

## Resources and Transformation Scrutiny Committee - 17<sup>th</sup> November 2015

### Report of the Strategic Director Resources and Transformation

#### Local Welfare Assistance Scheme

##### Purpose

1. This report has been written in response to the request for more information made at the 18th June Scrutiny Committee and is intended to advise the Committee of the criteria, performance and demand for assistance under Dudley's Local Welfare Assistance (LWA) scheme.

The report provides the Committee with an opportunity to provide their views as part of the budget consultation process on the proposal to review provision of the LWA scheme from 2016/17 onwards.

##### Scheme Criteria

2. The LWA scheme assists qualifying residents of 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. As such, it is different from the housing benefit and council tax reduction schemes which are aimed at providing low income households with financial support to pay their rent and council tax.
3. The scheme can provide two forms of awards:
  - **Crisis Awards** - these awards provide short term access to essential items, e.g. food, heating, lighting, clothing, essential baby items, and/or white goods and furniture.
  - **Community Care Awards** - these aim to help 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).
4. Alternative assistance, either statutory or discretionary from other sources e.g. Department of Work and Pensions budgeting loans, hardship payments and short term benefit advances should be considered before an LWA award is made. Where appropriate, applicants will be signposted to these alternative sources of assistance.
5. Household resources are examined before an award is made and where appropriate part awards may be made in recognition of some elements of the claim.

6. The scheme is considered to be the last resort to ensure available funds are targeted at those who have no alternative sources of help.
7. Awards are limited to 2 per year. Exemptions to this may be applied where exceptional circumstances exist and where an urgent need would pose a substantial risk to health and safety if not addressed.
8. No cash awards are made. Food awards are made using food bank vouchers and/or supermarket vouchers; fuel awards are made using Paypoint vouchers. The awards cover approximately 3 days supply of food and/or fuel. White goods are provided directly by one of two suppliers, furniture is provided by a number of third sector partners. Clothing and smaller household items are provided using supermarket vouchers or third sector partners. For carpets, three quotes need to be obtained; with nearly all awards being fulfilled by local companies.
9. The scheme also considers applications for assistance with removal costs, where the customer is moving in order to reduce unaffordable housing costs.

### **Performance and Demand for Assistance**

10. The scheme can be accessed by free-phone and on-line. Scheme details and the on-line form can be found on the council's website. Local agencies, e.g. CAB, hostels, women's refuges, support workers, etc., are aware of our scheme and refer and support customers to make claims, working closely with us whenever required.
11. We have an excellent working relationship with the local third sector, with the Black Country Foodbank often stating that they consider our scheme to be the best administered locally.
12. Over 80% of telephone calls to the LWA team are answered, within 30 seconds.
13. The vast majority of this scheme's crisis awards for food and fuel are processed and fulfilled on the same day of application, thus resolving the crisis quickly.
14. Decisions regarding the vast majority of community care awards are made within 5 days of receipt of the necessary information.
15. Shaping and promoting the scheme has been hampered by uncertain and changing funding levels and sources since late 2014.
16. Whilst incoming telephone enquiries about the LWA scheme reduced by 20% when comparing April to September 2014 to the same period in 2013, such calls have reduced by a further 25% during April to September 2015.
17. Claims and awards increased in volume in the first half of 2014 (by 15% and 23% respectively), but these reduced in 2015 by 48% and 51%. Reasons for the reductions in 2015 are not clear, although some anecdotal information is provided below. See Appendix 1 for details.
18. Economic improvements (such as increased employment) may explain some of the reduced volumes. Consultation with neighbouring councils as well as those from further afield who operate different types of schemes has been undertaken. Sandwell, Walsall, and Solihull have all reported decreasing demand for

assistance recently. Whilst no conclusive evidence exists, one view is that the application and verification process is off putting for some as the value of the awards reduce. Some councils have become stricter on criteria and reduced the variety of goods offered. There is also an increasing tendency to signpost applicants toward other sources of assistance. No authorities consulted advised of an increase in demand.

19. The highest number of awards made relate to fuel and food. These are relatively low in monetary value ranging from £5 - £45 for food and £15 - £30 for fuel and often are the result of "one off" unexpected or unforeseen events i.e. events which could be considered insignificant to most but can cause severe short term difficulties for some households.
20. White goods are supplied and are the most costly items provided. In 2015 applicants have been signposted much more frequently to other sources of assistance e.g. DWP budgeting loans, for these items. This is to ensure that our funds remain available for those who do not have an alternative source of assistance.
21. There is usually a seasonal increase in demand during the winter months.

## **Finance**

22. 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 of £693k and a similar amount for 2014-15.
23. In December 2014 the Government announced that in 2015-16 and beyond there would be no specific local welfare assistance funding and should councils decide to continue to offer local welfare assistance, the costs must be met from within existing budgets i.e. revenue support grant. 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.
24. 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. In the meantime we will explore alternative delivery models for providing such support, including a greater role for the local third sector.

## **Law**

25. There is no statutory duty to provide Local Welfare Assistance. It should be noted that 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

26. 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

27. 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.

## Recommendations

28. 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 Documents

See appendix 1