

Report of the Interim Director of Corporate Resources to the meeting of the Executive Committee to be held on 6 March 2018

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Subject:

Support for financially vulnerable residents

Summary statement:

Poverty and the effects of poverty, particularly on children and young people, present some of the biggest challenges for the district and its residents.

This reports sets out proposals to change the Council's Local Welfare Assistance scheme so that it continues to work effectively as a safety net for the Districts most vulnerable

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Portfolio:

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

Poverty and the effects of poverty, particularly on children and young people, present some of the biggest challenges for the district and its residents.

This reports sets out proposals to change the Council's Local Welfare Assistance scheme so that it continues to work effectively as a safety net for the Districts most vulnerable

2. BACKGROUND

Reductions in Council funding have impacted significantly on the type and level of support that the Council, with its partners, is able to provide for those in financial need. Most significantly, the Governments Revenue Support Grant, which amounted to £183m in 2013/14, is being reduced to zero by 2020/21.

Poverty and the effects of poverty, particularly on children and young people, present some of the biggest challenges for the district and its residents; and for those that seek to reduce poverty and support those in greatest financial need. Latest figures show that 15% of households in the district are in fuel poverty, and that 29% of children are living below the poverty line.

Executive, 7 March 2017, approved a revised Discretionary Housing Payments Policy for 2018/19 which prioritises support for families to ensure more stability of tenure; and encourages, where appropriate, claimants to undertake skills training or to access other work-orientated support to household income.

In response to the reduction in the Revenue Support Grant and other, increasing, financial pressures, Council Decision, 16 January 2018, was to introduce a revised Council Tax Reduction (CTR) scheme for 2018/19. The revisions to the scheme mean that entitlement to support is reduced for all claimants. The Council has sought to mitigate the impact of these changes on those in greatest financial need;

- A limit to the reduction in CTR entitlement has been set so that no current claimant will be paying more than £15 per week in Council Tax in 2018/19 than they did in 2017/18
- A Discretionary Support Scheme is being introduced for 2018/19 to mitigate the impact of the changes to the scheme on current CTR claimants. Arrangements are being developed with advice providers for additional support for disabled claimants

The Current Local Welfare Assistance Scheme (LWA) replaced the old Discretionary Payments Scheme of Community Care Grants and Crisis Loans in April 2015 and acts as a safety net for those facing the greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need.

In response to consultation and the need to ensure provision is still adequate for those families and individuals affected by Welfare Benefit and Council Tax Reduction Scheme (CTR) changes the scheme requires updating. This report sets out the current position and makes some proposals to enhance the scheme and ensure best use of the remainder of the fund set aside in 2015 which currently stands at £1.6m

3 OTHER CONSIDERATIONS

3.2 The LWA scheme is the safety net that vulnerable residents can use when they find themselves in severe difficulties. It has operated in its current form for three years and has supported thousands of people in that time. However particularly in the area of new goods, take-up has been low.

3.3 It is important that the scheme continues to meet the needs of the District and following consultation in 2017 with partners and stakeholders including the 3rd sector, customers and staff administering the scheme, there have been changes identified that will ensure it continues to be effective. These are as follows:-

PROPOSALS TO UPDATE CURRENT SCHEME

ASSISTED PURCHASE SCHEME

3.4 The scheme is to be retained, both for new and second hand goods, but extended to include the installation of those goods. This will remove those situations where essential goods are not taken because the resident is unable to afford to have it installed

3.5 The affordability criteria will be removed; which means that those on the very lowest incomes can now access the necessary goods.

FUEL SUPPORT SCHEME

3.6 The current Fuel Top Up scheme will be merged with the discontinued 'Warmer Homes, Healthy People' scheme, so that a comprehensive 'Fuel Assistance Scheme' is available

3.7 The new scheme will give greater priority to families with children than single people or couples, although would not exclude this group

3.8 Fuel top up vouchers will be available to those presenting at advice centres requiring support with their fuel meters.

3.9 Fuel arrears payments will be re-introduced, for those presenting at advice centres at risk of disconnection during the winter months.

3.10 Support (either top up or payment against arrears) will only be given if the person accepts financial advice on avoiding a repeat need. Corporate Overview and Scrutiny Committee were keen to suggest to the Executive Committee that any advice should include ensuring that recipients are supported towards the best tariff available at the time the advice is given.

3.11 There is a need for improved management information about both schemes, so that underlying causes can be established and the success (or otherwise) of the scheme, judged.

PROVISION OF FOOD AND ESSENTIAL NON FOOD ITEMS

3.12 That a scheme, similar to the current one, that provides an amount of funding for

emergency food provision is retained and extended to include essential non-food items.

Other Matters

3.13 There are significant financial and operational challenges for all agencies involved in supporting those living in poverty; be they public, private, social or charitable organisations or groups. It is important, therefore, that agencies work together effectively to tackle both the causes of poverty and to support those in financial need.

3.14 The Anti-Poverty Group has been established to develop and coordinate a strategic approach to tackling poverty and the causes of poverty across the Bradford District. This multi-disciplinary partnership includes representation drawn from the public, private, faith, voluntary and community sectors.

3.15 The work of the group will, therefore, need to ensure that support arrangements such as LWA are targeted and coordinated to better support the District's residents.

4. FINANCIAL & RESOURCE APPRAISAL

There is currently £1.6m in an earmarked reserve to fund the current scheme as it stands. The cost of creating a new scheme for an initial 5 year period is difficult to gauge as it will be driven by demand. Initial thinking suggests a cost of between £135,000 and £165,000 per year.

Therefore a scheme for five years would cost between £675,000 & £825,000, not accounting for inflation. Even adding something for inflation and administration this would still leave between £600,000 and £700,000 available to spend in other ways in support of those on low incomes

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

None

6. LEGAL APPRAISAL

The Government did not place a Duty on the Council in respect of the use of funding provided in 2013/14 and 2014/15 in respect of Local Welfare Assistance. However, it did make explicit its intention that the funding be used to help those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need.

The Local Welfare Assistance scheme is a discretionary scheme and there is no right of appeal conferred on any member of the public or someone acting on their behalf. However, the inclusion of a review process as part of the arrangements to support the scheme provides evidence of good governance, performance management and process control.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

An Equalities Impact Assessment is attached to The provision of support described in this

report is based on need and income, and access to support by people with protected characteristics is not restricted. Provision is available to all low income households. Research indicates that Black and Ethnic Minorities communities are more likely to live in poverty, and in the district, there are substantial populations of these communities. In the absence of other support networks, these communities could be more likely to access the scheme than other communities.

7.2 SUSTAINABILITY IMPLICATIONS

The schemes support improvement in the well being of individuals and families. It helps people to return to, or maintain themselves in, the community which helps people to remain within their community and support networks; thereby supporting the development of more sustainable communities.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

There are no greenhouse gas emissions impacts

7.4 COMMUNITY SAFETY IMPLICATIONS

Helping to keep residents in their own homes, keeping families together, supporting the vulnerable or the elderly in the local community and assisting citizens through personal and difficult events all contribute towards improving community safety.

7.5 HUMAN RIGHTS ACT

The Bradford Council Local Welfare Assistance scheme complies with both the legislation and the Department for Work and Pensions best practice guide which has not raised any significant Human Rights implications.

7.6 TRADE UNION

No implications.

7.7 WARD IMPLICATIONS

No implications

7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

Not applicable

8. NOT FOR PUBLICATION DOCUMENTS

Not applicable

9. OPTIONS

None

10. RECOMMENDATIONS

That Executive

- Approve the revisions to the Local Welfare Assistance Scheme as set out in Sections 3.4 to 3.12 inclusive and instruct the Strategic Director Corporate Resource to implement the revised scheme from 1 April 2018
- Asks the Strategic Director Corporate Resource, in conjunction with the Portfolio Holder, to review the operation and effectiveness of the 2018/19 Local Welfare Assistance Scheme and, if necessary, make further proposals to develop the scheme.
- Request that the Anti-Poverty Coordination Group explores ways of deepening the District's understanding of poverty and the impact it has on individuals and families to inform the design, coordination and targeting of support activity.

11. APPENDICES

Appendix 1 Current LWA scheme details

Appendix 2 Equality Impact Assessment

12. BACKGROUND DOCUMENTS

None

CURRENT PROVISION

ASSISTED PURCHASE SCHEME (APS)

This loan scheme assists low income households to buy or replace essential household items such as cookers and beds in order to maintain their own health and wellbeing or that of their family. Both new and second hand items are available through the scheme. Applicants could be

- those leaving a care home, prison, hospital or similar e.g. a women's refuge, to become established in the community
- those who are at risk of entering a care home, hospital or similar if they are not able to obtain certain essential items
- those fleeing domestic violence
- those who are experiencing extreme financial pressure

The Council assesses whether the applicant is eligible under the scheme, and if so, provides the applicant with details of how to proceed with making a loan application, through Smarterbuys for new goods, or through the Council (via CHAS/St Vincent's, Newlands Furniture Project or the British Heart Foundation), for used goods,. The loan amount normally includes the cost of delivery but not installation/professional fitting of goods.

Loans are repayable at affordable levels, however, where it is determined that such a payment would not be possible, loans are declined.

Since the APS scheme was introduced there have been 2,520 applications for assistance. Of those applications 73% (1,840) have been successful in meeting the qualifying criteria for either new or used goods. The 27% (680) have been unsuccessful for a variety of reasons, including, a cash payment being required, the items requested were not part of the current offering or the applicant was assessed as unable to repay a loan. Those applicants who are rejected, based on their ability to make repayment are currently signposted to local organisations, who can often provide donated goods.

FUEL TOP UP

This was originally set up in partnership with the Community Advice Network (CAN) and delivered by the following advice agencies who were part of that network: CAB, CHAS, Cancer Support, Family Action, Gillington Advice Centre, Holmewood Advice Centre, Karmand Community Centre, Manningham Project, Ravenscliffe Advice Centre, Royds Community Centre, South Bradford Community Centre, West Bowling Community Centre and Windhill Community Centre.

The scheme allows the debt advice agencies to make a payment for a fuel top (up to a maximum of £80 per year) to any applicant who is in severe financial difficulties and pays for their fuel through a pre-payment card. The award is conditional on the applicant receiving tailored debt advice, to help the applicant be better able to manage their financial affairs and to avoid the need for regular top-ups. The advice agencies reclaim any payments they make, in these circumstances, from the Council.

Since the scheme was introduced in April 2015, to 31 March 2017 spend has totalled c£80,000 and estimated spend for the year ending 31 March 2018 is estimated to be £50,000

Whilst the CAN network ceased at the end of last year, this has had no impact on the individual agencies who, continue to offer this service.

The Council has no way of knowing who is receiving these payments and we rely on the advice agencies to ensure advice is given and our £80 limit is followed. Whilst this makes administration easy, it does not provide any oversight, nor the ability to respond to need in the District; for instance, we do not know how many of those receiving a top up are in work, out of work, pensioners, families etc

PROVISION OF FOOD AND ESSENTIAL NON FOOD ITEMS

In 2015 the Council made a financial contribution of £10,000 to the Metropolitan Food Bank, ensuring that food parcels were available at the first point of contact. Take up of food parcels in the District continues, but there is evidence to suggest that there are a greater number of locally based organisations giving food in the form of parcels and/or hot meals and this is reflected in the number of parcels handed out. No additional funding has been requested since 2015, indicating that the current provision is sufficient.

However, the provision of essential non-food items such as cleaning materials, toiletries, sanitary products and baby products is not currently included in the scheme. Anecdotally, this need is unfilled at the moment.



Equality Impact Assessment Form

Reference –

Department	Revs, Bens and Payroll	Version no	1
Assessed by	Paul Bland	Date created	22/2/2018
Approved by		Date approved	
Updated by		Date updated	
Final approval		Date signed off	

The Equality Act 2010 requires the Council to have due regard to the need to

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups

Section 1: What is being assessed?

1.1 Name of proposal to be assessed.

Update of the current Local Welfare Assistance (LWA) Scheme

1.2 Describe the proposal under assessment and what change it would result in if implemented.

The LWA scheme is the safety net that vulnerable residents can use when they find themselves in severe difficulties. It has operated in its current form for three years and has supported thousands of people in that time. There are two main strands help with purchasing essential furniture and white goods via an Assisted Purchase Scheme and immediate help for the financially most vulnerable with support to pay for fuel and the provision of food. The proposal updates the scheme to assist further those financially worse off and provide additional support and advice for those in fuel arrears. There is also additional provision of essential non food items.

Section 2: What the impact of the proposal is likely to be

2.1 Will this proposal advance equality of opportunity for people who share a protected characteristic and/or foster good relations between people who share a protected characteristic and those that do not? If yes, please explain further.

Yes

Research indicates that Black and Ethnic Minorities communities are more likely to live in poverty, and in the district, there are substantial populations of these communities. In the absence of other support networks, these communities could be more likely to access the scheme than other communities.

Those on low incomes will have opportunities to purchase goods which previously may not have been possible and establish homes in communities of choice where children have the opportunity to go to and remain at schools of choice and adults have a base from which to seek and retain employment opportunities

2.2 Will this proposal have a positive impact and help to eliminate discrimination and harassment against, or the victimisation of people who share a protected characteristic? If yes, please explain further.

Yes for the reasons outlined above

2.3 Will this proposal potentially have a negative or disproportionate impact on people who share a protected characteristic? If yes, please explain further.

No

2.4 Please indicate the level of negative impact on each of the protected characteristics?

(Please indicate high (H), medium (M), low (L), no effect (N) for each)

Protected Characteristics:	Impact (H, M, L, N)
Age	N
Disability	N
Gender reassignment	N
Race	N
Religion/Belief	N
Pregnancy and maternity	N
Sexual Orientation	N
Sex	N
Marriage and civil partnership	N

Additional Consideration:	
Low income/low wage	N

2.5 How could the disproportionate negative impacts be mitigated or eliminated?
 (Note: Legislation and best practice require mitigations to be considered, but need only be put in place if it is possible.)

Not applicable

Section 3: Dependencies from other proposals

3.1 Please consider which other services would need to know about your proposal and the impacts you have identified. Identify below which services you have consulted, and any consequent additional equality impacts that have been identified.

N/a

Section 4: What evidence you have used?

4.1 What evidence do you hold to back up this assessment?

Extensive data on those assisted by the current scheme
 Detailed report from External Consultants with recommendations leading to these proposals

4.2 Do you need further evidence?

No

Section 5: Consultation Feedback

5.1 Results from any previous consultations prior to the proposal development.

None

5.2 The departmental feedback you provided on the previous consultation (as at 5.1).

None

5.3 Feedback from current consultation following the proposal development (e.g. following approval by Executive for budget consultation).

None

5.4 Your departmental response to the feedback on the current consultation (as at 5.3) – include any changes made to the proposal as a result of the feedback.

None