

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 19 November 2018

CONTACT OFFICER: Neil Wilcox; Director of Finance & Resources;
s151 officer

(For all enquiries) (01753) 875358

WARD(S): All

PORTFOLIO: Cllr Mohammed Nazir, Cabinet Member for
Corporate Finance & Housing

PART I **NON-KEY DECISION**

LOCAL WELFARE PROVISION POLICY PROGRESS REPORT

1 Purpose of Report

To provide a half yearly progress report to Cabinet as requested on the current Local Welfare Provision Policy including

- Update on the first half year spend
- Reasons for the spend
- If any additional resources or actions needed
- Impact of Universal Credit on Local Welfare Provision

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the report be noted.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

This report supports the 5 Year Plan through support to housing and adult's outcome through the use of the Local Welfare Provision funding stream.

3a Slough Joint Wellbeing Strategy Priorities

This report sets out the policies to ensure that residents of Slough can help support themselves when they are in a difficult situation e.g. loss of income, which will support both vulnerable adults and children as well as those with poor mental health.

3b Five Year Plan Outcomes

This report will primarily have implications for Outcomes 1, and 2, as it will assist customers to who are experiencing hardship for a one off payment, food bank vouchers or similar for example while their claim is being assessed, will assist customers who have limited income with essential goods e.g. fridge / bed. It will also support people who have a one off loss of income e.g. benefits being stolen etc.

4 **Other Implications**

Financial

- 4.1 Cabinet agreed on 22 January 2018 a Local Welfare Provision scheme with a budget of £300k which included the costs of administration as well as awards. The budget for awards was £270k.
- 4.2 Members requested that a progress report on the actual spend in the first half year of the 2018-19 scheme be presented.
- 4.3 The total spend for the first 6 months of the year is £122,911, this is from April to September 2018 and a breakdown is attached at Appendix A.
- 4.4 The current budget for 2018-19 is £300k, with £30k being used for administration costs.
- 4.5 The spend is on track against the profile for the whole budget to be spent, and there is the possibility that the £10k contingency will also be utilised depending on the take up especially over the Christmas period

(a) Risk Management

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
To note the report.	There are none			

(c) Human Rights Act and Other Legal Implications

There are no direct legal implications.

(d) Equalities Impact Assessment

A completed EIA is attached at Appendix C.

5 Supporting Information

- 5.1 Local Welfare Provision (LWP) was originally administered by the Department of Work and Pensions as Community Care Grants and Crisis loans, these grants and loans were transferred with the budget to the local Authority in April 2013.
- 5.2 LWP is a discretionary award and was funded by the DWP for the first three years and since then has been funded by SBC from the general fund. There is no obligation on the Council to administer and pay for an LWP scheme.
- 5.3 The most recent data from the Centre for Responsible Credit (CfRC) which in September 2017 tracked local welfare provision schemes in 110 out of 155 English councils. It found that 26 Local Authorities including, London Borough of Hillingdon, Reading and West Berkshire had scrapped their schemes entirely. A further 11 councils have cut local welfare provision funding by more than 80% compared with 2013 levels only providing a skeleton service and in some cases simply transferring what little remains of their budget to local food banks or credit unions. Some 30 councils have imposed cuts of between 60% and 79% on local schemes.
- 5.4 SBC has actually increased the budget for LWP over this period, this was acknowledged in the CfRC report which stated

Whilst the overall picture is extremely bleak, we did find a small number of authorities which have taken the decision to maintain investment in their local welfare schemes at, or close to, the same level as their initial DWP allocations. For example:

Slough received £325,000 of funding from DWP in 2014/15, which included £272,000 of programme funding and the remainder for administration. In the 2015/16 local government funding settlement Slough's notional allocation for local welfare provision remained relatively high – at £197,000 – and although recognising that this amount was not ring-fenced it decided to boost this slightly to create a total budget of £250,000 including administration costs. It has since increased this further to £300,000 for 2017/18. It has achieved this by including this budget as a pressure which is offset by making savings elsewhere.

First half year spend including reasons for the spend

- 5.5 The spend on LWP for the first half of the 2018-19 financial year is £122,911 an analysis of the spend is at appendix A.
- 5.6 The number of claims made for LWP to date in 2018-19 is similar to the number made in 2017-18, please see below

	April to September 2017-18	April to September 2018-19
No of Applications received	964	943
No of applications approved	744	714
No of applications declined	182	211
No of applications pending	0	18

- 5.7 There were 54 foodbank vouchers issued during this period, there are 4 food banks in the borough, Slough, Cippenham, Langley and Wexham.
- 5.8 In order to access a food bank the customer needs to obtain a food bank voucher, a foodbank voucher must be obtained from a front line professional such as the Council (MyCouncil, Social Worker, Children's Centre) or other organisation e.g. Shelter.
- 5.9 Food banks provide a minimum of 3 days emergency food and support to people in crisis based on this one voucher. A customer is generally limited to 3 foodbank vouchers per annum.
- 5.10 In providing a foodbank voucher MyCouncil will also provide help and advice on claiming benefits or maximising income to reduce the need to rely on a foodbank.
- 5.11 The Slough foodbanks have made us aware that the MyCouncil provision issues a high number of vouchers compared to other organisations, this is probably because MyCouncil is accessible and customers are aware that the service is available.
- 5.12 However as the food bank is a charity, that does not ask for funding, we have agreed to be mindful of the numbers issued.
- 5.13 In addition LWP also issue Sainsbury's vouchers for food, which includes food such as baby formula which is not available at the food bank. Sainsbury's vouchers are also issued where the customer cannot access the food bank.
- 5.14 Argos vouchers are provided for white goods and furniture, this can be for a number of reasons, for example the need to move to cheaper alternative accommodation in order to minimise the impact of the benefits cap, if previous accommodation was furnished essential

furniture and white goods can be provided. White goods are also provided where they are essential e.g a fridge which has broken down.

- 5.15 The council did use its own recycled service for a period of time to provide white goods, however this was not cost effective as LWP budget still needed to pay for the goods, but found that the quality was compromised which meant additional expenditure. It was established that it was more cost effective to purchase unbranded goods from Argos.
- 5.16 However due to issues with the Argos vouchers as they are in the process of being discontinued, more cash has been provided to customers to allow them to purchase the goods themselves. In some instances customers are able to make a small contribution themselves.
- 5.17 Where they are unable to make a contribution themselves the average payment for essential furniture for a customer moving to unfurnished council or private accommodation is in the region of £1,400.
- 5.18 Cash which includes paypoint is also used to assist people who are struggling with gas and electricity charges. The amount varies depending on time of year and make up of household.
- 5.19 Travel warrants are issued to help customers attend interviews for jobs, for hospital visits if they are unable to afford the fare, to attend Benefits appeals panels (as they are generally not held locally), they have been issued to help someone attend a funeral of a loved one, to view property outside of the borough if they are intending move and reduce their DHP claim.

Impact of Universal Credit on Local Welfare Provision

- 5.20 Universal Credit live service (for new claims from single people and couples without children) has been available in Slough since September 2015 and full service (for all new claims – excluding those with 3 or more children and other claims as stated) went live on 11 April 2018.
- 5.21 The numbers of people on asking for assistance with furniture, white goods etc has remained at a similar number to the same period last year.
- 5.22 However as more people have claimed Universal Credit, LWP has seen an increase in the number of people requesting help with their day to day living costs. In June, July, August and September 2018 a total of 95 households on Universal Credit asked us to assist them. In the main the reason for assistance was because of waiting for Universal Credit and the repayment of the advance.

- 5.23 When a customer makes a claim on line for Universal Credit they have to wait to be invited for a verification interview at the Job Centre, this should take a couple of days but is usually up to a week, during this period because their claim for Universal Credit is not complete they do not qualify for an advance so approach LWP for assistance. At this stage the assistance provided is generally is a food bank voucher and a contribution, either cash or voucher to shopping / utility bills.
- 5.24 The customer is then seen by the Job Centre and an advance made quite quickly. As Universal Credit is paid in arrears when the customer receives their first payment, the payment has a recovery amount for the advance and this causes a financial crisis near the end of the period and we have seen a number of repeat customers at this stage who cannot manage until the next Universal Credit date, so food bank, cash and or shopping vouchers are supplied at this stage as well.
- 5.25 Payments (excluding food bank vouchers) for the above instance are in the region of £10k to date.

Additional Resources / Actions

- 5.26 The spend to date is in the region of the profile, however as more families move into Universal Credit we do expect to see more households making small claims for assistance before the Universal Credit advance is available, and initially while their advance is being recovered.
- 5.27 There is also an expectation that over the Christmas period depending when the Universal Credit payment date is, that there will be an increase in applications.
- 5.28 It is therefore still difficult to determine whether the current budget is sufficient for the needs of our customers for this financial year.
- 5.29 In order to ensure that there are sufficient funds available it is suggested that a contingency fund of £10k is made available to be drawn on at the discretion of the S151 Officer.

6 The impact of Universal Credit

- 6.1 Universal Credit full service has only been live in Slough since April 2018, and as stated there has been an impact on Local Welfare Provision from people claiming Universal Credit.

- 6.2 There are no statistic's available for the impact of Universal Credit across the borough, but some information is available with regard to rent arrears on Council tenancies

Number of Council Tenancies	6039	
Number in rent arrears by 1 month or more	650	11%
Number in receipt of Housing Benefits	2974	
Number in receipt of Housing Benefits in rent arrears	176	6%
Number in receipt of Universal Credit	322	
Number in receipt of Universal Credit in rent arrears	174	54%
Number of customers in receipt of Universal Credit who have claimed since April 2018	319	

- 6.3 This provides an indication to the impact on customers, and potentially the impact on LWP while residents prioritise their income and their spend.

6 **Comments of Other Committees**

This report has not been considered by any other committees.

7 **Conclusion**

That Cabinet note the report.

8 **Appendices Attached**

'A' - LWP Awards 2018-19 to end of September 2018

"B" - Case Studies 2018-19

"C" - EIA LWP

9 **Background Papers**

"1" - Welfare Reform Act 2012

- “2” - Discretionary Financial Assistance Regulations 2001 (and amendments)
- “3” - Council Tax Benefit abolition (consequential amendments) regulations 2013
- “4” - Universal Credit consequential amendments regulations 2013.
- “5” - Local Welfare Provision Policy 2018-19
- “6” - Centre for Responsible Credit analysis of LWP September 2017

Appendix A

Local Welfare Provision Budget	Foodbank Vouchers	Cash	Sainsbury Vouchers	Argos	Total	Budget
						£270,000.00
Apr-18	10	£3,350.00	£2,340.00	£1,500.00	£7,190.00	£262,810.00
May-18	11	£12,140.00	£1,950.00	£4,155.00	£18,245.00	£244,565.00
Jun-18	7	£7,300.00	£4,820.00	£8,420.00	£20,540.00	£224,025.00
Jul-18	4	£13,945.00	£5,380.00	£9,700.00	£29,025.00	£195,000.00
Aug-18	12	£14,451.00	£6,230.00	£4,845.00	£25,526.00	£169,474.00
Sep-18	10	£10,605.00	£4,950.00	£6,830.00	£22,385.00	£147,089.00
Total	54	£61,791.00	£25,670.00	£35,450.00	£122,911.00	£147,089.00

Appendix B

LWP have assisted a large number of households to date this financial year, for a large number of reasons, some of which are outlined below:

- LWP pays where a customer is awaiting Universal Credit or has an advance recovered.
- LWP has paid travel costs where tragedies strike such as deaths or people falling ill and in hospital, we help our residents make arrangements so that they can go and visit their loved ones or attend funerals.
- In situations where tax credits or benefits have stopped or when people are waiting for their DWP awards and they do not have any other monies help is supplied via Sainsbury's or food bank vouchers
- When people move into temporary accommodation they sometimes need assistance in providing a deposit for utilities or for essential furniture especially beds when the property is furnished.
- When people move LWP assist with removal costs
- On a day to basis we help about eight to ten families with food and utilities such as gas and electric.
- On a weekly basis we help about six to eight families with furniture and white goods
- In addition domestic violence is a real issue with people having to leave home without funds and in this instance without clothes or money, when the customer is placed in temporary accommodation this is only the beginning and LWP assisted with food clothing and emergency funds.