

Report title	Financial Wellbeing Strategy Progress Review	
Designation	AMBER	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Emma Bennett, Executive Director for Families	
Originating service	Children's Services	
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Report to be/has been considered by	Families Leadership Team	12 January 2023
	Strategic Executive Board	31 January 2023

Recommendations for decision:

The Cabinet is recommended to:

1. Recognise the progress that has been made in delivering the principles and priorities of the Financial Wellbeing Strategy.
2. Support the direction of travel for 2023/2024 and associated priorities.

1.0 Purpose

- 1.1 The purpose of this report is to note the progress made against the Financial Wellbeing Strategy 2022.

2.0 Background

- 2.1 The Financial Wellbeing Strategy was approved by Cabinet in March 2022.
- 2.2 The strategy sets out the city's long-term vision to improve the lives of residents living in Wolverhampton. The strategy focusses on tackling poverty and improving the financial wellbeing of our residents and closely aligns to the priorities set out in Our City: Our Plan.
- 2.3 Although the lead for the development and the approval of this strategy was undertaken by the City of Wolverhampton Council, this is a strategy developed and co-produced by many of our statutory, community, faith, and voluntary sector partners in the city. The strategy describes a one city approach to tackling the cost of living crisis.
- 2.4 In March 2022 it was recognised that alongside consistently high levels of deprivation in the city, residents were also experiencing the combined impact of the economic downturn, of Covid 19, and more importantly, what was becoming abundantly real, the impending impact of the cost of living crisis.
- 2.5 The principles of the strategy are: to provide a range of support that is both necessary and effective, to always maximise opportunities to promote dignity choice and autonomy, to utilise a diverse range of channels to reach households most in need, to prioritise equality and diversity ensuring no one is left behind, to incorporate evidence based approaches to support the implementation of the strategy and to support households on a journey from reliance to resilience.
- 2.6 The five key areas of delivery are: to tackle food and fuel poverty, to promote financial responsibility, to maximise money and opportunities, to access financial information and to build financial understanding to change behaviours.
- 2.7 A graduated response to tackle these areas was agreed, offering essential support when needed in crisis, opportunity to respond to local and national emerging need, and ensuring a response is offered at the earliest opportunity to prevent further escalation and crisis.
- 2.8 The potential escalation and understanding of the impact of the cost of living crisis was in its infancy some 12 months ago when the strategy was developed and approved. The consequences for our residents of the increased costs of food, fuel, energy, and household essentials, against the backdrop of poverty already being experienced in the city, was beginning to take hold. However, it is only over the last 12 months that the true impact has been understood.

- 2.9 In developing the strategy, it was envisaged that promoting financial wellbeing would not be quick or easy, but with vision, commitment and a true one city approach everyone could play a part in supporting residents in times of need.
- 2.10 It was anticipated that those in the city who can support in making change happen would see themselves as part of a wider movement, supporting communities to create and implement locally led solutions to build capacity for bigger longer term sustainable change.
- 2.11 The strategy is supporting residents through the cost of living crisis using a wide range of initiatives. What is different is that support is linked to a city-wide approach to financial wellbeing which seeks to break cycles of poverty in one of the most deprived parts of England. The innovation comes out of the way partners work around common goals set out in a co-produced strategy. It is fundamentally altering how services are delivered to build resilience and sustainable change by giving people comprehensive wraparound support to get their lives back on track.
- 2.12 The progression of the cost of living action plan which actions the priorities of the Financial Wellbeing Strategy is overseen by The Health and Wellbeing Board.

3.0 Progress against delivery of the strategy

- 3.1 The Partnership Board is now well established and considers and approves recommendations for new approaches to emerging and early intervention support. To support the board, three workstreams are leading on progressing the priority areas.
- 3.2 An additional internal board has been created to ensure consistency across the council and alignment with other key priorities under Our City Our Plan.
- 3.3 These arrangements are crucial ensuring a constant flow of information between partners, avoiding duplication, and enabling all areas of the council to align their work around financial wellbeing.
- 3.4 The new roles have been established, and the Financial Wellbeing team are all in place.
- 3.5 One of the priority workstreams within the strategy, focusses on **tackling food poverty**. The support that has been led by the council in close partnership with community organisations, has seen an increase in residents' ability to access food that is low cost, affordable, and nutritious. More importantly, the way services are offered promote dignity, autonomy, and choice around food support needs. Feedback from residents shows that the new model is not only providing financial support but it is de-stigmatising and enabling them to access a range of fresh products.
- 3.6 Over the last six months there has been an increase in the demand for food support, covering a whole cross section of people in our city with a wide range of personal circumstances.

- 3.7 One of the key drivers in this area has been the development of community shops. This initiative focusses on promoting changes in culture and behaviour in relation to food support, ensuring that food support is sustainable and promotes financial responsibility, therefore reducing dependency.
- 3.8 Since June 2022 the council has invested £175,000 to support five community organisations to make the transition away from a food bank model of food support to opening their doors as a community shop.
- 3.9 Membership is now standing at over 3900 members across the city. The shops are situated in established community venues in East Park, Bilston North, Bushbury North, Bushbury South and Low Hill, and Park wards.
- 3.10 On average members report savings of up to £30 per week on groceries. These savings are helping households maximise their budget. Based on the current opening times and membership levels, this project has the potential to save households in the city, in the region of £7 million a year.
- 3.11 Members of the community shops benefit from an extended offer of support to increase their financial wellbeing. Wrap around support includes access to cooking sessions, advice and guidance on managing household budgets, and signposting to specialist support from welfare rights where needed.
- 3.12 Food banks, food pantries and soup kitchens continue to be a valued contributor within the wider offer. In the last 12 months more than 30 organisations have been supported to provide direct food support to residents across the city.
- 3.13 Support in targeted areas has been a key part of the strategy delivery plan. This has been approached with intelligent use of data from multiple sources to assist in reaching those residents most likely to be affected by the cost of living crisis. The priority place for food index is one such data source.
- 3.14 A further example of positive impact is through the roll out of the More than a Meal project. Working as a partnership with both council and external services, the project was launched in March 2021 and has continued to be a priority area of support. The project aims to support households with access to hot meals up to three times a week for a maximum of 12 weeks. Throughout the period of support and leading up to an agreed transition point, residents are connected to community shops, local support including debt and finances, cooking classes and budgeting advice. Since March 2021 over 10,000 meals have been provided through this project.
- 3.15 Energy costs have increased sharply since 2021. The impact of rising energy prices is being felt by most households in our city, creating a need to take proactive steps in **tackling fuel poverty**.
- 3.16 As the city continues to recognise and respond to the impact of fuel increases, it is expected there will continue to be a significant increase in the number of households in

our city that experience fuel poverty. It is likely that rising utility costs will have the greatest impact on lower-income households as the price rises eat up a greater share of their disposable income.

- 3.17 Predictive analysis is helping to identify households in our city, that are at increased risk of fuel poverty and energy debt. Residents have been provided with advice and support on reducing energy consumption and improving energy efficiency. This has been underpinned by the support that has been provided in repairing and replacing appliances, whitegoods, access to clothing, bedding, and other household essentials. 31,222 awards in this area have been made to residents to since October 2021.
- 3.18 The setting up of warm spaces, was a response to a real concern that residents in our city were not going to be able to keep warm at home. 38 warm spaces were launched in October 2022 They offer the opportunity for any resident experiencing difficulties, to keep warm, have a hot drink, and connect digital devices. A free shuttle bus is provided so that residents who may find it difficult to access these venues can get there and back home with ease and at no cost.
- 3.19 The uptake and usage of the warm spaces continues to be monitored. There is data to suggest that the support offered as a priority, to keep residents warm in their own home is having a positive impact. Additional opportunities for communicating access to warm spaces with residents and targeting those more likely to need support will be ongoing.
- 3.20 Support with energy bills is not the only way in which this strategy has addressed fuel poverty. The work undertaken in community projects has been supported by aligning resources and providing funding, where needed, to develop improved pathways to support. As a result, residents can access support to maximise opportunities for improving energy efficiency by replacement of white goods or small appliances, making minor home improvements including flooring, curtains, and access to furniture.
- 3.21 Early in the implementation of the strategy, it became apparent many residents, including children, are experiencing 'bed poverty', with no proper bed to sleep in at night. To date there have been 1279 beds and bedding items distributed across the city. Of this total number, 895 children have been supported with the provision of a bed. This support includes bed frames and mattresses, cots and cribs for babies under two, and bedding items including duvets, blankets, and bed sheets.
- 3.22 We now know that less children need to co sleep with their parents because of not having individual beds to sleep in, more children now have adequate beds and bedding and less children are sleeping on mattresses on the floor, including those in temporary accommodation. Children who have outgrown their cots now have a suitable bed to sleep in, children with special educational needs or a disability (SEND) who require additional bedding now have this, and less adults and pensioners are sleeping in chairs, on mattresses without frames, or are without appropriate bedding.

- 3.23 The Financial Wellbeing Strategy proposed a graduated response to tackle the cost of living crisis. It sets out the ability to offer essential support when needed in crisis, to utilise opportunity to respond to local and national emerging need, and to ensure there is an offer and response at the earliest opportunity to prevent escalation and crisis.
- 3.24 The graduated response has supported the delivery of services to provide the right level of support at the time it is required. During the last 12 months, there has been an increase in demand on support that provides an **essential** or urgent response.
- 3.25 Residents first contact with the council, or a partner organisation is often when they are in crisis and need immediate help. This strategy has created an opportunity for this contact to be the starting point for receiving a wide range of tailored support designed to find longer term solutions.
- 3.26 The commitment to supporting residents in their local community has led to trusting and supportive relationships being formed between residents and a range of voluntary, charitable, and faith-based organisations that compliment and work alongside council services.
- 3.27 The strategy has enabled local organisations to make decisions based on need by understanding the circumstances of people living in their community and provide direct assistance to support with food, fuel, and wider household essentials.
- 3.28 In June 2022 the council introduced the option for residents to apply for direct assistance through the council website. Since then, 1,686 payments have been awarded for applications relating to household utilities and food to a total value of £224,400.
- 3.29 Benefits advice is a common need. Between January 2022 and December 2022, the benefits helpline received 2,139 enquiries, with the advice given leading to an estimated £488,028.44 potential benefit gain for residents in the city.
- 3.30 Care Leavers are one of the groups that have been adversely affected by the cost of living. Following the end to the Universal Credit uplift during Covid, the council, as corporate parents, have continued to support these young people. Regular monthly payments of £40 per month have been provided and additional support to assist with household essentials, totalling £175,000.
- 3.31 The commitment made by the council in March 2022 to pledge £1.1 million in financial support, enabled delivery of support and services to be accelerated with the additional funding received from the Department for Work and Pensions (DWP). In the last 12 months the council have successfully distributed £6.4 million pounds to support residents in the city with the increased cost of living.
- 3.32 In addition to funding multiple projects and services, individual awards have been made to households within the city. Awards are recorded as follows:

Total number of individual awards	171,313
Individual awards for households with children.	110,573
Individual awards for pensioner households	34,597
Individual awards for single people and families without children	26,143
Individual awards for assistance with food and energy	134,192
Individual awards for assistance with clothing, bedding, and household essentials.	31,222

- 3.33 **Early intervention** is being prioritised as the way to break the cycle of deprivation and poverty. Whilst it is recognised that the current needs of residents mean that crisis and emergency support is often required, ensuring that opportunities to identify ways to target and engage residents at the earliest opportunity has been key.
- 3.34 This approach has improved engagement with people who ordinarily would not ask for help, such as those who find themselves in new territory with managing the challenges of household costs, unemployment, debt, and the rising cost of living.
- 3.35 At least 60 % of funding available in the last 12 months, has been distributed across the partnership. Working in this way has resulted in a greater number of people being assisted locally, aided by excellent community knowledge and understanding of how residents are affected. In addition, communities are working together looking at what is working successfully to bring about change and preventing escalation into crisis.
- 3.36 Wolverhampton Homes (WH) are a key partner in the delivery of the strategy. Since the launch, they have worked with 1,800 tenants to provide support in maximising money and opportunities.
- 3.37 The availability of this support is having an impact on the rent accounts of tenants. In April 2021 5,017 cases were in arrears and in April 2022 5,361 cases were in arrears. This is a very small increase of 344 cases, given the current financial climate. The current data positively shows that around 97.5% of people with a WH tenancy have a clear rent account which is again very positive given the current climate. The assistance provided via the strategy suggests that tenants have been able to meet their essential costs.
- 3.38 Alongside work undertaken by WH Money Smart team, tenants have been able to identify savings, seek assistance when needed and make use of any disposable income to deposit against rent. This data also suggests that tenants are demonstrating increased financial responsibility and commitment their tenancies.
- 3.39 Local and community-based assistance has been a critical part of the success of the strategy thus far. Over 75 organisations are working in partnership with the council to deliver the strategy. This joined-up approach means multiple issues can be dealt with at the same time. If someone is struggling with fuel bills it is not simply about offering

financial support but looking at the root causes and linking together employment, skills, housing, and health.

- 3.40 Financial Wellbeing is also a local priority for Wolverhampton's UK Shared Prosperity Fund Communities and Place priority. Year 1 funding is supporting additional capacity to contribute to sustainability of provision of support including Community Shops and the cost of living hub (The Gateway).
- 3.41 There is close correlation between digital inclusion and financial wellbeing. Further work will be undertaken to look at how these two key priorities can be aligned including: public Wi-Fi in all warm spaces, expanding the network of trusted partners delivering Wolves Online, expanding the device and connectivity lending scheme, and promoting more affordable connectivity options such as social tariffs and the National Databank via the financial wellbeing partnership.
- 3.42 Residents needing support who have made an approach to the council, have been very well supported. Revised pathways and call options that are easy to navigate have ensured that residents can access the information they need for the priority areas including council tax, welfare rights, housing, access to household support fund and support with food and fuel. This will continue to be developed with the creation of a Families front door.
- 3.43 Since the launch, there have been opportunities to innovate and create solutions to **emerging** issues. These are priorities that have been identified through partnership working, consultation with residents, and from local and national policy changes. The emerging issues have influenced the activity underpinning the progression of the strategy thus far and will inform the priorities for the next 12 months.
- 3.44 In March 2023 the council, with its key stakeholders, will host a Food and Fuel Summit. The summit will reflect on the work that has been undertaken already and explore the opportunities to strengthen the offer to residents. The focus will be on creating sustainable services that promote financial wellbeing and resilience.
- 3.45 Additional tools and data are now available and provide financial data at household level. This helps to predict potential effects on a household's financial wellbeing and identifies those most at risk.
- 3.46 A key priority is to ensure that residents maximise the income they are entitled to through heightening awareness of eligibility and supporting claims. It is estimated that 34% of pensioners who are eligible to Pension Credit fail to claim. The estimated average loss is £37.00 per week / £1,924 per year per person. The under claimed benefits include attendance allowance, pension credit and universal credit.
- 3.47 31.6% of households in Wolverhampton are now receiving Universal Credit whilst an estimated 12.5% are still in receipt of 'legacy benefits'. The intention from Department of Work and Pensions (DWP) is to rollout a managed migration new benefits at some point

in 2023. There is a need to heighten public awareness, and offer targeted support and advice by local groups and organisations.

4.0 Evaluation of alternative options

4.1 This is a progress report so there are no alternative options.

5.0 Reasons for decision

5.1 The strategy will help support avoidance of escalation of need and identify support at the earliest opportunity. It will support partnership working as the key to delivery, working with our community, voluntary and faith partners to strengthen resilience within communities.

5.2 The wealth of local data and information to evidence the need for financial support cannot be underestimated. Through the collection of local data, we have established an understanding of the level and type of hardship experienced by households in the city. In the shorter-term residents of the city affected by financial hardship will continue to require urgent essential crisis support, but by adopting this strategy we can work in our local communities to support that immediate crisis need and prevent and reduce the level of future crisis support required. The implementation of the strategy will give an opportunity to move from reliance on essential crisis support to a position of increased financial resilience for residents.

6.0 Financial implications

6.1 In March 2022, Cabinet approved £1.1 million to support the delivery of the Financial Wellbeing Strategy.

6.2 In addition, Wolverhampton has been awarded several grants to support its response to the cost of living crisis over the last 12 months. These grants have been under the funding arrangements of the Household Support Fund - totalling £5.3 million. These grants are to be utilised to provide support with food and fuel poverty and wider household essentials to residents in the city.

6.3 Household Support Fund has helped to accelerate the work the council had committed to resource and hence extend this support to a wider cohort.

6.4 Funding from United Kingdom Shared Prosperity Fund (UKSPF) has provided additional funding to the value of £300,000 to support the delivery of the strategy. This has been approved as part of the delivery plan submitted to WMCA in January 2023.

[JG/07022023/R]

7.0 Legal implications

7.1 The progress detailed in the report is in accordance with the Financial Wellbeing Strategy which was approved by Cabinet in March 2022.

[TC11012023/A]

8.0 Equalities implications

- 8.1 Delivering the Financial Wellbeing Strategy for Wolverhampton has been a key enabler to mitigate inequalities caused by financial deprivation and poverty. When the strategy was approved in March 2022 it set out the long-term vision for the city working with partners to improve the lives of all those living in the city and is centred on tackling poverty and inequality.
- 8.2 The strategy has provided an opportunity to adopt a more personalised and empowering approach to engage with individuals and groups to ensure accessibility to services offered and removed barriers to accessing support and advice.
- 8.3 The key principles of the strategy have ensured the diverse needs of the residents of our city have been met, leaving no one behind. The strategy has:
- A: Provided of a range of support: working worked with people to identify needs early, understand where there has been emerging individual and community needs and responded with support targeted services that meet that need.
 - B: Maximised dignity, autonomy, and choice: minimised barriers and developed systems that promoted ease of access for all.
 - C: Raised activity through a diverse range of channels to reach the most vulnerable households: working with our local and regional partners including our community, voluntary and faith organisations.
 - D: Prioritised equality and diversity: leaving no one behind we have ensured that in the delivery of the strategy the diversity of our city is recognised and responded to, and ensured it is inclusive of all individuals within our diverse communities.
 - E: Captured evidence of what is necessary and effective: we have made use of a range of data to assist us in understanding our communities to support us in determining local need to ensure that support is adaptable.
 - F: Supported households on their journey from reliance to resilience.

9.0 All other implications

- 9.1 There are no other implications.

10.0 Schedule of background papers

- 10.1 [The Financial Wellbeing Strategy](#) Cabinet - 23 March 2022.

11.0 Appendices

- 11.1 Appendix 1: Financial Wellbeing Strategy 2022