
Resources & Transformation Scrutiny Committee – 19th January 2016

Report of the Strategic Director Resources and Transformation

Local Welfare Assistance Scheme

Purpose

1. This report has been prepared in response to the request for more information made at the 17th November 2015 Scrutiny Committee and is to advise the Committee of the options for the future provision of Local Welfare Assistance (LWA) in Dudley. Alternative options are necessary to accommodate proposed changes to funding for the LWA scheme from 2016/17 onwards.
2. The report also provides the Committee with a further opportunity to provide their views as part of the budget consultation process.

Budget Proposals

3. Proposals for a LWA budget reduction were detailed in the Medium Term Financial Strategy report presented to Cabinet on 28th October 2015 and further referred to in the Transforming the Future report presented to Cabinet on 3rd December 2015. It is proposed to reduce the budget for the LWA scheme in 2016/17 to £100K, with a further reduction to zero planned from 2017/18 onwards.

Alternative Options

4. The current scheme assists residents Dudley who are without sufficient resources to meet an *urgent need* that poses an *immediate and substantial* risk to their health and safety or that of their dependants. The scheme can provide two forms of awards:

Crisis Awards - providing short term access to essential items, e.g. food, heating, lighting, clothing, essential baby items, and/or white goods and furniture.

Community Care Awards - helping people remain in the community or move back into the community by providing a range of standard household items e.g. beds, bedding, furniture, carpets, white goods, removal costs (in certain circumstances).
5. There is no statutory requirement for local authorities to provide a LWA scheme. The Transforming the Future report mentioned above highlights that given the Council's budget position, discretionary services should be reviewed, looking at the potential to make them self-financing and to identify

and review ways of providing the service in a different way. With this in mind the following options could be considered.

6. Continue as now for 2016/17 only – assuming the proposed reduction in funding is made, the LWA scheme could continue in an amended form for 12 months only with a reduced budget of £100k.
7. Close the scheme – a number of authorities nationally have chosen this option and no longer provide LWA. Birmingham are proposing to end their scheme.
8. Provide assistance in a different way via a repayable loan scheme. There is a view that LWA provision may be better delivered by the local third sector and locally, Wolverhampton City Council transferred their LWA service to the local Citizens Advice Bureau and Credit Union in 2014. Assistance in Wolverhampton is now provided to those who qualify in the form of a repayable loan. Loans range from £100 for emergencies up to £400 for the provision of household items. The loans are offered with a low fixed interest rate and are repayable within 104 weeks. Where appropriate, repayments are arranged direct from ongoing benefit payments.
9. A meeting is to be arranged in January with Dudley CAB and Credit Union to discuss loan scheme provision. The outcome of the meeting will be reported verbally at the Scrutiny Committee meeting.

Finance

10. The discretionary aspects of the national Social Fund scheme, previously administered by the Department for Work and Pensions, were transferred to local authorities in 2013 accompanied by non-ring-fenced award funding for 2013/14 and 2014/15.
11. In December 2014 the Government announced that in 2015/16 and beyond there would be no specific local welfare assistance funding. In early 2015 additional funding was awarded to councils for social care, including LWA, and £200k of this funding was allocated to fund our LWA scheme in 2015/16.
12. Proposals to review the provision of our LWA scheme are contained in the Medium Term Financial Strategy report included on the agenda for this Scrutiny Committee meeting. If approved following the consultation process, a £100k reduction in the LWA budget will be made in 2016/17, with the full £200k budget being saved in 2017/18.

Law

13. There is no statutory duty to provide LWA. It should be noted that the Central Government Work and Pensions Committee has launched an inquiry into the “local welfare safety net”, including locally run LWA schemes “in order to establish the extent to which local discretion and variations in provision represent “localism in action”.

Equality Impact

14. An equality impact assessment was completed when the LWA scheme was introduced. Equality implications will be considered as we review the provision of the scheme for 2016/17 onwards.

Human Resources

15. At the outset of the scheme in 2013, the LWA team consisted of 5 staff with management of the service being undertaken by a Dudley Council Plus manager on a "part time basis" for approximately 20% of the working week. The service now operates with 3 staff which, amongst other things, reflects a reduction in customer demand for the service.

Recommendations

16. Members of the Committee are asked to note the contents of this report and the proposal to review provision of the scheme from 2016/17 onwards and are invited to give their views on this as part of the budget consultation process.



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Background papers: LWA report to Resources & Transformation Scrutiny Committee on 17th November 2015