
Resources & Transformation Scrutiny Committee – 7th March 2016

Report of the Strategic Director Resources and Transformation

Local Welfare Assistance (LWA) Scheme

Purpose

1. This report has been prepared in response to the request for an update made at the 19th January 2016 Scrutiny Committee. An alternative option is necessary to accommodate changes to funding for the LWA scheme from 2016/17 onwards.

Budget Proposals

2. Proposals for a LWA budget reduction were detailed in the Medium Term Financial Strategy report presented to Cabinet on 28th October 2015 and further referred to in the Transforming the Future report presented to Cabinet on 3rd December 2015. It was proposed to reduce the budget for the LWA scheme in 2016/17 to £100K, with a further reduction to zero planned from 2017/18 onwards. This proposal is to be considered at the full Council Meeting on 29th February 2016.

Background

3. The current scheme assists residents in Dudley who are without sufficient resources to meet an *urgent need* that poses an *immediate and substantial* risk to their health and safety or that of their dependants. The scheme can provide two forms of awards:

Crisis Awards - providing short term access to essential items, e.g. food, heating, lighting, clothing, essential baby items, and/or white goods and furniture.

Community Care Awards - helping people remain in the community or move back into the community by providing a range of standard household items e.g. beds, bedding, furniture, carpets, white goods, removal costs (in certain circumstances).

4. There is no statutory requirement for local authorities to provide a LWA scheme. The Transforming the Future report mentioned above highlights that given the Council's budget position, discretionary services should be reviewed, looking at the potential to make them self-financing and to identify and review ways of providing the service in a different way. With this in mind an option providing assistance in a different way via a repayable loan scheme is being worked through.

Alternative Option progress

5. Wolverhampton City Council transferred their LWA service to the local Citizens Advice Bureau and Credit Union in 2014. Assistance in Wolverhampton is now provided to those who qualify in the form of a repayable loan. Loans range from £100 for emergencies up to £400 for the provision of household items. The loans are offered with a low fixed interest rate and are repayable within 104 weeks. Where appropriate, repayments are arranged direct from ongoing benefit payments.
6. A meeting has taken place with the manager of Dudley's Credit Union (Castle & Crystal). The manager is now discussing working practices and problem resolutions with Wolverhampton's Credit Union manager/staff.
7. Discussions have also taken place with management within Public Health who manage the Credit Union and have a broader connected role regarding adult wellness and poverty reduction, issues closely related to LWA.
8. A meeting has also taken place with the Chief Executive of Dudley CAB on 25th February 2016, the outcome of which was that she will now discuss this further with the Chief Executive of Wolverhampton CAB and then report back without delay.
9. Additionally discussions are taking place with managers within Adult Services who are in the process of undertaking a corporate review of Council service level agreements with the CAB and associated funding and service priorities. This review will assist in managing proposed efficiencies in various areas relating to CAB funding as well assisting both DMBC and the CAB in determining future approach and priorities.
10. All of the above discussions will continue and hopefully resolutions found to any problems and issues. Unfortunately this will not be completed to enable a replacement for the LWA scheme to be in place for 1st April 2016. Arrangements have been made for the LWA scheme to continue for a temporary period.

Finance

11. The discretionary aspects of the national Social Fund scheme, previously administered by the Department for Work and Pensions, were transferred to local authorities in 2013 accompanied by non-ring-fenced award funding for 2013/14 and 2014/15.
12. In December 2014 the Government announced that in 2015/16 and beyond there would be no specific local welfare assistance funding. In early 2015 additional funding was awarded to councils for social care, including LWA, and £200k of this funding was allocated to fund our LWA scheme.

Law

13. There is no statutory duty to provide LWA. It should be noted that the Central Government Work and Pensions Committee has launched an inquiry into the "local welfare safety net", including locally run LWA schemes "in order to establish the extent to which local discretion and variations in

provision represent “localism in action”.

Equality Impact

14. An equality impact assessment was completed when the LWA scheme was introduced. Equality implications will be considered as we review the provision of the scheme for 2016/17 onwards.

Human Resources

15. At the outset of the scheme in 2013, the LWA team consisted of 5 staff with management of the service being undertaken by a Dudley Council Plus manager on a “part time basis” for approximately 20% of the working week. The service now operates with 3 2 staff which, amongst other things, reflects a reduction in customer demand for the service.

Recommendations

16. Members of the Committee are asked to note the contents of this report and the proposal to review provision of the scheme from 2016/17 onwards.



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Background papers: Reports to Resources & Transformation Scrutiny Committee on 17th November 2015 and 19th January 2016.