

**Report of Assistant Chief Executive (Citizens and Communities)**

**Report to Executive Board**

**Date: 17 December 2014**

**Subject: Local Welfare Support Scheme (LWSS) 2015/16**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Government abolished Crisis Loans and Community Care Grants in April 2013 and passed funding to local councils with the expectation that councils would set up local welfare support schemes. The Government announced funding levels for 2013/14 and 2014/15. Funding was not ring-fenced.
2. Leeds' local welfare support scheme was approved by Executive Board in February 2013 and saw scheme funding split between provision of emergency support and support for initiatives aimed at reducing future demand on the scheme. The scheme has developed over time as the impacts of welfare reform have become clearer.
3. There was full scheme spend during 2013/14 of £2.8m and the forecast spend for 2014/15 is around £2.5m.
4. In its Autumn Statement in December 2013, the Government made no provision for any local welfare scheme funding with effect from April 2015. In light of this decision to remove scheme funding from 2015/16, work has been carried out to develop scheme options for 2015/16.
5. An application was made for a judicial review of the Government's decision to remove funding and, as a result, the Government agreed to review local welfare provision funding for 2015/16, consult on funding options and announce the outcome in time for the Local Government Settlement in December 2014. The consultation set out 3

options, none of which provided any additional funding, and asked for any further options to be submitted. A copy of the submission is attached at appendix 1. The proposals contained within this report are on the assumption that no government funding will be available for 2015/16

## Recommendations:

- 1 That the Executive Board approve the development of a scheme based on the outline scheme proposals for emergency provision for 2015/16, as set out in this report, subject to approval of funding.
- 2 Note that the Chief Officer (Welfare and Benefits) will be responsible for implementing an approved scheme

## 1. Purpose of this report

- 1.1 This report sets out proposals for a Local Welfare Support Scheme from April 2015 and sets out how the scheme can continue to support the Citizens@Leeds approach to tackling poverty and deprivation.

## 2 Background information

- 2.2 The Government's decision not to provide funding for local schemes comes at a time when residents and councils are feeling the impacts of the austerity measures. Welfare reforms and a more stringent approach to the applications of sanctions, alongside significant delays in administering ESA and PIP claims, has seen many residents struggling to meet rent, council tax, food and heating costs and more dependent on emergency support.

- 2.3 The table below shows the spend in 2013/14 and the projected spend in 2014/15

Area of spend	13/14 £000	-	14/15 - £000	Comments
Direct support				
- Food/ Fuel	260		220	
- White/ brown goods	850		730	
- Flooring	270		270	
- Removals	15		30	
Initiative funding	500		350	Mainly supporting LCCU, high cost lending campaign and additional Advice activity
S17 funding	500		500	
DHP MSF	250			Carried forward into 14/15
DHP contingency	-		150	Provided as contingency against increased demand
Ctax Hardship scheme	250			Carried forward into 14/15
Poverty agenda			325	Contributes towards staffing costs
Total	2,890		2,575	

- 2.4 In the absence of any Government funding, there is a working assumption that the Council will provide £800k for a local welfare support scheme for 2015/16 and that a projected underspend of £300k can be carried forward to provide around £1.1m

funding for a scheme in 2015/16. The expectation is that this funding is used to provide direct emergency support to residents.

### **3 2015/16 scheme proposals**

3.1 The current scheme focuses on vulnerable residents and families. It is proposed that the policy will continue to support these groups of people and the qualifying criteria will remain unchanged.

3.5 The main aims of the scheme are:

- To support homelessness prevention. The scheme needs to work closely with Housing Options and needs to be focused on supporting residents into more permanent accommodation, particularly where there are temporary accommodation costs for the council;
- To support families with young children, to cope with emergency situations where no other help is possible in the short term. This would be help with white goods, brown goods and fuel and food.
- To support people with mental health issues at risk of harm or homelessness. The scheme would support referrals made by Adults Social Service's Mental Health services

3.6 2014/15 saw the local welfare support scheme fund the setup of a food distribution network within the city with FareShare Yorkshire. This arrangement helps to ensure a sustained supply of food to the city-wide foodbanks. As part of this partnering arrangement it is proposed that FareShare Yorkshire will work with the council to provide food parcels to people in crisis requiring food. This arrangement would largely replace the direct food awards we currently make and on which we spend around £250k a year. We will continue to make alternative arrangements through the use of store cards where FareShare is not an option because of issues such as timing or dietary requirements.

3.5 There are some ongoing costs involved in working with FareShare Yorkshire but this approach is expected to achieve a net saving in excess of £100k

3.6 2013/14 saw the early trial of furniture re-use with the Leeds Re-Use Consortia headed by Leeds Emmaus. This has been expanded in 2014/15 to include both furniture and second hand re-useable electrical items. Whilst demand exceeds supply at the moment, the costs are significantly less. An example below being of some recent purchases in 2014:

Item	No. ordered	Cost of reuse	Cost of new	Savings using reuse
Fridge	6	£415.00	£720.00	£305.00
Fridge freezer	5	£430.00	£1150.00	£720.00
Washing machine	13	£1575.00	£2,860.00	£1285.00
Dryer	2	£110.00	£460.00	£350.00
Beds / Seating	40	£3520.00	£7,000	£3500.00
Totals	66	£6,050	£12,190	£6,160

- 3.7 Initial forecasting suggests that sustained use of re-used furniture & electrical items throughout next year will see a reduction in cost of £100k. Again, we need to work with Leeds Emmaus and the Re-use consortia to grow the capacity in this sector to meet demand so there may be some cost to the council.
- 3.8 The scheme currently allows a maximum award value of £750 for families and £500 for single people for furniture/items. This can currently provide people with up to 3 items either electrical or brown goods. It is proposed to initially reduce these maximum levels to £300 for single people and £500 for families thus reducing the numbers of items available to people by approximately one. This potentially would achieve an annual saving of £180k. It is proposed to undertake a review in the second quarter of 2015 to establish the level of demand on the scheme and determine whether the maximum award values need to be amended
- 3.9 Direct award budget funding of £1.4M is forecast in 14/15. The proposed reduction in spend, if achieved, would see the scheme operate within a £1.1m budget and enable similar numbers of citizens to receive direct support.
- 3.10 The proposed scheme would be put under pressure if there was an increase in demand. There is a risk, for instance, that the planned national roll-out of Universal Credit during 2015/16 could increase demand due to the requirement for new claimants to wait for 5 or 6 weeks for their first payments.
- 3.11 The proposed 15/16 scheme focuses on direct provision only and contains no provision for initiatives aimed at addressing some of the causes of poverty and need. Nor is there any provision for additional contribution for Discretionary Housing Payments. This is likely to create pressure on the Discretionary Housing Payment scheme. A review of the current DHP policy will be undertaken once the Government has announced its funding proposals for Discretionary Housing Payments in 15/16 – the review will take account of Government funding and the loss of a contribution from the Local Welfare Support Scheme.
- 3.12 If the Government agree to allocate funding to Local Authorities for LWSS's in 2015/16 as part of it's December funding statement it is proposed that the following will apply:
- 3.13 In the event that the Government agrees to provide additional funding for local welfare schemes, then it is intended to use that funding to replace council funding

in the first instance. Any funding over and above the assumed funding level for the council for 15/16 would enable the council to continue to support initiatives to some degree. It is proposed that the Assistant Chief Executive (Citizens and Communities) use his delegated authority to agree, in consultation with the Executive Member, funding priorities.

#### **4 Administrative arrangements**

4.1 There is work underway to look at how best to configure service delivery by integrating Welfare & Benefits and Contact Centre activity. This work needs to understand the funding pressures and likely scheme changes and develop operational arrangements that reflect these.

#### **5 Corporate Considerations**

##### **5.1 Consultation and Engagement**

5.1.1 Changes to the scheme have been developed in consultation with frontline services and advice agencies, taking into account concerns around ensuring the most vulnerable people continue to receive support by ensuring an adequate referral mechanism is put in place to provide help from other means if the LWSS cannot provide the same level of support as previous years.

##### **5.1.2 Equality and Diversity / Cohesion and Integration**

An Equality and Diversity Impact Assessment has already been carried out for the scheme. This was published in March 2013 and is attached at appendix 2.

##### **5.2 Council policies and City Priorities**

- The Local Welfare Support Scheme contributes towards the delivery of Council policies within the Children and Young People's plan, The Health & Wellbeing Plan and the Safer & Stronger Communities plan. It also contributes to the best council plan objective on supporting communities and tackling poverty and its priority of helping people out of hardship and into work by providing accessible and integrated services.

##### **5.3 Resources and value for money**

5.3.1 The scheme costs will be contained within the settlement provided from mainstream funding by the council and by any additional funding resulting from scheme underspend in 2014/15.

5.3.2 It is not expected that there will be any administration costs contribution from DWP from 2015/16. There is work underway to look at how best to configure service delivery by integrating Welfare & Benefits and Contact Centre activity. This work will take into account the funding pressures and likely scheme changes and develop operational arrangements that reflect these.

##### **5.4 Legal Implications, Access to Information and Call In**

- 5.4.1 Previous DWP funding was not ring-fenced and the Council was under no legal obligation to provide a scheme of local welfare assistance. The scheme adopted recognised that, following the abolition of the Social Fund and based on demand on the local welfare support scheme, there was a need to provide a support scheme to help meet emergency situations.

## 5.5 Risk Management

- 5.5.1 As the proposed scheme is already established and operates well, the main risk relates to demand against the scheme. If demand increases there is the option to review the scheme in order to keep scheme spend within the funding provided by the council.

## 6 Conclusions

- 6.1 The Local Welfare Support Scheme has been successful in responding to the immediate need for household goods and emergency provision following on from the abolition of Community Care Grants and Crisis Loans for Living Expenses. Initiatives have also been undertaken aimed at tackling high cost lenders and supporting more targeted advice and promoting Leeds City Credit Union.
- 6.2 As funding is reduced for 2015/16 a major overhaul of the scheme is required and this is outlined in this reports scheme proposals. By approving these proposals it will allow a continued scheme which builds on an established delivery model.
- 6.3 A final decision from Government regarding a review of funding for 2015/16 is expected in December 2014. This will have implications as to an improved type of scheme we will be able to provide. However, the scheme proposals in this report are based on there being no Government funding for 2015/16.

## 7 Recommendations

That the Executive Board approve the development of a scheme based on the outline scheme proposals for emergency provision for 2015/16, as set out in this report, subject to approval of funding.

Note that the Chief Officer (Welfare and Benefits) will be responsible for implementing an approved scheme

## 8 Background documents<sup>1</sup>

- 8.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.