

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: For pre-decision scrutiny by Executive and Resources PDS Committee on 8 July 2014

Decision Type: Non-Urgent Executive Non-Key

Title: BROMLEY WELFARE FUND

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Chief Officer: Peter Turner, Director of Finance

Ward: All

1. Reason for report

This report requests a decision on the future of the Bromley Welfare Fund following the removal of Government funding from the 01 April 2015.

2. RECOMMENDATION(S)

- 2.1 Members note the performance and expenditure of the fund in 2013/14
- 2.2 Members note the projected expenditure in respect of 2014/15
- 2.3 Subject to the view of this Committee, the Resources Portfolio Holder agrees that the underspend of programme funding from 2013/14 (plus any accruing in 2014/15) can be directed towards the “white goods and furniture” scheme described in paragraph 3.3.2.
- 2.4 Subject to the view of this Committee , the Resources Portfolio Holder approves from 2015/16 the adoption of the “white goods and furniture” scheme
- 2.5 Members note the content of the attached Impact Assessment

Corporate Policy

1. Policy Status: New policy.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: Estimated cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: 400002
 4. Total current budget for this head: £
 5. Source of funding: Government Funding (announced for 2013/14 and 2014/15)
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Staff

1. Number of staff (current and additional): 1
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6000 (4000 beneficiaries)
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 In March 2013 the Resources Portfolio Holder approved the introduction of the above scheme, rules and qualification criteria for which was attached to the submitted report. The Bromley Welfare Fund was introduced as a result of the abolition from April 2013 of the central government administered Community Care Grants and Crisis Loans for general living expenses. In recognition of the transfer of this responsibility, local authorities were awarded administration and programme funding. The amounts awarded were not ring-fenced as it was acknowledged that authorities might wish to provide assistance in different ways to that previously employed.

Whilst the announced funding only covered the years 2013/14 and 2014/15, there was no indication that this would then cease.

For reference I have tabled below Bromley's funding allocation

2012/13	
Set-up funding	£8,195
2013/14	
Programme funding	£819,535
Administrative funding	£173,174
2014/15	
Programme funding	£819,535
Administrative funding	£158,732

Although Bromley's qualification criteria broadly followed that of the previous national scheme; two major changes were introduced

- The claimant was required to demonstrate a local connection, in most cases this was residency in the borough.
- Wherever possible payment would be made by a purchase card limiting the recipient to the item for which the award was made.

Administration of the scheme was contracted to Northgate Public Services in conjunction with the Family Fund (registered charity). The contract period was for 2 years ending on the 31 March 2015.

At the 8 January 2014 meeting of the E&R PDS, Members were provided with an update on the performance of the scheme, including the level of awards up until the 30 September 2013. An oral update was also provided advising that it had recently been announced that the Government would be withdrawing funding for the scheme from 2015/16. At the request of the meeting, the Leader wrote to local MP's raising the Authority's concern at the removal of Government funding, letter and reply attached in Appendix 1.

3.2 Expenditure - 2013/14 and 2014/15

Provisional figures show that £442k programme funding was spent in 2013/14. The vast majority of the awards were for furniture/white goods to those leaving temporary accommodation or an institution. This figure would have been significantly higher but for the lack of affordable/available accommodation restricting the numbers being able to be settled into permanent accommodation.

A range of initiatives has, and continue to be, undertaken to increase supply of affordable rental accommodation. At the same time the Authority is persuading/incentivising landlords to accept tenants on welfare benefits as prospective tenants for their available properties.

These actions are expected to lead to an increase in the number of households leaving temporary accommodation in 2014/15 which in turn will increase demand on the Bromley Welfare Fund

Within the homelessness legislation there is a clear duty to provide suitable settled accommodation for statutory homeless households. The criteria setting out suitability means that assistance would need to be provided to ensure that statutory homeless households are able to secure essential living items.

3.3 Options – 2015/16 and beyond

The removal of Government funding towards the scheme necessitates the Authority making a decision in respect of provision (if any) from 2015/16.

This report proposes that the Welfare Fund in its current form will cease from 2015/16 on the basis that it is financially no longer sustainable and proposes alternative arrangements limited to meeting the Council's housing duties. The financial impact will be considered as part of the 2015/16 Budget. The one off monies available as part of the carry forward in 2013/14 will be used to support a revised scheme in 2015/16 (£441.996).

Below are detailed potential service models. Attached in Appendix 2 is an Impact Assessment for the option recommended in part 2 of this report.

3.3.1 Remove Provision

Disband the scheme and not provide any alternative provision.

The reduced level of awards under the Bromley Welfare Fund compared to the Social Fund does not indicate a diminished need, but rather stricter rules and monitoring, combined with being able to control that the awards are used for the purpose they were given. The removal of Government funding will not take away this need and as illustrated in the following paragraphs; as well as causing significant hardship to the individuals, removal of the scheme in its entirety would lead to the Authority experiencing greater costs in other service areas.

The highest area of Bromley Welfare expenditure relates to those leaving temporary accommodation and institutions, the removal of assistance would result in additional bed & breakfast expenditure and NHS bed blocking.

The absence of a central fund for applications would result in requests for assistance being dispersed over a variety of front-line services, leading potentially to client/customer conflict, inequality in decision making and pressure on individual service budgets. In respect of existing members of the community, requests for assistance are likely to be directed to council officers with whom there is an existing relationship, for example social workers.

3.3.2 Provision of White Goods and/or furniture

Restriction of the current scheme to meet the basic accommodation related requirements of those moving back into the community.

Whilst legislation does not specifically require an Authority to provide white goods or furniture such as beds and chairs, Bromley have always assisted residents. Prior to April 2013 this took the form of directing clients to the DWP, since then it has been assistance with their application to the Bromley Welfare Fund. When assistance took the form of application to the DWP, clients of the Support and

Resettlement Team were advanced money pending assessment of their application. This was undertaken in order to minimise the period they are in temporary accommodation.

The restriction of the scheme to those entering the community will leave the same issues as that detailed in the final paragraph of 3.3.1 above.

Funding for the first year will be met in part from the underspend of programme funding from previous year(s).

Decisions will need to be made in respect as to how the scheme should be administered; however it is recommended that the function be managed by ECHS because of their direct link with potential recipients and the majority of the spend will be linked towards meeting the housing needs of those leaving temporary accommodation. The costs will be contained to essential spend on meeting the Council's housing duties.

3.3.3 Continuation of the current scheme

Continuation of the current scheme takes away the issues described in the earlier paragraphs but will incur significant costs to the Authority. This will not only relate to programme funding but would probably necessitate seeking an extension to the Northgate contract thereby adding approximately £75k pa administration costs.

Whilst initially the cost could be met from previous year(s) underspends, the position would not be sustainable given the financial position of the Authority.

Non-Applicable Sections:	Policy, Legal, Personnel
Background Documents: (Access via Contact Officer)	[Title of document and date]