

Appendix A

Briefing Note: Local Authority Coronavirus Response to Economic Vulnerability and Financial Hardship

The Local Government Association's (LGA) [Reshaping Financial Support](#) (RFS) programme is a collaboration between seven local authorities that builds on existing good practice and accelerates further development, coordination and innovation in early preventative financial support for low income households.

The Coronavirus crisis has seen RFS programme activity temporarily paused and the group's purpose refocused to help capture insight and learning on the unfolding response; provide support to work through persistent challenges, and inform national policy discussions.

Programme delivery partner, the [Financial Inclusion Centre](#) (FIC) has undertaken a short consultation exercise with a range of local authorities together with a number of financial service and support agencies to understand the emerging picture and inform the response.

The RFS programme represents a group of councils for whom financial support was a priority prior to the coronavirus pandemic. It is important to remember that this support is currently neither separately funded, nor statutory, and it has therefore been difficult for all councils to prioritise.

As well as the councils for whom case studies are set out below, the LGA has also connected FIC to a wider network of councils that they have been in contact with on these issues throughout the initial response to the pandemic.

Summary findings:

Councils

- **Councils are very much focused on the immediate crisis response - dealing with the pressing problems around emergency food provision.** In particular, they are developing new distribution and volunteering networks to deliver food parcels and hot food initially to the self-isolating cohort. However, the emerging and increasingly pressing need is from households that are struggling to afford food due to a combination of dramatic falls in income and increased expenditure on food.
 - Councils would benefit from increased clarity around the current landscape relating to food poverty provision to ensure support is co-ordinated, properly resourced and reach/effectiveness is maximised.
 - Best practice and data will be collated and published – giving clarity on food provision and different initiatives / case studies that could be beneficial for the wider sector.
- **Financial guidance/support services have broadly defaulted to phone and online provision with current demand steadily growing.** All the councils FIC spoke with are expecting to see a significant rise in demand for financial help and advice over the coming weeks with councils expecting to be at the frontline and the principle point of crisis contact.

- Development of a 'Demand Dashboard' with common data indicators / surveys across local authorities that identifies key support issues and enables councils to plan and provide evidence for policy development and resourcing decisions
- **Councils are already preparing for an expected increase in demand for emergency support from people accessing hardship grants / loans and crisis support via Local Welfare Assistance schemes or similar.** Already there is evidence of increasing requests and provision of emergency payments to cover food and fuel amongst those councils with Local Welfare Assistance scheme. There are concerns around councils that do not have the existing infrastructure. However, as demonstrated by London Borough of Barking and Dagenham, implementing an emergency grant programme from scratch can be achieved in a short space of time.
 - Potential to scale or reintroduce emergency grant and loan schemes for struggling households - at a local level that is properly resourced and supported nationally.
 - Practical examples / support for councils on the options for establishing financial support packages, identifying both administration and payment delivery options as well as potential providers.
 - Recognition that due to financial and administrative pressures on councils, support will need to fit within existing structures and partnerships and there will be a range in councils' capacity to set-up and administer support
- **Universal concerns raised around local government funding to sustain the crisis support activity needed** – the majority of councils have calculated that, with rising demand for working-age benefits, their Hardship Fund allocation will only be sufficient to provide the (up to) £150 deduction for working-age LCTS claimants, with no discretionary funding left to meet wider support needs. The wider coronavirus funding will be spent on social care and other core services.
 - LGA and local authorities continue to work with Government to secure funding to properly respond to the unfolding scale of hardship; ensure households are supported to remain healthy and safe, and prevent further costs, for example related to debt, housing and arrears, during recovery.
- **Consideration needs to be given to service access for those digitally excluded and how the most vulnerable can access support.** Considerable activity is taking place at both a national and local level to ensure that support and information is reaching households who need help to access digital services, or who need contact and support to be provided through other channels. This has been particularly challenging given the reduction in face-to-face support.
 - Bring together resources and information on how councils and partners are reaching people and providing services, for example through leaflets, volunteers, frontline services, remote support and telephony.
- **Recognition that the focus on the immediate crisis response will need to turn to planning for the medium / long-term impacts of the crisis,** particularly in terms of rebuilding financial resilience and well-being. Much of the RFS programme themes and delivered outputs from its action learning sessions and consultation work still has relevance (such as predictive data, ethical collections, collaborative service delivery, affordable credit provision).
 - The need to repurpose the Reshaping Financial Support programme to help local authorities to meet the post-coronavirus challenges is greater than ever.
- **Utilising collective data across council services is shown to help identify and predict households most impacted** A number of councils have brought together housing benefit and council tax data with vulnerability flags to help segment households, enabling active targeting of tailored support and relevant information.

- Utilise various LGA outputs already delivered to create information on data analytics
- The current situation highlights again the case for councils to have timely access to Universal Credit data, to allow support to be targeted effectively.

What next:

Further to this Briefing Note, a number of additional support activities and outputs will be taken forward in the coming weeks.

Paper on the role of community lenders and partnerships with local government – reviewing how the sector is managing in the context of the pandemic; the role Credit Unions and Community Development Finance Institutions (CDFIs) could play in supporting households to sustain and rebuild their finances during recovery, and the role councils could play in funding and partnering with the sector to support their residents.

Paper on the role of advice providers and the VCS - working with councils and other statutory partners including the Department for Work and Pensions to provide an effective safety net and access to timely advice and support on debt, forbearance, welfare benefits, employment, housing and financial inclusion.

Reshaping Financial Support Steering Group – regular consultation with invited local authority representatives, acting as a sounding board and barometer in terms of their ‘frontline’ experience and challenges.

Best Practice Guides – production of a series of weekly / bi-weekly guides, case studies, toolkits and useful resources to support councils to deliver effective financial support services in the current climate that will include:

- a) Financial hardship support schemes;
- b) Maximising the use of external tools and resources;
- c) Using data effectively; and
- d) Affordable lending and financial services.

Demand Dashboard - working with the RFS steering group and a range of local councils, the LGA will develop and implement the capture of key indicator data across a sample of local authorities.

Local Authority Consultation:

London Borough of Barking and Dagenham

- In relation to Community Solutions (LBBD's cross-Council service to support residents) and its Homes and Money Hub – still 'fire-fighting' with Council experiencing at least 100% increase to normal contact. Most people presenting are those that wouldn't normally seek help from the Council's service. People are generally being responsible – paying rent / bills but this is leaving people with no food or electricity.
- Majority of staff have gone virtual and supporting customers either via phone or email (changed all telephone system now diverting to virtual staff teams) – but small number of drop-in services remain (together with CAB onsite)
- LBBD has developed a brand-new Hardship Fund from scratch in two weeks. Council did not have a LWA scheme. It has gone live giving ability to pay people a basic income. Administered by Benefits Team (with Children's Services team making payments) – with criteria based on:
 - Low-income/unemployed households with an emergency need for funds due to Covid-19 to cover food / utilities and short-term payments for household goods.
 - Taken steps to maximise income and engage with HMH service and is a 'last resort fund' if other discretionary budgets have been accessed first (e.g. DHP or CTR budget).
 - Providing tailored amount to household per week until they receive income (allocated for a month)- amounts based on Shelter and JRF research on what people would need in a crisis (for example: working-age adult = £48 for food/drink and £19 for utilities per week OR couple with children £88 for food/drink and £30 for utilities per week). Additional households supplement for additional children and those with disabilities.
 - Information is taken on face value – but can verify against Council's benefits data and new UC notifications from DWP as well as request bank statements.
 - LBBD have set-aside £300K for hardship fund from £500 million government funding.
 - 60 already approved applications in first two weeks – £40,000 awarded.
- Food crisis response – LBBD response led to creation of BDCan – covering all things food provision related across the borough covering food supply/distribution with Citizen Alliance Network.
 - Emergency food and fuel response reliant on huge focus on voluntary sector partnership – building strong / lasting partnerships with 9x third sector groups spread across the borough – trusted locality partners. Mix of partners – some established / some new to working with council (e.g. mosque and churches).
 - Set up central call centre system – for residents that cannot get out for food or pharmacy collections. Resident ring central BDCan number to purchase food parcel – focus on self-isolating but don't turn people away if they contact and (increasingly) can't afford – so giving one free parcel and will refer to Homes and Money Hub for support)
 - Food parcel sent to distribution hubs and locality partners take to home.
 - Also funding Trussell Trust to service 3 foodbanks and also setting-up brand new one and also working with local homeless charity to fund pick-up of food parcels.
 - Key issue is sourcing food – spreading across 8-10 suppliers using school suppliers / any local food. Procurement process is not fast enough – new suppliers take 2 days on system
 - BDCan launched 23 March and has already surpassed over 2,000 food parcels and reach over 10,000. Cost council £200,000 on food support alone residents supported – continuing for time being BUT what is the exit strategy.

- Partnership approach ‘on steroids’ – and will be foundations for continued partnership delivery of services – ‘we will not go back to normal’).
- Next stage is ‘Recovery Phase’ - LBBDD needs time to see if people are slipping through the net and also turn attention to those needing financial support – especially those that would benefit from access to low-cost loans – not a hardship grant.
 - Issue is in coming months after the initial crisis – stored up issues – bills and rent have been put off. Financial impact will be ongoing once lockdown finished – won’t be crisis but will need long-term planning to address lost income.
 - LBBDD keen to start getting back onto the front foot for prevention – using One View data to predict and target engagement. Started modelling more long-term at risk and vulnerable – those teetering on the edge so deliver early intervention at these individuals.
 - Entire Revenue and Benefits Department coming into Community Solutions – still doing call work but will be integrated into ethos and way of working with no barriers or boundaries – so move into how can work together and impact with tenancy sustainment and income max to prevent homelessness and move people out of temporary accommodation. Access to One View shared systems so able to identify vulnerability and enable more prevention.

Leeds City Council

- Council holding weekly calls with city-wide Financial Inclusion Steering Group (including representation from Citizens Advice; Credit Union; Welfare Benefits etc).
- Most services have defaulted to online / phone support – but still some F2F support (for example, credit union branches in four community hubs). Newly developed C-19 helpline – 7,700 calls to date.
- The view from partner agencies appears to be that, at present, service take-up appears to be a bit lower than usual (the credit union is experiencing less loan demand and the Welfare Rights team dealing with less calls).
- However, the prevailing view appears to be that this is the ‘calm before the storm’ – it is still fairly early since the crisis began and it is anticipated that demand for services will rise as the crisis continues, and problems managing reduced incomes increases.
- Currently, the most requested support from partner agencies is in relation to employment issues and help around Universal Credit. Universal Credit applications risen dramatically with 17,000 new UC claimants (approximately 4,000 per week) would normally be 600 per week before C-19.
- Local Welfare Assistance scheme has been changed – relaxing both criteria and assessment. Critically, approach now is - are you in need? If yes, it is approved. Revised eligibility – previously was a one-off payment but now dropped and now 3 financial awards (single person is £25 and a family is £50 per week) but more for different circumstances.
- Emergency food provision - 13,000 food parcels. LCC has spent £200,000 on food purchase and £62,000 on supermarket vouchers.
- Homeless moved to hotels.
- Third sector partnership to identify volunteers (tiered based on DBS checks)
- This perhaps backs up the view that, currently, people are dealing with immediate pressing priorities and the demand for financial support services is yet to come.
- Council tax support scheme – trying to support as many people as possible.

- Access to food is a critical issue and priority. Utilising existing food aid network – already good infrastructure in place across the city. Implemented a traffic light scheme, providing tiered support based on vulnerability (e.g. direct deliveries). This is supplemented by a network of voluntary sector organisations working out of community hubs across all city wards.
- Working with Fareshare to set up a warehouse to improve emergency food distribution across the city.
- Local Welfare Support scheme providing food voucher / parcels / fuel support. Previously tight application criteria has been relaxed significantly, so easier for those struggling to access support.
- Looking at the use of e-vouchers for food support so they could be texted directly to someone's phone for immediate use.
- Online information hub – Leeds Money Information Centre - <https://www.leeds.gov.uk/leedsmic/Home>

London Borough of Tower Hamlets

- Responsible for delivering the Council's emergency response – focusing on delivering food parcels using a newly created network of distribution centres for those in self-isolation (who fill online or telephone form) and receive door step delivery via volunteers. Requests have gone through the roof – currently food packages are just for urgent response – rest diverted to food bank.
- Next step is proactive use of data - utilising CT and HB dashboard to proactively predict need and increase access – in first instance contacting all over 70s single households (and then couples) – directing them to fill in form or call for food parcel. Then those on disability benefit not covered by shielding and then large families and self-employed.
- Most recent phase is hot food – working in partnership with Plate for London –producing hot meal for families across 5 community centres – where any family can collect food with reheating instructions in Bengali and English.
- Currently, Council is spending £50,000 per week on food provision.
- At the moment, if households require food and fuel because of vulnerability/affordability – then they are being directed to Council's Local Welfare Assistance scheme – to apply. Current annual budget is £600,000. They have relaxed criteria and assessment and created a new Covid-19 code (so if eligible via normal criteria will receive normal hardship grant award). Also awarding 2 weeks rather than just 1 – to cope with expected volumes.
- Demand has gone up – despite being early days and the lack of awareness. Figures between 25 March and 26 April has seen an extra 370 applications for fuel and food with Covid-19 code (i.e. on top of its normal LWA awards). Of these, 348 awarded (usual approval rate is 46%) with a total value of £29 000 (n.b. average daily spend pre-Covid-19 was £5.50 – now £450 per day).
- Managed by Northgate and payments administered by Family Fund using PayPoint.
- Happy to share detail of programme and materials/processes.
- Also supporting its network of food banks with Council platform for crowd funding seeing £9,000 corporate donations.

- Asking voluntary sector organisations receiving its Community Fund to repurpose delivery to assist Covid-19 response.
- Critical element to ability to respond is having infrastructure in place and collective Council data available to utilise.
- Major obstacle is accessing food supplies - Government has not relaxed procurement rules (LGA intervention needed)
- Estimated that their allocation of £500 million hardship fund will not cover both existing eligible and predicted new households for CT relief. Significantly more central government resources are needed.
- Potential addition support from Central government Covid-19 communication channels to encourage those needing support to contact their local council.

Brighton and Hove City Council

- Currently reacting to demand and establishing networks and systems.
- Universal Credit take-up has risen dramatically.
- Looking at plans for a Hardship Fund – not sure how much funding may be left for Local Welfare Assistance schemes - as council tax reduction numbers are expected to increase.
- Huge demand for food – very strong voluntary sector working on this agenda via local food distribution centres.
- Promoting benefits take-up to ensure people are claiming what they should be.
- Cashflow seems to be a major issue for people – supporting direct access to cash would therefore be useful.
- Also very focused on the business angle with business rates support – see this as part of broader support for individuals that safeguards jobs and longer-term incomes.

Bristol City Council

- Welfare Rights / Money Advice Service (including Debt Advice) – full service is now running online and over the phone.
- Engaged with local voluntary sector organisations – most are trying to provide as full a service as possible, with the exception of F2F delivery.
- Developing plans as regards Hardship Fund.
- Providing support to specific groups – especially homeless households, rough sleepers, gypsy / traveller families.
- Food provision is a priority – strong volunteer numbers to support this. Foodbanks aren't at 100% - looking at how infrastructure could be developed / improved to facilitate food distribution via community hubs type approach.
- In terms of service demand – local UC levels are rising, but generally at the moment service numbers are pretty steady. However, anticipating that demand is likely to increase significantly.
- Currently very practically focused on immediate priorities, but believe there will be long-term effects and therefore it will be important to keep arrangements in place for a long-time.

Royal Borough of Greenwich

- Range of support still available to residents online and over the phone.
- Greenwich already has its Emergency Support scheme – usually provides furniture, white goods and cash payments. At the moment, scheme can't provide furniture/white goods because suppliers aren't delivering. But seeing increased demand for cash payments for food and fuel - rising daily.
 - Between January – February 2020 – received approximately 250 per month (half household goods / half cash payment) – with 15% awarded cash.
 - In April - 150% increase in application and 600% increase in cash awards – resulting in spend of £40,000 in cash payments (normally £6,000 per month) - but at the moment the overall scheme has only marginally increased because of no household goods).
 - Demand has come from self-referrals and welfare rights and community hubs
 - They have relaxed the scheme – dropping the limit on number of awards per year and also providing funds to those with No Recourse to Public Funds.
- Payments are being sent via barcode to smartphones, which can be redeemed at post offices (8-10 PO's across the borough). This means the process of providing support is very quick.
- Supporting people to make sure they're getting the right benefits – helping people to complete online applications over the phone.
- In terms of service demand, it's currently busy but steady with majority of enquiries about “what can I claim, what can I do right now?” Expecting demand for wider financial support services to increase as time goes by.
- Very focused on current short-term priorities, but recognise that planning is needed as regards medium / long-term actions around resilience / safety-nets.

Devon County Council:

- DCC has set up a united 'Team Devon' approach, bringing together district, town and parish councils, alongside the county council and voluntary sector, to co-ordinate the delivery of support to those who are economically vulnerable and experiencing financial hardship.
- Specifically, with the hardship fund fully allocated for council tax support, DCC have allocated £1million in grant funding across Devon's eight district councils to enable consistent county-wide provision of rapid short-term help for people who are economically vulnerable and in financial hardship, including the emergency provision of household essentials, eg food, heat, power, nappies, baby milk.
- Whilst this scheme will operate for an initial 3 months, DCC expect that the scale of those who are economically vulnerable and experiencing financial hardship will increase significantly as the crisis continues, and therefore further funding will be required to extend the provision of this emergency support in the longer-term.
- DCC have established a reporting mechanism for the scheme to help gauge and understand demand, and plan to link this with wider health and economic data sets to provide a broader and more detailed picture of the scale of vulnerability and requirement for support across the county.

Newcastle City Council:

- Co-ordinated support package on key areas of Welfare Rights, Debt/Budgeting, Employment support and Homelessness service. Significant initial focus on stabilising homelessness.
- New initiative City Lifeline launched – above and beyond existing support services, providing a mechanism for people to register their need for assistance and be matched with local volunteering support. Daily triage of all enquiries is undertaken so full support needs can be identified - <https://www.newcastle.gov.uk/services/public-health-wellbeing-and-leisure/public-health-services/coronavirus-covid-19/citylife>.
- Crisis support scheme has been increased utilising Hardship Grant funding – help people to pay for food and bills. The scheme has been amended to allow recipients to cash-in voucher payments or enable payments to be paid into bank accounts where PayPoints are closed or out of cash <https://www.newcastle.gov.uk/citylife-news/housing/help-most-vulnerable>
- Normal services still up and running moving to online and phone – in terms of service demand, debt/budgeting service is seeing less traditional activity (e.g. court paperwork coming through etc) because of wider government support interventions. However, waiting to see what happens over the next few weeks in terms of demand and what new issues may arise.
- Homelessness – the landscape is changing very quickly. More people coming forward for support, who may previously have been hidden (e.g. sofa surfing or living in overcrowded conditions), but the crisis has now meant they are presenting for support.
- In terms of service provision, NCC recognise many people need both online and phone support – online can't be provided in isolation, as many need telephone help to complete applications.
- Comprehensive online information hub in place - <https://www.newcastle.gov.uk/services/welfare-benefits/welfare-rights-and-money-advice/coronavirus-and-benefits-special-page>

London Councils

- All LAs are in head-down crisis management mode with principle focus on establishing network to implement food parcels for self-isolating cohort.
- Food poverty – Croydon have set up food hubs for self-isolating where foodbanks have been unable to function. Some are moving beyond this cohort to those that can't afford food (e.g. Croydon and Enfield). What happens to households on free school meals – is there a way to provide this to each of these households?
- LC undertaking daily service surveys on different policy areas – identifying services that are functioning as normal and where there has been complete breakdown. Results show most central services still running normally – but delivery of repairs and safety work etc have completely stopped.
- Also undertaken a welfare demand survey – significant identified issue is that UC claimants will come to Councils for HB claims and given scale of demand will struggle for capacity and resources to process the volume.
- MHCLG - £500 million hardship funding intended to give £150 off working-age council tax – with any surplus into Local Welfare Assistance schemes for grants – but the issue is that not just existing but also new claimants – so nowhere near enough money.

- Local Welfare Assistance schemes where in place have infrastructure to deliver but will burn through their budgets.
- Mixed picture on LWA – Greenwich have schemes that give cash payment – most have vouchers for household goods or food vouchers.
- Not aware of work on affordable lending – (look at Newham Money Works service).
- Difficult to improvise – if things stabilise then Councils can focus beyond emergency food provision on other issues such as financial support and longer-term implication – but much more funding is needed.
- There is also an urgent need for DWP data more than ever.

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