

<b>Cabinet</b>	<b>Ref No: CAB05 (19/20)</b>
<b>3 December 2019</b>	<b>Key Decision:</b> Yes
<b>The Local Assistance Network (LAN)</b>	<b>Part I</b>
<b>Report by Executive Director of Adults and Health</b>	<b>Electoral Division(s): ALL</b>
<p><b>Summary</b></p> <p>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 come from from the Council's base budget.</p> <p>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. However, it is recognised that these contact points also offer information and signposting to enable individuals to access ongoing support to to address some of the causes of these crisis.</p> <p>In April 2019, the LAN was reduced from £806,000 to £200,000 following consultation. Removal of the remaining LAN allocation was presented as a budget option to members in May 2019 however this option was not supported by members who requested alternative options on a reduced LAN.</p> <p>A period of direct consultation on this reduced LAN proposal has taken place with the sixteen LAN providers and this consultation has been scrutinised at the task and finish subgroup of Health and Social Care Select Committee (TFG) on the 13<sup>th</sup> November 2019. This process has informed the proposals that are now being put forward to restructure the investment within a revised financial envelope. These proposals prioritise investment that supports support individuals in the most immediate crisis. Funding is also provided to support the smallest social enterprise providers.</p> <p>Following consultation, the Cabinet Member for Adults and Health will be asked to consider the proposal for reduction of the LAN funding to £100,000 per annum from 1<sup>st</sup> April 2020.</p>	
<p><b>West Sussex Plan: Policy Impact and Context</b></p> <p>The proposal for continued investment in the LAN contributes to best start in life, independence for later life and a strong, safe and sustainable place.</p>	

**Financial Impact**

This proposal will deliver a saving of £100,000 per annum to the Adults and Health budget

**Recommendations**

That the fund available for the Local Assistance Network grant allocations for 2019/20 be £100,000 and for the fund to be allocated in line with the priorities identified in section 3. of the report.

**Proposal****1. Background and Context**

- 1.1 The 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 CA and social enterprise providers. A full breakdown of the LAN schemes can be seen at appendix 1.

**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 per annum 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 per annum.
- 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 per annum 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 therefore funding will no longer be allocated to: Stonepillow, Crawley Open House, Turning Tides, Horsham Matters and Citizens Advice.

#### **Factors taken into account**

#### **Consultation**

3.3 A period of targeted consultation 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

3.4 These proposals were considered at a one-off task and finish group of the Health and Social Care Select Committee (TFG) on the 13<sup>th</sup> November 2019 and additional witness testimony representing the provider collation, CA and one of the foodbanks was also considered in this forum.

3.5 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**

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

#### **Foodbanks**

3.7 The eight Trussell Trust Food banks<sup>1</sup> provide assistance to households for a limited period based on a voucher referral system. The food banks currently

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<sup>1</sup> Chichester, Bognor Regis, Littlehampton, Worthing, Shoreham, Haywards Heath, Horsham and East Grinstead.

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.

- 3.8 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.
- 3.9 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.
- 3.10 Responses from foodbanks indicated that funding reduction would impact on low income individuals and families and on all protected characteristics. Representation at the TFG from one of the foodbanks highlighted the wider role that foodbanks provided in relation to signposting, information and advice in addition to the provision of food and the increase in reliance on foodbanks over the last few years.
- 3.11 Based on this information the proposal is to maintain the current level of LAN funding to foodbanks.

### **Children and Family Centres (CFCs)**

- 3.12 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.
- 3.13 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 £50k would be enough 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.
- 3.14 The CFCs highlighted equality impacts on children with disabilities and carers. The impact in Crawley is due to diversity in the area and the lack of local foodbanks. Across the services CFC's highlighted an increased impact for pregnant women.

3.15 The proposal is to allocate a reduced LAN of £50k based on actual spend in previous years.

### **Social Enterprise providers**

3.16 Historically, social enterprise providers 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 goods<sup>2</sup>. The providers have developed services based on a social enterprise model, which in most cases complements their core charitable purpose. Much of this pre-date 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.

3.17 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 an impact for older and disabled users.

3.18 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.

3.19 Representation at the TFG also highlighted additional issues for the social enterprise providers in relation to the loss of the LAN;

- The LAN is used to provide utility top ups for individuals unable to heat their homes and this service will not be available under a reduced LAN. Figures from one provider indicated that utility top ups were provided to 29% of applicants,
- The loss of the LAN will impact most heavily on single people who are not eligible for support through the CFCs. Figures from the same provider indicated that single people made up 66% of LAN applicants.

3.20 Whilst it is recognised that a further reduction in the LAN will impact on these providers' ability to deliver at the same scale, given that there are other ways of accessing furniture provision it was originally proposed that with reduced LAN funding available, these providers do not have any funding allocated. However, following further discussion at the TFG about the wider offer of the social enterprise providers in providing information and signposting, the recommendation has been adjusted to provide a continued allocation to the two smallest furniture providers, Furni-help and Grandad's Front Room.

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

**Citizens Advice (CA)**

- 3.21 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.
- 3.22 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.
- 3.23 The Council already provides significant funding of £350,000 per annum to CA in addition to the LAN 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.

**Feedback from the TFG**

- 3.24 Following a discussion at the TFG the overriding member concern in relation to this proposed decision was how this will impact on the most vulnerable residents in West Sussex and how moving forward those who find themselves in crisis can be supported.
- 3.25 It was recommended that the cabinet member, work with partners, potentially through the West Sussex Health and Wellbeing Board, to undertake a mapping exercise to provide a holistic view of what provision is currently in place, where the gaps are and how these can be filled. Members discussed working more closely with district and borough councils and the voluntary sector. Regarding furniture provision, it was suggested that more partnership working with district and borough councils was required, especially in the re-use of furniture collected.
- 3.26 In terms of the report presented to members, the TFG concluded that the proposal did not detail the potential unintended consequences and impact on other services and that there had not been enough time to evaluate the impact from the previous reduction in funding. The TFG felt that a delay would be advisable in relation to a potential change in Government and therefore funding, following the General Election on 12 December. Through the discussion, Members noted that, following the Cabinet Member's previous decision, the impact on single people who had been in receipt of the LAN was not the subject of this further decision.

**4 Risk Implications and Mitigations**

<b>Risk</b>	<b>Mitigating Action</b> (in place or planned)
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<p>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>	<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 these services as the LAN forms a small element of the funding arrangements for these providers.</p>
<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)</p>	<p>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.</p>
<p>There is a risk that the implications of previous LAN reductions are not yet fully understood in relation to the impact on vulnerable people</p>	<p>This is mitigated in part by the continuation of LAN funding to the foodbanks, CFC's, and the continuation of funding to the two smallest social enterprise providers who have limited other access to other sources of funding.</p> <p>The cabinet member has agreed to lead a piece of work mapping and considering gap analysis with other members, the Health and Wellbeing Board and in partnership with the district and boroughs. The purpose of this will be to consider the range of services available across the County and consider how additional external funding can be maximised to support this offer.</p>

## 5 Other Options Considered

- 5.1 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.
- 5.2 The recommendation from HASC was that this reduction should not be taken at present this time as there was a potential change in Government and therefore funding, following the General Election on 12 December. Given that there is no certainty around this, and it is essential that the Council can deliver a balanced budget this option has not been accepted. However,

should additional funding become available this may be considered as part of the mapping and gap analysis work.

## **6 Equality Duty**

- 6.1 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.

## **7 Social Value**

- 7.1 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.
- 7.2 There are clearly social value activities in relation to the use of the LAN.

## **8 Crime and Disorder Implications**

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

## **9 Human Rights Implications**

- 9.1 The issue of poverty clearly has human rights implications and the allocation of a reduced funding has focused on the Council's statutory duty around supporting children and families as well as foodbanks.

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**Appendix one:** Breakdown of current LAN allocation

**Background Papers:** N/A