



Cambridgeshire
County Council

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Profile of Cambridgeshire's Local Assistance Scheme Applications

July 2020

Introduction

During the Covid-19 Lockdown the national and local focus was initially on protecting the population's health and ensuring that essential services continued to minimise the impact of the pandemic. Within 3 months the focus began to widen to include the economic impact that the lockdown was having. On a national level this included the national economy contracting by 25% and unemployment levels doubling, alongside 8.9 million workers being placed on Furlough. This is a pattern repeated across Cambridgeshire with all 4 Job Centres (Cambridge, Huntingdon, Wisbech and Ely) showing significant increases in the number of people claiming Universal Credit (UC) with Huntingdon seeing the largest increase in UC claims with a 121% increase from 12 March to 14 May¹. These figures are continuing to increase each month.

Cambridgeshire's Local Assistance Scheme

Cambridge Housing Society (CHS) are contracted by Cambridgeshire County Council to deliver Cambridgeshire's Local Assistance Scheme (CLAS) which has a couple of key functions, money advice advisors (CLAS Champions) and grants which are split between Supermarket Vouchers, Green Goods (Recycled) and New goods. The CLAS contract also facilitates district Charity Network meetings across the county. These meetings focus on the specific hardship needs of the local area and help the system to work together around a shared purpose. Currently over 190 organisations attend these meetings.

At the start of lockdown, Charity Network meetings became weekly with voluntary groups, charities and agencies sharing insights with district Hubs about the financial hardships and support being experienced by families and individuals. The Charity Networks were reporting seeing unexpected levels of demand on foodbanks, CLAS and Money Advice Support Services. They were also commenting on the 'different type of client' now asking for help: *people who had never used the benefit system before.*

To better understand these emerging trends, Children's commissioning worked with CLAS and its data to examine this demand and the profile of client's now needing help.

Key Findings

We compared the number and value of grants issued in April 2019 to April 2020. See the two tables below.

Table 1 1-24 April 2019

Type of Award	Grants	Value	Average Value of Award
Supermarket Vouchers	23	£2,765	£120.22
New White Goods	9	£2,210	£245.56
Recycled Goods	10	£2,280	£228.00
Total	42	£7,255	£172.74

¹ <http://dwp-stats.maps.arcgis.com/apps/MapSeries/index.html?appid=f90fb305d8da4eb3970812b3199cf489>

Table 1 shows the normal level of demand that CLAS was experiencing in April 2019 and the normal levels of awards.

Table 2 1-24 April 2020

Type of Award	Grants	Value	Average Value of Award
Supermarket Vouchers	62	£4,710	£75.97
New White Goods	10	£2,645	£264.50
Recycled Goods	9	£1,830	£203.33
Total	81	£9,185	£113.39

Table 2 shows that the **grants for Supermarket vouchers has increased 178%** while grants for New White Goods and Recycled Goods have remained static (due to volunteers shielding and these services closing as identified as 'none essential' during lockdown).

The average grant for Supermarket Vouchers was reduced from £120.22 last year to £76.25 partly to stretch the available resources around more people but also grants of £25 to help move homeless people off the streets at the start of lockdown². This should not be taken as an indicator that the CLAS clients require less but rather that CLAS was not in a position to provide as effectively for their needs.

The increase in the number of awards made through CLAS continued, and accelerated, throughout the rest of the April – June 2020 quarter with no signs of demand lessening in the short-term. 108 New White Goods awards were made in this period which is 88.5% of the 122 awards made in the entire of 2019/20. This is an increase of 254% on the average. The increase in Supermarket Voucher awards showed a similar increase with 222 awards made in this period compared to 287 in the previous year (77.4%) which equates to an increase of 210%.

DWP Data

Nationally DWP publish the number of claimants who are in receipt of Universal Credit (UC) on the second Thursday of each month³. The table below shows each of the 4 Cambridgeshire Job Centres, the Peterborough Job Centre and the UK total number of people who are in receipt of UC since the start of the Covid-19 Lockdown. We can see that Cambridgeshire is seeing a much higher rise in the number of people receiving UC than the national average. While the population percentage in Cambridgeshire receiving UC is still below the percentage nationally the larger rise puts additional strain local resources.

Table 3 Universal Credit Claimants

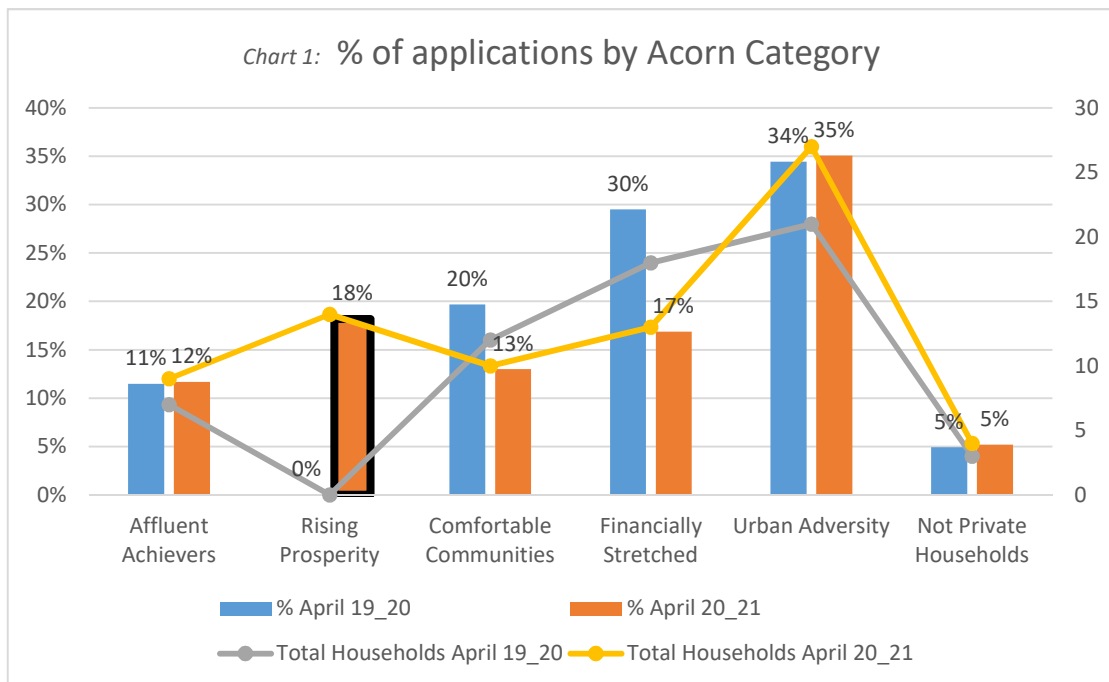
² Grants made to homeless individuals have been excluded from the Acorn Profile analysis and the financial vulnerabilities analysis as they do not have a fixed address which is required for these analyses.

³ <http://dwp-stats.maps.arcgis.com/apps/MapSeries/index.html?appid=f90fb305d8da4eb3970812b3199cf489>

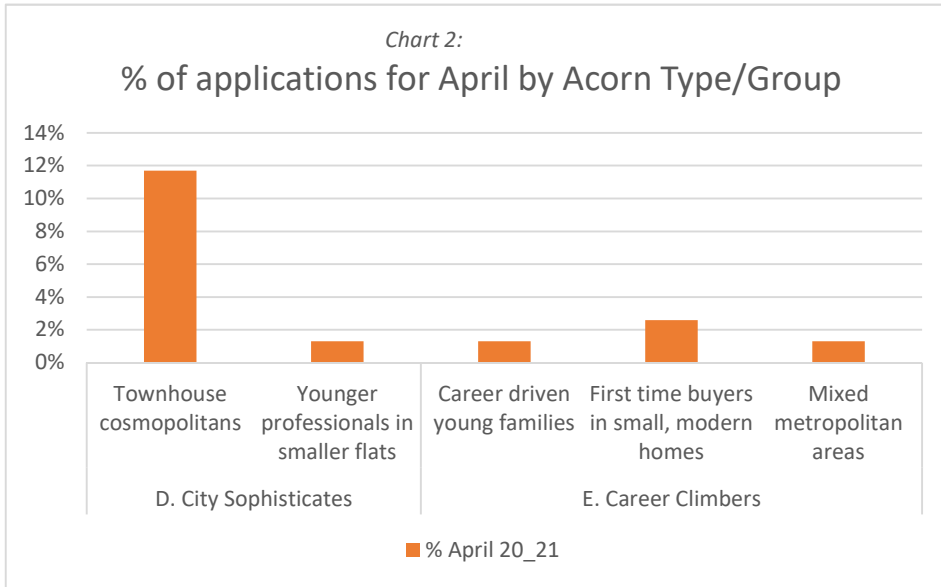
Job Centre	12-Mar-20	09-Apr-20	14-May-20	11-Jun-20	Increase	
Cambridge	6,121	8,484	12,933	13,588	7,467	121.99%
Ely	2,106	3,122	4,322	4,391	2,285	108.50%
Huntingdon	3,976	6,010	8,785	9,121	5,145	129.40%
Wisbech	3,919	5,223	7,217	7,406	3,487	88.98%
Cambridgeshire Total	16,122	22,839	33,257	34,506	18,384	114.03%
Peterborough	14,934	18,649	24,313	25,214	10,280	68.84%
UK Total	3,012,736	4,210,379	5,259,937	5,461,352	2,448,616	81.28%

Profile of CLAS Client in April 20

Having seen that the number of people claiming UC increase so dramatically, Cambridgeshire’s Research team profiled the claimants for this April cohort through a programme called *Acorn*. This analysed the type of household who are making the claims. Chart 2 shows the *Acorn* category which has seen the largest increase in CLAS claims is ‘Rising Prosperity’. *Acorn* describes the people in this category as *most likely to privately renting in affluent areas*.



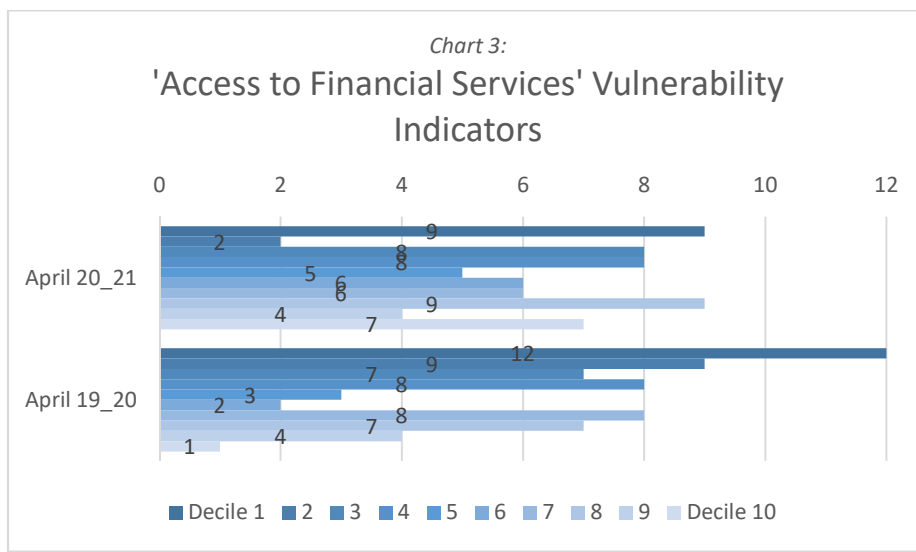
When we then look at the subcategories within the Rising Prosperity group (Chart 2), it is the *Townhouse Cosmopolitans* which are responsible for this sharp increase in CLAS awards. This helps explain the charities network anecdotal indications of a different type of household asking for help during the Covid lockdown.



Appendix 1 contains the Acorn portrait of the Townhouse Cosmopolitan group which shows that they tend to have high incomes and good levels of savings. This group, privately renting, tend to be using their savings and so the longer the economic impact of Covid lasts the more likely this group are to be requiring financial support.

Vulnerability Indicators

We then looked at vulnerability factors around financial services (which includes *Financial Situation, Young Dependent Children, Disposable income, Revolving payments and Borrows money*). Chart 3 shows that in April 2019, 64% of CLAS grants were paid out to people in the bottom 5 deciles with 20% in the lowest decile. In April 20, CLAS grants were split more evenly with 50% of recipients coming from the lower 5 deciles and 14% from the lowest decile. **This shows that the economic effects of Covid-19 have led to people who would have normally being financially resilient suddenly requiring support from CLAS.**



Effect on Individuals

The Acorn Profiling and Financial vulnerabilities data is supported through Case Studies gathered by the CLAS project. Appendix 2 and 3 show two 'Townhouse Cosmopolitan' case studies of families affected by the economic impact of Covid-19.

In both of these case studies the families found themselves in similar situations. CLAS provided emergency short term relief, household essentials, and removed a major source of financial stress so that both families could increase their self-reliance and confidence to get debt and housing advice, training and employment support and access health services. CLAS has seen an influx of many other families who have been similarly affected by the Lockdown. CLAS has a proven track record⁴ of reducing the likelihood of people requiring these future services.

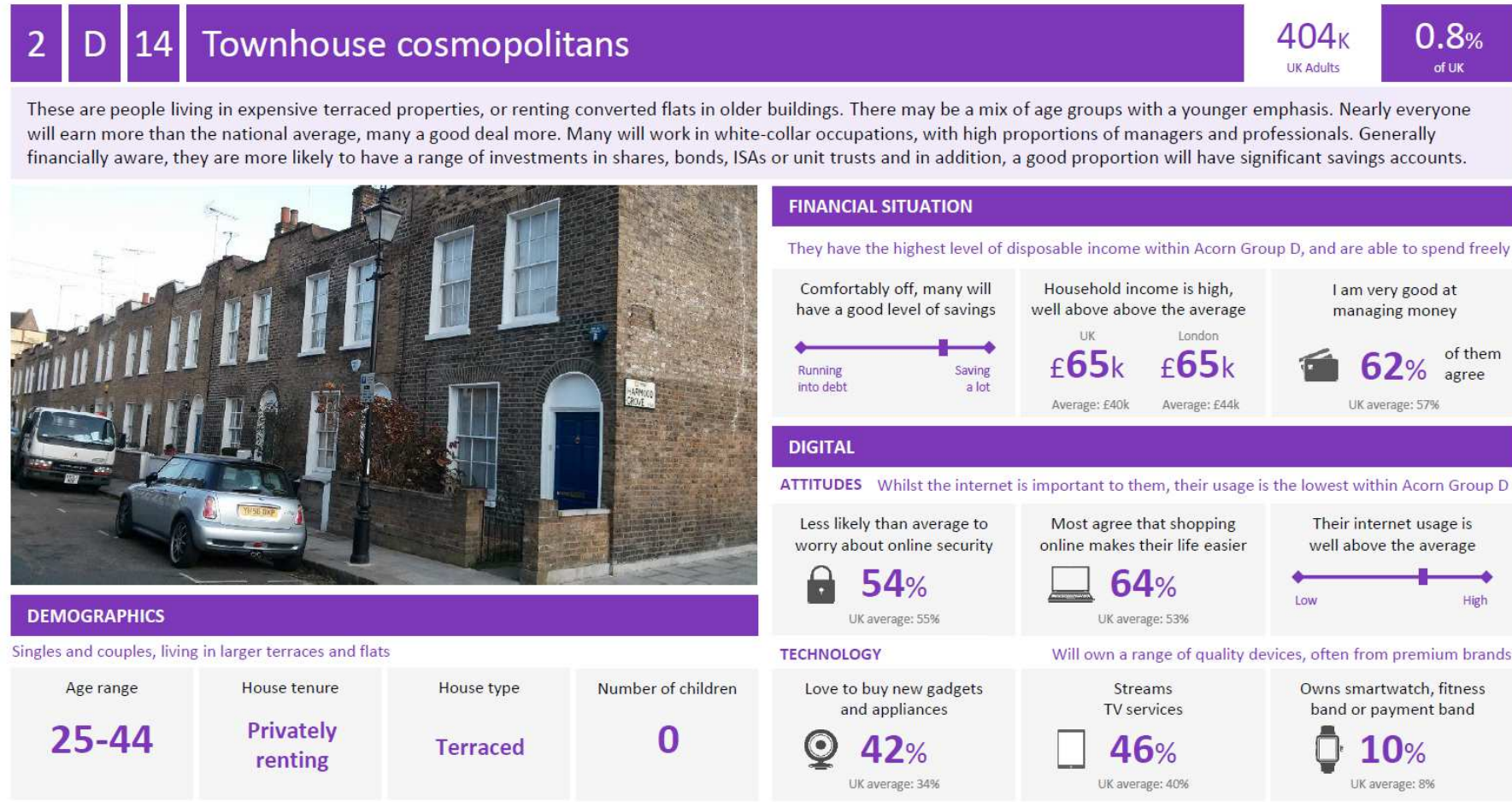
What Next

These findings will be shared with Charities Networks to develop a deeper understanding and context of the clients needing help and how best to respond to these families. It shows the value of sharing anecdotal experiences, sharing data and skills with the sector to analyse and verify findings and through collaboration, enable solutions to stop problems becoming entrenched and expensive to help later on.

Universal Credit claims are already more than trebling in Cambridgeshire and will continue to increase. Strong indications are that the next 36 months (to Aug 2023) will see large numbers experience severe financial hardship due to local lockdowns/second wave of Covid 19 and as the national economy struggles. It appears that there is more need for CLAS and its charity networks now than there has ever been before. But, could the multi-dimensional and complex system of supporting families in financial hardship be better integrated, coordinated and accountable to help with the large scale response that's needed over the next 3 years?

⁴ Supported by the Cost Benefit Analysis (CBA) review which shows that in the last 3 years CLAS has delivered £1.4m of potential savings to the County Council and £3m⁴ to the wider public services

Appendix 1



Appendix 2 – Case Study 1

Following welfare calls to their residents, Huntingdonshire District Council referred a family (a couple with two children and a baby due in 1½ weeks' time) to Citizens Advice Rural Cambs (CARC) for further assistance.

When contacted by one of our advisers the client stated that both she and her husband had been placed on furlough and whilst they did have some income this had dropped significantly and they were struggling to make ends meet.

Their circumstances were compounded as her brother-in-law is now staying with them. He had lost his income through Coronavirus and subsequently been unable to pay his own housing costs and was unable to contribute financially towards his “keep” with them due to other commitments.

The client and her husband had made a claim for UC and were waiting for their first payment. They had opted to take an advance payment (which is repayable) to help them cope with their current financial difficulties pending receipt of the first payment. This option does mean that they face a reduction in future UC awards until the advance is repaid. Additionally, extra financial pressures on the family include a long-term joint debt with the client and her ex-partner and other rising bills

The family will financially take another hit when the client moves from furlough to Maternity Allowance.

At the time of our initial call, the client's husband was due to have a redundancy meeting where he would find out if he was to be made redundant or would remain on furlough. In our follow up call, we learnt that he had been fortunate and remains on furlough until September after which he expects to return to the workplace.

The client and her husband were so worried about the additional costs involved and generally preparing for the birth of their third child with their limited income. They were experiencing many emotions, including financial worries for the coming months.

OUTCOME

The adviser checked the eligibility and entitlement for UC. Whilst the client had already claimed UC she was not fully aware how much she would receive and also the impact on her other income. During the full assessment, carried out by the CARC adviser, it became apparent that the client would benefit from support with food and clothing costs as the children had very limited clothing and the baby had almost nothing. The adviser completed a Foodbank voucher request and a Cambridgeshire Local Assistance Scheme (CLAS) application. The CLAS application was successful with a supermarket voucher being issued to help client meet the family's immediate needs for food and clothing for the children and the new baby.

Full information, support and guidance were also given to the client regarding Benefits including Council Tax reduction, financial skills including Healthy Start vouchers, Discretionary Housing Payments and cost reductions for utilities.

CONCLUSION

The feedback received from our client showed that through successful partnership working with Huntingdonshire District Council a family facing a difficult time were now working through a plan to get their finances back on track with the advice that we have given them.

In a follow-up call from CARC to the client she stated that it felt like a weight had been lifted from her shoulders to receive the financial help but also that we were there to support them via phone and email:

*I would like to thank you and your team from the bottom of my heart...
you have no idea what this means to us..
I'm literally in tears at the moment as we had so much worries and stress but this really give us hope
I can't thank you all enough and with my 3rd child on the way next week has really lifted my mood as I was pretty down with sleepless nights...
thank thank thank
Regards*

22/7/2020:

I would like to thank you and your team for the support we've received earlier this month it was a relief.

WHAT MIGHT HAPPEN IN THE FUTURE

Rent arrears and Housing. With the clients partner on Furlough because of COVID and the client previously Furloughed and now on Maternity Leave the likelihood is that their arrears will increase. The household doesn't receive a full award for their housing costs and this could escalate into facing court action to start eviction procedures and increased housing related costs. Further advice will need to be provided to ensure all possible steps are completed so that rent arrears are kept to a minimum so that the family keep their home and are able to manage their priority bills.

Training and employment

The client's husband has already faced two potential redundancy meetings with his current employer and whilst he remains on Furlough there is a high risk that the changing economy and jobs market may force his employer to consider redundancy for him again if they are unable to reinstate work in September.

Falling behind with day to day bills

The family are already experiencing issues with managing their day to day expenses and with an extra member of the household not adding financially will put pressure on the family to use other means of credit, this would then increase the spiral of long term debt.

Health issues.

The family are already under stress with a new born baby and other minors in the household. Financial problems increase the risk of health deteriorating, especially mental health and child wellbeing. Should this happen, then Mental Health Services, Social Services, GP, counselling and potentially hospital could become involved.

Relationship breakdown.

Due to the complexities of the household make up and the current amicable relationship with the clients ex-partner with regards to childcare, child maintenance and debt repayments, financial difficulties could be a catalyst for child custody and housing issues, in addition to adding difficult and challenging interactions with the ex-partner which could in turn cause issues with the current relationship.

What will be needed to support these clients and help them recover?

Our intervention with this household is likely to be longer term as they need support with additional cost reductions and ways of increasing their household income. As the household is very busy with a new baby and other children regular checks will be required to ensure that the client has completed the recommended next steps and advice to alleviate long term financial distress.

We have supported the client with financial skills, debt and benefit advice, however if circumstances are not alleviated when the partner is expected to return to work in September then it is likely Mental Health, GP, Employment and Redundancy advice would be needed to avoid risk to health and wellbeing and long term stability and security.

In addition welfare checks may need to be carried out on the children to ensure their essential needs are being met.

Appendix 3 – Case Study 2

A referral came in to the Money Matters Advice Team in CHSGroup from Metropolitan Housing to assist their tenant. This is a Social Housing rented property. The couple are a two parent family with 2 children. One disabled adult child. The mother and father are both 46.

They were really struggling with meeting the cost of bills and paying rent. The rent had not been paid for 2 months and was in arrears by £633. The couple were in high bank overdraft. They were only receiving working tax credits and child benefit.

The husband was a self-employed taxi driver and his work was drying up because of COVID and no demand for taxis. His taxi car needed to be repaired and was in the garage prior to COVID. His work stopped.

The garage was closed because of the COVID lockdown with the car in it waiting for a part from Germany which was also in lockdown.

The mother home schooled her younger two children, one adult child is disabled.

The Money Matters Adviser discussed a PIP application for the daughter because she has been suffering for 18 months with post viral chronic fatigue and said that she could help with the PIP application. The client was told that the daughter would need all her medical records to make a successful PIP application.

The client did have the option of claiming Universal Credit to include their housing costs but was reluctant to do so because she was expecting her husband to be working again. The family were not able to claim HB because they would not be eligible. A change of circumstances while on WTC means you are forced to claim UC.

After being approached by the Money Matters Adviser I awarded the maximum amount of CLAS Supermarket vouchers of £250.

The Money Matters Adviser went further with advice later to help the clients and applied for the Community Fund Stay Well energy grant. She had to persevere with the energy company who were refusing to give her the details she needed but in the end she successfully got them after speaking to a director. A grant of £300 was made and paid onto the clients energy account.

Following the advisers advice a bank account was opened for the disabled daughter and an application was made for the PIP application form.

What might happen in the Future?

Rent arrears.

If the client continues not to work because of COVID the likelihood is that their arrears will increase. They will then be facing court action to start eviction procedures.

Further debt advice will need to be provided so that the clients keep their home and prioritise the bills that are the most serious.

Debts.

Debts will need to be managed and arrangements made to set up a payment plan to the bank. Alternatively another bank account opened to move income into to avoid the overdraft escalating out of control.

PIP application

Continuing support to ensure a successful claim.

Training and employment

The client taxi driver may need a change of employment and will need support to identify which direction to go in with training and employment.

Further Financial Support

This may be required if the work continues to be slow and less.

Benefit advice

To claim UC . This could be necessary so that housing costs and council tax charges are covered through benefits

Falling behind with day to day bills.

This inevitably happens during financial difficulties and a vicious circle of “robbing Peter to pay Paul” starts up which is very difficult to get out of. People start using credit cards which again build up debts.

Health issues.

The family are already under stress with their disabled adult daughter living at home. Financial problems increase the risk of health deteriorating, especially mental health. Should this happen, then Mental Health Services, GP, counselling and potentially hospital could become involved.

Relationship breakdown.

It is established that 70% of relationships break down because of financial problems. This would lead to rehousing needs and the possibility of the husband becoming homeless. This is an extreme possibility but never the less a possibility.

Court Action re Child Custody.

This cannot be ruled out if everything goes pear shaped with rent arrears and housing.