

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 18 March 2019
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PORTFOLIO: Cllr Mohammed Nazir, Cabinet Member for
Corporate Finance & Housing

PART I **KEY DECISION**

LOCAL WELFARE PROVISION POLICY

1 **Purpose of Report**

To provide a revised Council policy for the financial year 2019-20 in respect of Local Welfare Provision (LWP)

2 **Recommendation(s)/Proposed Action**

The Cabinet is requested to resolve that the policy for Local Welfare Provision 2019-20 as set out in Appendix D be approved.

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

This report supports the 5 Year Plan through support to housing outcome 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, the need to move to more affordable accommodation etc. 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 while they move to cheaper alternative accommodation or claim benefits and while their claim is being assessed. It will also

support people who have a one off loss of income e.g. benefits being stolen etc.

4 **Other Implications**

(a) Financial

- 4.1 The Council would like to maintain spend within the respective budget levels so as not to put any additional pressure on the Council's general fund budget.
- 4.2 The Council has proposed a budget of £300k for Local Welfare Provision costs for 2019-20 which includes administration; this is the same figure as 2018-19.
- 4.3 The budget for 2018-19 was set at £300k which includes the costs of administration as well as the awards. The budget for the awards was £270k and was profiled over the financial year taking into account the peak periods over the summer and at Christmas.
- 4.4 The spend in 2018-19 has been in line with the profile, and the full budget is on track to be spent by the end of the financial year a breakdown is supplied of spend to date at Appendix A.
- 4.5 As the impact of Universal Credit increased the allocation of the budget has changed over the financial year.
- 4.5 Where possible vouchers are issued, either Argos vouchers for beds and white goods, Sainsbury's vouchers for food that cannot be obtained via the food bank e.g. baby formula, paypoint vouchers for utility costs, food bank vouchers or where none of the above is possible cash is issued.

(a) Risk Management

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
That the policy for Local Welfare Provision 2019-20 as set out in Appendix D be approved	Without this policy in place there are a number of households who would be in a much more vulnerable position	The policy specifies the procedure and hierarchy for payment and this is audited by the Client Team	6 Risk of overall increase in expenditure is low as this is monitored on a monthly basis but information is available on a daily basis should it be needed. The severity should this happen will be marginal as the amount of loss would be only a small payment in relation to the overall budget	The Policy will be reviewed on an annual basis

(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 E.

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 was funded by the DWP for the first three years and since then has been funded by SBC from the general fund.

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 However LWP continues to be needed to support the residents of Slough, when they are experiencing extreme financial difficulties, which would leave them or their families more vulnerable.

5.5 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.

5.6 The spend on LWP until the end of January 2019 is £214,122 and analysis of the spend is at appendix A.

5.7 The number of claims made for LWP to date in 2018-19 is slightly higher than the number made for the same period in 2017-18, please see below

	April to January 2017-18	April to January 2018-19
No of Applications received	1565	1662
No of applications approved	1224	1232
No of applications declined	271	385
No of applications pending	51	43

- 5.8 There were a total of 104 foodbank vouchers issued during this period, with the number increasing in the second half of the period, see Appendix A.
- 5.9 There are 4 food banks in the borough, Slough, Cippenham, Langley and Wexham. 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.
- 5.10 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.
- 5.11 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.
- 5.12 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.
- 5.13 However as the food bank is a charity, that does not ask for funding, we have agreed to be mindful of the numbers issued.
- 5.14 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.
- 5.15 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.
- 5.16 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.
- 5.17 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. An analysis of paypoint spend is at Appendix A

- 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 have been offered alternative property this in turn will reduce/ remove 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. Those with three or more children went live in January 2019.
- 5.21 The numbers of people 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 the latter part of the year we have seen more and more households on Universal Credit asked us to assist them, especially in relation to food. 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 can take 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 via a food bank voucher and a contribution, either cash or voucher to shopping / utility bills.
- 5.24 The number of households asking for assistance on Universal Credit.

	Universal Credit – Food	
	No of Applications	Payment
Apr-18		
May-18		
Jun-18	12	£890.00
Jul-18	14	£1,290.00
Aug-18	39	£3,651.00
Sep-18	30	£2,250.00
Oct-18	26	£1,860.00
Nov-18	29	£2,390.00
Dec-18	53	£4,040.00
Jan-19	31	£2,850.00
Total	234	£19,221.00

- 5.25 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.
- 5.26 It has been established that until Universal Credit is in full payment we may see this household 2 or 3 times to ask for support with food and utility bills.
- 5.27 We would see a representative from the household while the claim is being made, before they are eligible for an advance, we would see them again after they had received their advance and before their first payment when their advance had run out and we would see them again towards the end of the period after their first payment as they would have had a reduced payment to start to pay back the advance and would not have managed for the whole period.
- 5.28 In the majority of instances, their contact then reduces unless there are exceptional circumstances.
- 5.29 Updates to the Policy for 2019-20
- 5.30 In taking into consideration the above and the belief that as more people move to Universal Credit through natural migration, their will be more call to support customers with day to day living expenses such as

food and utility bills and with no change to the budget a number of small changes have been made to the policy.

5.31 The policy now has a priority order for providing assistance which is as below

- Food Vouchers
- Food
- Fuel Payments
- Provision of Cooker
- Provision of Fridge
- Removal costs to cheaper alternative accommodation
- Travel for Interviews / hospital appointments/ benefit tribunals
- Provision of beds in exceptional circumstances (if budget allows)
- Provision of bedding in exceptional circumstances e.g. people who have just left prison.

5.32 The following have been removed from the policy

- Provision of Washing machines
- Provision of Wardrobes

5.33 The budget will be profiled each month as before with a higher profile around the school holidays and payments in exceptional circumstances will only be available if spend in the month is below the profile.

6 **Comments of Other Committees**

This report has not been considered by any other committees.

7 **Conclusion**

That Members are requested to review and approve these policies.

8 **Appendices Attached**

- 'A' - LWP Awards 2018-9 to end of January 2019
- "B" - Case Studies 2018-19
- "C" - Local Authorities who no longer provide LWP
- "D" - Local Welfare Provision Policy 2019-20
- "E" - 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” - Report On Local Welfare Provision from Centre for Responsible Credit

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	£6,410.00	£4,820.00	£8,420.00	£20,540.00	£224,025.00
Jul-18	4	£12,655.00	£5,380.00	£9,700.00	£29,025.00	£195,000.00
Aug-18	12	£10,800.00	£6,230.00	£4,845.00	£25,526.00	£169,474.00
Sep-18	10	£8,355.00	£4,950.00	£6,830.00	£22,385.00	£147,089.00
Oct-18	9	£8,100.00	£5,465.00	£5,461.00	£19,026.00	£136,144.00
Nov-18	15	£9,020.00	£5,846.00	£5,520.00	£20,386.00	£115,758.00
Dec-18	11	£14,689.00	£6,750.00	£10,491.00	£31,930.00	£83,828.00
Jan-19	15	£16,250.00	£7,850.00	£3,850.00	£27,950.00	£55,878.00
Total	104	£101,769.00	£51,581.00	£60,722.00	£214,122.00	£55,878.00

Paypoint Customers (included in cash figure above)	Cases	Payment
Apr-18	15	£260.00
May-18	10	£440.00
Jun-18	11	£390.00
Jul-18	16	£480.00
Aug-18	20	£730.00
Sep-18	18	£675.00
Oct-18	23	£910.00
Nov-18	28	£1,020.00
Dec-18	35	£1,560.00
Jan-19	44	£1,750.00
Total	220	£8,215.00

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 new accommodation they sometimes need assistance in providing a deposit for utilities or for essential furniture.
- 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.
- As an example in September 2018 the following furniture was provided
 - 7 cookers
 - 5 fridges
 - 6 beds + 4 claims for bedding*

*Mainly for prison leavers and bed bug infestation

Local Authorities who have stopped their Local Welfare Provision Scheme as at September 2017

Bournemouth,
East Devon,
Exeter,
Leicestershire,
London Borough of Barking and Dagenham,
London Borough of Bexley,
London Borough of Haringey,
London Borough of Hillingdon,
London Borough of Redbridge,
Lincolnshire,
Medway,
North Lincolnshire,
North East Lincolnshire,
Northamptonshire,
North Devon,
Nottinghamshire,
Oxfordshire,
Portsmouth,
Plymouth,
Reading,
South Hams,
Staffordshire,
Teignbridge,
Torridge,
West Berkshire,
West Devon

Information from the report from CfRC September 2017