

CABINET

10th February 2015

LOCAL WELFARE CRISIS PROVISION FROM 2015/16

Report of the Director of Resources

STRATEGIC AIM:	ALL		
KEY DECISION	NO	DATE ITEM FIRST APPEARED ON FORWARD PLAN	November 2014

1. PURPOSE OF THE REPORT

- 1.1 To present Cabinet with a review of the current local welfare crisis scheme and to consider the options for the scheme for 2015/16 onwards with regard to the latest information available.

2. RECOMMENDATIONS

- 2.1 That the **CABINET** approves the changes to the existing policy to take effect immediately. The policy is detailed at Appendix A.
- 2.2 That the **CABINET** agrees to fund the local welfare crisis provision, as central government funding will cease, from the welfare earmarked reserve.
- 2.3 That the **CABINET** gives authority to the Assistant Director (Finance) in consultation with the Portfolio Holder for Finance to review the local welfare crisis scheme policy in the event it requires minor changes to be made as a result of best practice, guidance or legislation.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 To ensure that the Council has a local welfare crisis scheme for 2015/16 financial year onwards and that the policy is robust and delivers financial support to those residents whom are most in need.
- 3.2 To allocate an amount of funding to the local welfare crisis scheme that is reasonable having regard to the latest information available on levels of expenditure for 2013/14 and quarter 2 of 2014/15.

- 3.3 Delegated authority is sought so as to ensure that the Council can make minor revisions to the local welfare crisis scheme policy promptly to reflect changes in any guidance, legislation, judicial reviews.

4. BACKGROUND AND REVIEW OF DATA

- 4.1 The Government abolished the Department for Works and Pensions (DWP) administered Crisis Loans and Community Care Grants from 1 April 2013 and all Councils with County Council functions were given funding to develop a local scheme. The Council approved the current scheme on 26th February 2013 (Report 56/2013).
- 4.2 A detailed review of the current scheme has been undertaken using data available for 2013/14 and 2014/15 (up to quarter 2) and intelligence gathered from other sources. The review is detailed in Appendix B and contains the following information:
- Facts and figures analysed from local welfare crisis applications and awards;
 - Feedback from Rutland Citizens Advice bureau (CAB);
 - Intelligence gathered nationally;
 - An operational overview;
 - Case studies;
 - Conclusions.
- 4.3 The review of the current scheme has established that the scheme is working but there are some weaknesses in the policy that require amendment to ensure the scheme is clear, fair, robust and affordable.
- 4.4 Central government are unlikely to fund the scheme from 2015/16 onwards, however the Government is consulting on funding options based on the consultation document received. Unfortunately none of these options will give the Council additional funding. At Quarter 2 the welfare earmarked reserve was £38,772, in addition to this there is a forecast underspend of Local Council Tax discretionary fund of £75,000 plus any underspend of the welfare crisis fund for the current year forecast to be £8,000.

5. POLICY REVIEW

- 5.1 The current scheme has been operational for 18 months. During this time a number of weaknesses have been identified in the current policy and officers have taken the opportunity to review the policy using the analysis of the data sets and the operational overview. These are detailed at point 10.5 (Appendix B).
- 5.2 In light of the conclusions the following proposed key changes have been made to the policy:

Item number in the policy	Reason for the proposed change	Impact
4.4 15.4 15.5	<p>Limit repeat claims</p> <p>Several individuals are submitting repeat claims for the same set of circumstances without seeking advice to remedy their situation.</p>	<p>Officers will be able to insist that individuals seek advice and support to improve their situation and address underlying problems i.e. poor budgeting skills.</p>
6.1	<p>Limit value of awards to £40.00 per award for 'day' to day crisis</p> <p>Numerous applications are submitted requesting large sums of cash or no amount is specified, making administration difficult; officers have to try to ascertain what a reasonable sum would be. There is currently no limit in the policy. The average award in 2013/14 was around £42.00. The limit would apply to cash and vouchers for the purchase of food, toiletries, fuel for cooking and heating.</p>	<p>Provides clarity to applicants, CAB and officers about the maximum amount that can be awarded. Foodbank vouchers can be given alongside any award, along with supermarket vouchers, which would also be limited.</p>
6.5	<p>Transport costs not eligible for non-essential travel</p> <p>Several high value claims have been submitted for fuel for vehicles or travel costs transport to attend family events i.e. funerals, court attendance.</p>	<p>In most cases the reason for needing to travel did not pose a serious risk to the health or wellbeing of the individual and as such is not a crisis. The fund would continue to support individuals who need help to travel to an interview.</p>
6.6 19.1	<p>Formalise pay back of award</p>	

Item number in the policy	Reason for the proposed change	Impact
	Several applications have been received from individuals due to a delay in receiving their main benefit income from DWP, once in payment the individual receives a back-dated award from the date of their claim.	Provides clarity to applicants, CAB and officers. Ensures that individuals receive an income whilst waiting for DWP benefits to be processed and paid.
7.2	<p>Rutland residents only</p> <p>A small number of applications have been received from people who are not registered to pay Council Tax at the property that they claim to live at or the liable resident is claiming a single person discount.</p>	Ensures that only individuals whom reside in the area are able to receive support and reduces the number of fraudulent claims.
7.3 7.5 7.6 7.7 11.2 11.4 12.3 13.1	<p>Improve the application process</p> <p>Parish and town councils did not engage with the scheme so reference to their involvement has been removed. A number of forms are received that are not fully completed making administration problematic, most individuals do not provide any evidence when making their application. The form is to be completed fully and supporting evidence provided at time of application making administration and decision making easier.</p>	Provides clarity to applicants, CAB and officers. Ensures that all information required is provided to facilitate prompt processing.
9.1 9.2	Take capital and other savings into account	

Item number in the policy	Reason for the proposed change	Impact
	Some individuals have access to funds but are reluctant to use them.	Ensures that the individuals use their own money before requesting any from the Council.
10.1 10.2 10.3	<p>Provide sufficient time to enable consideration of the application</p> <p>Some individuals submit an application late in the day, making verification of the claim difficult,. In some cases 2 hours is an insufficient amount of time to make a decision i.e. contacting DWP for information.</p>	Provides clarity to applicants, CAB and officers. Provides Officers sufficient time for research and verification prior to making an award.
12.2	<p>Administration change</p> <p>Officers now use Civica data base to record and make decisions.</p>	Operational impact only
14.1	<p>Provide clarity on crisis criteria</p> <p>Some individuals request items that do not meet the criteria of being a serious risk to their health and safety, but are more likely to fit into the category of 'nice to have'.</p>	Provides clarity to applicants, CAB and officers. Ensures that the available funds are used for genuine crisis situations.
18.2 18.3	<p>Remove dependency on crisis awards</p> <p>A small number of individuals are becoming dependant on crisis support awards rather than complying with DWP requirements to actively seek work or comply with our request to seek advice, this can undermine the stability of their main</p>	Provides clarity to applicants, CAB and officers. Ensures that the available funds are used for genuine crisis situations and ensures that individuals do not become financially dependent on the council.

Item number in the policy	Reason for the proposed change	Impact
	source of income. Officers will take into account any sanctions imposed by the DWP and the reasons for the sanction.	

5.3 The proposed changes provide the Council with a robust scheme to assist with the administration of applications, having considered the difficulties with the current scheme.

5.4 Officers may signpost to other funds if an award is refused, other sources of support are available locally as follows:

- Travel warrants issued by CAB;
- Section 17, Children Act 1989 being funding for children in need;
- Rent Deposit scheme administered by Housing options;
- Discretionary Housing Payments;
- Discretionary Local Council Tax Support.

These are detailed more fully in Appendix B at 11.1

6. DELIVERY OF THE SCHEME

6.1 The Scheme is delivered by the Council with CAB assisting some applicants with completion of the application form.

6.2 To date the Council has spent £4,052 on white goods and furniture in 2014/15. Officers have developed a good relationship with a second hand retailer and the Melton Furniture Project .Once notified of some basic information, the supplier takes over the supply, delivery and installation and contacts the applicant directly regarding the dimensions of the item required and arranges delivery. The administration process is as efficient as possible but the cost per item is more than sourcing items from cheaper sources i.e. EBay. Presently no change is proposed due to the low level of expenditure incurred.

6.3 Recent costs of items purchase are as follow:

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| • New double bed delivered | £124.00 |
| • Supply and connect washing machine | £150.00 |
| • Supply and deliver fridge/freezer | £159.00 |
| • Supply and deliver small fridge | £ 80.00 |
| • Supply and connect electric cooker | £160.00 |

Officers have undertaken research of the cost of second hand goods available online at retailers such as ebay, typically costs are:

- New double bed- collection only £79.00
- Washing machine –collection from Leicester £79.00
- Fridge/freezer – collection only £50.00
- Small fridge- collection only £30.00
- Electric cooker – collection only £80.00

For an officer to undertake purchasing items on ebay and arranging to collection, delivery and installation would be an additional burden, however if the Council can identify a local agent or volunteer to undertake this work on our behalf it might be possible to refer applicants to this service.

- 6.4 In the previous financial year 2013/14 the Council participated in a fuel efficiency scheme which enabled officers to award vouchers for fuel for heating and cooking and to refer to change agents to facilitate a home survey to try to reduce ongoing fuel costs for benefit claimants, this scheme ran for a set period of time. If a new scheme is developed officers will ensure that the scheme is utilised and referrals made.
- 6.5 Central government has not prescribed a requirement to maintain local welfare crisis provision beyond 2015/16 therefore members may choose to close the current provision. Failure to maintain a local provision may result in a risk to an individual's health and safety if they are unable to obtain food, toiletries and other essential items. There may also be a risk to vulnerable adults who are unable to move to a new home due to lack of household goods i.e. fleeing domestic abuse.

7. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Medium	The scheme is already operational; making changes to the policy will ensure that the scheme is clear, fair and robust and should reduce operational impacts.
Viability	Medium	The scheme is already operational and being delivered, changes to the policy will ensure the scheme is fair and robust moving forward.
Finance	Medium	Funding has been withdrawn but can be funded from the underspend on the discretionary fund for 2013/14 and welfare reform reserve in the short term.
Profile	High	The agenda for welfare reform continues to attract national media attention and scrutiny from the third sector.
Equality and Diversity	Medium	An Equality Impact Assessment was completed for the current scheme. A further assessment will be undertaken to ensure the scheme is compliant. Equality monitoring data is requested for each application to facilitate ongoing monitoring.

Background Papers
Report 56/2013

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available upon request – Contact 01572 722577.