



**The
Children's
Society**



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Utilising funding provided through the COVID Winter Grant Scheme to strengthen Local Welfare Assistance – briefing for local authorities

Summary

- We are a coalition of charities with a shared interest in Local Welfare Assistance (LWA), and the capacity of these schemes to support those facing serious financial hardship. We believe that, LWA, operated by local authorities, can play a vital role in preventing households from being pulled under by the economic consequences of the pandemic.
- However, reduced funding for councils over recent years, a lack of guidance from central government, and the absence of a statutory requirement for local authorities to deliver this type of support has left local welfare provision in many areas either significantly reduced or closed completely.
- The £170 million of funding made available through the COVID Winter Grant Scheme now represents a real opportunity to rebuild the capacity of local authorities to deliver an effective local welfare offer across England.
- Within this briefing we include a number recommendations for how local authorities can best utilise the COVID Winter Grant Scheme to support those in the greatest need. This should be done first and foremost through strengthening council-run local welfare assistance schemes (or establishing one where no scheme currently exists), with local authorities acting as the first port of call for residents facing financial crisis.
- We are aware that funding through the COVID Winter Grant Scheme will only last until the end of March 2021. We therefore believe that beyond this welcome short-term scheme, Government should invest at least £250million per year in local welfare assistance over the longer-term, to give councils the confidence and certainty that they need to develop an effective local welfare offer.

Local Welfare Assistance (LWA) schemes were established by many local authorities in England from 2013, after elements of the old Discretionary Social Fund were devolved. The type of support which LWA schemes deliver varies widely, with some providing cash grants or low cost loans, some offering food or fuel vouchers, and others supplying essential items such as furniture and white goods to those who can't afford to buy their own.

Whilst local authorities do have other mechanisms such as Discretionary Housing Payments and Local Council Tax Support Schemes to support low income households, the emergency response to Covid-19 has demonstrated how important it is for councils to have the capacity to deliver timely and discretionary emergency support to households facing financial crisis in their areas. Indeed, in many cases LWA schemes have been adapted to provide greater support to those facing financial hardship as a result of Covid-19, and research by the Trussell Trust has found that local authorities with

already well-developed LWA schemes have been best able to adapt to provide effective emergency support to those in the greatest need during the pandemic.

The UK government announced in November 2020 that £170 million of funding would be provided to local authorities through the COVID Winter Grant Scheme “to provide support to vulnerable households and families with children particularly affected by the pandemic throughout the winter period”. This funding represents the most significant investment in local welfare provision in a decade, and we want to support local authorities in the coming months to utilise the funding provided through the COVID Winter Grant Scheme most effectively. We believe that this can be done first and foremost through establishing or strengthening council-run local welfare assistance schemes, as set out below:

Support through the COVID Winter Grant Scheme should be distributed directly by local authorities via local welfare assistance (LWA) schemes:

- LWA schemes already operating in many areas represent an existing mechanism through which support from the COVID Winter Grant Scheme can be delivered.
- Eligibility criteria, operating procedures and monitoring processes may need to be adapted to meet the Department for Work and Pensions (DWP) conditions for the funding, but staff overseeing existing local welfare schemes will be best placed to identify those eligible for support, consider applications and administer awards.
- In areas where there is not currently an LWA scheme operating, we would recommend that this funding should be used to establish one. Alternatively, authorities could look to partner with another authority nearby which already operates an effective LWA scheme, establishing a service agreement to process applications and deliver support in their area for the grant period.
- If it is not considered feasible to establish a scheme- even a temporary one- we would recommend that the funding should be distributed directly via other means. This could include through schools administering cash payments, or as winter holiday payments or vouchers to those eligible for free school meals.
- Support through the COVID Winter Grant Scheme should ideally not be delivered through other third party organisations. Local authorities directly administering the grant are best placed to identify those in need of support, process applications, distribute grants rapidly and efficiently, and then refer those in need of further help to wider networks of emergency support in their area (for example debt advice or welfare maximisation services) or other council services.
- DWP guidance is clear that local authorities should avoid duplicating provision where possible. It states specifically that the funding is “not intended to replicate or replace Free School Meals” and that a separate fund of £16 million is also being distributed by the Department of Food, Environment and Rural Affairs (DEFRA) to fund local charities through well-established networks and provide immediate support to front-line food aid charities. We would therefore recommend that the COVID Winter Grant Scheme is used by councils to support people in financial need directly, rather than distributed to food banks or other voluntary providers, unless they are being contracted to deliver a specific element of the local support offer.

Clearly advertise the support available through the COVID Winter Grant Scheme in your area and how to access it:

- We know from our local services and volunteers that even where effective local welfare schemes are in place, awareness of them can be very low. Low awareness leaves people turning to voluntary and community sector providers of emergency support instead, often overwhelming them.

- Onerous applications processes can discourage people in financial crisis from applying, as they may be asked to engage with a number of different organisations and make several applications, only to receive no or very limited awards of support.
- Local authorities should therefore promote and publicise LWA schemes as the first port of call for households facing financial crisis, and the mechanism through which the COVID Winter Grant Scheme will be delivered in their area.
- LWA schemes should also be convening, consulting and coordinating with providers of emergency support in the voluntary and community sector in each area. That way, those in need of support can be referred between the LWA scheme and VCS provision, avoiding duplication of effort and ensuring more joined-up support for those experiencing a financial crisis.

Help should be tailored to individual's needs, including options for cash where possible, alongside vouchers and in-kind provision

- There should be a flexible approach to both the scale of awards provided and the mechanism for delivery, to meet the needs of each eligible applicant. This should include the option for cash payments, in addition to supermarket vouchers, PayPoint vouchers or other in-kind support, which are often tied to particular providers or don't meet the range of needs of households. Cash payments also have the added benefit of helping to support a range of local businesses, rather than solely supermarkets.
- The conditions of the COVID Winter Grant Scheme state that at least 80% of the overall funding should be used to provide support with food, energy and water bills, but the remaining 20% can also be put towards other essential items such as sanitary products, clothing, blankets, boiler service/repair or purchase of essential equipment including fridges, freezers, ovens or furniture. We recommend that schemes should provide both types of awards, to meet a range of emergency needs.
- In some cases people may require a relatively large amount of support, for example if they are living without essential household appliances or furniture. This is supported by the DWP guidance "in recognition that a range of costs may arise which directly affect a household's ability to afford or access food, energy and water".
- Discretion should be used, with the nature and scale of awards adapted according to an applicant's particular circumstances, taking into account factors such as household size.
- Whilst referrals to other agencies and VCS organisations can be part of the wider offer of local welfare assistance, support provided through the COVID Winter Grant Scheme should be of a significant enough size to allow applicants to overcome the immediate financial crisis, with referrals to other services being used primarily to support applicants to tackle the underlying causes of that crisis and prevent their reoccurrence.
- We would recommend that help is provided through cash or vouchers rather than as direct food support. Providing awards in the form of cash or vouchers is a much more flexible and dignified means of delivering support.

Ensure that those in the greatest need in your area are able to access help through the COVID Winter Grant Scheme:

- Funding is ring-fenced so that at least 80% is to be used to support households with children, and the remaining 20% able to be used to support other households experiencing, or at risk of experiencing, poverty during the pandemic. Taking this into account, local eligibility criteria should be designed so that both households with and without children are able to apply for and receive support.
- Currently many LWA schemes are very restrictive in terms of eligibility and have strict limits on who can apply – for example there can be restrictions around how long someone has lived in

an area, if they have accessed a LWA scheme award before, whether they are already receiving benefits, and if they are subject to the No Recourse to Public Funds (NRPF) condition.

- Households fleeing from domestic violence, living in temporary accommodation or experiencing housing insecurity may not have lived in a local authority area long enough to qualify as eligible for existing local welfare schemes. Schemes should therefore be adapted to remove timed residency requirements. Current proof of address should be sufficient to prove residence and therefore be able to make an application for support.
- Help should not be limited to those already receiving benefits, nor should those who have previously received local welfare support not be excluded from eligibility on that basis. Many struggling families will be just above the eligibility for means tested benefits, and help through the COVID Winter Grant Scheme should be available to households experiencing hardship based on an assessment of their current circumstances and immediate needs.
- Support should also be available through the COVID Winter Grant Scheme to those with the 'No Recourse to Public Funds' immigration condition who are experiencing financial hardship as a result of Covid-19.

Supporting those with No Recourse to Public Funds

Under current Home Office regulations, 'any discretionary payment made by a local authority under section 1 of the Localism Act 2011' is defined as a public fund for immigration purposes. However, accompanying guidance for the COVID Winter Grant Scheme makes clear that local authorities can provide a basic safety net support to an individual, regardless of their immigration status, if there is a genuine care need that does not arise solely from destitution. Section 17 of the Children Act 1989 sets out that local authorities should provide financial support to a family where the child is assessed as being in need because of their parent's lack of income or resources to be able to meet their living needs, even if they have No Recourse to Public Funds.

Guidance accompanying the COVID Winter Grant Scheme encourages authorities to use their judgement to decide what legal powers and funding can be used to support individuals who are ineligible for public funds or statutory housing assistance. A provision in the Coronavirus Act (Part 2, Final Provisions, Section 86, 'Financial Provision') also allows for money to be channelled from central government to any public authority in order to provide "financial assistance to a person (whether directly or indirectly), as a result of coronavirus or coronavirus disease". We believe that local authorities therefore have authority to distribute funds provided by central government by means of a specific time-limited fund because of COVID (such as the COVID Winter Grant Scheme) irrespective of immigration condition.

Monitor applications and awards, to better understand need and improve provision in each local area:

- The conditions attached to the COVID Winter Support Grant set out a range of monitoring requirements for recording how the funding is spent in each area.
- However, we recommend that where possible local authorities go beyond these financial monitoring requirements and collect, consider and publish key data about the number of applications for support received, alongside the value, nature and volume of awards made.
- This will enable councils to identify emerging needs and support the design of improved approaches to local welfare assistance in the long-term. Collection of this data will also be useful to strengthen the case for further investment in local welfare assistance at both a local and national level.

Support our calls for government to further strengthen these lifelines in the long term

- Whilst the recommendations we have set out in this briefing are focused foremost on how councils can best utilise the funding provided through the COVID Winter Grant scheme to improve their local welfare support in the short-term, we recognise that funding through the COVID Winter Grant Scheme will only last until the end of March 2021.
- We therefore believe that the UK Government should invest at least £250million per year in local welfare assistance in England over the longer-term, to give councils the confidence and certainty that they need to develop an effective local welfare offer.

Further reading:

- Local Government Association, 'Good Practice Guide: Delivering Financial Hardship Support Schemes': <https://www.local.gov.uk/good-practice-guide-delivering-financial-hardship-support-schemes>
- Child Poverty Action Group, 'Cash in a crisis: Best Practice on Local Welfare Assistance for Local Authorities during Covid-19': <https://cpag.org.uk/policy-and-campaigns/briefing/cash-crisis>
- The Children's Society, 'Leave no family behind: Strengthening Local Welfare Assistance during Covid-19': <https://www.childrensociety.org.uk/sites/default/files/2020-10/leave-no-family-behind.pdf>
- The Trussell Trust, 'Local lifelines: investing in local welfare during and beyond Covid-19': https://www.trusselltrust.org/wp-content/uploads/sites/2/2020/10/LWAS_1020_v3.pdf