

Cabinet

14 March 2018

Welfare Assistance Scheme 2018/19

Key Decision: CORP/R/18/03



Report of Corporate Management Team

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Purpose of the Report

- 1 To provide Cabinet with the outcome of a review of the Welfare Assistance Scheme, which has been overseen by the Council's Poverty Action Steering Group and to outline proposals for changes to the policy and delivery arrangements from April 2018.

Executive Summary

- 2 This report provides Cabinet with the outcome of a review of the Welfare Assistance Scheme, which has been overseen by the Council's Poverty Action Steering Group.
- 3 Following the review it is proposed to retain a Welfare Assistance Scheme, administered by the Assessments and Awards Team in Finance and Transactional Services, Resources, with provision for Daily Living Expenses and Settlement Grant payments:
 - (a) The existing scheme / arrangements is considered to have consistent decision making, sound governance arrangements and a strong level of assurance from audit in terms of its processes and procedures;
 - (b) It offers a comprehensive service across the County and avoids the 'postcode lottery' scenario.
- 4 Following the review, a number of changes to the existing policy and delivery arrangements are proposed from April 2018. These amendments take into account the feedback received during the course of the review and seek to strengthen fulfilment arrangements and maximise spending. The updated policy is attached in the Cabinet report at Appendix 2. The proposed changes are summarised below:

- (a) Nappies and Baby Milk - following discussions with stakeholders including colleagues in Public Health, in future the Welfare Assistance Scheme will be revised to incorporate a £20 Paypoint cash out voucher option to enable people to purchase the appropriate nappies and baby milk for their children's needs. This will address difficulties in fulfilling the requirement for nappies under the current processes.
 - (b) Hygiene Packs - it is proposed that the Welfare Assistance Scheme be amended to incorporate a hygiene pack, with a proposed amount of £10.00 per award. This will allow for the purchase of toiletries and sanitary products;
 - (c) Utility Costs (Gas and Electric) - it is proposed that the Welfare Assistance Scheme follows the principles used for food baskets, and that the value of utility costs is awarded according to household composition. The Welfare Assistance Scheme will be amended from £28.30 per household to £30.00 for a single person, £35.00 for a couple and an extra £5.00 per child in terms of utility costs;
 - (d) Travel - it is proposed to keep the provision of travel within the Durham scheme. From April the Welfare Assistance Scheme will include a Paypoint cash out voucher for a maximum amount of £50.00 to fulfil this requirement;
 - (e) Replacement Goods - replacement goods for items such as white goods and furniture are not covered within the existing Welfare Assistance Scheme, however, it is proposed to provide low cost loans through the for replacement goods from the NE Credit Union;
 - (f) Definition of close family member - the Welfare Assistance policy has been clarified to give meaning to 'close family member' using the definition from Housing Benefit legislation.
- 5 Further work is required to promote awareness of the Policy, particularly in Children's Social Care where the review found that needs are being met through s17 Payments rather than through the use of the Welfare Assistance Scheme. A comprehensive communications, promotion and training campaign will be implemented to ensure that internally and externally we raise awareness of the scheme as widely as possible.
- 6 In terms of the Welfare Assistance Scheme budget, it is proposed that the £860,000 funding available for awards via the Welfare Assistance Scheme will be pre-committed as follows:
- (a) Area Action partnerships – £140,000 annual allocation (£10,000 for each AAP) to fund Welfare Reform initiatives in the locality, on this basis that this complements and augments services and provision already funded within the locality e.g. Advice and Support arrangements, foodbank coverage etc.;

- (b) The Durham Foodbank – £50,000 annual grant to fund part of their core countywide infrastructure, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme;
 - (c) FEED Project (East Durham Trust) – £2,700 annual contribution to increase capacity / ability to support residents in East Durham, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme and via the Foodbank coverage in this area;
 - (d) NE First Credit Union - £10,000 annual allocation to underwrite the low cost loan facilities that have been factored into the Welfare assistance Scheme Policy at Appendix 2.
- 7 Factoring in these allocations, the sums available to meet demand for Daily Living Expenses and Settlement Grant applications in 2018/19 will be £657,300, with any underspending being carried forward in an earmarked reserve at year end. Any overspending against the scheme would be funded via sums being drawn down from the reserve at year end.
- 8 It should be noted in the past that Employment programmes have been funded from underspends from the Welfare Assistance Scheme and if the measures in this report are accepted will leave less scope in future to fund these type of Employment schemes from this budget.

Background

- 9 The Welfare Reform Act 2012 abolished the discretionary elements of the Department for Works and Pensions (DWP) Social Fund and transferred responsibility to upper tier and unitary authorities. Funding was provided by Central Government to allow local authorities to develop and deliver their own scheme.
- 10 The Council's scheme was approved in March 2013, with the administration of the policy initially outsourced to Civica and Five Lamps to deliver the Welfare Assistance Scheme under an umbrella partnership called Help and Advice Network Durham (HAND) for the period 1 April 2013 to 31 March 2015.
- 11 In 2013/14 and 2014/15 the budget was equal to the specific grant funding provided by the DWP for each of those years (£1,592,057) plus administration grant funding of £336,414 in 2013/14 and £308,359 in 2014/15. The administration grant funding was passported to Civica and Five Lamps as part of the initial contract for fulfilling the Council's Welfare Assistance Scheme policy.
- 12 Since 2015/16, when the Government removed the specific grant funding, the Council has funded its scheme within its core budget, with an annual budget of £1,000,000 per year, including administration costs of £140,000 per annum. The budget established in 2015/16 was equal to the increase in funding provided as

part of the Final Grant settlement for that year, which was allocated in response to the significant representations made against the removal of the specific grant funding provided in the preceding two years.

- 13 To coincide with the change in funding arrangements in April 2015 it was decided to bring the service 'in-house' to be administered by the Resources as part of its Discretionary Awards Team.
- 14 Despite the impact of the ongoing austerity measures on the Council's Medium Term Financial Plan, no reductions have been made to date to the budget established in 2015/16.
- 15 The Welfare Assistance Scheme is overseen by the Poverty Action Steering Group, providing oversight and governance including the application of delegated powers to make amendments to the Welfare Assistance Scheme. These powers were most recently used in October 2017, when the decision was taken to amend the Welfare Assistance Policy to alleviate some of the financial pressures customers will face moving from Housing Benefit to Universal Credit, the qualifying criteria being changed from one award within twelve months to one in six months.
- 16 Whilst there have been a number of amendments to the policy since 2013, a full review of the Policy was scheduled to be undertaken in 2017/18 to ensure the policy continues to meet the needs of the residents of the County, supports the Councils wider policies on welfare reform and that the administration of the scheme continues to deliver value for money.

National Context

- 17 In September 2017 the Centre for Responsible Credit published a report into the impact of Government's decision to abolish Crisis Loans and Community Care Grants and its replacement of these with 'local welfare schemes'.
- 18 It found that the policy, adopted in 2013/14, resulted in widespread cuts to the support that households receive when they experience a financial emergency or need help to live independently.
- 19 The research undertaken involved a desk based review of all local authority schemes in England, incorporating an assessment of Cabinet and Committee papers detailing current budgets for local welfare schemes and the reasons for cuts. Information was obtained for around 70 percent of all English local authorities. Key findings were as follows:
 - (a) 26 local authorities in England had closed their schemes as at the end of April 2017;
 - (b) In 41 other areas, the budget for 2017/18 was at least 60% lower than the initial DWP programme funding allocation made in 2013/14 and in 10 of these areas, the budget was 90% lower;

- (c) In some areas (e.g. Rotherham; Bradford) there have been moves to replace grants with low or no interest loans;
- (d) Where grants were still available demand was being managed by:
 - (i) Limiting the purposes for which grants can be awarded (e.g. no carpets);
 - (ii) Restricting the maximum level, and number of awards in any 12 month period to 1 or 2;
 - (iii) Refusing to accept applications when the annual funding allocation has been exhausted (e.g. Birmingham).
- (e) Investment in local welfare schemes has remained close to DWP initial allocation levels in just a handful of authorities;
- (f) For schemes which are being reduced or have closed:
 - (i) Overall funding pressure on local authorities, caused by a combination of reduction in Revenue Support Grant and rising demand for services – particularly Adult Social Care;
 - (ii) Lack of a statutory requirement to provide support;
 - (iii) Low take-up of schemes;
 - (iv) That DWP has 'stopped funding'.

20 Durham County Council is one of the few Councils that has maintained a Welfare Assistance Scheme in line with the Policy it adopted in 2013 and budget in line with the allocations made in 2015/16.

Current Provision

- 21 The current Welfare Assistance Scheme within County Durham consists of two elements:
- (a) Daily Living Expense (DLE), which covers immediate need such as food and other essentials;
 - (b) Settlement Grants, which covers the requirements for furniture and similar goods to assist the applicant move back into the community.
- 22 The application process and administration of the scheme is managed by the Discretionary Benefit team in Resources. Customers can apply for DLE and Settlement Grant by the following methods:
- (a) Telephone application – speaking direct to dedicated experienced call handlers;

- (b) On-line – completion of intelligent web form applications;
 - (c) Applicants can apply direct or by a trusted partner e.g. Durham County Council Social Workers, housing provider support workers.
- 23 Since the Council took over the direct administration of the scheme in April 2015, assistance has been provided to 3,964 people, with awards totalling £1.320 million. Work undertaken in the past three years has also seen the development of closer working relationships with the voluntary and community sector through the development of service level agreements.
- 24 An important feature of the Welfare assistance Scheme in operation in Durham is to triage the request for an award and to give advice on the basis of a ‘no wrong door’ approach, which underpins the Advice in County Durham partnership. In the event that the Welfare Assistance Scheme team are not able to provide financial support, a referral can be made to a more suitable organisation who would then proactively contact that individual rather than rely on them acting on a sign posting to another organisation.

Delivery Partners

- 25 The Council has developed partnership arrangements with a range of organisations: for white goods and furniture, working with East Durham Partnership and County Durham Furniture Help Scheme. In 2018/19 this important relationship will be maintained, which has been strengthened over recent years through a formal service level agreement, with regular liaison meetings in place.
- 26 The provision of goods and services is currently undertaken by Family Fund Trading (FFT) or by East Durham Partnership and County Durham Furniture Help Scheme. Details of the current arrangements are set out below:

DLE	Settlement Grant
Food – Asda: home delivery of food baskets based on family composition. This scheme is operated through the Family Fund.	White Goods – East Durham Partnership/ County Durham Furniture Help Scheme <i>Where unable to fulfil – FFT/Argos Voucher</i>
Utilities – FFT/Pay Point vouchers	Furniture – East Durham Partnership/County Durham Furniture Help Scheme <i>Where unable to fulfil – FFT/Argos Voucher</i>
Travel – no solution	Household goods – FFT/Argos Voucher
Baby Milk/ Nappies – cash out vouchers or reimbursement of costs incurred via utility payments	Carpets – BACS payment to local outlet/FFT
	Removals – local furniture removal company

Current Costs and Spend

- 27 The 2017/18 budget for the Welfare Assistance Scheme is £1,000,000. Administration costs including staff costs of £94,354 (£31,451 x 3 fte), plus management and non-staffing / system costs of circa £45,000, leaves circa £860,000 available for awards.
- 28 The Welfare Assistance Scheme has made on average 113 awards each month this year, split roughly 33% Settlement Grants and 67% Daily Living Expenses.
- 29 There has been an increase in the both the volume and value of awards following the rollout of Universal Credit in County Durham. Awards to people living in Universal Credit full rollout areas represented 41% of all Daily Living Expenses awards in December 2017. Details of the number and value of awards over the last few years are set out below:

	Daily Living Expenditure (DLE) awarded	Spend
2015/16	934	£62,030.31
2016/17	771	£59,195.75
2017/18 @ 31/1/18	759	£61,014.19
	2,464	£182,240.25

	Support Group (SG) awarded	Cost
2015/16	548	£409,655.74
2016/17	574	£415,739.99
2017/18 @ 31/1/18	378	£313,041.76
	1,500	£1,138,447.49

Total	3,964	£1,320,687.74
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- 30 The Welfare Assistance Scheme budget is overseen by the Poverty Action Steering Group. Any underspend against the Welfare Assistance Scheme budget is carried forward in an earmarked reserve and used to augment the following years' budget allocations.
- 31 Underspending in 2013/14 and 2014/15 net of allocations to AAPs and to Employability initiatives in those initial years, resulted in an earmarked reserve carried forward balance at 31 March 2015, prior to the Council taking on the administration of the scheme, of £1.198 million.
- 32 As expenditure on awards has remained below the levels originally envisaged, the Poverty Action Steering Group have agreed allocations to support other welfare reform initiatives across the last two and half years, details as follows:
- (a) Augmenting the Discretionary Housing Payments budget spend by £118,000 in 2016/17 to offset an overspend on DHP awards last year;

- (b) Allocations to Regeneration and Local Services for funding Employment and Employers Initiatives Schemes - £1,000,000;
- (c) Allocations to Transformation and Partnerships for Area Action Partnerships welfare related projects – £420,000;
- (d) Allocations to Regeneration and Local Services for funding Home Energy Advisors through the Prince Bishops Community Bank - £120,000.

Review of the Welfare Assistance Scheme for 2018/19

33 The review has been wide ranging, involving benchmarking the arrangements in Durham against other authorities and discussions with a wide range of delivery partners and key stakeholders, including:

- (a) A staff survey among DCC staff;
- (b) Adult Health Services Management and Social Work teams;
- (c) Advice in Co Durham Partnership;
- (d) Children Services Think Family and Social Work teams;
- (e) Citizens Advice;
- (f) Customers;
- (g) Registered Social landlords;
- (h) Durham Christian Partnership and East Durham Trust;
- (i) East Durham Trust;
- (j) Housing Solutions;
- (k) Family Fund;
- (l) NE Credit Union.

34 The Welfare Assistance Schemes operated by other local authorities across the North East region have been reviewed and compared to the Durham scheme. There was found to be a great deal of similarity between schemes in operation across the region. All schemes were being delivered 'in house', with the exception of Darlington, who use their local Citizen Advice Service as the main delivery partner. All schemes in operation across the North East have the provision for emergency food and other essentials and provision for help in setting up home or moving home in the community.

35 The key areas highlighted from the review was the need to support key delivery partners and stakeholders, increase awareness of the Welfare Assistance scheme within the Council, and develop the scheme to meet the need for the provision of services for household fuel, hygiene packs, payments to support people in the initial stages of their Universal Credit claim and the need for low cost loans for replacement goods.

Welfare Assistance Scheme Delivery

36 As a part of the review consideration has been given to the delivery arrangements, how they could better meet the needs of customers, meet the challenges presented by the Universal Credit full service roll out and support key stakeholders. Two options have been carefully considered:

(a) In House Delivery Model:

- (i) This would essentially retain the current 'in-house' service delivery arrangements, governance arrangements, access to management information and strong assurance in terms of audit allows the Council to develop the current Welfare Assistance policy;
- (ii) Under this option the process for accessing help would remain the same, with a central team based in the Resources at the current staffing levels. Based on the feedback from stakeholders, the scheme would be improved through, giving increased support to stakeholders and a Communications and Marketing Strategy developed to raise awareness of the scheme and promote access and take-up;
- (iii) Building on the learning from the regional benchmarking the Welfare Assistance Scheme policy would be amended to include the provision of replacement furniture and white goods, facilitated through the Council entering into an arrangement with the NEFirst Credit Union.

(b) External Delivery Model

- (i) Under this option responsibility for administration and fulfilment of the scheme would be outsourced, with funding provided to external organisations to deliver the elements of the Daily Living Expenses and the elements of the settlement grants;
- (ii) As part of the review, County Durham Food Bank put in a proposal to deliver the Daily Living Expenses (DLE) element of the Policy. The proposed application process for food and fuel vouchers would be the same as the current foodbank and fuel bank scheme, where customers may receive three vouchers per annum. In exceptional circumstances, home delivery requests are made after discussion with the relevant referral agency;
- (iii) The County Durham Foodbank covers the whole County, through its 26 distribution points. The dales are not particularly well covered however and the foodbank depends on other support workers to deliver food to people there at present. They did however put forward proposals for the home delivery element of their proposal to provide countywide cover for people who could not visit a distribution point;

- (iv) Like all third sector organisations, the County Durham Foodbank are reliant on grant funding and donations in order to maintain its infrastructure and volunteers to continue with service provision;
- (v) In East Durham, foodbank coverage is augmented by the East Durham Community Development Trust Ltd (East Durham Trust), via the FEED project, which has been running for over six years. As part of the review, a request for a contribution from the council's Welfare Assistance Scheme budget was sought to allow the East Durham Trust to increase the outputs of the FEED project i.e. increase the number of food parcels given out;
- (vi) The FEED project currently distributes up to 70 food parcels per week in the east of the County, with peak periods being the summer holidays (due to families being reliant on school breakfast clubs, free school meals etc.) and the period immediately before and after Christmas. An allocation of £2,654 of funding was requested, in order to increase the provision of an additional 200 parcels per year, for clients living in the east of the County;
- (vii) The proposal to deliver what is now the settlement grant element of the scheme was received from NE First Credit Union. Under this option, low cost loans would be provided by NEFirst credit Union to facilitate the provision of furniture, white goods etc. including replacement goods. The Council would act as guarantor for a loan to the applicant for the purchase of the goods from a nominated supplier, and call on the guarantor where the individual defaults on the loan;
- (viii) The NEFirst Credit Union indicated that based on their experience in running a similar scheme with Gateshead housing that the provision for bad debts is only 10%.

37 Having carefully considered the merits of in-house service delivery vs the outsourced fulfilment proposals received, it is proposed that the Welfare Assistance Scheme continue to be operated in-house, with the policy amended to include the improvements that have been identified in feedback from stakeholders and customers.

Welfare Assistance Scheme Policy & Revised Fulfilment Proposals

38 A significant advantage of the current scheme / fulfilment arrangements is the assurance, governance and control arrangements in place. There is a lack of stigma in delivering the support through Settlement grants with the delivery of brand new white goods with warranties attached rather than second hand goods, which also means that the goods and services provided have a longer lifespan.

39 In addition, using the Family Fund and ASDA as a delivery partner to fulfil Daily Living expense awards at the customers' home rather than having to queue in foodbanks assists also helps reduce stigma to the customers who receive this support. This important feature of the support has been reflected in feedback from customers and front line social work staff.

40 Based on the feedback received during the course of the review, it is however proposed that the policy is revised and fulfilment improved in relation to:

(a) ***Nappies and Baby Milk***

- (i) The Welfare Assistance scheme has had a logistical difficulty in making payments for nappies and baby milk, due to the difficulty in providing these goods via Family Fund / Asda. The issue relates to the provision of substitute goods and the variety of 'basket' types according to the need for types of milk and/or the sizes of nappies;
- (ii) Following discussions with stakeholders including colleagues in Health, in future the Welfare Assistance Scheme will incorporate a Paypoint cash out voucher option to people who are supported in order to fulfil this requirement. This would allow them to purchase the appropriate milk and nappies to their children's needs immediately with an element of customer choice. The proposed amount is £20.00 per award and when incorporated into the Policy would be monitored for take-up and actual spend.

(b) ***Hygiene Packs***

- (i) The current Welfare Assistance Scheme policy does not allow for hygiene packs such as toiletries and sanitary products. People who have applied for assistance have nevertheless requested these and asked for toilet rolls and toiletries to be included as part of their food basket, which are currently excluded items'
- (ii) This is an issue that has recently gained a high profile in the national media, particularly an issue for women on low income.
- (iii) From 2018/19 it is proposed that the Welfare Assistance Scheme be amended to incorporate a hygiene pack, with a proposed amount of £10.00 per award. This would be fulfilled in the same method proposed for satisfying the requirement for nappies and milk, giving customers the freedom to purchase goods on offer, making the award cost effective and potentially last longer.

(c) ***Utility Costs (Gas and Electric)***

- (i) The current Welfare Assistance Scheme policy allows for an award of £28.30 for 7 days, regardless of household composition and time of the year. Benchmarking with other local authorities in the region has shown a variety of payment amounts and provision from no

help with utility / fuel costs to offering a standard amount from £10.00 to £30.00 per seven days;

- (ii) It is proposed that from April 2018 the Council's scheme follows the principles used for food baskets, and that the value of utility costs is awarded according to household composition. The Welfare Assistance Scheme will be amended from £28.30 per household to £30.00 for a single person, £35.00 for a couple and an extra £5.00 per child in terms of utility costs.

(d) Travel

- (i) The provision of travel is currently in the Welfare Assistance policy but is not utilised to any great extent and can be difficult to award;
- (ii) In practise, where these awards are made, people are encouraged to spend their own money on the travel expense, with compensation being made through an award for gas, electric and food. Quite often once a customer realises that they will not be given cash for this purpose they do not proceed with their application;
- (iii) Whilst benchmarking with other Local authorities in the region has shown that not all schemes offer help with travelling, it is proposed to keep the provision of travel within the Durham scheme. From April the Welfare Assistance Scheme will include a Paypoint cash out voucher for a maximum amount of £50.00 to fulfil this requirement. This will enable emergency help with petrol and taxis, bus and train travel.

(e) Replacement White Goods

- (i) Replacement white goods are not covered within the existing Welfare Assistance Scheme, however, building on the learning from arrangements in other areas and the proposals put forward in terms of settlement grants from NE First Credit Union for replacement goods it is proposed to introduce this facility from April 2018;
- (ii) Under these proposals people would be able take out a low cost loan from NE First Credit Union which, if successfully repaid, would enhance their credit score. To facilitate this the Council, utilising its Welfare Assistance Scheme budget would underwrite the loans. It is suggested that £10,000 is ring fenced and piloted to support this initiative. The PASG would monitor the take-up and delivery of the loans.

(f) Definition of Close Family Member

- (i) The Welfare Assistance Scheme allows applications from people living outside the County in exceptional circumstances where a link to a close family member in County Durham can be proven.

- (ii) The policy has been clarified to give meaning to 'close family member' using the definition from Housing Benefit legislation.

41 The updated Welfare Assistance Scheme Policy factoring in the proposals set out above is attached at Appendix 2.

Equality and Diversity Impact Assessment

42 The proposals outlined in this report and the updated Welfare Assistance Scheme Policy at Appendix 2 have been subject to an Equality and Diversity Impact Assessment.

43 Overall, working age groups are considered more likely to be positively impacted by the all aspects of the revised policy. The policy has a positive impact for pregnant women and new mothers via the provision of baby milk/nappy packs and hygiene packs, support with utility costs and enhanced working with children services.

44 Take up amongst people aged over 60 years is low (3%) and this will be addressed through a comprehensive marketing and communications plan aimed at community groups including the 'Advice in County Durham' partnership.

Promotion and Awareness of the Scheme

45 As part of the review, it was clear that there was mixed awareness of the scheme. Whilst there was good awareness within some areas, others, including internally within our social care teams, could be improved. There was strong awareness with Customer Services and amongst partners, with good information sharing and awareness via the Advice in County Durham Partnership.

46 Discussions with colleagues in Children and Young People Service (CYPS) revealed that payments being made by CYPS and charged to the CYPS cash limit budget through Section 17 of the Children's Act 1989 included payments where they may have been eligible for support through the Welfare Assistance Scheme.

47 The financial assistance given in terms of goods or services, including food and utility costs, or in exceptional circumstances cash, are approved by the relevant Social Care Team and can be provided to a child, parent or carer under Section 17(6) Children Act 1989 to address identified needs to safeguard and promote a child's welfare where there is no other legitimate source of financial assistance.

48 From these discussions it is evident that the Section 17 payments made for food and fuel are similar in nature to the award criteria of the Welfare Assistance scheme and would be more appropriately met under the terms of this scheme. Payments are currently met in respect of hardship payments and in cases where social security benefits are been transferred between couples where they share responsibility for children.

- 49 With these awards redirected away from Section 17 payments to be fulfilled under the Welfare Assessment Scheme it would create a projected additional spend of circa £178,000 against the Welfare assistance Scheme budget. It would also direct the administration of the awards towards a service that has existing governance and monitoring processes in place.
- 50 Arrangements have been put in place to ensure that the AHS and CYPS social care teams are aware of this scheme and that their service users fully utilise the Welfare Assistance scheme, with regular liaison meetings now taking place between staff internally, including the promotion referral protocols.

Conclusions

- 51 This report provides Cabinet with the outcome of a review of the Welfare Assistance Scheme, which has been overseen by the Council's Poverty Action Steering Group.
- 52 Retaining a Welfare Assistance Scheme, with provision for Daily Living Expenses and Settlement Grant payments is considered essential. However, the report outlines a number of proposals for changes to the existing policy and delivery arrangements from April 2018.
- 53 The review of the Welfare Assistance current scheme has allowed the Council to retain and build on the positive aspects of the current arrangements, around the speed of delivery and the method of delivery which reduces the stigma on the customer receiving this assistance
- 54 The scheme is considered to have consistent decision making, excellent governance arrangements and a strong level of assurance from audit in terms of its processes and procedures.
- 55 It offers a comprehensive service across the County and avoids the 'postcode lottery' scenario. It provides a responsive service through the home delivery service for daily living expenses that is non-stigmatising to customers.
- 56 A number of enhancements and improvements are proposed however and the updated policy is attached at Appendix 2. These amendments take into account the feedback received during the course of the review.
- 57 Further work is required to promote awareness of the Policy, particularly in Children's Social Care where needs are being met through s17 Payments rather than through the use of the Welfare Assistance Scheme. A comprehensive communications, promotion and training campaign will be implemented to ensure that internally and externally we raise awareness of the scheme as widely as possible.
- 58 In terms of the Welfare Assistance Scheme budget, it is proposed that the £860,000 funding available awards via the Welfare Assistance Scheme will be pre-committed as follows:

- (a) Area Action partnerships – £140,000 annual allocation (£10,000 for each AAP) to fund Welfare Reform initiatives in the locality, on this basis that this complements and augments services and provision already funded within the locality e.g. Advice and Support arrangements, foodbank coverage etc.;
- (b) The Durham Foodbank – £50,000 annual grant to fund part of their core countywide infrastructure, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme;
- (c) FEED Project (East Durham Trust) – £2,700 annual contribution to increase capacity / ability to support residents in East Durham, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme and via the Foodbank coverage in this area;
- (d) NE First Credit Union - £10,000 annual allocation to underwrite the low cost loan facilities that have been factored into the Welfare assistance Scheme Policy at Appendix 2.

59 Factoring in these allocations, the sums available to meet demand for Daily Living Expenses and Settlement Grant applications in 2018/19 will be £657,300, with any underspending being carried forward in an earmarked reserve at year end. Any overspending against the scheme would be funded via sums being drawn down from the reserve at year end.

Recommendations and Reasons

60 Cabinet is asked to:

- (a) Note the outcomes of a review of the Welfare Assistance Scheme, which has been overseen by the Councils Poverty Action Steering Group and which outlines proposals for changes to the policy and delivery arrangements from April 2018;
- (b) Approve the updated Welfare Assistance Scheme Policy, as attached at Appendix 2;
- (c) Delegate authority to the Corporate Director of Resources and Director of Transformation and Partnerships, in consultation with the Cabinet Member for Social Inclusion, to make any further amendments to the Welfare Assistance Scheme going forward.

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Appendix 1: Implications

Finance – The Council’s Welfare assistance Scheme budget is £1,000,000 per annum. The budget is overseen by the Councils Poverty Action Steering Group.

Administration costs including staff costs of £94,354 (£31,451 x 3 fte), plus management and non-staffing / system costs of circa £45,000, leaves circa £860,000 available for awards.

Any underspend against the Welfare Assistance Scheme budget is carried forward in an earmarked reserve and used to augment the following years’ budget allocations.

Underspending in 2013/14 and 2014/15 net of allocations to AAPs and to Employability initiatives in those initial years, resulted in an earmarked reserve carried forward balance at 31 March 2015, prior to the Council taking on the administration of the scheme, of £1.198 million.

As expenditure on awards has remained below the levels originally envisaged, the Poverty Action Steering Group have agreed allocations to support other welfare reform initiatives across the last two and half years, details as follows:

- Augmenting the Discretionary Housing Payments budget spend by £118,000 in 2016/17 to offset an overspend on DHP awards last year;
- Allocations to Regeneration and Local Services for funding Employment and Employers Initiatives Schemes - £1,000,000
- Allocations to Transformation and Partnerships for Area Action Partnerships welfare related projects – £420,000.
- Allocations to Regeneration and Local Services for funding Home Energy Advisors through the Prince Bishops Community Bank - £120,000

The changes detailed in this report are to help ensure we achieve spending of the full budget in year. It is proposed that the £860,000 funding available awards via the Welfare Assistance Scheme will be pre-committed as follows:

- Area Action partnerships – £140,000 annual allocation (£10,000 for each AAP) to fund Welfare Reform initiatives in the locality, on this basis that this complements and augments services and provision already funded within the locality e.g. Advice and Support arrangements, foodbank coverage etc.;
- The Durham Foodbank – £50,000 annual grant to fund part of their core countywide infrastructure, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme;
- FEED Project (East Durham Trust) – £2,700 annual contribution to increase capacity / ability to support residents in East Durham, on the basis that this complements and augmented the Daily Living expenses provided under the Welfare Assistance Scheme and via the Foodbank coverage in this area;

- NE First Credit Union - £10,000 annual allocation to underwrite the low cost loan facilities that have been factored into the Welfare assistance Scheme Policy at Appendix 2.

Staffing – There are no additional staffing requirements associated with this report. The Welfare Assistance Scheme is administered by officers within the Discretionary Payments, Assessment and Awards Team of the Resources Service.

Risk – The implementation of welfare reform is included as a strategic risk in the corporate risk register. It should be noted in the past that Employment programmes have been funded from underspends from the Welfare Assistance Scheme and if the measures in this report are accepted it will reduce the likelihood of underspends carried forward, which would leave less scope in future to fund these type of Employment schemes from this budget.

Equality and Diversity / Public Sector Equality Duty - An impact assessment has been undertaken. The impact assessment showed that overall working age groups are more likely to be positively impacted by the all aspects of the revised policy.

Accommodation – not applicable.

Crime and Disorder – not applicable.

Human Rights – not applicable to these changes.

Consultation – the changes to the policy have been made in consultation with the Poverty Action Steering Group and stakeholder groups.

Procurement – not applicable.

Disability Issues – not applicable.

Legal Implications – The Welfare Reform Act 2012 abolished the discretionary elements of the Department for Works and Pensions (DWP) Social Fund and transferred responsibility to upper tier and unitary authorities. Funding was initially provided by Central Government by way of a specific grant to allow local authorities to develop and deliver their own schemes. The Council's scheme was approved in March 2013. Since 2015/16, when the Government removed the specific grant funding, the Council has funded its scheme within its core budget, with an annual budget of £1,000,000 per year, including administration costs of £140,000 per annum. The budget established in 2015/16 was equal to the increase in funding provided as part of the Final Grant settlement for that year, which was allocated in response to the significant representations made against the removal of the specific grant funding provided in the preceding two years.

Local Welfare Assistance Schemes are discretionary, with some authorities having closed their schemes over the last two to three years and most having reduced funding towards their schemes in recent years.