

## Local welfare assistance schemes - best practise for local authorities

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### Overview

This briefing aims to illustrate the guiding principles of local welfare assistance schemes along with examples of best practise from four local authorities across the UK.

Local welfare assistance schemes are a vital lifeline for people experiencing financial hardship. At best, local welfare assistance schemes not only mitigate the immediate crisis but help people find sustainable pathways out of poverty.

There are a number of proactive measures that local authorities in Greater Manchester can take that would immediately improve access to support and outcomes for residents in financial crisis across the city region:

- A **cash first approach** to local welfare provision should be adopted. This approach maximises dignity, choice, and control for recipients of support. It reflects that lack of income is the primary cause of financial hardship, and avoids the normalisation of VCSE lead 'in kind' crisis support. The Royal Borough of Greenwich, Moray Council and Newcastle City Council local welfare assistance scheme case studies presented in this briefing all operate a cash first approach.
- Schemes should be **resident-focused**, identifying a **clear and sustainable pathway out of poverty** rather than simply offering a one-off transactional piece of support.
- **Partnership working** both within the council and with external partners is vital to ensure there is awareness of local welfare assistance scheme provision and so that schemes sit within a wider, clearly identified support offer to financially vulnerable residents. Partnership working should be built upon the principle of 'cash first' so that agencies can work together to ensure people are accessing all of the financial support that's available.

Several local authorities have already adopted these approaches. Learning from other councils, such as those detailed in this briefing, provides an opportunity to learn from improvements to schemes that have been tried and tested elsewhere.

### Background to local welfare assistance schemes

The pandemic and cost of living crisis have sharpened the role of local councils in responding to their residents' financial needs. While the social security system is primarily operated by central government, local authorities have responsibility for a number of statutory and non-statutory areas of welfare provision. These responsibilities include local welfare assistance schemes. Local welfare assistance schemes have been in place since 2013 and, whilst they are not a statutory requirement, most councils in England have a scheme in place.

Local welfare assistance schemes exist to support residents facing financial hardship. They can play an important role in meeting the needs of low-income households. Schemes vary from one area to

the next, with different eligibility criteria and different types of support available. A common feature of schemes is that they have tended to operate under limited budgets. This has had consequences in respect of the value support schemes provide and the number of people they can help.

Since the onset of the COVID-19 pandemic, the Government has provided a series of one-off hardship funding pots to local councils in acknowledgement of the additional pressures people are facing. Councils have been distributing this funding alongside and sometimes through their local welfare assistance scheme.

In March, the Government announced £500 million of funding for the Household Support Fund which local authorities can spend over six months up to 30<sup>th</sup> September 2022 (£27m has been allocated from this tranche across Greater Manchester's ten councils), with a further £500 million being provided from October 2022 to March 2023. Some of the funding has been ring-fenced to support families with children, and pensioners. However, councils have the discretion to decide how the rest of the funding is used to support vulnerable households with the rising cost of living.

While this additional funding is welcome, GMPA believes a long-term funding solution is needed to give councils confidence to invest in welfare schemes and plan for the future. Even though the future of welfare assistance funding is uncertain, there are practical options that can help councils make full use of funding that is available to strengthen local welfare assistance schemes.

### **Royal Borough of Greenwich Local Welfare Assistance Scheme**

The Emergency Support Scheme (ESS) is a 'cash-first' scheme operating in Greenwich, which awards payments that can be collected by applicants from any post office. For the Royal Borough of Greenwich Council, providing cash to people experiencing financial hardship is the best way to give dignity and choice back to those who are in very difficult circumstances. The council places trust in its application process to accurately understand and verify the circumstances and needs of each individual. Meanwhile, its cash-first approach is based on an ethos of trust and personal responsibility.

Just like many other councils over the last two years, the Royal Borough of Greenwich Council faced the challenge of administering emergency Covid-19 hardship funding at short notice and within tight timelines. The council found that its cash first approach meant there was already a robust infrastructure in place to help them get the funding out to those who needed it at pace and efficiently, while it also helped to put money back into the local economy.

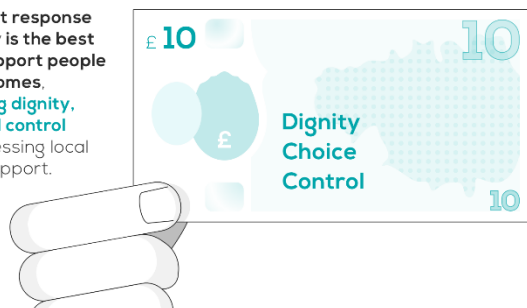
The council worked with partners in the borough, particularly schools who provided free school meals eligibility data, to target funds, leading to a 95% redemption rate for payments made from the Covid-19 Winter grant funding in 2020. The council proactively targeted the funds towards vulnerable groups, including care leavers and households supported by children's services.

For Greenwich Council, the pandemic has highlighted the value of advice and welfare services to help people manage their circumstances and prevent crises recurring. The council has begun to pilot a Budgeting Support Scheme (BSS), which is initially targeted to individuals who have made repeat applications to the ESS. The BSS provides holistic advice on budgeting, availability of discretionary support and income maximisation. The council hopes to see its holistic offer to people experiencing financial crises go from strength to strength.

## Key aspects of an effective local welfare assistance scheme

### 1) Promoting dignity, flexibility and choice through a cash-first approach.

A cash first response to poverty is the best way to support people on low incomes, maximising dignity, choice and control when accessing local welfare support.



GMPA believe that a 'cash first' approach is vital when low-income residents require local welfare provision in a crisis, rather than in-kind support (vouchers, food aid or goods). The approach promotes choice which respects the dignity and autonomy of individuals who are facing hardship.

The benefits of a cash first approach can be summarised as follows:

- Giving people what they want - cash is the preferred option for most people on low incomes as individuals have a better understanding of their own circumstances and needs.
- Simplicity and efficiency - cash payments are the most simple, efficient and cost-effective means of providing support. Cash payments can be made directly into people's bank accounts, and this is an efficient approach for local authorities as it removes the need for partnership arrangements that come with in-kind support.
- Preventing people from falling into high-interest debt when they face a financial crisis, and therefore preventing them from spiralling deeper into hardship.<sup>i</sup>

### Moray Council Local Welfare Assistance

Moray Council has a welfare scheme funded by the Scottish government's Scottish Welfare Fund. The scheme offers crisis grants, which help people manage sudden financial hardship and community care grants. In March 2020 the Scottish government announced a new Food Fund to be administered via local authorities to tackle physical and financial barriers to accessing food during the pandemic. With this funding, Moray Council developed its Flexible Food Fund (FFF).

The FFF is modelled on a 'cash first' approach, which provides residents in need with two payments, one month apart. Discretionary awards are initially made based on available evidence related to income, while the second payment is conditional on further engagement by the resident in 'wrap-around' support, including money and debt advice, and income maximisation advice. Through the wrap-around support, residents may also be signposted to other relevant services, such as mental health support, housing support, or digital inclusion support. For Moray Council, the cash-first principle puts dignity and flexibility at the centre of its approach to supporting people in hardship, whilst the wrap-around service that they have created helps residents to tackle underlying issues and reduce the likelihood of future financial hardship.

The FFF is based on integrated working between different teams within the council, making use of in-house expertise on money and debt issues, and working under the overarching common goal of 'income maximisation'. Residents who approach the council for support need only make one application, and the council will seek to offer them all the different kinds of support they are entitled to. The council has received positive feedback on the service it has created, and the Scottish Government highlighted the council's good practice in a communication to the United Nations on food insecurity and poverty.<sup>ii</sup>

## 2) Ensuring schemes are resident-focused and provide sustainable pathways out of poverty

A resident-focused approach is necessary for local welfare provision. Effective support from local authorities requires a holistic response that goes beyond offering a transactional service. To meet local welfare needs, local welfare provision requires a flexible response that tailors support to individuals' needs on a case-by-case service.

The caseworker approach improves residents' access to benefits, third sector support and grants by **working with them to access support.**

It results in a high return for residents, increasing their income; money that may then be **spent in the local economy, benefitting local businesses.**



This approach requires an investment in staff who will become caseworkers for local welfare assistance schemes. Staff will work closely with vulnerable individuals to understand the required support and in partnership with a range of different stakeholders to address complex needs. A “one front door” approach allows the resident to build a relationship with a case worker. This humanises the experience of what is often a highly stressful process. A targeted service will enable demand to be reduced over time leading to better outcomes.

### Norfolk County Council Local Welfare Assistance Scheme

Norfolk County Council brought their local welfare assistance scheme in-house in 2019, creating a centralised delivery model. The council has moved towards wrap-around support. This involves looking at what support can be offered regarding underlying issues and preventing the recurrence of crisis situations. People are encouraged to accept referrals to third party organisations as well as within the council, to access money support and welfare rights services.

The pandemic created opportunities for the council to innovate its local welfare assistance scheme. For example, before the pandemic, the council offered food, fuel, cash, and furniture through its scheme, but during the pandemic, saw that some residents urgently needed help to become digitally connected. As such, they expanded their offer to include items such as IT equipment, smartphones, dongles, laptops, and phone credit. Another change that Norfolk County Council made was to relax the eligibility criteria for access to their welfare assistance scheme to include people on low incomes and with no recourse to public funds. This has helped the council to target help where it is needed and assist individuals to access benefits they did not know they were entitled to. Using different channels and styles to communicate their welfare assistance scheme has also helped Norfolk County Council to get help where it is needed, for example, it has used Facebook groups to communicate the scheme, and found it helpful to use uncomplicated language, which focused on people's situation, rather than technical terminology.

The Norfolk Assistance Scheme is supported by close partnership working, with local delivery partners meeting once a quarter to discuss local welfare provision. The council intend to build on recent successes, including retaining the digital offer within their local welfare assistance scheme, as it strongly links to strategic level aims around digital inclusion, and by maintaining less rigid eligibility criteria, to ensure help is reaching those who need it most.

### 3) The importance of partnership working

Joined up working can reduce the need for information to be collected from residents multiple times.



Local authorities must be responsible for building strong partnerships both internal and among external partners to foster a commitment to local welfare provision.

Local councils' welfare services should improve cross-departmental collaboration to ensure that individuals

requesting assistance also get benefits advice and welfare rights support. Staff must be upskilled in order to provide information about what people are entitled to and where they should be directed inside the system. Discretionary Housing Payments and Council Tax Support are examples.

Local authorities should be at the forefront of delivering local welfare services. However with councils' capacity already stretched and funds limited, it is critical that they collaborate with local delivery partners to promote awareness of what support is available in their area and ensure maximum benefit for individuals facing financial hardship.

Local authorities must do more than simply refer people to VCSE lead providers. An integrated, partnership approach should promote the principles of a cash-based response to needs and bring together relevant partners to maximise the ability of people to access financial support.

#### Newcastle City Council Local Welfare Assistance Scheme

Newcastle City Council's local welfare provision spans the Supporting Independence Scheme (SIS), which assists people at risk of homelessness, providing them with furniture, white goods and gift cards, and the Crisis Support Scheme (CSS), which assists Newcastle residents who have experienced a crisis and for various reasons cannot afford essentials.

The council have made a number of recent changes to their scheme to ensure that residents in need can access support. The council has increased their use of cash payments and vouchers, as this has been the most efficient way of providing people with the support they need. Throughout the pandemic, the council continued to work with local hostels to provide bulk packages of food, gas and electric vouchers to hostels for staff to distribute among residents. This was in response to multiple applications for crisis assistance from hostel residents before the pandemic and has created efficiencies and savings for the council.

Newcastle City Council's CSS staff all have backgrounds in benefits advice, and carry out a dual role, as they also administer Discretionary Housing Payments. SIS staff are located in the Active Inclusion Service, which works to establish the foundations of a stable life for residents (somewhere to live, an income, financial inclusion and access to employment opportunities). They have received training in identifying potential problem debts and/or unclaimed benefits and signposting to appropriate support. CSS and SIS staff have close working relationships with internal welfare rights and debt advice teams and with external partners such as Citizens Advice - referral pathways between these services are well established. Going forward, Newcastle City Council will aim to keep the eligibility criteria for the CSS relaxed, in order to remain as responsive as possible to local needs.

## Summary

Deep cuts to social security, ongoing financial pressures on council budgets, and uncertain funding arrangements from the central government have created a challenging operating environment for local authorities. Given these pressures, councils must do what they can to optimise their local welfare schemes, not only to meet the immediate need but also to prevent people from reaching crisis points in the future. Addressing the underlying causes of financial hardship can have lasting positive impacts for individuals while creating savings and economic benefits for local authorities in the medium to long term.

### Next steps

For further information on local welfare assistance schemes:

GMPA'S report *Strengthening the role of local welfare assistance* is available on <https://www.gmpovertyaction.org/wp-content/uploads/2021/03/Strengthening-the-role-of-local-welfare-assistance-March-12-2021.pdf>

GMPA'S *Local welfare assistance scheme checklist for local authorities and partners* is available on <https://www.gmpovertyaction.org/wp-content/uploads/2020/12/Local-welfare-assistance-scheme-checklist-for-local-authorities-and-partners.pdf>.

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<sup>i</sup> GMPA (2020) 'Cash first'-Responding to the needs of low-income residents through the provision of local welfare support. <https://www.gmpovertyaction.org/wp-content/uploads/2020/08/GMPA-Briefing-%E2%80%98Cash-first-August-2020.pdf>

<sup>ii</sup> [Food insecurity and poverty - United Nations: Scottish Government response - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/08/Food_insecurity_and_poverty_-_United_Nations:_Scottish_Government_response_-_gov.scot)