

Adult Health and Care Select Committee – Task and Finish Group

13 November 2019

The Local Assistance Network (LAN)

Report by Executive Director People Services

Summary

The Local Assistance Network (LAN) was established in 2013 when the Department of Work and Pensions abolished several discretionary elements of the benefits system and transferred the responsibility for providing discretionary assistance to local government. Since 2015, funding for the LAN has been funded from the Council's base budget.

The LAN is a discretionary grant that is provided directly to organisations. It is used alongside other sources of funding and support to provide assistance, mainly furniture, food and clothing, to individuals and families during periods of crisis.

In April 2019, the LAN was reduced from £806,000 to £200,000 following consultation. In December 2019, following a further period of direct consultation with the sixteen LAN providers, the Cabinet Member for Adults and Health will be asked to consider the proposal for reduction of the LAN to £100,000 from 1 April 2020.

The proposed allocation for the reduced LAN is;

- A reduction in the allocation for children and family centres from £80,000 to £60,000 in line with actual LAN spend in this area,
- A continuation in the current allocation of £40,000 to the eight foodbanks recognising the significant increase in foodbank useage and the risk that these providers would no longer be able to operate without LAN funding,

This allocation will result in LAN funding not being allocated to any of the social enterprise providers or to support the LAN within Citizens Advice (CA).

The Chairman will summarise the output of the debate for consideration by the Committee.

Proposal

1. Background and Context

- 1.1 The local assistance network (LAN) was established in 2013 when the Department of Work and Pensions abolished several discretionary elements of the benefits system and transferred the responsibility for providing discretionary assistance to local government. Since 2015 funding for the LAN has been funded from the Council's base budget.
- 1.2 The principle behind the LAN is to provide discretionary services to households facing hardship as a result of a crisis or emergency. Typically,

this involves provision of food, utility top ups, furniture, white goods or household equipment. No financial assistance is available although, in some circumstances, providers offer low value supermarket store cards to purchase essential items. There are no eligibility criteria.

- 1.3 The LAN grant funding currently offers support to four types of services; foodbanks, children and family centres, as part of the base grant to Citizens Advice (CA) and social enterprise providers. A full breakdown of the LAN schemes can be seen at appendix one.

2 Proposal Details

- 2.1 Recognising the Council's significant financial challenge and the predominantly discretionary nature of the LAN, the Council took the decision to reduce the LAN from £807,000 to £200,000, from April 2019.
- 2.2 In December 2019, following a consultation period with providers, the Cabinet Member for Adults and Health will be asked to consider a further reduction in the LAN to a total of £100,000.
- 2.3 In consideration of a reduced LAN, investment must be prioritised according to need and potential vulnerability in crisis situations. On this basis, the recommendations focus on the aspects of the LAN that will add the most value in these areas within the reduced financial envelope.
- 2.4 LAN funding is currently provided to food banks, children and family centres, CA, and social enterprises.

3 Resources

- 3.1 The current budget for the LAN is £200k per annum, of which £197K is allocated and distributed as follows;
 - £40k to food banks,
 - £80K to children and family centres,
 - £35K to Citizens Advice, and
 - £42K to social enterprises
- 3.2 The proposal reduces the LAN to £100K and the consultation has focused on how this should be distributed based on an impact assessment. It is inevitable that some services formerly funded by the LAN will no longer be supported and so funding will no longer be allocated to: Stonepillow, Crawley Open House, Turning Tides, Horsham Matters and CA.

Factors taken into account

4 Issues for consideration by the Task & Finish Group

- 4.1 The Task & Finish Group is asked to consider the proposal to reduce the LAN funding based on the consultation feedback.

Consultation

- 4.2 A period of targeted consultation with providers was undertaken with affected providers during September and October 2019. As the LAN contributes to a wider funding arrangement for these organisations consultation was focused on: -
- The impact of overall service provision through a reduction or removal of LAN funding and options to mitigate these challenges, and
 - Possible options for distribution of future LAN allocations
- 4.3 In making these recommendations the focus has been on the Council's statutory duties and the sustainability and viability of the organisations in receipt of LAN funding.

Impact Assessment and response

- 4.4 Responses were received from all except three of the sixteen LAN providers.

Foodbanks

- 4.5 The eight Trussell Trust Food banks¹ provide assistance to households for a limited period based on a voucher referral system. The food banks currently receive funding through LAN and this funding was maintained in 2019. The funding is used to support the basic infrastructure of these services such as premises and storage facilities, so that services can access additional sources of revenue to support their wider offer.
- 4.6 Feedback was received from six of the foodbanks all of which highlighted the significant increase in demand. This increase was presented differently in each of the responses making it difficult to see if there are variations in this increase in need across the different areas of the County. For example, Chichester cited that it had experienced a 26% increase since the start of 2019, whilst Littlehampton quoted a 58% increase in the same time period. East Grinstead cited an 80% increase in foodbank use between 2015 and 2018.
- 4.7 Several of the foodbanks use LAN funding to cover core costs such as rental and warehouse supply and would, in the face of a removed funding, be in a position where services in Shoreham, Worthing, East Grinstead, Chichester and Bognor would close.
- 4.8 Responses from foodbanks indicated that funding reduction would impact on low income individuals and families and on all protected characteristics.
- 4.9 On the basis of this information the proposal is to maintain the current level of LAN funding to foodbanks.

¹ Chichester, Bognor Regis, Littlehampton, Worthing, Shoreham, Haywards Heath, Horsham and East Grinstead.

Children and Family Centres (CFCs)

- 4.10 The County Council has statutory responsibilities to children and families. CFCs provide a local base where help can be provided. The CFCs' LAN provision in Crawley and Littlehampton provides essential support such as furniture, white goods, baby equipment and clothing. Funding to children and family centres was not reduced in 2019. As the children and family centres are council delivered services any reductions in funding needs to ensure that this does not simply create a cost pressure within another part of the county council budget.
- 4.11 The CFCs use LAN funding predominantly to provide foodbank vouchers and direct support to families in crisis. Analysis of actual spend dating back to 2014, including in year spend, indicates that a budget of approximately £60k would be sufficient to continue provision at this level. However the feedback indicates that loss of other services through previous reductions is impacting on the level of need.
- 4.12 The CFCs highlighted particular equality impacts on children with disabilities and carers the impact in Crawley due to diversity in the area and the lack of local foodbanks. Across the services CFC's highlighted an increased impact for pregnant women.
- 4.13 The proposal is to allocate a reduced LAN of £60k based on actual spend in previous years.

Social Enterprise providers

- 4.14 Social Enterprise providers historically received a substantial proportion of the LAN funding. However, this was reduced from April 2019 and now provides a small amount of funding to six charitable organisations who between them provide utility top-ups, furniture and white goods². The providers have developed services based on a social enterprise model, which in most cases complements their core charitable purpose. Much of this pre-dates the establishment of the LAN for example, involving recycling of donated furniture or provision of work experience for residents living in supported housing. The purpose of the current LAN allocation is to support these social enterprises to meet some infrastructure costs.
- 4.15 No response was received from Crawley Open House. Turning Tides highlighted an impact on numbers of people who could be supported and hidden issues that could be missed for example poverty, malnutrition, debt and substance misuse. Stonepillow and Horsham Matters indicated that they would operate reduced services and stop furniture delivery with Horsham Matters highlighting this as a particular impact for older and disabled users.
- 4.16 The two smallest social enterprises, Furni-help and Grandad's Front Room, have limited additional access to resources. Furni-help is unsustainable without LAN funding and although it does have reserves, would be unable to operate in the medium to longer term.

² Stone Pillow, Turning Tides, Crawley Open House, Horsham Matters, Furnihelp, Grandad's front room

4.17 Whilst it is recognised that a further reduction in the LAN will impact on these providers abilities to deliver at the same scale, given that there are other ways of accessing furniture provision it is proposed that with reduced LAN funding available, these providers do not have any funding allocated.

Citizens Advice (CA)

4.18 The Council already provides funding to support the 'core' CA service with the LAN being an additional revenue stream. There is significant overlap in the support provided though the LAN, for example with benefits advice, debt and money management and the core CA offer. However, following consultation feedback in 2018 it was agreed to continue with reduced LAN funding allocation to CA from April 2019.

4.19 CA uses half its current LAN allocation on management, administration and training. The impact of removing funding is expected to be longer waits for clients in crisis to access services.

4.20 The Council already provides significant funding to CA and there is an overlap between the provision under the LAN and the wider CA offer. It is therefore proposed that the LAN funding is removed and discussions take place with CA regarding the overall financial envelope available for services.

5 Risk Implications and Mitigations

Risk	Mitigating Action (in place or planned)
There is a risk that reduction or removal of the LAN funding will mean that the current providers are unable to continue delivering services	<p>This has been considered through the impact assessment and is a particular risk for foodbanks, Furnihelp and Grandads Front Room. LAN funding is therefore proposed to continue for these providers.</p> <p>There is an impact on the larger furniture providers however whilst this may result in some reduced provision it is unlikely that this will result in the providers being unable to continue this services as the LAN forms a small element of the funding arrangements for these providers.</p>
There is a risk that a reduction of the LAN could increase costs in other areas of the Council (e.g. an impact on children's services budgets)	This impact has been considered through consultation process and it is unlikely to have an impact. There is a reduction to the children and family centres however this is in line with actual spend and therefore is expected to be manageable.

6 Other Options Considered

- 6.1 As part of the Council's budget planning process members were asked to consider potential removal of the LAN in full. This option was rejected and so consideration is now being given to a partial reduction to the LAN.

7 Equality Duty

- 7.1 The County Council has a duty under Section 149 of the Equality Act 2010 to have due regard in the exercise of its functions to the need to eliminate discrimination, harassment and victimisation and the need to promote equality of opportunity for those that share a protected characteristic and those who do not. This impact has been considered through the consultation process and are referred to within the report.

8 Social Value

- 8.1 Almost all the organisations which participate in the LAN are third sector, not for profit organisations. These organisations provide additional social value to West Sussex by attracting additional inward investment in the form of public grants and charitable fundraising as well as social capital in the form of volunteering and campaigning activity.
- 8.2 There are clearly social value activities in relation to the use of the LAN.

9 Crime and Disorder Implications

- 9.1 There are no crime and disorder impacts expected as a result of this decision.

10 Human Rights Implications

- 10.1 The issue of poverty clearly has human rights implications and the allocation of a reduce has focused on the Council's statutory duty around supporting children and families and focusing on foodbanks.

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Appendix one: Breakdown of current LAN allocation

Background Papers: N/A