

## WIRRAL COUNCIL

### CABINET

13 MARCH 2014

<b>SUBJECT:</b>	<b>LOCAL WELFARE ASSISTANCE SCHEME</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>HEAD OF BUSINESS PROCESSES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION?</b>	<b>YES</b>

#### **1.0 EXECUTIVE SUMMARY**

- 1.1** This report provides Cabinet with an update on the local discretionary support scheme "Local Welfare Assistance" introduced in April 2013. Wirral's scheme was approved by Cabinet on 24 January 2013 and a further report reviewing the scheme with recommendations for future years was requested. This report recommends specific scheme amendments for 2014/15 and is made in light of this grant funding only being available for 2014/15 and that an authority has no statutory requirement to have a scheme and locally specifies its own scheme.

#### **2.0 BACKGROUND AND KEY ISSUES**

- 2.1** The Government published the White Paper "Universal Credit: welfare that works" on 11 November 2010 which set out proposals to reform the welfare system and which included reform plans for the Social Fund. The subsequent Welfare Reform Act 2012 included powers to end the discretionary elements of the Social Fund. From April 2013 the discretionary Crisis Loans for Living Expenses and Community Care Grant elements of the Social Fund administered by the Department of Work and Pensions were abolished. Funding was transferred to Local Authorities for them to provide a replacement local scheme.
- 2.2** Crisis Loans were intended for people unable to meet their immediate short term needs in an emergency or as a consequence of disaster, and were awarded for immediate living expenses in order to avoid serious damage to the health and safety of the applicant or a member of their family. Community Care Grants were primarily intended to help vulnerable people live as independent a life as possible in the community and were dependant on receipt of income related benefit.
- 2.3** The Department for Work and Pensions (DWP) continues to administer the discretionary Crisis Loan Alignment and Budgeting Loans which they are gradually replacing with new national schemes for Short Term Advances and Budgeting Advances. The DWP also continues to administer the regulated elements of the Social Fund (such as Funeral Payments, Cold Weather Payments, Winter Fuel Payments and Sure Start Maternity Grants).

2.4 Following consultation Wirral Council developed a policy for the provision of a Local Welfare Assistance Scheme aimed at supporting those most in need. The Policy was approved by Cabinet on 24 January 2013 (minute 168) and the scheme in place aims to meet the presented needs of the applicant through provision of goods or items rather than cash. A longer term aim of the scheme is to support applicants in identifying and addressing the underlying causes giving rise to the application, such as drug or alcohol abuse or poor budgeting skills.

#### **LOCAL WELFARE ASSISTANCE SCHEME 2013/14**

2.5 Residents apply for Wirral's LWA scheme via on-line application available on the Council's website. Whilst it was anticipated that many potential applicants may have difficulties in accessing the scheme in this way, and the service made provision to support those needing assistance, in reality an overwhelming majority of applicants have been able to complete the application process unassisted.

2.6 Two self access kiosks have been installed in the Conway Centre in central Birkenhead, the busiest one stop shop. 3,971 people have used these kiosks to find out about the scheme, and 2,946 people have used a kiosk to make an application. Most other one stop shops have ready access to the library public access PC's, and there are plans to install kiosks in Seacombe and Bebington to provide access to the scheme from these sites.

2.7 The call centre recruited a small number of temporary staff to help respond to telephone enquiries relating to the scheme and at the same time promote self access via online application. Over 5,500 calls have been received since the scheme's inception and 95% have been handled at the first time of offering.

2.8 The assessment and processing part of the scheme is administered by housing benefit staff, and there have been significant advantages to placing the scheme within this service including:

- Staff are experienced in making discretionary assessments, have a key knowledge of the benefits system and can establish what benefits should be in payment and when they are likely to be due.
- Staff have access to benefits information so they can establish identity and residency without the need for the customer to provide additional supporting documentation which minimises complexity and delay.
- Staff consider other awards such as a discretionary housing payment and council tax discount where appropriate, which helps the applicant with a view to maximising any other support or entitlement not being accessed or claimed.
- Staff identify anomalies in applications when reviewing the information held in housing benefit claims, and can ensure that LWA funds are protected from abuse and focussed on those in real need. This was shown in a prosecution which resulted in an LWA applicant pleading guilty to the offence of fraud, and being sentenced to 60 hours' unpaid work plus costs.
- Staff similarly identify anomalies in housing benefit applications arising from information provided in the LWA application and are thus able to detect fraud and error in housing benefit claims.

- 2.9 Assessment staff give consideration to a number of factors in determining whether an award should be made. These are;
- Whether the support requested is available under the scheme
  - Whether the criteria outlined in the policy have been met
  - Whether a benefit payment is due and, if so, when
- 2.10 Where it is considered a LWA award is appropriate to the applicant's circumstances, an arrangement will be made to either;
- Deliver the item(s) requested to the person's home, or
  - Provide a purchase card for collection at a one stop shop of the applicant's choosing. The card is used to purchase the item(s) required.
- 2.11 The scheme has been successful in meeting the needs of the most vulnerable, and has received a number of positive comments and thus far no complaints have been received about the scheme and its administration.

### **FINANCIAL REVIEW**

- 2.12 The Department for Work and Pensions (DWP) allocated Wirral Council programme funding of £1,345,925 for the provision of awards under this scheme. This was less than the amount spent by the DWP on awards under the Social Fund scheme for the elements no longer administered by them. In spite of this, and in common with other local authorities, significantly less has been awarded under the scheme in the first nine months than had been predicted. This has enabled us to redefine 'essential items' to include more items such as floor covering, clothing and footwear.
- 2.13 Financial support has also been extended to the Emergency Duty Team based in Families & Wellbeing, as well as the use of supermarket vouchers issued to support vulnerable people outside of normal office opening hours. Closer working with the Supporting People team in Regeneration & Environment has been developed to ensure applications from hostel dwellers are processed quickly and effectively. This allows residents to be moved on more quickly and reducing the service's expenditure on hostel accommodation.

### **ANALYSIS OF APPLICATIONS**

- 2.14 In the first nine months of the scheme, the Council received 5,552 applications for support. This compares to 12,880 Social Fund applications for crisis loan items, crisis loan living expenses, crisis loan alignments and community care grants made to the DWP for the same period in 2011. The figures for 2012 are not available although our figures show an increase in applications with figures at the end of February 2014 having risen to 7,308. It is also noteworthy that the DWP scheme was a loan which was then repaid through ongoing benefit whereas the authority scheme is an award.
- 2.15 This significant reduction in numbers of applications is not easy to explain given the increasingly difficult economic situation and the impact of the welfare reforms. This may reflect the work of local authority's looking at a wider range of options that people making claims have available rather than under the previous scheme of cash payments. It is evident that a non cash system has proven to be not as attractive to

a number of previous applicants alongside the more robust checking and verification process the authority undertakes that better identifies real need as well as alternative options. The scheme is applied in such a way that applicants are offered access to longer term solutions on financial difficulties and are pointed to money debt advice which the authority has actively supported through the Voluntary Sector.

2.16 However, this experience has been mirrored across the country, and the anticipated numbers of applications have not materialised to the same level as under the DWP loan scheme. An informal comparison on Merseyside shows that this is a similar picture in neighbouring authorities. An updated figure for Wirral shows 41% of grant spent with others reporting between 15% and 39%. As this report later highlights a number have looked to now support options wider than a direct support scheme. These are hoped to provide a base for ongoing support infrastructure once this government grant funding is withdrawn in 2015 and this options needs to be considered for its relevance in Wirral.

2.17 The age brackets of applicants closely relate to the age demographic of Wirral applicants under the old scheme administered by the DWP, which would indicate that the majority of applicants are still those that would have qualified under the old scheme.

Age Band	% of Applicants Wirral LWA Scheme	% of Applicants DWP Social Fund Scheme
65+	1	1
55-64	5	5
45-54	15	16
35-44	21	22
25-34	31	27
18-24	26	28
16/17	1	1
u/16	0	0

2.18 88% of the applications received have been from single applicants and only 12% from couples. 45% of applicants have dependant children and 55% do not.

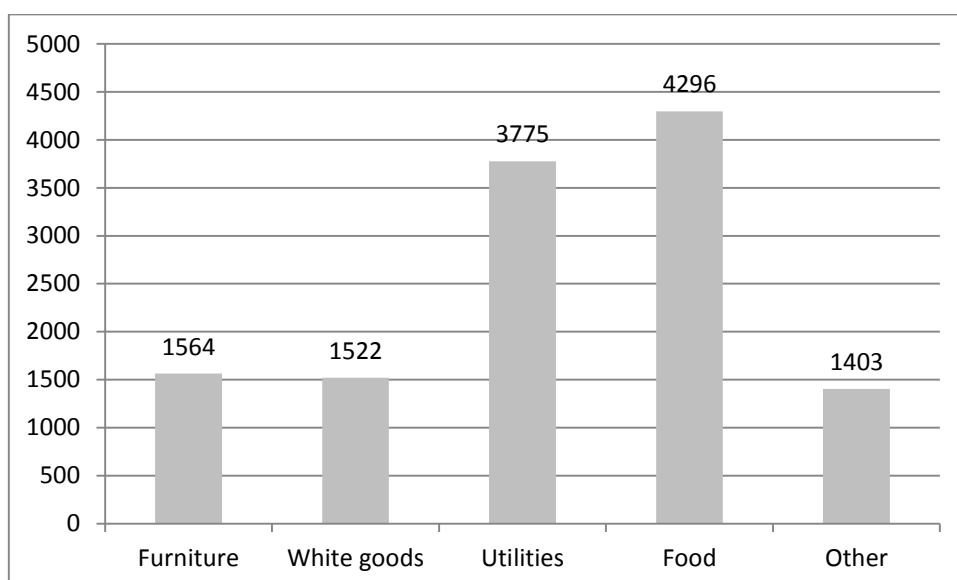
2.19 17% of applications came from people living in hostels or homeless, with a further 2% living with parents or friends. 36% of applications came from tenants of registered social landlords, and 40% from private tenants. Only 3% were owner occupiers and the remaining 2% classified themselves as 'other'.

2.20 The reasons behind the applications are requested in the application process. The reasons provided by the applicant have been analysed, and identified as:

Reason for application	%
Interruptions or delays to DWP benefit payments	17
Crisis	59
Disaster	1
Homeless or leaving care / detention	4
Other	18

- 2.21 A significant number of applications for support are due to benefit suspensions or delays in getting benefits into payment. The DWP does make some provision for those who are adversely affected in this way, but access to this provision is very severely restricted and the majority of people affected are not able to access any of the DWP hardship payments.
- 2.22 A further analysis of the reasons in the table above under the title “crisis” shows that the majority of applicants need support as they are struggling to cope with the limited budget available to them. Many of these people are at risk of exacerbating their financial problems by accessing funds at very high interest rates, either from legitimate or illegal money lenders. Some have already used loan sharks. Repayment has left them with no money to buy food or heat or light their homes. 77% of the applicants requested help to buy food, and 68% needed help to pay for gas and / or electricity.

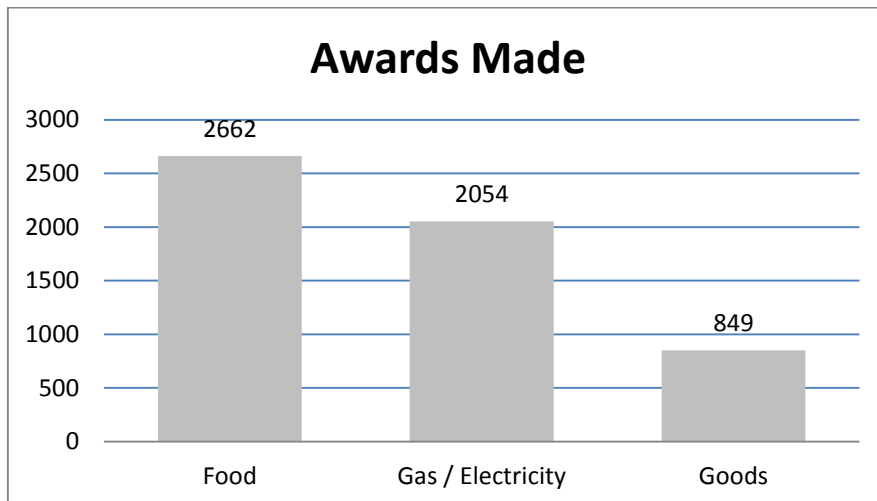
The table below shows a breakdown of the reasons for application in the first nine months of the scheme;



### DETAILS OF AWARDS MADE

- 2.23 During the first nine months of the scheme 59% of applications were successful and 41% were refused because they did not meet the basic criteria set out in the policy.
- 2.24 An analysis of awards made against the support requested shows that;
- 62% of applications that included a request for help with the provision of food were successful,
  - 54% of applications that included a request for help with gas and electricity costs were successful,
  - 61% of applications that included a request for help with the provision of essential items were successful.
- 2.25 Of the awards made for the period April to December;
- 82% included an amount for food,

- 63% included an amount for gas and / or electricity, and
- 26% included the provision of essential items (eg of furniture)



- 2.26 These awards reflect the general principles of the scheme; that awards are to be made where there is a risk to the health or wellbeing of the applicant and/or any dependants.
- 2.27 84% of applications are being processed within a day, and this includes awards where there is no eligibility and non urgent awards, for example for furniture items required for a person to move out of hostel accommodation.
- 2.28 234 applications were reviewed on appeal in the first nine months of the scheme. These appeals are handled internally within Housing Benefits by separate officers. A significant number of appeals result from a refusal for a budgeting advance from the DWP.

### **ADMINISTRATIVE AND STAFFING IMPACT**

- 2.29 The implementation and ongoing administration of the scheme has had a significant impact on the Housing Benefit assessment function, at a time when handling a significant increase in work via the massive changes under Welfare Reform. This has seen Benefits work increase and at the same time additional support has been focused in addressing the requirements of the Personal Finance Unit assessment and recovery work.
- 2.30 Customer Service staff have also been significantly impacted upon by the cumulative effects of all welfare reforms. LWA applicants awarded a payment card collect it from a one stop shop. Those who are not eligible for support from the LWA scheme may also be referred to one stop shops for a food bank voucher in certain circumstances. Food Bank voucher issues have increased massively since these changes and we continue to work closely with the charity for the benefit of people who need to access this service.
- 2.31 The successful implementation of the scheme has been due to the flexibility and commitment shown by staff in these areas.
- 2.32 The application process, mainly on line, has proven to be accessible and easy to use.

- 2.33 The number of applicants each week has increased as the year has progressed. Weekly payments starting at around £4,500 per week in April 2013 and are now up to an average £24,000 per week in February 2014. This is as a result of the ongoing publicity work targeting potential claimants and partners in the voluntary and housing sectors who work with likely applicants.

#### **COMMUNICATION OF THE SCHEME**

- 2.34 In common with other local authorities, the launch of the Local Welfare Assistance scheme was low key in year one. We did ensure that partner organisations were aware of the scheme and made information available on the Council's website. We also liaised closely with the Job Centre Plus, so they could signpost social fund applicants in the right direction.
- 2.35 Analysis has shown that there are few applications from older people, who may be struggling financially but are unaware of the scheme. Similarly the majority of applications come from those out of work, whilst we know many low paid employees also find it difficult to make financial ends meet. We will look to work more closely with key partner organisations to ensure as many vulnerable residents are aware and can access the scheme to be supported through difficult times.
- 2.36 Funding is only guaranteed for 2014/15 and government have reviewed this and this funding is not to be maintained after this. The authority will have to decide what if any support scheme is in place in 2015/16 and from where it is funded. Therefore, it is imperative that the grant funding is used to maximise ongoing support that will allow the most vulnerable to be best supported going forward.

#### **POLICY REVIEW**

- 2.37 Following a review of the policy in the light of the first nine months' of the scheme, a revised policy has been drafted for 2014/15 and is appended to this report (Appendix 1). Only a small number of amendments have been made to the scheme and the main changes are;

For a request for support to remain or become established in the community:

- There is no longer a requirement for a referral from an organisation which supports vulnerable people
- There is no longer a requirement that the applicant is due to leave a care home, hospital or prison within six weeks

- 2.38 These amendments allow the scheme to be used to support people moving out of hostel or other temporary accommodation, thus reducing the cost to the Council of temporary accommodation.
- 2.39 There is also an amendment in Section 3 of the policy, adding paragraph 3.5 which outlines action to be taken in the event of an under spend of the budget, looking at wider ways of supporting the principles of the scheme.
- 2.40 Cabinet is asked to approve these revisions to the policy for 2014/15.

#### **FUTURE OPTIONS AND PROPOSALS**

- 2.41 The grant that has been given to the authority is guaranteed for this year and 2014/15, after which central government have formally made clear that it will not be

separate and will form part of settlement considerations. No specific sum will be identifiable and all authorities will have to consider what if anything they do in this regard from within reducing resources from 2015/16. 2014/15 is therefore an opportunity to identify and decide on support for any initiatives that may in the long lasting in supporting Wirral's most vulnerable residents.

2.42 Recent benchmarking activity has identified a number of examples of innovative practices and partnership working already being put forward elsewhere. This includes possible support for families and/or the homeless, working closer with Job Centre advisors, working with the Voluntary sector on budgeting advice & support and added to this is potential support for local Credit Unions, Food Banks or other such organisations:

2.43 There is no obligation on an authority to have a scheme and it can decide not to extend its activity and use the grant for other authority purposes. If Members are minded such areas could be reviewed corporately and reported on which offer a feasible proposal, the implications of each and how best any could be implemented. Cabinet is asked to support a further report detailing which, if any, options can best be proposed to taken forward.

### **3.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

3.1 The authority continues to engage with partner organisations to provide a scheme that responds to immediate crises and helps address underlying issues identified.

### **4.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

#### **4.1 FINANCIAL:**

4.1.1. The grant funding is only available for the years 2013/14 and 2014/15 and is £1,345,925 per annum. This was £229,575 less than the DWP full year expenditure against Crisis Loans and Community Care Grants in 2011/12 however the DWP scheme was largely a loan scheme reclaimed back through ongoing benefits. It is not a legal requirement to have an assistance scheme of this type and the grant is not ring fenced to this specific area, thus any under spend remains in the authority. Given the uncertainty of demand levels the policy as amended allows for prioritisation of applications in order to protect the finite funding available for the scheme.

4.1.2. As at 31<sup>st</sup> December 2013 £389,815 had been spent in respect of 3,489 awards. As at the end of February 2014 this had increased to £561,913 in respect of 4,417 separate awards which reflects the ongoing increase in awards and applications being handled. Awards may include elements for one or more of the scheme areas (food fuel or white goods).

4.2 IT: There are none arising out of this report.

#### **4.3 STAFFING:**

4.3.1. To ensure this scheme was properly and fully administered Housing Benefits have had two experienced team leaders manage the scheme, one undertaking reviews under the appeals process, and the other addressing day to day operational arrangements. The Housing Benefits Operational Manager has also had to give



considerable time to ensure this totally new scheme was up and running in time and that it continues to work effectively. Supporting this there are two full time equivalent assessors undertaking assessment and award functions and includes liaising with suppliers, customers and partners. As scheme applications continue to increase this has required additional support which has been by utilising housing benefit staff.

4.3.2. There have been a number of practical issues for staff to contend with, spending considerable time in contact with many applicants, supporting them through their crises and helping explore alternative options for support.

4.3.3. One stop shop staff report an increase in customers who are upset, angry or worried and they face increasing hostility from customers who are struggling to meet escalating financial commitments or who are refused an LWA award. It is anticipated that this trend is likely to continue as staff contend with an increasingly difficult role as the adverse impacts of welfare reform are seen. Training is being organised to support staff while we keep under review the balance of security in place to support our staff whilst not impacting on the overall environment at sites.

4.4 ASSETS: There are none arising out of this report.

## 5.0 LEGAL IMPLICATIONS

5.1 There is no specific duty on local authorities as to how or if they meet this provision as government views authorities need to be able to be flexible to provide this support in a way that is suitable and appropriate to meet the needs of local communities.

## 6.0 EQUALITIES IMPLICATIONS

6.1 A specific Equality Impact Assessment (EIA) has been undertaken as part of Wirral's scheme development and design, and is accessed through the following link <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

6.2 A national EIA for Welfare Reform can be assessed through the following link: - <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-act-2012/impact-assessments-and-equality/>

## 7.0 CARBON REDUCTION IMPLICATIONS

7.1 There are none arising out of this report.

## 8.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

8.1 There are none arising out of this report.

## 9.0 RECOMMENDATIONS

9.1 That Cabinet approves the policy as outlined in Appendix 1 as the authority's Local Welfare Assistance Scheme for 2014/15.

9.2 That Cabinet approves a review of other measures that may be used to support vulnerable residents and that proposals are brought before a future meeting as to how they may be progressed.

## 10.0 REASONS FOR RECOMMENDATIONS

10.1 Members can view and approve the changes to the policy that considers applications for a wide range of support needs and be aware that additional areas can be reviewed.

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**APPENDIX:** Wirral Local Welfare Assistance Scheme Policy 2014/15

**REFERENCE MATERIAL:** None

## SUBJECT HISTORY:

Council Meeting		Date
Cabinet	(min 168)	24/01/13
Council Excellence Overview & Scrutiny	(min 42)	27/11/12
Cabinet	(min 51)	19/07/12
Council Excellence Overview & Scrutiny	(min 98)	26/03/12
Council Excellence Overview & Scrutiny	(min 138)	17/11/11
Cabinet	(min 118)	22/09/11
Council Excellence Overview & Scrutiny	(min 64)	16/03/11