



SCRUTINY COMMISSION – 5 NOVEMBER 2014

LEICESTERSHIRE WELFARE PROVISION FROM 2015

REPORT OF THE CHIEF EXECUTIVE

Purpose of Report

1. The purpose of this report is to seek the Commission's comments on the Council's draft proposal for Leicestershire Welfare Provision (LWP) from April 2015. The draft proposal sets out, how the Council will deliver a new type of Signposting and Support service on six month trial basis to replace LWP from April 2015.

Policy Framework and Previous Decisions

2. The Government's Welfare Reform Act 2012, reallocated funds previously spend on Community Care Grants and Crisis Loans to upper tier local authorities from April 2013. The fund was Local Welfare Provision.
3. The Government did not expect local authorities to replicate the service previously delivered through Department of Work and Pensions. It did not place a new duty on local authorities or ring-fence the funding. The Government expected the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to need.
4. Leicestershire County Council established the service called Leicestershire Welfare Provision (LWP) from 1st April 2014, which delivers support to eligible vulnerable people in the form of household goods (beds, cookers, fridge freezers etc.) and limited cash.
5. In January 2014, the Government announced that the non-ring fenced funding for Local Welfare Provision would end in April 2015 and any future arrangements would be at the discretion of the local authority.
6. In September 2015, the Government agreed following settlement of a judicial review, to reconsider how local welfare provision should be funded in 2015 – 2016. The outcome of the review should be available in time of the Provisional Local Government Finance Settlement.
7. The Cabinet approved that 12 week consultation commence on the proposed Signposting and Support services model from 14th October 2014 to 7th January 2015 at its meeting on 13th October 2014.

Background

8. The Welfare Reform Act 2012 abolished the provision of discretionary Social Fund elements of Community Care Grants and Crisis Loans from 1st April 2013.
 - (a) Community Care Grants were awarded for a range of expenses, including household equipment, and were intended to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families. They were also intended to assist with certain travel expenses;
 - (b) Crisis Loans were made to meet immediate short-term needs in an emergency or as a consequence of a disaster when a person had insufficient resources to prevent a serious risk to the health and safety of themselves or their family.
9. The Government transferred some indicative funding for two years to upper tier local authorities to develop new support arrangements to support vulnerable people from April 2013, suitable to the needs of the local authority. Government funding included funding for administration.
10. Leicestershire County Council has received £1m funding (Programme and administration) for 2013/2014 and 2014/15 to establish a Local Welfare Provision scheme.
11. Discussions have taken place with District Councils over the last two years regarding the possibility of their taking responsibility for delivering this service. However, for a number of reasons all parties have not been able to arrive at a single delivery model for the County which would be necessary for a viable service.
12. Leicestershire County Council worked with district and voluntary sector partners to develop a locally delivered support service for Leicestershire. However, we were unable to arrive at an affordable delivery model for the county.
13. The Council appointed under an exception to Contract Procedure Rules, Northgate Information Solutions Ltd to provide the Leicestershire Welfare Provision service for 2013/14. Following an open tendered procurement process, Northgate Information Solutions Ltd, won the contract for 2014/15.
14. With the cessation of Government funding for the LWP service from April 2015, the Council is proposing a Signposting and Community Support model to be established for a proposed period of five years from April 2015, funded by the underspend from the current LWP service.

Proposal

15. The proposed model is a service which will signpost or refer people to support services. There will be no direct awards of grants for goods or emergency cash.
16. It is proposed that this model is trialled for six months to assess whether it achieves the outcomes of addressing underlying issues by signposting people to support services and hardship funds.
17. It is proposed that the Council's Customer Service Centre (CSC) would be the main access point for people seeking support. The CSC will assess why a person is seeking support and signpost them to relevant support services such as:
 - (a) Citizen Advice Bureau/ The Bridge Housing Advice;
 - (b) Furniture Reuse Organisations;
 - (c) Credit Unions;
 - (d) Food banks;
 - (e) District and Borough Councils or County Council Services;
 - (f) Other local support services including charities.
18. People may be signposted to apply for relevant hardship funds managed by district councils and charities, where their circumstances require consideration for immediate assistance. Limited funding will be provided to targeted support services and external hardship funds which are expected to experience an increased demand on their capacity as a result of the new service.
19. The trial will seek to support priority groups identified in the review of Adult Preventative Services and Children and Family Services with local referral arrangements.
20. It is proposed to utilise resource directories including those held by the County Council to effectively signpost people to relevant support services available either locally or nationally. The telephony signposting services would be complemented by a face to face offer provided through advice services such as the Citizen Advice Bureaux network.
21. The proposed model represents a practical application of the Council's Communities Strategy through the provision of support to community service groups and organisations focussed on helping families and individuals in a way which addresses underlying issues.
22. The proposed model is consistent with the Adult Social Care model of secondary prevention offer to maximise people's own assets, support and community resources and will eventually link up with proposed eight Local Area Co-ordination learning sites in partnership with the two Clinical Commissioning Groups.

23. It is proposed that the underspend will be spent over a period of 3 to 5 years. The six month trial period will identify where additional resources should be targeted to enable vulnerable people to be supported by community organisations such as food banks, furniture/white good reuse companies and external hardship funds. These arrangements will include specific referral arrangements for some of the most vulnerable groups in Leicestershire who are experiencing a crisis, such as people fleeing violence.
24. The final proposal for the service, which the Cabinet will consider in February 2015, will also take into account the findings from the Bishop of Leicester's Commission on Poverty whose interim findings are expected later this year. The County Council is represented on the Commission. It is expected that the outcome from the Government's review of funding for LWP services will also be available.
25. The Government's review includes consultation on 4 options, which do not identify any new additional funding. The options are:

Option 1

- (a) Funding from existing local government budgets with no separately identified or ring-fenced funding. Local authorities have the flexibility to use available funds from Revenue Support Grant or other sources in accordance with local priorities.

Option 2

- (b) The Government could publish a figure showing how much of each upper tier local authority's Settlement Funding Assessment would notionally relate to local welfare provision based on previous trends.

Option 3

- (c) The Government would top slice Revenue Support Grant to fund a section 31 grant for local welfare provision within the current Revenue Grant Envelop financial envelope. This option would ring-fence the funding available for local welfare provision only and the Government would reserve the right to claw back funding that was not spent on local welfare provision.

Option 4

- (d) The Government invites other options for delivering and funding local welfare provision including proposals which identify opportunities for efficiencies by aligning local welfare provision with other public services.

26. The Council is currently considering the consultation proposals before submitting a response.

Financial Considerations

27. It was originally anticipated that the fund (£880,000) would be substantially over-subscribed. However in Year 1, £480,000 (45%) has been awarded creating an underspend of £400,000 (45%) and administration cost savings of £100,000. This percentage was typical across the UK, partly due to significant reductions in fraud and improved targeting of recipients, as a result of a clearer eligibility criteria and the provision of household items rather than solely providing money.
28. It is anticipated that during 2014/15, the total value of LWP awards may be high, however the current forecast of the total underspend is £400,000 (subject to review). Therefore, the total anticipated fund available is £900,000 to be spent over a three year period.
29. The funding profile for the new service over the next five years includes an additional contribution from the County Council of £100,000 for two years from April 2018. It is proposed that some of the funding will be targeted to support services for vulnerable people and hardship funds, based on the volume of referrals made by the service.

Projected Funding Profile for the new service based on forecasted underspend for 2014/15

Income						
	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Funding - DWP	£300,000	£250,000	£200,000			£750,000
Funding - LCC	-	-	-	£100,000	£100,000	£200,000

30. Annual reviews of the new signposting and support service will determine the nature of funding for support services and hardship funds. The commissioning arrangements are likely to be in form of grants.

Consultations

31. Consultation on the proposed model commenced on 14th October 2014 and will run for a 12 week period to 6th January 2015. Consultation process is a combination of engagement meetings with stakeholders and community support agencies working with vulnerable people and online consultation with stakeholder groups.
32. Engagement has already taken place with a number of groups including representatives from District and Borough Councils; Furniture Reuse organisations; Citizen Advice Bureaux; Housing Services Partnership; and Food banks.

Timetable for Decisions

33. Following the end of the consultation period, a formal proposal for a signposting and community support services model together, including the Scrutiny Commission's comments with the outcome of the Government review of local welfare provision will be presented to Cabinet in February 2015 for approval with an implementation plan to be operational from April 2015.

Conclusions

34. The proposed model will provide support in a different form to vulnerable people in Leicestershire and to work with community support agencies to help people address the long-term issues affecting them. The underspend from LWP service from 2013/14 and 2014/15 will continue to provide some support to vulnerable people in the County.
35. Comments are sought from the Scrutiny Commission on the proposed signposting and support services model. A report on the outcome of the consultation; the outcome of government's review on funding and any comments from the Commission will be considered by the Cabinet at its meeting in February 2015.

Background Papers

Report to the Cabinet, 13 October 2014 – Leicestershire Welfare Provision Proposal from April 2015

Report to the Cabinet, 19 September 2014 - Outcome of the Consultation on the Strategic Review of Preventative Services in Leicestershire

Report to the Cabinet, 19 September 2014 - Review and Consolidation of Voluntary and Community Sector Support

Report to the Cabinet, 17 June 2014 - Communities Strategy

Circulation under the Local Issues Alert Procedure

36. A copy of the Cabinet report has been sent to all Members of the Council.

Officers to Contact:

Nicole Rickard, Interim Head of Policy and Communities
0116 3056977 nicole.rickard@leics.gov.uk

Tom Purnell, Assistant Chief Executive
0116 3057019 tom.purnell@leics.gov.uk

Relevant Impact Assessments:**Equality and Human Rights Implications**

37. An Initial Equalities and Human Rights Assessment has been carried out on the proposed Signposting to Support Services Model. This is attached as Appendix A.

Partnership Working and Associated Issues

38. There is on-going engagement with key stakeholders and wider engagement will be undertaken to understand partners perspectives in terms of:

- (a) Impact of the changes;
- (b) Additional support they may be able to offer;
- (c) What signposting/ support services would help their service users;
- (d) What other resources are available that would help vulnerable people.

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