

CABINET

23 June 2015

Title: Review of Local Welfare and Crisis Support Schemes to Vulnerable Residents with options for the Local Emergency Support Service	
Report of the Cabinet Member for Adult Social Care and Health	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Summary <p>In 2014, the Government indicated its intention to cease funding local emergency support services through the Revenue Support Grant. As a result, Cabinet, as part of its budget deliberations at its meeting on 16 December 2014, asked for further context and options for the Local Emergency Support Service into the future.</p> <p>In February 2015, following considerable lobbying, the Government continuing funding at a reduced level for 2015/16. An options paper was submitted to Cabinet on 16 February 2015 and it was agreed that funding would continue for a Local Emergency Support Service, at a reduced level, for 2015-16, and to award a contract to the current provider for six months from 1st April 2015 by a waiver under the Council's Contract Rules. A further paper on longer term options was requested for June 2015.</p> <p>This paper sets out the current local welfare funds the Council administers and, in the continued context of no central Government funding being forthcoming, sets out the proposal to cease funding the Local Emergency Support Service and refocus the remaining additional revenue support grant for 2015/16.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Note the background information and context around welfare reform and the funds which the Council makes available to those in priority need;(ii) Agree to cease funding a Local Emergency Support Service in Barking and Dagenham and use the remaining additional revenue support grant to develop two pilots to support identified cohorts of vulnerable residents to build self reliance.	

- (iii) Request that the Strategic Welfare Reform Group complete a further, more holistic assessment of welfare support across employment, housing, and general assistance, as part of the Ambition 2020 proposals, with a 3-5 year timeline, to return to Cabinet later in the year.

Reason(s)

This paper sets out the current situation with respect to funds that are intended to assist the Council in continuing to support its most vulnerable residents. Through these initiatives residents are able to sustain tenancies, meet immediate crisis and be signposted and supported to address the issues that they are facing. In doing so these funds contribute to the achievement of the Council's priority to:

- Encourage Civic Pride by:
Building civic responsibility and help residents shape their quality of life.
- Enable social responsibility by:
Supporting residents to take responsibility for themselves, their homes and their community; and
Protecting the most vulnerable, keeping adults and children healthy and safe.

1. Introduction and Background

- 1.1 In the current climate of austerity, residents in Barking and Dagenham continue to face significant challenges. The new vision of "One Borough; One Community; London's growth opportunity" and associated priorities have been developed to reflect the changing relationship between the Council, partners and the community and to seek to address the challenges together.
- 1.2 In February Cabinet requested that a paper be brought in June by the Strategic Welfare Reform Group looking at the Local Emergency Support Service in Barking and Dagenham in the context of the other schemes administered by the Council and the wider challenges faced by residents. This report outlines the range of schemes administered by the council and provides the opportunity for Members to make decisions about the Local Emergency Support Service and additional revenue support grant for 2015/16 in this wider context.

Demographic challenge

- 1.3 Barking and Dagenham has seen a significant overall population increase of 13.4% to 185,911 (2011 Census). This is 22,000 more people since 2001, including a 50% increase in 0 – 4 year olds. 30% of the population are children, placing a huge pressure on school places, housing and social care including on workloads across key agencies working with the borough's families. The borough is also more ethnically diverse than it has ever been. The population is projected to rise from 190,600 in 2012 to 229,300 in 2022. This is a 20.3% increase and is the second largest in England after Tower Hamlets.
- 1.4 The borough is the 7th most deprived in London and 22nd most deprived nationally which is also reflected in the relatively poor standard of health. London's Poverty profile shows that, when compared with other London boroughs, Barking and Dagenham still has significant challenges. For the following indicators, Barking and

Dagenham is in the 4 most challenged boroughs in London (<http://www.londonpovertyprofile.org.uk/>):

- Child Poverty
- Unemployment
- Low pay by residence (household)
- Landlord and mortgage repossessions
- Lack of qualifications at 19
- Limiting long-term illness

The overall approach to welfare reform and support

- 1.5 Across the borough there are a range of initiatives that seek to support residents in these challenging times as they look to take responsibility for themselves, their homes and their community. These include: housing and homelessness support; advice through the Citizen's Advice Bureau, Council services and other partners; Discretionary Housing Payments; employment support initiatives; adult and children social care payments; children's centres; and a wide range of other initiatives.
- 1.6 Within this context the authority, with its partners, is seeking to address the challenges to the Borough's most vulnerable residents. The Strategic Welfare Reform Group within the Council has been looking at the impact of the welfare reforms on residents and will continue to do this, particularly as Universal Credit is rolled out in Barking and Dagenham in July 2015. A workshop has been held in April with statutory and voluntary sector providers and a work plan is being established to take the work forward.
- 1.7 The Children's Trust is reviewing the Child Poverty Strategy for the borough and the last trust board focused on this, asking members to outline actions currently being taken and future intentions to address the issues.
- 1.8 The BanD Together initiative has been established with key voluntary sector providers in the borough, to co-ordinate support in tackling the complex issues that are faced by some of the borough's residents. A Strategic Leadership Board has been established, including all partners and the Council, to take the initiative forward. To support this, the London Borough of Barking and Dagenham has identified funding for a post, to be hosted by the Barking and Dagenham Council for Voluntary Service, to co-ordinate BanD Together initiatives, including supporting Community hubs; providing information and referring residents; putting on events; and identifying need and evidencing impact.
- 1.9 In parallel with the BanD Together initiative and in partnership with the voluntary and community sector, the Council is developing the 'Community Checkpoints' and 'Community Champions' initiative. Community Checkpoints are any building or organisation that is willing to support local people to access services that will help them. Each Checkpoint will have at least two people (Community Champions) who have been trained and assessed in providing support to access information and guidance, the majority of which will be online, in line with the Council's 'digital by design' strategy. Each checkpoint will be able to support access to the Council and other websites. The plan is to identify 50 Community Checkpoints by December 2015.

1.10 In addition, Community Resources has been funded from within the welfare reform grant to develop an initiative – initially called ‘CommunityConnect’ – which currently seeks to connect people with local services. Community Resources is now developing a website that provides individuals and practitioners with a single diagnostic tool that takes account of multiple or complex needs and delivers relevant and accurate signposting to appropriate services including benefits, local agencies and other support organisations. The web-based initiative will feature the ‘BanD Together’ branding and will be called, ‘BanD Together Routemaster’. The plot was launched on 4th June, and it will now be accessible through the Community Checkpoints and to frontline staff across the borough.

2. National context for welfare support

- 2.1 The new Government has indicated its intention to continue to reform welfare benefits and reduce the spend over the next five years by £12 billion. Local authorities will face major financial pressures over the next parliament, with austerity measures continuing. This will put local welfare provision under increased pressure. Further clarity will be provided in the emergency Budget announcement that the Chancellor of the Exchequer has earmarked for 8 July. Within this context it would seem unlikely that the current level of funding Barking and Dagenham received for 2015/16 will be maintained, and the expectation is that the funding will be removed.
- 2.2 Currently the Department for Work & Pensions are responsible for assessing residents’ eligibility for a number of benefits, such as Job Seeker’s Allowance, Employment and Support Allowance, disability benefits such as Disability Living Allowance, and pensioner benefits such as Pension Credit. The DWP also continues to operate certain elements of the old Social Fund arrangement, including Budgeting Loans, Funeral Payments, Sure Start Maternity Grants, Cold Weather Payments and Winter Fuel Payments.
- 2.3 In July 2015 Universal Credit will begin to be rolled out in Barking and Dagenham. This will replace the system of means tested benefits and tax credits for working age adults including Income Support, income-related Job Seeker’s Allowance and Employment, and Support Allowance, Working Tax Credit, Child Tax Credit and Housing Benefit. Roll out will start with single working age people in July, with the addition of couples and families around 6 to 18 months later. The impact of Universal Credit is considerable as it places responsibility on claimants to budget and manage their finances prudently.
- 2.4 In the Queen’s Speech, further measures for the reduction of welfare support were signalled, which indicates that it would be wise for the Council to consider a longer-term view on the impact of reducing welfare support. It is recommended that this should: be led by the Strategic Welfare Reform Group; consider a time horizon of 3-5 years; and, report (as part of Ambition 2020 work) to Cabinet later in 2015/16.

Funding for local welfare schemes

- 2.5 When funding for local welfare schemes (called the “Local Emergency Support Service” in Barking & Dagenham) was removed in 2014/15, a national campaign to “Save the Safety Net” was established, which contributed to the partial reinstatement of the funding for 2015/16. The campaign is being reviewed, and the lead partners in the charity sector will decide in the next month whether to continue

to lobby Government for funding for local welfare schemes such as the Local Emergency Support Scheme.

- 2.6 In addition, the National Audit Office is now beginning a review of local welfare funds, particularly looking at the “invest to save” argument behind such support schemes. The findings of the research will not be published until the autumn. This may further influence Government thinking.
- 2.7 There are three main streams of funding in relation to welfare reform that the Local Authority is responsible for administering:
- Children’s and Families Section 17 Payments
 - Discretionary Housing Payments
 - Local Emergency Support Service (LESS)
- 2.8 Some information and background on these schemes is set out below, with more information on eligibility contained in Appendix 1.

Children’s and Families Section 17 Payments

- 2.9 Section 17 of the Children Act 1989 gives local authorities the power to provide accommodation and financial support to families with ‘children in need’, even if they have ‘no recourse to public funds’.
- 2.10 Section 17 payments are focused primarily on safeguarding children and seek to provide a statutory duty of child protection until it is deemed that the child is no longer in need of these services, for whatever reason. They are not time limited. The assessment of need and the criteria are entirely linked to children’s social care.

Discretionary Housing Payments

- 2.11 The Discretionary Housing Payments fund is intended to alleviate acute hardship. It allows residents who face a variety of challenges time to find alternative solutions to shortfalls in income. It helps with housing costs on a short term and temporary basis. There will be exceptional cases where a DHP is required in the long term. However, its primary use is as a temporary measure, and not a permanent solution. Each individual case is considered on its own merits in accordance with DHP legislation and DWP guidance.
- 2.12 The scheme is wholly discretionary and the claimant does not have a statutory right to payment - the level of payment will be decided by the Council and administered via the Housing Benefit System. Discretionary Housing Payments are an effective tool to prevent homelessness, to safeguard people in their homes, or enable tenants to find more suitable accommodation.
- 2.13 In addition, Council Tax Support is conferred to those on benefits or in work who apply for it. For 2014/2015 residents received £16,185,515.69 in Council Tax Support. From April 2015 the scheme has been amended, with a minimum contribution of 25% rather than 15% of the Council tax charge for all residents. In light of this an additional budget of £50,000 per annum has been identified through DHP as this will further impact tenants facing welfare reform changes (see Appendix 1).

Local Emergency Support Service (LESS)

- 2.14 On 1st April 2013, the Government delegated to local authorities the power to set up their own local welfare schemes or choose other ways of providing flexible help. The Department for Work and Pensions (DWP) paid the amount that would have been available for local welfare support for the remainder of the current spending review period (i.e. up to 2015) to local authorities through grants under section 31 of the Local Government Act 2003, for the financial years 2013/14 and 2014/15. There was no statutory requirement placed on local authorities to introduce these local welfare/emergency support schemes and the funding provided by the Government was not ring-fenced. However, it was expected that councils would use the funding to support those in unavoidable need.
- 2.15 The fund from Central Government was due to be cut for 2015/16 but after a significant lobby the Final Local Government Finance Settlement for 2015-16 provided an additional £74m to upper-tier authorities to recognise that councils have asked for additional support, including continuing support for local welfare needs. This is included in the additional Revenue Support Grant to the authority of £415,000.
- 2.16 On 16 February 2015, Cabinet considered a range of proposals for the additional Revenue Support Grant and agreed, alongside other proposals, that £300,000 would be allocated to a Local Emergency Support Service for Barking and Dagenham for 2015/16. The funding was in two parts: a grant fund for residents of £210,000 and a delivery cost of £90,000.
- 2.17 Due to the late notification from central Government, Cabinet agreed to a six month contract with the current voluntary sector provider for the reduced fund. This has now been put in place.
- 2.18 The LESS is a significant intervention which gives support to residents in areas such as contributing to fuel payments, food vouchers and furniture vouchers for people who do not have funds to support the basics of living. The LESS gives help and support to those in a situation of extreme difficulty, where the risk of harm to themselves or their family is immediate and significant. The model delivered has sought to promote dignity rather than create dependence for residents facing financial hardship by providing grants and seeks, through the CAB, to direct residents to the most appropriate fund in their individual circumstances.
- 2.19 However, it is important to note that there are a range of models for local welfare support in operation in other areas in the country. These range in size and perspective from schemes such as that in the London Borough of Islington, with one portal for all applications within the Council for all of the local schemes described here, to boroughs where no funding is available directly to residents for some of the funds, such as in the London Borough of Bexley and Nottinghamshire County Council. Some further information on these schemes and options is included for Members' information in Appendix 2.

3. Expenditure on local welfare schemes

- 3.1 Expenditure on the three main local welfare support schemes (under Section 17, Discretionary Housing Payment and the Local Emergency Support Service) is as set out in the table below.

Year	Section 17 ¹		DHP		LESS		Total
	Spend	%	Spend	%	Spend	%	
2011/12	£1,186,425	92%	£105,245	8%	- ³	-	£1,291,670
2012/13	£1,846,703	86%	£293,585	14%	-	-	£2,140,288
2013/14	£2,239,793	54%	£1,289,696	31%	£628,432	15%	£4,157,921
2014/15	£2,248,521	54%	£1,174,715	28%	£750,213	18%	£4,173,449
2015/16	-	-	£749,453 ²	-	£210,000 ⁴	-	£959,453 ⁵

Notes:

¹ Represents combined figures on payments for no recourse to public funds and child safeguarding care management.

² Represents reduced budget available for 2015/16.

³ LESS was launched in 2013. Figures are for the amounts disbursed in grants, excluding the management overhead.

⁴ Budget set for 2015/16 for LESS.

⁵ Total excludes amount of Section 17 funding, which is yet to be determined based on presenting need.

- 3.2 Over the first six weeks of the reduced LESS in Barking and Dagenham there have been 321 applications, of which 243 have been awarded, with a total spend on these grants of £15,900.
- 3.3 Taking account of the reduction in the Discretionary Housing Payment, and assuming a similar level of spend on Section 17 provision as last year, it will be seen that the reduced spend on the Local Emergency Support Service would amount to 7% of the total spent by the Council on these three forms of welfare funding. In the absence of any announced funding from central Government, to continue the current level of support would require an additional budget line to be committed for the current year (beyond October 2015) and for future years, and this would have to include the appropriate running costs for the service.

4. Proposal and issues

- 4.1 The government has made a number of announcements about its intentions to reduce welfare spending by £12billion. Whilst there is not yet definitive information about how this will be achieved early announcements include reducing the benefits cap to £23,000 and withdrawing in whole or part working families tax credits. In this context the very limited funding available through the council not mitigate the impact of welfare reform in any meaningful way. The proposal is therefore to cease funding the LESS from 30 September 2015. It is proposed that final consideration is given on how to use the remaining grant after the Chancellor's Emergency budget on 8th July 2015. However, given the need to consider across the authority as a whole how we can best assist vulnerable residents within the funding likely to be available between now and 2020 that some of the funding is used to support that programme of work once a detailed costed programme is available
- 4.2 In the context of the Council's overall spend, the LESS in its current form is a much reduced fund and therefore the impact of removing this final tranche of funding appears to be relatively small. However, it does make a continued contribution to ameliorating the effects of welfare reform and austerity. It is not possible to assess confidently how many of the potential LESS recipients will approach the Council through other means (such as under Section 17 of the Children's Act) if the LESS is not in place.
- 4.3 In ceasing to fund the LESS, it is the case that there may be alternative sources of

support in some limited instances, principally rent support for tenants and support for families where children are deemed in need. However, there would be a broader cohort of individuals and families who would no longer have access to emergency funds for fuel and food, or a limited contribution towards resettlement (such as furnishing a new tenancy).

- 4.4 Members should also note that, since the implementation of the Care Act 2014, the Council is under a duty to prevent, reduce and delay social care needs within its resident population. For some vulnerable individuals who have benefited from the support of the Local Emergency Support Service, it is possible that their needs could be considered to fall within this duty. Therefore, social care budgets may be required to replace the support provided by the LESS for those most serious of cases.

5. Options for the remaining additional revenue support grant fund from October 2015

- 5.1 The following options for the additional revenue support grant from October 2015 were considered:
- a) Option 1 – Retender the LESS commission for October 2015.
This is not recommended due to the uncertainty of further funding from April 2016 and the budget pressures the Council is faced with. *Not Recommended.*
 - b) Option 2 – Cease funding the LESS and take the remaining budget as an in year saving.
This would mean that the potential impact of the fund on addressing issues for vulnerable residents would not be achieved. *Not Recommended.*
 - c) Option 3 – Allow the current contract for the LESS to cease on 30 September 2015 with the remaining budget fund the programme of work on support for vulnerable residents and or respond to the Chancellor's Emergency July budget.
Recommended.

6. Consultation

- 6.1 This report was requested by Cabinet on the 16 February 2015. Within the timescales officers have consulted with partners and local authority staff to consider the impact of the changes to the service. A workshop on welfare reform was convened on 29 April to look at mapping the existing support and relationships.

7. Financial Implications

Implications completed by: Roger Hampson, Finance Group Manager

- 7.1 This report seeks a decision from Cabinet on whether or not to fund a Local Emergency Support Service from October 2015 from within the broad parameters of the existing scheme. Given the need to assess the implications of the Budget Statement to be made on 8 July 2015, and the impact of other changes in Local Welfare support, Members may wish not to commit the authority to funding an Emergency Support Service beyond March 2016. In this event, Members are asked to consider extending the contract to the current provider for 6 months by a waiver under the council's Contract Rules.

8. Legal Implications

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Legal and Democratic Services

- 8.1 This report is not currently seeking any firm recommendations from Cabinet for a procurement process to be conducted or a contract awarded. This report is seeking the advice from Cabinet Members on how they wish to proceed.
- 8.2 Should Cabinet Members proceed with a recommendation for a service to be outsourced then a Procurement Strategy Report will need to be prepared and approved with appropriate recommendations.
- 8.3 The report author and responsible directorate are advised to keep Legal Services fully informed. Legal Services will be on hand and available to assist and answer any queries that may arise.

9. Other Implications

- 9.1 **Risk Management** - The continuing maintenance of a Local Emergency Support Service at a lower level of funding than from 2014/15 has the following associated risks, which are in turn heightened by its complete cessation.

Challenges and Risks	Opportunities and Mitigating Factors
Reduced number of residents funded with rent deposits	Frontline staff will be advised of changes.
No funding for furniture to help sustain new tenancies	Officers and residents will be made aware of local ReUse schemes for recycled furniture options.
No emergency food and fuel services	Where the Council has a statutory duty this will create an additional pressure on those budgets. Other residents will be referred to alternative schemes such as Food Banks where appropriate.
Residents unable to access support when and where needed	The development of CommunityConnect and the Community Checkpoints are widening the information and locations where residents will be able to access information and support.

- 9.2 **Contractual Issues** - The contract for the LESS ends on 30th September 2015. So there are no contractual issues to be considered.
- 9.3 **Staffing Issues** - The removal of the LESS fund will, result in staff within the current providers potentially being made redundant.
- 9.4 **Corporate Policy and Customer Impact** - An impact assessment has been

completed for this report considering the potential impact of the reduced funding through the LESS in relation to race, gender, disability, sexuality, faith, age and socio economic deprivation.

If the fund is removed in its entirety this will have an adverse impact on residents facing significant challenge and will create demand pressures potentially for voluntary sector providers, revenues and benefits teams and children's social work teams.

The providers will deliver the service in line with the Council's policies and ensure that information is suitable protected and funding is targeted in line with the community strategy in supporting residents to take responsibility for themselves.

- 9.5 **Safeguarding Children and Vulnerable Adults** - Whilst there is funding available under the statutory duties in Section 17 of the Children Act, the removal of the LESS funding will put pressure on these service budgets. This will be mitigated in part by the development of the CommunityConnect online site and the Community Checkpoints.

If Cabinet is minded to remove this funding to vulnerable adults, then there will be additional pressure on adult social care budgets in terms of delivering the new Care Act 2014 duty to prevent, reduce and delay social care needs.

- 9.6 **Health Issues** - The removal of the Local Emergency Support Service will potentially negatively impact on meeting the health needs of vulnerable residents in crisis, including in sustaining them in homes which are well-heated and with sufficient food. In particular some of our most vulnerable residents are supported in this way.
- 9.7 **Crime and Disorder Issues** - There is a potential – though un-quantified – impact on crime and disorder through the reduction of destitution in adults without recourse to other sources of support, which may be considered a driver for crime.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1: Overview of criteria for different sources of Council welfare support
- Appendix 2: Overview of best practice and other models of delivering Local Emergency Support Services.
- Appendix 3: Equalities Impact Assessment.