

Agenda

Resources Board: Supplemental Agenda

Tuesday 17 November 2020

2.00 pm

Via Zoom

| Item | Page |
|---|-------|
| 5. Reshaping Financial Support Programme | 1 - 4 |
| Presentation from the Financial Inclusion Institute | |

Reshaping Financial Support – programme update

Purpose of report

For information and discussion

Summary

To update members on the LGA's Reshaping Financial Support programme, which has been modified to share learning and contribute to policy development during the response to the pandemic.

Recommendation

That members of the Resources Board note the report and provide feedback on progress and next steps.

Action

Officers to proceed in line with members comments.

Contact officer: Rose Doran
Position: Senior Adviser
Phone no: 07747 636843
Email: rose.doran@local.gov.uk

Reshaping Financial Support – programme update

Background

1. The LGA's Reshaping Financial Support (RFS) programme was modified in April 2020 to focus on supporting councils with the immediate provision of help and services to households at risk of financial hardship. We are now moving towards planning for longer-term recovery.
2. The seven initial councils have continued to form the core of the programme. However, in response to the pandemic, the network has been expanded to include nearly 300 contacts from 120 councils to ensure we have broader reach and representation.
3. The programme has provided additional support and peer-learning to inform national policy discussions and has helped councils and their partners to respond to the complex and evolving challenges presented by Covid-19.

Programme delivery

4. [Briefing Paper: Local Authority Coronavirus Response to Economic Vulnerability and Financial Hardship](#)
5. [Good Practice Guide: Delivering Financial Hardship Support Schemes](#)
6. Delivery of regular RFS network meetings with approx. 25 – 30 councils – formalised into a regular video conference meeting every month. Topics have included:
 - 6.1 Initial Covid-19 Response (29 April) - especially focused on food distribution and emerging challenges.
 - 6.2 Financial Hardship and Tracking Demand (20 May) – including update/presentation from Money Advice Trust.
 - 6.3 Local Welfare Assistance Schemes and Demand Dashboard (17 June) – including update/presentation from Defra.
 - 6.4 Council Debt and Collections (14 August) – including update/presentations from Cabinet Office, Europe Economics, Money Advice Trust and Money and Pensions Service.
7. Delivery of a series of webinars:
 - 7.1 [Financial Hardship \(16 July\)](#) – focusing on local welfare schemes and the effective use of data for integrated, preventative services with presentations from The Children's Society, Devon County Council and London Borough of Barking and Dagenham.
 - 7.2 [Councils Driving Access to Affordable Finance \(16 September\)](#) – focusing on why and how Councils should build partnership and expand delivery of affordable credit – with presentations from MaPS, Fair 4 All Finance, Enterprise Credit Union, Sheffield City Region, Five Lamps, Bradford Credit Union and Leeds City Council.
 - 7.3 [Local Welfare / Winter Support Grant \(11 November\)](#) – updating and reflecting on progress since July, in particular use of the Defra £63m; discussing the parameters and proposals for the £170 million Winter Support Grant, including presentations from Trussell Trust, Citizens Advice, Kent County Council and the Department for Work and Pensions

Policy development and implementation work with key partners and stakeholders

8. The RFS programme and many of the councils we have engaged with have been instrumental in discussions and consultations on a wide range of key policy and funding decisions including:
 - 8.1 Ministry for Housing, Communities and Local Government (MHCLG) on development and implementation of the £500 million Hardship Fund to reduce CT liability for low-income households
 - 8.2 Department for Food and Rural Affairs (Defra) and MHCLG on the development of the £63 million for ‘food and other essentials’ – including case study development and direct consultation
 - 8.3 Department for Health and Social Care (DHSC) on development of the £500 self-isolation payment
 - 8.4 Cabinet Office Fairness Group (advising on delivery of the cross-government debt strategy) and Cabinet Office vulnerability data-sharing sub-group
 - 8.5 HMT ‘Breathing Space’ policy and Financial Inclusion team
 - 8.6 Department for Work and Pensions (DWP) Winter Support Grant, and ongoing discussions on integration of local support with the national benefits system, including Discretionary Housing Payment, Local Housing Allowance and Universal Credit
 - 8.7 Money and Pensions Service
 - 8.8 Royal Society for Public Health and Health Foundation on money and mental health
 - 8.9 Trussell Trust on key programmes including ‘ending the need for food banks’
 - 8.10 Children’s Society Co-ordinated Community Support programme (with Oldham, Norfolk and Tower Hamlets)
 - 8.11 Money and Pensions Service on a wide range of work including debt advice provision, access to affordable credit, place-based finance and delivery of the UK Strategy for Financial Wellbeing
 - 8.12 Citizens’ Advice on reviewing council tax regulations and other support for low income households
 - 8.13 StepChange, Money Advice Trust and other debt advice charities on debt advice provision and referral pathways
 - 8.14 Inclusive Economy Partnership on place-based finance and access to affordable credit

Development of the Financial Hardship Demand Dashboard:

9. This provides a consistent national and local dataset to track financial hardship and economic vulnerability. It enables councils to identify changes in demand resulting from Covid-19 to help the development of support services and inform decision-making and approaches to recovery.
10. The LGA’s Research and Policy Team has integrated the financial hardship demand dashboard into its LG Inform reporting resource. This makes the key national data indicators available for each local authority area and enables benchmarking and interactive comparisons as well as the production of tailored summary reports.

Consultancy support and project delivery in the core RFS councils

11. Some of this work was paused to allow an immediate focus on supporting councils with their response to the pandemic. Projects include:
 - 11.1 Developing Credit Union partnerships in London Borough of Barking and Dagenham and London Borough of Tower Hamlets
 - 11.2 Leeds – behaviour change and ethical collections
 - 11.3 Brighton and Hove – developing a more collaborative approach to service delivery for low income household
 - 11.4 Royal Borough of Greenwich – proactive engagement with budgeting support

Implications for Wales

12. The programme applies to England-only as funding for financial support is managed by the devolved administration

Financial Implications

13. The programme is being delivered within existing budget for 2020/21. Further funding would need to be agreed for continuation in 2021/22. There is scope to seek funding from partner organisations.

Next steps

14. Regular telekits and webinars will continue, as well as engagement and development work with key partners and stakeholders. Two further case study / good practice publications are planned:
 - 14.1 The role of councils in improving access to affordable credit and financial services
 - 14.2 Best practice in local government debt recovery and advice provision
15. Support for low income households will remain a key priority for councils as they support communities through a period of social and economic recovery. A full summary and evaluation of the RFS programme (taking account of the adjustments made to respond to the pandemic) is being produced this Autumn. This will enable us to make evidence-based proposals for providing continued Sector-led Improvement in 2021/22.