

TELFORD & WREKIN COUNCIL

CABINET - 13th NOVEMBER 2014

LOCAL CRISIS and LOCAL RESETTLEMENT ASSISTANCE POLICY

REPORT OF ASSISTANT DIRECTOR: CUSTOMER SERVICES

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 To seek approval for the Council's revised policy for Emergency Welfare Assistance (currently known as Local Crisis Assistance and Local Resettlement Assistance) which is to be funded directly by the Council following the announcement that Government funding for the scheme will cease on 31st March 2015. The proposal is supported by the Co-operative and Communities Scrutiny Committee.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the change of name for the scheme to Emergency Welfare Assistance
- 2.2 That Cabinet approve the Emergency Welfare Assistance Policy (Appendix A).
- 2.2 That Cabinet allocate £138,000 to fund the administration and awards of assistance under this policy.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	No	
	Will the proposals impact on specific groups of people?	
	Yes	These proposals will affect all future residents who are likely to have need to apply for assistance from the Emergency Welfare Assistance fund.
		A Community Impact Assessment has been completed which contains more

	information about how we are meeting the general equality duty.
TARGET COMPLETION/DELIVERY DATE	The new scheme will be operative from 1 st April 2015, the point at which we anticipate that Government funding for the scheme will be withdrawn.
<p>FINANCIAL/VALUE FOR MONEY IMPACT: Yes</p> <p>The Government are withdrawing the Crisis Assistance Grant funding in 2015/16. The total grant for 2014/15 is £581k with £94k of this being for administration of the scheme. £100k has been identified within the current budget model to continue the scheme in 2015/16 in light of the grant cuts.</p> <p>As detailed in paragraph 7.3 above commitments of £138k have been identified against the scheme for 2015/16. The gap of £38k against the £100k allocation can be met from the £104k rolled forward from 2014/15. The scheme will need to be reviewed again in 2015/16 to consider cost implications for 2016/17.</p> <p>MLB 07.10.14</p>	
<p>LEGAL ISSUES: Yes</p> <p>From 1 April 2013 Department of Work and Pensions administered discretionary Social Care Fund Community Care Grants and Crisis Loans [under Section 138 Social Security Contributions and Benefits Act 1992] were abolished by Section 70 of the Welfare Reform Act 2012. Thereafter, discretionary Local Welfare Provision was to be provided by local authorities through reallocated funding from the Secretary of State [under Section 168(1) of the Social Security Administration Act 1992].</p> <p>The local arrangements are set out in the body of this report and the policy.</p> <p>Responsibilities under the Human Rights Act 1998 and the Equality Act 2010 continue.</p> <p>The announcement in January 2014 that there would be no further funding for Local Welfare Provision after 2014/15 was made without any formal announcement, consultation or consideration of the equality duty and before a proposed review of localised schemes had taken place.</p> <p>On 30 September 2014 a letter was sent to all Chief Executives by the DWP, Treasury and Department for Communities and Local Government. The letter was sent further to a judicial review [R (Christian Jump) v (1) Secretary of State for Work and Pensions and (2) Secretary of State for Communities and Local Government CO/1838/2014] and a Consent Order sealed on 16/09/14 in which the Government agreed to reconsider its decision to cease funding for Local Welfare Provision. The Order requires the DWP, DCLG and the Treasury to complete the ongoing review of local welfare provision; conduct an “appropriate” consultation; consider the impact on equality and discrimination; and make a new decision on funding for local welfare provision for 2015/16.</p>	

The above steps must be completed by the time of the Provisional Local Government Finance Settlement (i.e. December 2014).

KF
07.10.14

OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1. Background

4.1.1 As part of the Welfare Reform Act 2012 two parts of the discretionary Social Fund that were administered by the Department for Work and Pensions were abolished with effect from 1 April 2013 with the government instead providing each council with funding to develop their own local welfare provision.

4.1.2 In the Telford & Wrekin area, the Job Centre Plus awarded £585,000 in 2010/11 and £514,200 in 2011/12.

4.1.3 The reason that the scheme was abolished is that it was considered to be “not particularly successful”. It was a self nominating scheme; it was expensive and not reaching the target audience. Since 2005/06 expenditure has dramatically increased, although DWP had some limited success in trying to bring back expenditure to 2005/06 levels in the final year of the scheme.

4.1.4 In order to administer our local scheme the DWP provided Telford & Wrekin Council with annual programme funding of £486,724 for 2013/14 and 2014/15 and administration funding of £102,848 for 2013/14 £94,272 for 2014/15.

4.1.5 It was for each council to decide how they will allocate this new Local Welfare Provision funding. The funding is to allow councils to give flexible help to those in genuine need and it is the Government’s intention that the funding should be used for this purpose. There was no expectation for councils to replicate the DWP’s scheme in fact there was a desire not to do so for the reasons outlined above.

4.1.6 Telford & Wrekin Council’s Crisis Assistance and Resettlement Assistance Policy was approved by Cabinet on the 28th March 2013. The basic principals of Telford & Wrekin Councils scheme are that the assistance will be via the provision of goods or services. Neither cash payments nor payments into bank accounts will be made unless in very rare

circumstances where the Council is unable to procure the goods or service on behalf of the applicant. There will be no expectation for successful applicants to repay the cost of the award. Wherever possible, good quality second hand goods are provided rather than new goods.

- 4.1.7 People who require food are referred to Telford Crisis Network who operate the food bank scheme.
- 4.1.8 Responsibility for the administration of Local Crisis and Local Resettlement assistance was delegated to the Benefit Service Delivery Manager.
- 4.1.9 In January 2014, the Government advised Local Authorities that it would not be providing any funding for the provision of Local Welfare Provision after 2014/15. It would be for each Local Authority to determine whether it wished to continue to provide support from its own budgets. Despite lobbying on this matter from the LGA, to date there has been no formal reversal of this decision but an acceptance to review by December 2014 following the threat of a judicial review.

4.2 Review of the existing scheme

- 4.2.1 The number of applications for assistance under the Policy has been significantly less than we initially forecast, and considerably lower than the demand experienced previously by the Job Centre Plus.

	2013/14	1 st April 2014 – 30 th September 2014	2014/15 forecast Higher expenditure predicted in 2 nd half of the year due to colder weather
Number of applications received for assistance	1,274	603	1,508
Number of applications where an award was fully or partially granted	1,005	429	1,073
Total value of assistance awarded	£83,155	£29,653	£74,133

- 4.2.2 The forecasted financial value of the direct assistance granted will be 16.16% of the programme funding that has been provided by the DWP over the first two years of the scheme. This has enabled us to use the additional funding to provide grants to partner organisations such as CAB and Telford Crisis Network to develop alternative support and assistance schemes targeted at helping the most financially disadvantaged residents in the Borough.

- 4.2.3 The key reasons why residents receive Crisis Assistance in the Borough are:

- Poor budgeting skills

- Prioritising of non essential expenditure over items like utilities
- Debt (including payday and doorstep lenders)
- High cost contracted services, such as SKY or mobile phones
- Homeless and moving into Temporary Accommodation
- Suspension of benefits while a change in circumstances is reassessed
- Delay in payment of benefit while moving from one to another
- Homeless and moving into temporary accommodation
- Benefit sanctions applied by the Job Centre Plus

4.2.4 The main reasons why assistance was refused are:

- Applicant has sufficient income to be able to manage
- Reason for needing assistance falls outside our policy, (e.g. someone choosing to leave a stable home environment without good cause and asking for help in furnishing the property)
- Assistance being requested is not considered essential, (e.g. single person asking for a washing machine)

4.2.5 The main types of assistance and support provided are:

- Voucher for pre-paid electric meter
- Voucher for pre-paid gas meter
- Beds
- Bedding (duvet, pillow, cover, sheet)
- Fridge
- Cooker
- Washing Machine

4.2.6 When considering an application for assistance, the Discretionary Awards Team will undertake a detailed analysis of the customer's circumstances. This includes looking at data and information that we already hold about the customer, speaking to other service areas or support workers who may already be assisting or supporting the applicant with other issues, and a detailed interview with the customer either face to face or by telephone. This enables the team to look at all of the issues that have given rise to the crisis and discuss a range of support options that may be of benefit, in addition to the crisis assistance. This ensures that where possible, the customer is advised of longer-term solutions that may prevent them from being in a similar situation again in the future.

4.2.7 The scheme that was operated by the Job Centre Plus was based upon applicants receiving loans or grants by way of a cash payment. This in itself was a factor that made the scheme attractive for exploitation and abuse. Our scheme was designed to be a cashless system, where rather than monetary awards, customers would receive the specific goods or services that they required to enable them to deal with the crisis. To date

we have made no cash awards to any applicant which we believe is a large factor in the success of the scheme in reducing the amount of demand.

- 4.2.8 Where applicants have a requirement for emergency gas or electricity top-ups, this is provided by way of a time-limited electronic voucher which the customer can credit specifically against their utility account.
- 4.2.9 Where the applicant requires white goods or furniture, they are procured through a network of 5 local suppliers of used or reconditioned goods with whom we contract for the supply, delivery and installation. This has meant that we have had to purchase very few brand new items of furniture and white goods which have again reduced the costs of the scheme considerably
- 4.2.10 We have worked with Children's Services and the Housing and Cohesion Team to provide items to some of the most vulnerable residents of our Borough to whom they provide support. This includes purchasing items / services that would previously have been funded from Section 17 of the Children Act 1989. We have also provided the Housing Team with kitchen, bedding and toiletry packs for homeless people housed within the Council's temporary accommodation.
- 4.2.11 The scheme has undoubtedly provided local residents with an invaluable safety net that ensures that there is a provision to meet their essential needs in the event of a personal or financial crisis
- 4.2.12 The introduction of crisis assistance coincided with the commencement of the majority of the government's main welfare reforms. Although we are seeing signs that the economy is improving and unemployment is reducing, there is the likelihood that welfare benefits will continue to be reduced over coming years. Therefore demand for crisis assistance is likely to continue for some years to come.

4.3 Recommended changes to the scheme from 1st April 2015

- 4.3.1 In the light of the experience we have gained in operating the scheme we have taken the opportunity to review and refresh the Local Crisis Assistance and Resettlement Assistance Policy. The core principals of policy remain unchanged, but the document itself has been simplified. It also re-emphasises the primary principal that the crisis must pose a genuine risk to the life, health or wellbeing of the applicant or their family, and must have arisen through circumstances beyond their control or were unforeseeable.
- 4.3.2 We are also recommending that the name of the scheme be changed from "Local Crisis and Resettlement Assistance" to "Emergency Welfare Assistance". This change of name is to avoid confusion with the Telford Crisis Network who operates the food bank scheme. This does currently cause a great deal of confusion for customers and advisers who often are unsure who operates which scheme and what each scheme does.

4.4 Funding the scheme for 2015/16

4.4.1 We are forecasting that there will be £104k unspent in 2014/15 funding from the Local Welfare Provision grant provided by the DWP. We are recommending that this sum be rolled forward to fund the scheme for 2015/16

4.4.2 An additional £100k has already been modelled in the 2015/16 budget to fund the scheme should no government funding be provided, we recommended that a portion of this funding should be used to top up the under spent funding to meet the forecasted costs of operating the scheme next year.

4.4.3 As the demand for Crisis Assistance has been less than anticipated when we introduced the scheme, we have already made a reduction in the amount of resource required to operate the scheme. For 2015/16 we therefore forecast that the required funding to operate the scheme will be:

	Cost per year
Overheads to administer the scheme (eg staffing)	£52,610
Gas and Electricity Voucher System	£2,800
Online Application and Administration System	£8,250
Forecasted cost of value of the awards	£74,340
TOTAL	£138,000

4.4.4 We are therefore recommending that £138,000 be budgeted to continue the operation of the scheme in 2015/16.

4.4.5 This would not include funding to support CAB or the Foodbank which has been supported via this funding for the last 2 years and which will instead need to be funded from other Council funds to meet our commitment to continue with their grants through to April 2016.

4.4.6 However, it must be noted that during the operation of the scheme so far we have not experienced a particularly cold winter. Winter 2013/14 was much milder than the 2 preceding winters and therefore it is reasonable to assume that this would have reduced the level of demand for assistance that we might usually expect. The forecasted scheme costs do include an increased allowance for the winter months, but having never operated the scheme during a truly cold winter it is difficult to predict precisely what additional demand this may cause.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

5.1 A Community Impact Assessment of the scheme has been undertaken. This policy does not have a negative effect on any group and has been developed to help support those people in the Borough who are most deprived.

- 5.2 The Co-operative and Communities Scrutiny Committee were involved in the early development of the current arrangements for Local Crisis Assistance and Local Resettlement Assistance Policy. The Committee commend the officers who have implemented this policy successfully ensuring that those in personal or financial crisis receive the assistance to which they are entitled while at the same time ensuring value for money for the Council.
- 5.3 The Committee recognise that the decision to end the funding for the Local Welfare Provision has been taken at a national level and support the continued provision of Emergency Welfare Assistance in line with the policy set out in Appendix A. The Committee also support the change in name for the scheme as the current terms are confusing.
- 5.4 The Committee hope that every alternative funding opportunity will be explored to support the continued work of the Foodbank and CAB and request that Members are kept informed of the outcome of the Government's review and any judicial review.

6. **PREVIOUS MINUTES**

Minute CB-118 of the Cabinet meeting of 28th March 2013 (Local Crisis and Local Resettlement Assistance Policy)

7. **BACKGROUND PAPERS**

None

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