

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Finance and Transformation (S151 Officer)
<b>Relevant Executive Member:</b>	Executive Member for Finance
<b>Submitted to:</b>	Executive
<b>Date:</b>	5 March 2025
<b>Title:</b>	Welfare Support Policy for Residents in Financial Crisis
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	Yes
<b>Why:</b>	Decision(s) will have a significant impact in two or more wards
<b>Subject to call in?:</b>	Yes
<b>Why:</b>	Non urgent report

<b>Executive summary</b>	
<p>The Welfare Support for Residents in Financial Crisis Policy is an integral part of the Councils wider Welfare Strategy and provides immediate support to financially vulnerable households. <a href="#">Welfare Strategy   Middlesbrough Council Open Data</a></p> <p>The policy sets out how Middlesbrough Council will support residents who are in a crisis situation, i.e. where circumstances occur that are outside of a resident's control which impacts upon their financial situation and in turn creates an immediate risk to the resident or a member of their household. Crisis Support is intended to provide immediate short-term support, with longer term arrangements being considered through the Corporate Welfare Strategy.</p> <p>The policy is reviewed periodically and subject to a full review every 3 years. This is necessary to ensure the policy is keeping pace, reflects any changes in legislation, and includes any necessary amendments or alterations. It is anticipated that further changes will be necessary to this Policy as the Council develops its approach to resolving poverty across the Town.</p> <p>Alongside the further advancement of the Policy, the Council is also progressing with a Centralised approach to delivering support to financially vulnerable households and is</p>	

bringing together, Crisis Support, Community Support, Free School Meals, Discretionary Housing Payments, Household Support Fund, Food and Fuel Support, White Goods, Welfare Rights and Benefit Take Up into the Councils newly formed Welfare Support Team. It is anticipated that other support which is delivered across the Council and where appropriate will also transfer into the team. The approach is intended to provide a single-entry point into the Council for residents who need urgent/immediate access to support. Case workers will support residents, with the aim of providing longer term resolve to those experiencing financial difficulties.

The policy is reviewed regularly to ensure it keeps pace and is also subject to a full review every 3 years which is necessary to reflect any changes in legislation, amendments, or alterations and now includes the following amendments.

- Additional payment methods, making it easier and faster for payment to be made.
- A refresh of the language and some minor amendments to the policy.
- Alignment to the Corporate Welfare Strategy

Within the current financial year 533 claims for emergency support have been paid totalling approximately £117k. In addition, 845 Discretionary Housing Payments have been paid totalling approximately £255k. These payments cover any shortfall in rent and are paid for around 26 weeks, and in some instances can prevent homelessness from occurring.

## **1. Purpose**

1.1 A review of the Welfare Support Policy for Residents in Financial Crisis as part of the 3-year review cycle, and to ensure that the current support provided to residents is keeping pace, reflects any changes in legislation, and includes any necessary amendments or alterations. It should also be noted that it is anticipated that further changes will be necessary to this Policy as the Council develops its approach to resolving poverty across the Town.

## **2 Recommendations**

2.1 That the Executive approves the refreshed Welfare Support for Residents in Financial Crisis Policy which includes the following minor changes.

- a) Additional payment methods, making it easier and faster for payment to be made.
  - Allowing payment via text message to send funds direct to a resident's bank account. In addition, e-vouchers can be provided through text messages or emails to a resident with a voucher code which can be redeemed at a supermarket of their choice.
- b) A refresh of the language and some minor amendments to the policy.
- c) Alignment to the Corporate Welfare Strategy

2.2 Provides delegated authority to the Director of Finance and Transformation and the Executive Member of Finance to make any future minor revisions/modifications to reflect the financial / economic climate as necessary.

### **3 Rationale for the recommended decision(s)**

- 3.1 The policy is a key decision that impacts on two or more wards and as such requires Executive approval.
- 3.2 The updated policy upholds good practice within democratic processes and enables the refreshed policy to maintain visibility with the Executive.
- 3.3 Delegated authority to the Director of Finance and Transformation and Executive Member of Finance to approve future minor modifications to the policy maintains service operation levels. As a working policy, failure to keep pace with new legislation or working practices leaves the Council at risk and can result in inconsistent practices.
- 3.4 The proposals provide clarification and ensures vulnerable residents have a clear understanding of the Council's approach to crisis situations and the support available.

### **4. Background and relevant information**

- 4.1 The Council recognises that at times there are circumstances which fall outside of a residents control that can impact upon their financial situation and may place them into crisis. This can present as an immediate financial risk to the resident or a member of their household where short term support can prevent longer term issues from occurring.
- 4.2 Crisis can occur at any time and situations can be very different. Each case is independently assessed by experienced Officers. Although the list below is not exhaustive, some of the more frequent reasons Crisis Support is sought are shown below:-
- Reduction in working hours resulting in loss of earnings.
  - Awaiting benefit entitlement/Change in circumstances
  - Potential Homelessness
  - Theft or loss of essential goods.
  - Burglaries
- 4.3 The Council provides crisis support via the Community Support Team through a number of different options to alleviate the immediate need. This offering has been significantly enhanced over the last three years through the introduction of the Corporate Welfare Strategy. Whilst short term support is provided through the Welfare Support for residents in financial crisis, longer term resolve/prevention forms part of the Welfare Support Strategy and underpins the Council approach to responding to Poverty. With the introduction of the Welfare Support Team, and the introduction of a single front door for Residents will ensure support is easily accessible to those in genuine need.
- 4.4 Since 1 April 2024 the Council have provided support to over 1000 households through either Crisis or Housing Support with payments of around £370k, this will likely increase to around £410k by 31 March 2025. In addition, through close working with partners

such as the Department for Work and Pensions, Officers liaise directly to ensure benefit claims, queries are resolved quickly, and benefit is paid which eliminates the immediate Crisis. In conjunction with this the Councils Welfare Rights Team have supported over 1191 residents with claims for benefit and have secured benefit in excess of £2m. A more recent example, and following an internal referral into the team £88,000.00 of unclaimed State Pension was identified by the Welfare Rights Team for one resident. This is an example of the great work that the Councils Welfare Support Team are doing to maximise unclaimed benefits.

4.5 Although the Policy provides a definition of Crisis, if circumstances present outside of the Crisis Policy, Officers will carry out a comprehensive review of the residents' circumstances as part of the Welfare Strategy. This can mean referrals are made to partnering organisations or that the resident is provided with access to other means of support. A number of cases that present as Crisis can be as a result of budget management issues and can be resolved in some instances very quickly, where debt is more complex Officers will make referrals to organisations such as CAB.

4.6 Crisis can be very worrying for residents and having access to financial support quickly is extremely important. A further enhancement has been made with the introduction of improved payment methods. This new functionality allows payment to be made via text message/direct to a resident's bank account, providing instant access to funds. This differs to earlier methods where payment was via PayPoint outlets, the Policy has been updated to reflect this change.

## 5. Other potential alternative(s) and why these have not been recommended

5.1 Do nothing, however the current policy does not refer to the enhanced support options available to residents such as OpenPay or E-Vouchers. In addition, the policy is due to be reviewed as the previous three-year period has expired therefore a refresh of the current offering is required.

## 6. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	Implementation of the revised policy will be delivered against existing budgets.
Legal	<p>Whilst it is not a legal requirement to have a Welfare Support for Residents in Financial Crisis Policy is it considered as 'good practice'. This Policy forms part of the Councils Corporate Welfare Strategy.</p> <p>There are no other legal implications around this policy.</p>
Risk	The review of the policy ensures that there is adequate governance in place to comply with all relevant legislation and the Council does not breach governance requirements or fail

	to deliver organisational priorities (Risk 08-054). In addition, by reviewing the scheme every 3 years, the Council continues to effectively update and amend the scheme to comply with legislative changes (Risk 08-055).
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equity law.
Climate Change / Environmental	There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.
Children and Young People Cared for by the Authority and Care Leavers	This policy will have no impact on children and young people cared for by the Authority and Care Leavers.
Data Protection	The collation and use of personal data will be managed in accordance with the Council's Data Protection policy and the Community Support Scheme Privacy Notice <a href="#">Privacy notice - Community Support Scheme   Middlesbrough Council</a>

### Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
The updated Welfare Support for Residents in Financial Crisis policy will be published on the Council's website	Janette Savage	31 March 2025

### Appendices

1	Welfare Support for Residents in Financial Crisis 2025-2028
2	Impact Assessment
3	

### Background papers

Body	Report title	Date

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