residents to find the support that they need**: not the other way around.
- We will ensure **access** to support for residents is **clear and simple**, as well as dignified, including for those who might otherwise risk being excluded.
- Our interventions will seek to address the **immediate challenges** that residents face, but we will also focus on enabling residents to access sustainable solutions to avoid such challenges recurring.
- We will **collaborate** proactively with partners in Haringey to coordinate a response that draws on the expertise, networks, and knowledge of the voluntary and community sector.
- We will be **flexible and agile** in how we deliver support to residents. We will monitor the impact of our interventions and learn from similar initiatives in Haringey and across the UK to constantly improve our offer.

6.5 *Offer of support to residents through the Haringey Support Fund*

Our support will address specific basic living support needs, including:

- Food
- Essential household items, including for personal care and hygiene

- Utilities, including support to reconnect fuel to families in crisis (via direct payment to utility companies or equivalent support to those on pay as you go)
- Clothing or footwear lost in a disaster
- Essential items when setting up a new home (for specific vulnerable groups)
- White goods, furniture and bedding
- Furniture
- Bedding
- Rent in advance if not met by DHPs or available through a budgeting loan/budgeting advance from the Department for Work and Pensions.

We also recognise that the Council cannot predict every challenge that our residents face. We will therefore accept applications for other urgent financial needs. Examples might include emergency travel expenses. These will be assessed on a case-by-case basis according to priority and impact for residents.

Our support will be delivered through different channels, including cash, vouchers, or in-kind support as appropriate – ensuring that we maximise our impact and maintain the dignity of our residents.

6.6 *Eligibility criteria and scale of support*

The scheme's eligibility criteria will balance supporting as many residents as we can with targeting our limited funds to support those who need our help the most. To be eligible, applicants will be a resident of the borough, over the age of 18, in receipt of qualifying benefits (or about to be) or on a low income.

Within these criteria, and recognising the limitations of our available resource, we will prioritise the scheme for those to whom it is appropriate and will make the most difference to meet their needs. This may include (as examples) those with disabilities or health problems; households with elderly residents or young children; and residents who require support to stay or move into the community (for instance those who have previously been or are at risk of becoming homeless, are victims of Domestic Abuse, or are leaving institutional care or Temporary Accommodation).

We will also set aside a £10,000 discretionary fund reserved for young people. Full details on eligibility criteria and prioritisation will be set out in the final policy document.

With £0.3m per year set aside for two financial years, we can make an impact, but we will not be able to approve every application – hard decisions will need to be made. Our focus will remain on supporting residents in the ways which best address their needs and prevents them from being in the same position in the future, including by connecting them with other support where we can. Depending on the size of grants, we anticipate that we will be able to provide between 400 and 1000 grants each year. These grants will range from small crisis grants for basic living needs (up to a maximum of £75) through to larger

support grants in exceptional circumstances. There will be administration costs associated with processing these applications.

6.7 *Our approach to delivery*

Practically, this scheme will be implemented in the new financial year from April 2021. Before then, the Council will continue to develop robust administrative, financial, and communication frameworks drawing on best practice. We will focus on the following areas:

Drafting a clear **document** which sets out the purpose of the scheme, our eligibility criteria, prioritisation, support offer, and application process. Approval of this document should be delegated to the Director for Customers, Transformation and Resources in consultation with the Cabinet Member for Transformation and Public Realm Investment.

Establishing an **application** process that is accessible and dignified. This means having multiple points of entry, including for residents to apply directly through an online application and telephone support, and establishing a mechanism for Council staff or VCS partners to proactively identify vulnerable residents and refer them to the scheme and to offer follow up and connected support.

Setting up an **awards process** which follows best practice, with clear guidelines and training for our staff, and for residents on our approach to assessing applications.

Considering ways to **connect** this scheme with other Council and community based support. This means reviewing how we can align the application process for this scheme with that for our other awards (such as CTRS or DHP), and setting up ways to work through Connected Communities and other services to connect residents to the support that is most suitable for them.

Engaging with the voluntary and community sector to ensure that our approach fits within an effective system wide response, including considering where we can work together with VCS partners on our grant offer.

Developing a **communication** plan to ensure that we can reach those residents who need our support the most, including through a whole Council approach.

Establishing clear **monitoring and evaluation** systems to allow us to regularly review the design and impact of our scheme, including at the end of the first year of funding.

7. **Contribution to strategic outcomes**

- 7.1 The LWAS will support the Council in delivering its strategic objective to tackle community inequality and support residents in new ways as we recover from Covid-19. In particular, it will help us to deliver on the commitment set out our 'Recovery and Renewal Report' (approved by Cabinet in December 2020) to be closer to residents and extend our reach.

7.3 In addition, this scheme will play a cross-cutting role in delivering our Borough Plan priorities, outcomes, and objectives – including by delivering on our principles of equality of opportunity, fairness and quality of life for all. It will also help to indirectly deliver the following specific outcomes, including through the Youth Fund:

Outcome 2 We will work together to prevent people from becoming homeless, and to reduce existing homelessness.

Outcome 6 Every young person, whatever their background, has a pathway to success for the future.

8. Statutory Officers comments

8.1 Finance

The budget for this scheme has been included in the draft 2021/22 2025/26 MTFS at £300k for 2021/22 and £300k for 2022/23. The budget will be subject to agreement by the Full Council on 22nd February 2021.

As far as possible, existing procedures will be adapted to incorporate the administration of this proposal. However, should any additional administration costs be incurred they will need to be met from within the annual budget allocation.

The costs of the awards made under this scheme will reviewed and reported as part of the normal budget monitoring process.

8.2 Procurement

The contents of this report are noted. There are no procurement ramifications.

8.3 Legal

The Head of Legal and Governance has been consulted in the preparation of this report and comments as follows.

Local Welfare Assistance Schemes are created pursuant to the Council's powers, under section 1 of the Localism Act 2011 (the general power of competence). There is no obligation on the Council to provide Local Welfare Assistance, it is discretionary, and the Council is therefore free to adopt its own scheme and to provide assistance in accordance with the principles and criteria set out in the report.

8.4 Equality

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act

- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. The first part of the duty applies to marriage and civil partnership status only.

The proposed decision is to approve the Council's approach to reintroducing a Local Welfare Assistance Scheme (LWAS) as part of a suite of support available in the borough with a focus on residents who are facing short-term financial hardship. £0.3m per year has been allocated in the Council budget to deliver this scheme over the next two years. This will affect residents in Haringey with a low income across the Borough, among whom many with protected characteristics – including race and disability – are overrepresented.

The objective of the proposed decision is to provide an additional safety net for residents who are facing temporary financial crisis and to prevent residents from falling into financial crisis. This will lead to reduced debt for the groups as described above and will support the implementation of the new Haringey Debt Strategy under consideration by Cabinet.

This will help to address the disproportionate economic impact of Covid-19 on groups with protected characteristics.

The Council will take steps to collect demographic data on service users in order to identify any inequalities in service provision that may arise and to inform future equalities analysis.

A full Equalities Impact Assessment (EqIA) will be produced as the scheme is developed.

9. Use of Appendices

None

10. Local Government (Access to Information) Act 1985

- a. Local Government Association, *Good practice guide: delivering financial hardship schemes* (2020)
- b. Child Poverty Action Group, *Cash in a Crisis: Best Practice on Local Welfare Assistance for Local Authorities during Covid-19* (2020)
- c. National Audit Office, *Local Welfare Provision* (2016)