

## **Financial Inclusion/Welfare Benefits Update Report**

### **Summary**

1. This report provides the Executive Member for Finance & Performance in consultation with the Executive Member for Housing & Safer Neighbourhoods with the Financial Inclusion/Welfare Benefits 2021/22 mid-term update including:
  - the ongoing impact of Coronavirus as well recent welfare benefits changes in York, including Universal Credit, and importantly the support available for residents in dealing with these challenges;
  - an update on benefits statistics and performance administered by the council including the York Financial Assistance Scheme;
  - other financial inclusion (FI) activity during 2021/22 including delivery of FISG grant schemes.

### **Recommendations**

2. The Executive Member for Finance & Performance is asked to note the report and the progress made in supporting residents who are financially vulnerable.

*Reason: to ensure councillors, residents and stakeholder groups are aware of the ongoing financial inclusion activity across the city and use of associated funding including covid-19 support.*

### **Welfare Benefits Update**

3. The council provides a broad range of support to residents in need of assistance through the York Financial Assistance Scheme (YFAS), Council Tax Support (CTS) and Discretionary Housing Payments (DHP). The breadth of this support was increased across 20/21 and 21/22 to help residents during the Covid-19 pandemic the additional schemes are picked up in the following paragraphs.

## York Financial Assistance Scheme (YFAS)

4. The YFAS scheme was established in April 2013, following the transfer of responsibility (and initially funding) from central government. The former national scheme, delivered by the DWP, was part of the Social Fund. YFAS is now fully funded and delivered locally by the council and can assist residents to stay or move into the community or with emergencies including food and fuel.
5. The figures for the first 6 months of 2021/22 (April – Sept) are set out in Table 1 below. There have been 533 applications, of which 83% were awarded assistance.

*Table 1: YFAS Payment Summary 2021-22 Week 26*

<b>Overall Spend Totals</b>					
Category	Current Spend £	Budget £	%	Extrapolation full year £	%
Emergency	11,452	32,190	36%	22,904	71%
Community	115,932	127,400	91%	231,864	182%
Council Tax Support	3,197	110,000	3%	6,395	6%
<b>Total Spend</b>	<b>130,582</b>	<b>269,590</b>	<b>48%</b>	<b>266,186</b>	<b>99%</b>

6. To assist with the financial impact on York residents arising from the Covid-19 pandemic, emergency decisions were taken in April 2020 to allocate additional support through enhancements to the YFAS scheme. This has included support for mobile phones and internet connectivity as well as taking the restrictions off the number of claims that can be made. These changes will continue through 2021/22.

Table 2: Hardship fund spending April - September 2021

<b>OVERALL SPEND - YFAS &amp; COVID-19 Emergency Fund</b>		
<b>Area</b>	<b>2021/22 £</b>	<b>Notes</b>
Community hubs - prepaid cards	3,660	
Mobile phones & internet	2,650	
Discretionary free school meals - Pupils confirmed	150,000	DWP funding
COVID-19 Hardship Grant for CTS 2021-22	451,130	£75 per CTS claim now applied
Winter Grants additional spend 31st March - 16th April	171,647	Expenditure split across years
Covid Local Support Grant	390,023	340K DWP funding plus topped up by Public Health money -
YFAS scheme	130,582	£219,590+£50k additional agreed at Budget
DHP Spend (paid+comitted)	111,832	£27k Councils own contingency not included in budget
<b>Total</b>	<b>1,411,524</b>	

### **Covid support**

7. Following the 2020/21 Covid Winter Grant Scheme the government announced a package of extra targeted financial support for those in need over the summer period (Local Covid Support Grant). This extended the funding available to councils to support those most in need with the cost of food, energy and water bills and other associated costs.
8. The Department for Work and Pensions (DWP) provided funding to the council to administer the scheme and provide direct assistance to vulnerable households and families with children particularly affected by the pandemic. Criteria for the use of the funding prescribed 80% must be spent on food and utilities and 80% on families with children.
9. In York approximately £150,000 of the funding was used to fund free school meals during part of Easter and summer holidays. The remaining funding was used for the Local Covid Support Grants scheme which ran until to 30th September 2021. Support offered to residents through this funding was channelled through two routes.
10. The Covid Local Support Grant scheme provided a one-off grant to support families receiving Council Tax Support (CTS) with dependent children under 18. Payments were a standard amount based on the number of children in the family. Eligible families were invited to apply by 26<sup>th</sup> September 2021.
11. The Local Covid Support Grant was extended to all other York residents requiring urgent financial assistance as a result of the pandemic who had

savings of less than £2,000. The application process was made easy to access allowing residents facing financial difficulties to apply on-line or via Customer Services.

12. The scheme was publicised widely throughout the council, external networks and social media. Some 1,775 one-off grants of between £100 and £200, were made to families receiving CTS and 801 direct applications were received of which 556 were successful.

*Table 3: Local Covid Support Grant spend 2021/21*

Household type	No of awards	£	split
Families with children	2,711	£ 376,506	97%
Other	135	£ 13,516	3%
<b>Total</b>	<b>2,846</b>	<b>£ 390,022</b>	

13. The DWP have subsequently announced further funding to be allocated from November 2021 to support residents in need of assistance with the cost of food, energy and water bills and other associated costs over the winter. The new scheme is called the Household Support Fund (HSF).
14. The HSF scheme was approved by the Executive Member of Finance & Performance on 8<sup>th</sup> November 2021 and the council will distribute the £1m of Government funding provided for York residents through three routes.
  - i. HSF will provide two one-off grants to eligible households who will be invited to apply. Where the resident is receiving CTS (with dependent children under 18) and has previously received funding through the Local Covid Support Grant payments will be made automatically. New CTS customers will be invited to apply. Eligibility will also be extended to those customers on Enhanced Personal Independence Payment, with dependent children under 18.
  - ii. All other York residents requiring urgent financial assistance as a result of the pandemic and have savings of less than £2,000 will be able to apply based on their circumstances. Once again, the application process was made easy to access allowing residents facing financial difficulties to apply on-line or via Customer Services.
  - iii. In addition further support is being made available via fuel voucher grants which will be delivered in partnership with local advice and support services (up to £20,000 in total).

## Isolation Grants

15. The Government have provided funding (£500 per claimant) across the pandemic to support those on low income who would lose pay through self-isolating. The most recent position of the grants at the end September is set out in the table below:

16. *Table 4: Isolation Grants 2021/22*

<b>Summary Totals at 1/10/21</b>				
<b>Scheme</b>	<b>No Paid</b>	<b>Budget</b>	<b>Spend</b>	<b>% spent</b>
Standard Scheme	813	£ 452,500	£ 406,500	90%
Discretionary	990	£ 909,216	£ 495,000	54%
<b>Total</b>	<b>1,803</b>	<b>£ 1,361,716</b>	<b>£ 901,500</b>	<b>66%</b>

## Council Tax Support (CTS)

17. Covid has had a significant impact on CTS claims and on collection and recovery.
18. CTS awards amongst working age residents increased by 949 between March 2020 and September 2020 as shown in Table 5 below. The number of working age claimants has remained at this level. However, there continues to be a slow decline in the number of people over pension age receiving CTS.

*Table 5: CTS caseload data*

<b>Council Tax Support caseload</b>	<b>Working age</b>	<b>Pensioners</b>
March 20	4,682	4,034
September 20	5,535	3,997
September 21	5,523	3,842

19. The council has continued to raise the decline in CTS claimants over pension age with partners working with older people and promote take up where possible. Since the start of the pandemic there have been reduced opportunities to do this and partner agencies/services have also seen their capacity to do this reduce over this period.
20. The Government provided a Hardship Fund Grant as part of its Covid support in 2021/22. The council has used this to provide existing and new claimants of CTS with £75 towards their bill during 2021/22. To date £451,130 has been paid to those receiving CTS. The council

agreed to fund the scheme for the rest of the financial year to 31<sup>st</sup> March 2022 for all new claimants.

21. Whilst the additional support has helped many residents the number of people receiving reminders letters for non-payment of council tax has increased significantly in November 2021 compared to October 2020 as set out at Table 6 below.

*Table 6: Council Tax reminder letters*

	30/10/20	04/11/21	% increase
People receiving CTS	249	476	48
People not receiving CTS	1,805	2,174	17

22. The Welfare Benefits and Strategic Partnership Manager is continuing to review work across Customer Services, and revenues and benefits teams to ensure best practice around CTS and Council Tax recovery working with networks within the council and external advice providers to explore how the council can best identify and support people who cannot pay.
23. In addition, tools and training have been provided to Customer Service staff to improve signposting to Council Tax discounts, Council Tax Support, the discretionary Council Tax Reduction Scheme and to other support services for those who are in financial difficulties.

### **Discretionary Housing Payments (DHP)**

24. The council received £210k in government funding for DHPs for 2020/21 in order to help with housing costs and has an additional amount of £27k of its own funding in reserve. The full government allocation was spent and a small part of the reserve. Total funding and expenditure is shown in the table below:

*Table 7: DHP spend 2020/21*

Total DHP Fund available	£237,097	100%
Amount spent	£211,835	89%
Amount remaining	£25,262	11%

25. The council received £231k in government funding for DHPs for 2021/22 in order to help with housing costs and CYC has additional budget of £27k in reserve. The figures at the end of September 2021 are shown in the table below.

Table 8: DHP spend 21/22 (at 30/9/21)

Total DHP Fund available	£231,377	100%
Amount spent	£123,041	53%
Amount remaining	£108,336	47%

## Universal Credit (UC)

26. The impact of the pandemic on jobs and those in work on UC is clear with the numbers increasing by 57% from March to April 2020 and numbers almost doubling by the end of September 2020.
27. The number of customers on UC last year is summarised in table 9 below with numbers increasing steadily over the 12 month period.

Table 9: York UC Claimants 2020/21

Month20/21	Not in employment	In employment	Total
Apr-20	6,040	4,265	10,305
Sep-20	7,080	5,761	12,841

28. The numbers continued to rise until May 2021, when there was a sharp reduction. Since then the numbers of people claiming UC has gone down steadily, as shown in Table 10

Table 10: York UC Claimants 2021/22

Month 21/22	Not in employment	In employment	Total
Apr-21	9,048	6,963	16,006
May-21	8,687	7,159	15,848
Jun-21	6,858	5,923	12,779
Jul-21	6,691	5,871	12,566
Aug-21	6,597	5,809	12,405
Sep-21	..	..	12,335

This information is collated from the DWP official published data at <https://stat-xplore.dwp.gov.uk>.

## Work of Welfare Benefits Officers

29. The Income Services Team through its Welfare Benefit Advisors and Adult Social Care financial assessment officers generated welfare benefit gains of £3,145,553 in 2020/21. For the period 01/04/2021 to 30/06/2021 a further £811,937 was generated in successful claims for residents.

## Digital Inclusion

30. The pandemic has continued to highlight the importance of digital inclusion and the inequalities face by those without digital access. For those residents without IT equipment and/or internet access the following is now more difficult:
- making new or managing benefits claims for vital support
  - accessing online discounts for essential household costs, fuel, insurance, phones, for example
  - shopping online to avoid contact and adhere to social distancing
  - connecting with family and friends
  - accessing education, training and employment
  - accessing other help and support from organisations who have moved services online
  - children are unable to do undertake school work and other learning.
31. Working with the council's Digital City team the council agreed a package of support for mobile phones and personal Wi-Fi hotspots with 3 months call/data, through an existing relationship with a local provider. This was funded through the YFAS hardship fund as shown in table 2 above, this support is available to those who:
- do not have a landline or mobile phone or access to the internet in their home
  - have health conditions or other additional factors which mean they are unable to access the support they need at this time without access to the internet.
32. The scheme has provided 14 mobile phone with 3 months inclusive data and 14 wi-fi hot spots with 3 months unlimited data during 21/22. The scheme was paused until further funding was agreed and this was agreed as part of the Winter Plan. The council is currently reviewing the scheme to put in place a new delivery mechanism to best use the funding and meet the needs of residents.
33. The York IT Reuse Scheme was developed as a result of the joint work of organisations and services in the city working across a wide spectrum of areas, all identifying a lack of digital access as a barrier to people with complex needs during the pandemic. See [www.itreuse.org.uk](http://www.itreuse.org.uk) for more information.
34. The scheme is led and managed by York Community Furniture Store along with the Changing Lives digital inclusion project. The scheme has been extremely successful in acquiring computer equipment donations and distributing them to people who are digitally excluded; as well as

developing partnerships with businesses and support providers. An evaluation of the scheme is currently underway and the findings will be available in early 2022. This will help support the development and sustainability of the service.

35. The work of Explore York (library and archives service) in leading Digital Inclusion (DI) partnership, with the council will be key in taking this work forward. A joint action plan is being developed to help identify and tackle areas of digital and social exclusion. Funding of £23,220 was approved by Executive in October for resources to support the work of the network and the use of this funding will be reported in the annual version of this report in mid-2022.

### **Housing Update**

36. Rent arrears in 2020/21 increased mainly due to the ongoing cumulative impact of austerity, personal debt, financial insecurity and the slow roll out of Universal Credit which is paid in arrears on an ongoing basis. There were also continuing delays in the Trusted Landlord portal being set up where information can be exchanged with the DWP. Continued staff changes at the DWP exacerbated this along with not accepting bulk rent increase information from the Council instead of from tenants themselves. Arrears at April 2020 stood at £975,943.
37. In April 2021 arrears were £1,130,421. From April to September 2021 council tenant rent arrears increased further overall by 10.18%. Currently rent arrears stand at £1,295,945. Monthly increases in arrears have not been as dramatic compared to last year during the start of the pandemic and there were monthly arrears reductions in June and September, which has been accomplished in very difficult times along with furlough payments and £20 Universal Credit uplift being removed by Government, along with costs of living including utility bills increasing.
38. The Housing Management team have worked in partnership with other departments and agencies across the city to manage arrears levels and support people with their bill payments and debts, despite not being able to pursue missed rent payments and arrears. On 1<sup>st</sup> October 2021 the court system resumed previous arrangements prior to the pandemic, however there is an ongoing backlog in the court system.
39. By December 2020 for those on UC there was a total arrears balance of £759,016. There has been a further of 338 new UC cases and an increase in UC related arrears of £104,020 since April 2021. This is an approximate £307.75 increase in arrears per household. This is due mainly to the increase in tenants claiming UC during lockdown as a result of lack of employment and income. Direct payments to the council

were stopped by DWP during the initial part of the pandemic to ensure basic UC claims were processed and only a minority have restarted. To add to the challenges around this DWP also pay households one month in arrears and tenants have other priority deductions taken from their overall UC income such as advanced payments and other priority debt such as DWP overpayments.

40. The profile of the council's tenants is that of increasing vulnerabilities; UC can be complicated for people to navigate and relies on them managing their own claims and having to access digital systems which is compounded if they do not have digital skills or access to data and/or equipment.
41. Housing officers have supported tenants and their families/communities through some very difficult times so far this year and in partnership with other agencies are helping tenants to claim Discretionary Housing Payments, YFAS payments for white goods/food and food bank assistance, while trying to find alternative accommodation to help with their financial distress and encouraging payment by Direct Debit (DD).
42. The balance of £30k remaining from a Housing Hardship Fund (help with rent arrears only) is being used to contribute to a wider Council Early Support Fund, which council tenants will benefit from.

### **Other activities funded by Financial Inclusion budgets.**

43. This section of the report covers other activities funded by the council that supported and promoted financial inclusion during 2021/22. Information about activity in 2020/21 was contained in the last report to the Executive Member on 12/7/21.
44. The Council's Financial Inclusion Steering Group (FISG) is responsible for overseeing the delivery of financial inclusion initiatives and also has strategic oversight of the council's DHP, YFAS and CTS schemes. Membership has expanded over the last 18 months<sup>1</sup>.
45. The group's purpose is:

*'To ensure that local people have the knowledge of and access to appropriate services, allowing them to make more informed choices to achieve and maintain financial stability'.*

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<sup>1</sup> Now includes: Welfare Benefits Unit, Joseph Rowntree Foundation, York CVS, Explore York, Citizens Advice York, the York Food Justice Alliance, Community First Credit Union and a number of CYC directorate representatives. The Executive Members for Housing & Safer Neighbourhoods, for Finance & Performance and for Adult Social Care & Health are members of the group. There is a standing invitation to a representative of the Parish Councils.

46. Grants are awarded to local organisations to deliver projects that meet the group's objectives. It has an agreed base budget of £100k per financial year for approved schemes. Delivery of the schemes is regularly monitored.

### **Funding of projects for 2021/22**

47. The bidding round for funding projects for 2021/22 (completed in March 2021) saw nine bids from eight organisations for grants totalling £144,270, exceeding the £120,360 available. Grants totalling £113,276 to fund seven projects were approved. Four of the bids build on projects previously funded in 2020/21. All projects are for a twelve month duration.
48. As with projects funded in 2020/21 all providers have been able to continue to deliver high levels of support to residents by developing alternative methods of working in the face of Covid-19 constraints. All partners are working collaboratively and innovatively to continue to support vulnerable residents in the city. The table in the Annex A is a high level summary of what the projects aim to achieve along with some of the key outcomes to date.

### **Other related activities**

#### **Community Hubs**

49. In October 2020 a report entitled *Community Hubs – Post Covid Recovery* was considered by the Executive Member for Culture, Leisure and Communities to assess how CYC could best support York's recovery from the impact of the pandemic. The report outlined how a dual focus would be used to support those self-isolating and needing emergency support and alongside this developing capacity within communities to build community resilience.
50. The course of the pandemic has required the continuation of the emergency response, this response has adapted to emerging needs with a person centred approach as a core value, offering direct support where needed and seeking to connect people into local sustainable solutions. The support offered has included emergency food provision, shopping and prescription collection, support to access financial support and advice, wellbeing and combating social isolation and support to connect

and access practical measures such lateral flow tests and booking vaccination appointments. Support has been offered over the phone and in person as appropriate, taking a holistic approach to issues to maximise individual and community resilience beyond an emergency response. Also supporting community initiatives to reshape or restart activities impacted by the pandemic based on local intelligence and demand.

51. In tandem, identifying opportunities in communities to develop capacity and mapping gaps in provision in order to focus activities to support the roll out of the community hub approach e.g. holding networking events in Clifton Ward as part of strengthening connectivity and developing interest and support in an evolving local community hub offer.

### **Resident Experience**

52. The council is looking to use contact by residents for support arising from Covid-19, arrears of council tax and rent as trigger points for an initial indication of longer term challenges and intervention. The council is looking to use an integrated assessment allowing applicants to tell their story once and then be considered for support e.g. to pay rent, Council Tax or receive support to meet other needs. Using this approach should provide a much improved resident journey from first point of contact, improving the relationship between the Council and communities.
53. Those whose crisis requires immediate attention would potentially be provided with emergency support from York Financial Assistance Scheme, Community Hubs or other crisis services.

### **Council Plan**

54. The outcomes in this report contribute to the key Council Plan priority focussed on delivering 'Well-paid jobs and inclusive economy' and the related focus on financial inclusion. The associated Financial Inclusion Policy review will be progressed in 2021 as current activity continues to be prioritised around the impacts of the Covid-19 crisis in terms of meeting immediate needs and planning for recovery impacts.

### **Implications**

55.
  - (a) **Financial** – The direct financial implications relate to the funding of both FISG bids and the YFAS scheme which are funded within approved budget allocations/reserves.
  - (b) **Human Resources (HR)** - There are no implications

- (c) **Equalities** – There are no direct implications
- (d) **Legal** – There are no implications
- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications

### **Risk Management**

56. The key risks are in relation to YFAS, DHP, and other available hardship funds and include:
- The covid-19 pandemic is still ongoing and whilst there is still available government and council funded support for residents, forward planning of ongoing support through future budget processes will be key as the expected impacts will exist into the long term.
  - Managing the budget to ensure that customers get the same service and support irrespective of when they apply in the financial year.
  - The pandemic has impacted on the funding of the council and of partners in the voluntary and charity sector, so service resilience across all partners needs to be a key consideration for decision makers in the short and medium term to secure ongoing service delivery.
  - Any failure to provide an appropriate service will have a negative impact on the wellbeing of vulnerable people.
  - There remains anecdotal evidence from third sector organisations and the growing HRA debt that indicates there could be a growing challenge around managing the impacts of UC.
57. These risks are managed through constant monitoring and review. The actual figures for UC, YFAS, DHP and rent arrears are reported to each FISG meeting to allow early intervention.

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**Report Approved**

✓

**Date**

01/12/2021

**Specialist Implications Officer(s)** *None***Wards Affected:** *List wards or tick box to indicate all*✓ **All****Background Papers:**

Approval of grant scheme awards, 2020/21

[Agenda for Decision Session - Executive Member for Finance and Performance 16 March 2020](#)

2021/22

[Agenda for Decision Session - Executive Member for Finance and Performance 15 February 2021](#)

**Annexes:**

Annex A: Outcomes to date for FISG funded projects for 2021/21

**List of Abbreviations**

CTS            Council Tax Support  
DD             Direct Debits

DI	Digital Inclusion
DHP	Discretionary Housing Payment
DWP	Department for Work and Pensions
EET	Employment, Education and Training
FISG	Financial Inclusion Steering Group
HB	Housing Benefit
HSF	Household Support Fund
IAG	Information, Advice & Guidance
k	Thousand
UC	Universal Credit
YFAS	York Financial Assistance Scheme