



**Cabinet**  
8<sup>th</sup> March 2021

## Resident Support Fund

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	None
<b>Background Papers:</b>	None
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### 1.0 Purpose of the Report

- 1.1 Since April 2013, Brent has operated a Local Welfare Assistance Scheme (LWA) to support residents experiencing short-term emergency financial hardship or unexpected expenditure. This fund was complemented in August 2020 by the Resident Support Fund (RSF), the initial funding for which was to support residents specifically affected by the Covid virus outbreak and subsequent lockdowns.
- 1.2 This report outlines a proposal to bring the current LWA scheme to a close, and merge and integrate those parts of the LWA that are not currently offered by the RSF.
- 1.3 The current funding arrangements for the RSF scheme will end on 31 March 2021, the total funds of £2.6m will be spent by this date on a combination of grants, loans, digital inclusion and 13A Hardship payments for Council tax Support working age residents.

### 2.0 Recommendations

Cabinet is asked to:

- 2.1 Agree to discontinue the current LWA scheme;

- 2.2 Approve the revision of the Resident Support Fund to begin 1 April 2021 as set out in section 5;
- 2.3 Delegate to the Strategic Director for Customer and Digital Services, in consultation with the Cabinet Member for Housing and Welfare Reform, authority to agree eligibility criteria for the new Resident Support Fund from 1 April 2021 to administer and award grants and loans;
- 2.4 Approve the continuation of an interest free loan arrangement as set out in section 7 of the report;
- 2.5 Approve payment to the Credit Union of such sums remaining in the Council Tax – Covid – 19 Hardship Fund 2020 – 21 and at such frequency as the Director of Finance considers appropriate from which Covid-19 Support Fund Loans will be made and delegates to the Director of Finance in consultation with the Director of Legal, HR, Audit and Investigations authority to finalise the terms of the investment;
- 2.6 Agree to transfer all remaining funds from the existing LWA scheme to the RSF scheme.

### **3.0 Background on Financial Inclusion**

- 3.1 The overarching aim of our approach to financial inclusion is to ensure as a Council we provide tools and mechanisms for residents to support themselves economically and socially. Whilst the current welfare benefit system seeks to ensure that most people are supported, the Council recognises the need to support those on the borderline or left out of the Welfare system are more likely to be subject to poverty and low standard of living and social and economic deprivation in general.
- 3.2 In order to better support residents in financial hardship there are a number of areas that we can track that help highlight levels of social and economic deprivation. Some of the key ones are: unemployment, child poverty, homelessness, debt, welfare benefits and pay inequality.
- 3.3 The overarching aim of Brent's approach to financial inclusion is to maximise resident's life chances; by maximising their income to help give financial stability, housing sustainability and good health and well-being. Hence, we want to develop a holistic model where the core functions and support provision include budgeting support, income maximisation, debt management, employment support and support in finding affordable homes.
- 3.4 A focal point of the Council's approach to supporting residents who are experiencing financial hardship is our network of Community Hubs and our newly created Resident Support Team within Customer Access. The Hubs Team is well embedded within our communities and is supporting residents. The Resident Support Team considers RSF applications and makes awards.
- 3.5 Our holistic approach to financial inclusion will be supported by our work within debt recovery. This includes our approach with the Ethical Debt policy and our debt write off policy to ensure no resident is left with multiple debts that they cannot cope with, but also as a Council to ensure we have taken every step to support the resident with payment and proper recovery procedures.

- 3.6 In addition, the new Breathing Space legislation that will come into effect from 4 May 2021 will impact the way in which service areas across the Council can collect income and debt too. Residents with existing debt will, from 4 May 2021, be able to apply for 'Breathing Space'. If granted, the individual will then be given a 60-day 'Breathing Space' period, during which all recovery and enforcement action is halted while they receive professional debt advice to find solutions to their financial difficulties.
- 3.7 As part of the approach we will work closely with Citizens Advice, third sector partners and Credit Unions ensure we support residents who find themselves in difficulty.
- 3.8 To support the building blocks the Council has in place to help residents in financial difficulty the Resident Support Fund will help residents in such emergencies, crisis and meet their urgent need. The fund will tie over the gap caused in social and economic sustainability for that resident.

#### **4.0 Current Financial Context**

- 4.1 The economic impact of the Covid 19 virus outbreak is going to be felt by our residents for many months after normalcy returns. This is in spite of the financial support schemes that have been made available locally and nationally since April 2020.
- 4.2 The national unemployment rate in January 2021 is 6.3% compared to 4.8% in September 2020 (Office for National Statistics).
- 4.3 Since the lockdown in March 2020, there has been a significant increase in the households receiving Universal Credit in the borough:

<b>1<sup>st</sup> January 2020</b>	<b>1<sup>st</sup> April 2020</b>	<b>1<sup>st</sup> August 2020</b>
12,303	21,767	32,320

- 4.4 According to data released by HMRC in London there were 431,200 employments furloughed at 31 October. This increased to 641,200 employments furloughed at 31 December 2020. Of these 29,200 are Brent residents that are currently on furlough.
- 4.5 The support measures such as the furlough scheme, Self-Isolation Payment and the increase in Working Tax Credit of £20 per week are due to end on the 1 April 2021
- 4.6 Current RSF: 3390 applications received as at February 2021. Expected spend at the end of March 2021 is £2.6m with a combination of loans, grants and 13A Hardship payments for Council tax Support working age residents

RSF breakdown with current residents supported:

Type of support	Residents supported
Grant applications accepted	401
Loans applications accepted	8
13A Council Tax payments	10241
Rent arrears (Council tenants)	600* ( <i>final list tbc</i> )
Digital applications accepted	147

4.7 The Local Welfare Assistance Scheme's primary objective is to support residents in short term need because of crisis or emergency, support residents experiencing financial hardship and ease exceptional pressures on families.

4.8 Crisis payments are made for expenses incurred to help with disaster situations like fires and flood or community payments to help vulnerable residents to live an independent life in the community. These are generally made to cover the costs of furniture and white goods, connection and removal costs, minor repairs in certain accommodation and travel costs and essential clothing and footwear.

4.9 The table shows the decreasing number of awards to the LWA scheme from 2013 to date:

Year	Number of awards
2013/14	1,015
2014/15	1,202
2015/16	1,413
2016/17	1,080
2017/18	1,043
2018/19	517
2019/20	200

## 5.0 Grants Proposal

5.1 Feedback was sought from the Poverty Commission about the existing Resident Support Fund and they were positive about the approach we took.

5.2 Colleagues across Brent were widely consulted on how the fund will help residents where current support mechanisms fall short of remedying the fundamental issues they are facing.

5.3 There are elements of the existing LWA scheme which have proved to offer meaningful support to residents such as the provision of white goods for new tenancies or replacing broken white goods for households with a low income. It is proposed to retain this from the LWA scheme. All other elements already exist within the current RSF.

5.4 An increase in our use of food bank referrals is expected and direct grants to Food Banks are proposed to support households experiencing food poverty.

5.5 It is proposed to enhanced use of mutual aid groups to make referrals and recommendations on behalf of residents and communities for us to support residents at grass root level.

- 5.7 Throughout the pandemic the Council has supported residents with emergency food and fuel vouchers through our Hubs and Customer Access points. We want to be able to support our residents beyond this from April 2021.
- 5.8 Discretionary Housing Payments (DHP): We project to spend in excess of £750k over our DHP allocation this year. Instead of having to make decisions based on current allocated budget from DWP, as a Council we can support residents who are on Housing Benefits or Universal Credit through the Resident Support Fund.
- 5.9 As well as these new initiatives, it is proposed to retain the following from the current RSF scheme.
- 5.10 Parachute payments: We propose a one-off payment to help residents with their financial situation to get them back on track with stability.
- 5.11 Recently unemployed residents may have been able to comfortably afford their expenditure while in secure work, but are no longer able to make ends meet. Such unemployed residents looking for work will receive a payment to ease their financial stress while they are waiting for their first Universal Credit payment or in the event that their first Universal Credit payment is insufficient for all reasonable bills to be paid.
- 5.12 Although the help we would be able to give would be for a limited time, we propose supporting those residents who have practical prospects of returning to normalcy in the near future, so as to avoid their situation spiralling out of control and they potentially being registered as Homeless and claiming other expensive support.
- 5.13 Residents put out of work may need help with retraining to either refresh their skills or learn new ones.
- 5.14 With some forecasts suggesting the possibility of the economic downturn not remedying itself until 2024, the process of supporting residents to gain new skills to improve their chances of finding employment will in the long run increase their ability to pay Council Tax and avoid potential homelessness.
- 5.15 Brent Works job and apprenticeship brokerage is working in partnership with Jobcentre Plus and the United Colleges Group to engage employers that are recruiting and to develop a responsive set of courses that help people to re-train and access these opportunities. It is likely that some qualifications will need to be paid for by the job seekers, in which case access to funding for training could be vital to enable them to access work. Support will be offered for unemployed residents as well as those that are under-employed requiring more hours, as well as people seeking to increase their income through better quality employment.
- 5.16 Funds will be made available to support individual's access to new qualifications that may arise because of COVID-19. For example, training for those in the beauty industry to update their skills and practise in accordance with government guidelines on health and safety.
- 5.17 Rent arrears: The Council has the Discretionary Housing Payment scheme to support Housing Benefit claimants with rent costs above their benefit

entitlement. However, colleagues in Housing have given examples of rent arrears building up over the last few months – for both those entitled to benefits and those who are not.

If someone had fallen into rent arrears because of the pandemic situation, an award will be made to cover that as well as looking at the wider circumstances to see if there was any training or apprenticeships the fund will be used to pay for to improve the prospects of that person.

- 5.18 The rent arrears caused by the virus outbreak are being worked through to be met by the current RSF scheme, but we believe the effects of the situation may extend beyond March 2021.
- 5.19 The grant will incorporate emergency help with white goods and essential furniture for residents.
- 5.20 Supporting Digital Inclusion: From work with the Community and Voluntary Sector and officers' own interactions with residents, officers already know that the restrictions in place around COVID-19 are magnifying the impacts of digital exclusion. Work with the Young Brent Foundation and Age UK Brent has highlighted that the impact is being felt across generations.
- 5.21 Social isolation has been a problem for both younger and older people because of the social-distancing restrictions in place to help manage the COVID-19 outbreak. School closures mean that much learning and support for young people has shifted online. Research has shown that access to a suitable broadband connection can be problematic. Prior to the COVID-19 outbreak, many young people accessed free Wi-Fi in libraries and cafes for example, to do their homework. These options are currently not available to them. Where broadband is available in the home, it needs to be reasonably high speed to support streaming of educational materials, often via video streaming for example, particularly where a number of young people are accessing it at the same time and where parents may also be working from home.
- 5.22 A similar need exists amongst our elderly residents. Many of these residents have been largely confined to their homes since mid-March. It is envisaged they will be one of the last cohorts to be released from lockdown. Digital exclusion is high amongst older people in normal circumstances. Online access and training could enable excluded and isolated older people to connect with their family and friends. Older people would also be able to access online exercise groups, maintaining their physical health and psychological wellbeing.
- 5.23 There is an increasing demand for Council services to replace many face-face interactions with online ones. For example, consultation and action planning events are taking place via Zoom. Some services that might have been accessed in the Customer Service Centre, or by some residents at one of the Hubs, are available online. Brent Start has been offering some of its courses online.
- 5.24 As the furlough scheme winds down the impact on employment is already being felt. Residents finding themselves newly unemployed will need online access to apply for jobs, participate in online interviews and upskill online.

- 5.25 Brent Start has an extensive digital skills offer that can be provided virtually or in the community when the service re-opens classes from September 2020 (based on current plans and adhering to social distancing guidelines). Residents should be encouraged to utilise this. For those claiming out of work benefits such as Universal Credit, this will be free.
- 5.26 All of these uses demand fast and robust connections without data limits. For example, an hour's call on Zoom uses 1GB of data. Brent's Digital Strategy outlines the Council's commitment to improving the Borough's digital infrastructure. Use of some of the Resident Support Fund to support residents with online access presents a real opportunity to accelerate this work in some of the most digitally excluded areas of the Borough.
- 5.27 The Children and Young People directorate is already working with schools in Brent to identify families with school-aged children without a broadband connection. This is to allow them to benefit from the new partnership between the Department of Education and BT, which will provide eligible households with a free internet connection for six months. Data will be shared with CYP to avoid duplication.
- 5.28 Respite/Support for Young Carers: Young Carers, already under pressure in normal times, have had to spend 24/7 caring for family members without the option for respite or support. A payment could be made to such a person should they be able to arrange respite care, for days out or other expenditure relating to their own well-being.
- 5.29 Mortgage support: Universal Credit does not support customers with mortgage payments, unlike the legacy scheme whereby the interest on a mortgage could be paid by Job Seekers Allowance. Support towards the interest on repayments will be given.
- 5.30 Counselling, Mental Health and Well-being: The future fund will enhance measures required by some of our residents to support to limit the long-term impact on an individual's mental health, increase confidence in money management, and aid the overall financial recovery of individuals. Referrals will be made to support an individual regarding their mental health and psychological wellbeing.
- 5.31 Costs of bereavement counselling will be partly or fully met: The pandemic has shown an increase in number of deaths and unplanned funeral costs which has hit families the hardest. We want to ensure that any such costs especially with multiple funerals in same family are supported by us through RSF.
- 5.32 Delegated authority is sought for the Strategic Director for Customer and Digital Services in consultation with the Cabinet Member for Housing and Welfare Reform authority to agree eligibility criteria. However given the range of situations it is envisaged the Covid-19 Support Fund Grant will assist going forward. The delegated authority is sought for the Strategic Director for Customer Services, to review and agree revised eligibility criteria as and when required.

## **6.0 Financial Implications**

- 6.1 There is £90,000 remaining in the existing LWA scheme, which is held in an earmarked reserve.
- 6.2 The existing RSF is funded from the COVID-19 Hardship Grant awarded to the Council. The 2020/21 allocation to RSF in 2020/21 is £2.6m and must be spent by 31<sup>st</sup> March 2021.
- 6.3 For 2021/22, members agreed to allocate a further £3 million to RSF, which will be funded from an earmarked reserve set aside to address pressures arising from COVID-19.

## **7.0 Legal Implications**

- 7.1 The Strategic Director for Customer and Digital Services under the delegations mentioned in paragraph 2.3 to 2.5 above will make arrangements to administer the grants in respect of Resident Support Fund and administer the loans in association with the Credit Union.
- 7.2 The Council has powers to administer and distribute grant funding and implement the proposals to provide grants under its new Resident Support Fund scheme pursuant to the general power of competence as set out in section 1 of the Localism Act 2011. Any distribution of grant funding will need to be in accordance with delegated powers in Part 3 of the Council's Constitution. There will need to be an agreement between the Council and the recipient to govern the terms and conditions of the grant.
- 7.3 With regard to the recommendation to make interest free loans, the selection of a Credit Union for processing loans would be classed as a procurement. Based on the estimated value of 25000 for the delivery of the service, the value of the contract for the purposes of the Council's Constitution will be classified as a "Low Value Contract". Contracts valued between £25,000 and £189,330 are classed as "Low Value Contracts" under the Council's constitution. Pursuant to Contract Standing Order 86 (c) of Part 2 of the Council's Constitution no formal tendering procedures apply to Low Value Contracts, except that at least three (3) written quotes must be sought and the quotes sought and/or obtained shall be recorded or alternatively the contract is procured through the Online Market Place. Where quotes are sought, advice must be sought from the Council's procurement officers about how to select the three organisations to be invited to quote and how to structure the quotation process. Unless the Council's procurement officers advise that it is not necessary or appropriate, all quotes shall be sought using the Electronic Tender Facility and at least one of the quotes shall be sought from a Local Brent provider.
- 7.4 Consideration will also need to be given to ensuring that such arrangements for capital funding are state aid compliant. Given the purpose of the funding, it is likely to satisfy the requirements of the Services of General Economic Interest Block Exemption.
- 7.5 There will need to be an agreement between the Council and Credit Union to govern the contractual relationship between the parties and to ensure that any monies invested are ring-fenced for the categories of borrowers identified. The

Council will also need to approve any loan template between the Credit Union and the individual borrowers.

- 7.6 Details regarding the amendments to the Council's Ethical Debt Policy and the implications of the Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020, which will come into force in May 2021, will be set out in the report on the Council's Debt Write-Off Update and Procedure which will go to Cabinet for consideration on 6 April 2020.

## **8.0 Equality Implications**

- 8.1 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a "protected characteristic" and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 8.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 8.3 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 8.4 An Equalities Impact Assessment has not to date been carried out. However, this scheme will benefit all residents in Brent affected by the virus-outbreak and beyond. It will be available to all eligible residents, including those in one of the 9 protected groups.
- 8.5 We will be advertising the fund through our partners in the charity sector and would expect them to help us reach their clients and patrons to make sure they are applying for this additional support.
- 8.6 No resident will be worse off because of these proposals.

## **9.0 Consultation with Ward Members and Stakeholders**

- 9.1 A Member briefing session took place on 15 December 2020. Furthermore, we have engaged with Citizens Advice, the Brent Poverty Commission, Mutual aid Groups, Voluntary organisations, Faith and Community groups and internal stakeholders to finalise proposals.

## **Related Documents**

Cabinet Report – July 2020 Resident Support Fund

**Report sign off:**

**Peter Gadsdon**

Strategic Director Customer and  
Digital Services