

Agenda item:

Title of meeting: Resources Portfolio
Date of meeting: 17th July 2014
Subject: Local Welfare Assistance scheme, April 2015 - March 2016
Report by: Head of Revenues & Benefits
Wards affected: All
Key decision (over £250k): No

1. Purpose of report

This report provides the Resources Portfolio holder with:

- Information about the demand for local welfare provision in Portsmouth since April 2013;
- Proposals showing where some of this provision could be absorbed into existing resources in the future;
- Information on where gaps in provision might be in April 2015;
- Options for provision of local welfare assistance for Portsmouth residents for the year April 2015 - March 2016.

2. Recommendations

It is recommended that:

The Resources Portfolio holder approves the proposal to provide £90,000 for 2015/16 as matched funding to the EC Roberts 'Fresh Start' bid to the Big Lottery Fund.

3. Background

Following the transfer of Community Awards & Crisis Loans from the Department of Work and Pensions (DWP) to local government in April 2013, Portsmouth City Council (PCC) commissioned Northgate to provide its local welfare assistance scheme.

Northgate manage the provisioning of goods (such as furniture and white goods) for the scheme through Family Fund from companies such as Argos & Euronics. Northgate have provided a fully managed service since April 2013, which is contract managed by PCC.

In 2013/14 the scheme spent just under £440K on Community Awards & Crisis Awards, including £27K allocated directly to Food Banks in the city. In addition, it costs around £100K per annum for Northgate to administer the scheme.

The funding provision for 2014/15 is £570K for Community Awards & Crisis Awards. In addition, £81K has already been paid in advance to Northgate for provision of the managed service.

There will be no separate allocation of funding to local authorities for local welfare assistance from April 2015 (the Government announced this at the end of 2013).

The scheme has seen significant demand in relation to people in financial crisis in the city. A pro-active partnership is in place with relevant agencies in the city who work with vulnerable people (for example with resettlement and homelessness services). This provision has made a notable difference to the lives of our more vulnerable residents.

This suggests that without some funding from PCC there will be gaps in provision from April 2015 (even allowing for the maximisation of existing community resources), which may incur increased costs to public services longer term.

This proposal would enable people applying for local welfare assistance to make the necessary transition from the level of support they have received since April 2013 to a reduced level of affordable support from April 2015.

4. Portsmouth's Local Welfare Assistance Scheme - Summary of Provision April 2013 - March 2014

Please see Appendix A for statistics on the current scheme usage.

The application process ensures that all other forms of provision that may be available in the community have been explored before making a local welfare assistance award.

Over 40% of funding was spent on 'improving the living conditions' of vulnerable people already in their own homes - i.e. people with vulnerabilities such as physical or mental health issues, facing exceptional pressures etc.

As demonstrated by the data, over 30% of all funding for 2013/14 was spent on resettlement issues, including vulnerable people leaving hostels, hospital, institutions or prison who have no money and require furniture and white

goods such as a fridge and a cooker, in order to set up home within the community.

Nearly 10% of all awards granted have been in relation to people fleeing domestic abuse situations, which will include elements of emergency daily living expenses and also furniture, white goods, clothes etc. in order to set up home. There would be a deep concern from professionals should this support to leave abusive relationships no longer be available, particularly with the number of vulnerable children involved.

The Roberts Centre Resettlement Service has been a key referrer to the Local Welfare Assistance Scheme.

Please see Appendix C for case studies that demonstrate some key areas of need that have been met within the scheme. It sets out what the outcomes would have been, both for the individual and in terms of further costs to public services, had that provision not been available.

5. Analysis of need in the city - maximising existing resources and addressing the gaps

Need

An analysis has been completed around the current LWAS provision and the highest and most frequent levels of need met by the current provision.

This tells us that the main areas requiring funding so as to avoid longer term costs to public services centre around:

- a) Resettlement for people with complex needs - to provide basic items and funding to enable people coming out of hostels and institutions to re-settle in the community.
- b) Support to help people with complex needs remain in the community - to ensure that the most vulnerable residents in particularly difficult situations can maintain the basic standards for day-to-day living.
- c) Crisis funds for people faced by sudden emergencies such as fire, flood or fleeing domestic violence.

If these needs are not met, vulnerable people will almost certainly fail in either setting up home in the community or in maintaining the most basic, humane level of conditions in the home. This could drive up costs across a range of public services (for example through increased demand at services such as mental health, children's social care, temporary accommodation provision, and debt advice services).

Living without the basic essentials also limits people's ability to seek and sustain employment in order to improve their own circumstances, trapping them in a cycle of deprivation.

Available Resources

The table in Appendix B shows an analysis of current provision in the city in some of these high need areas. Through better partnership working it is believed that a significant amount of the current local welfare assistance provision can be provided through better co-ordination of current community resources, at no additional cost to the Council. This free community provision would be mapped out for agencies working with vulnerable people, so that they can easily identify and signpost people to the relevant resources available.

Gaps in Provision

Although there are clear possibilities for provision of community resources and better partnership working as above, there remain some gaps for the more vulnerable people in the city. This is likely to increase costs to public and voluntary and community sector services without some funded provision.

The table in Appendix B highlights gaps in provision from April 2015.

The options presented below set out possible courses of action, with a recommendation as to the preferred course of action based on our learning from running the scheme to date.

6. Provision for April 2015 to March 2016 - Options

All future options assume that the Council will cease to use Northgate to manage local welfare provision in the future.

- **Option A - provide nothing**

This option would mean that no identified pathways were made available to either agencies working with people with complex needs, or the wider public, as to how to access support in the situations described in this report.

This approach would mean that no Council officer time or Council resources would be required. However, without identifying some kind of pathway of support for people with complex needs, costs will be driven up across the Council and our wider partners in dealing with the fall out of not providing this assistance, as highlighted in the case studies.

- **Option B – identify pathway of support maximising voluntary provision only, without any Council funding**

This option involves mapping and promoting local provision already in existence, demonstrating the available pathways of support for vulnerable people.

This approach would mean that, apart from officer time around some co-ordination of this, there would not be any other resource implications for the Council.

However, as demonstrated by the table in Appendix B, it would not address the gaps identified for those who are most vulnerable (e.g. those fleeing domestic violence, those with mental health issues etc.).

This would have the same cost implications as Option A, driving up longer term costs across public and voluntary and community sector services.

- **Option C - identify pathway of support maximising voluntary provision, and provide funding for unmet needs**
 - i. **Provide funding to a relevant organisation in the city for the provision of low cost furniture and white goods**

Cost to the Council £250,000

A number of local authority areas have this provision in place, e.g. Southampton City Council has the 'Scratch' Project which takes in second hand furniture and refurbishes it for people coming out of hostels/institutions etc. The second hand furniture provision has been very cost effective (they are able to provide an entire package of second hand furniture to kit out a property for approx. £130). White goods are bought new but at a discounted rate due to bulk purchase. The project also provides employment, training and volunteering opportunities and so represents a more sustainable model with other clear benefits in relation to helping people off benefits and back into work, thus reducing wider poverty.

We have estimated that, whilst not meeting all needs, a project such as this could be targeted at those at the highest level of need and could be run for approximately £250,000 a year. This represents a lower cost scheme than the current rate of spend (£440K in 2013/14).

This option would require the Council to explore options for delivery, which would probably be best contracted out to an organisation that already has experience in running a community project of this nature. This would require a competitive tendering process.

ii. **Provide matched funding for the 'Fresh Start' bid to the Big Lottery**

Cost to the Council from Local Welfare Assistance funds: £90,000

A bid is in the process of being submitted to the Big Lottery Fund for a project called 'Fresh Start' by the EC Roberts Centre, in partnership with the Council's Housing Options service. The bid is to fund a project similar to the Southampton 'Scratch' Project above. The Big Lottery has requested a re-submission of the bid, at a cost of approximately £250,000 and with good evidence around partnership working.

With some matched funding from the Council, the Fresh Start Project would be able to deliver a low cost scheme that would meet the unmet need described in this report and for a fraction of the cost to the Council.

£40,000 matched funding in relation to assets has already been identified within the Council (for the provision of a van to collect and deliver furniture packages). In addition, the Council is exploring how it can support the project through the provision of warehouse facilities, as possible matched funding, for storage of furniture and white goods. The provision of furniture and white goods from 'void' Council properties is also being explored.

This option requests one off 'matched' funding of £90,000 for the year 2015/16 funded through LWAS underspend in 2014/15.

This would have no impact on savings requirements or cash limited budgets for 2015/16. The funding could be used to ensure that the project met the Council's requirements.

In broad terms, the proposal is to use the £90,000 as follows:

- £50,000 to buy white goods (to avoid the issues around refurbishment of white goods). The Fresh Start Project would administer and deliver the required provision;
- £30,000 to provide for crisis/emergency need and furniture packages (not white goods), purchased through Fresh Start by the person in need - Fresh Start will offer a reduced rate for these people;
- £10,000 to cover the costs of Council officer time for co-ordination.

The bid needs to be submitted in July and so a decision is being sought from members in order to meet this timeline. Committing to this matched funding as part of the Fresh Start bid, and supporting the bid with our knowledge and data around local welfare provision, would effectively mean that the bid would be much more likely to succeed.

Providing funding of £90,000 a year and bringing in an additional £250,000 per year funding from the Big Lottery would achieve excellent value for money, and ensure that the need for local welfare provision is met.

7. Recommendation

Option [Cii] is recommended.

It demonstrates good value for money - it is a low cost option which enables the provision of a scheme which can meet the needs identified in this report, thus reducing longer term costs to the public purse. Funding would be through 2014/15 underspend and therefore would not impact on 2015/16 savings.

8. Equality Impact Analysis (EIA)

A preliminary impact assessment has been performed that shows there are no equality issues in this report.

9. Legal implications

There are no legal implications in this report.

10. Head of finance comments

The current forecast underspend on the 2014/15 budget provision, for Community and Crisis awards, is estimated to be £140,000 (including the administration cost of the scheme). This projected underspend is in line with the level achieved on the activity in 2013/14. As there is no budget provision to continue this service in 2015/16, it is proposed to utilise £90,000 of the current year forecast underspend, to match fund the Big Lottery bid to bring in an additional £250,000 to support the provision of welfare assistance to residents in 2015/16 and thereby reduce the risk of potential additional costs across the Council and partner services.

Given that there is a level of uncertainty to achieving a £90,000 underspend in 2014/15 at this stage, it will be necessary to ensure that sufficient funds are available within the portfolio reserve at the end of the financial year. Therefore a minimum balance of £90,000 must be retained and not be available for distribution in the current financial year.

.....
Signed by:

APPENDICES:

- Appendix A 2013/14 scheme usage
- Appendix B Broad Analysis of Current Provision and Gaps
- Appendix C Case studies demonstrating needs analysis

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
None	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

APPENDIX A - 2013/14 SCHEME USAGE

Applications	Numbers	Percentage
Total Number of Applications	2,271	N/A
Number of applicants granted awards	697	23.48% of all applications
Trends on paid applications		
Improve Living Conditions <i>(For people who are at a high level of vulnerability e.g. health/mental health issues/exceptional pressures in the home etc.)</i>		40.70%
Domestic Violence <i>(For people fleeing domestic violence who often leave with nothing/need to set up home)</i>		9.50%
Resettling after an institution/homeless accommodation <i>(For people coming out of hostels/hospital/prison/institutions e.g. referrals from Roberts Centre Temporary Accommodation Service)</i>		30.40%
Money Issues (e.g. food/fuel/travel)		14.40%
Emergency Travel		1.10%
Emergency Situation		2.10%
Other		1.80%

Demographics

Gender of applicants	Numbers	Percentage
Male	737	42.77%
Female	986	57.23%
Household Composition		
Couple	64	3.71%
Family	201	11.67%
Lone Parent	555	32.21%
Pensioner	62	3.60%
Single	841	48.81%
Children in the household		
0	967	56.12%
1	342	19.85%
2	226	13.11%
3	116	6.73%



4	54	3.13%
5 - 8	18	1.06%
Disability		
No	389	61.16%
Yes	247	38.84%
Ethnicity		
Any other background	12	1.84%
Asian or Asian British: Any other background	7	1.07%
Asian or Asian British: Bangladeshi	1	0.15%
Asian or Asian British: Chinese	2	0.31%
Black - Black British: African	11	1.69%
Black - Black British: Caribbean	3	0.46%
Black - Black British: Other	4	0.61%
Mixed: Any other mixed background	2	0.31%
Mixed: White and Asian	2	0.31%
Mixed: White and Black Caribbean	5	0.77%
White: Any other background	16	2.45%
White: British	580	38.96%
White: Irish	6	0.92%
White: Gypsy or Irish Traveller	1	0.15%
Age		
16-24	131	20.00%
25-34	206	31.45%
35-44	1520	23.21%
45-54	1120	17.10%
55-64	43	6.56%
65+	11	1.68%

APPENDIX B - Broad Analysis of Current Provision and Gaps

Household goods (resettlement, remain in home)		
LEVEL OF NEED	PROVISION	RESOURCE AVAILABLE
Need household goods but can't afford new full priced goods	-Signpost to range of cheap furniture providers in the city (mapping will result in directory for public/staff)	Available resource
	-Fresh Start Project - access to tiered pricing system for goods (if bid successful)	Availability of resource dependent on success of Big Lottery Fund bid
Need household goods, but could manage this with an affordable loan	-DWP Budgeting Loan -If ineligible, Credit Union Loan (low cost loans)	Available resource
Need household goods and have no means of paying and are vulnerable <i>(People who meet the points criteria and are resettling, leaving hostels/institutions or need to improve living conditions who are vulnerable e.g. health / mental health issues, domestic violence etc.)</i>	-Explore/signpost to any available community resources/national grant giving organisations where relevant/appropriate (e.g. Portsmouth Family Welfare Association, Buttle Trust, Family Fund)	Some available resources, e.g. clothing and bedding for families in need (but limited, and subject to specialised criteria so would not meet the needs of all relevant vulnerable residents)
	-Housing Options Starter Packs to enable those in temporary accommodation provided by Housing Options (i.e. bed and breakfast or the Roberts Centre Temporary Accommodation Service) to move into settled accommodation -Fresh Start Project (if bid successful) - but insufficient goods without PCC funding input	Current Housing Options resource only covers those in temporary accommodation provided by Housing Options moving into settled accommodation Gap in provision (funding need) Other residents meeting the vulnerability criteria are not covered by Housing Options. Funding could provide for the commissioning & provision of furniture and white goods and/or provide matched funding as



		appropriate
--	--	-------------

Crisis/Daily Living Expenses		
LEVEL OF NEED	PROVISION	RESOURCE AVAILABLE
No gas/electric and no income and vulnerable	-Gas and electric in the winter through Keep Warm Keep Well grants (possibly through Public Health funding)	Public Health funding (Winter only)
	Portsmouth Community Fund - some limited provision	Some available resource but insufficient for level of need Gap in provision (funding need) Funding would provide for gas and electricity top ups, particularly in the summer (possibility of link too Food Bank provision)
No food and no income and vulnerable	-Referrals to Food Banks -Portsmouth Community Fund (accessed through advice services)	Available resource (but limited/does not meet all vulnerable groups' needs) Gap in provision (funding need) Funding would provide for emergency daily living expenses in cases of crisis (fire/flood/emergency/exceptional pressures)
Domestic Violence needs (travel costs, emergency expenses, replacement goods when fleeing violent home)	-Housing Options can provide assistance with travel costs to prevent homelessness by travelling to a safe location -The Women's Refuge, Early Intervention Project & Housing Options are the key agencies supporting women to escape domestic abuse - none of these services has any resources to meet the additional costs associated with fleeing violence.	Apart from travel costs - no available resource Gap in provision (funding need) In cases of crisis, funding would provide for emergency expenses, and replacing household items & possessions left behind after fleeing a violent home

APPENDIX C - Case studies demonstrating needs analysis

The following case examples demonstrate some of the key areas of need that have been met within the scheme and how the provision has benefited the person(s) in question, and also sets out what the possible outcomes or costs to the public purse might have been, had that provision not been available.

Please note that all cases are redacted to ensure confidentiality.

Miss A (Mental health issues)

Miss A was a single mother, who had been the victim of domestic violence. Her mental health had been severely affected by the abuse. She was helped to flee the relationship by a friend. She then lived with her mother for a long period until she was assisted to apply for accommodation via PCC Housing Options and, due to the severe level of overcrowding at her mother's, an offer quickly followed and she moved in to the unfurnished property.

Her mental state quickly started to deteriorate, due to the pressure of living without beds or the ability to store and cook food. She and her children were all sleeping on one sofa bed in the living room and eating sandwiches and take-aways, which increased their financial hardship. Miss A was awarded beds, a cooker and fridge freezer from the Local Welfare Assistance Scheme. Miss A had no other way of affording these essential items.

Possible outcomes had local welfare assistance not been available:

- Increased pressures on the family could have exacerbated her mental health issues, as well as further debt. The cost of providing treatment and support by Adult Mental health services to one person with depression has been calculated at £1,355.00.
- Had Miss A required specialist debt sessions as a result of the further debt above, this would have cost approximately £110 for 4 sessions (based on current Advice Portsmouth estimates).
- Without assistance to flee and help with accommodation and goods, Miss A could have returned to her abusive relationship which may have led to a possible need for safeguarding/removal of the children. Portsmouth's Multi-Systemic Team has estimated the costs of care as approximately £3,333 per month with an external fostering agency, or £1,625 a month with in-house fostering provision.
- In addition, the costs of responding to domestic abuse, to the local authority, the police and criminal justice system and the NHS, have been calculated as £2,470.00 per incident, while the costs to victims are £818.00, and the human and emotional impact costs are £6,795.00¹

¹ **Supporting public service transformation:** cost benefit analysis guidance for local partnerships HM Treasury (April 2014)

- Miss A would have been unable to remain in the property without the basics, thus causing her to return to an overcrowded situation at her mother's
- Non-provision of the essential items could have caused breakdown of the tenancy, the costs of which have been estimated at £6,680 (2010/11 prices, which cover writing off arrears at point of eviction, costs of repairs and re-letting, administrative and legal costs and the costs of temporary accommodation)²

Mr B (single person leaving supported housing)

Mr B is a single older man, who was living in supported housing. His mental health issues meant that he needed support to manage his medication and increase his confidence to enable him to go out independently. He was eventually nominated for a move into sheltered housing. Mr B's supported housing was fully furnished, he had not lived alone for many years, and his only possessions were clothing, bedding and some small kitchen items. His support worker assisted him to apply to LWAS for an electric cooker, fridge freezer, bed, table and chairs, which he was awarded. He arranged a shopping trip with support, and ordered the items he needed. After receiving his essential items, his confidence increased and his mood improved, which was evidenced in improved social interaction and personal hygiene.

Possible outcomes had local welfare assistance not been available:

- The lack of chilled and frozen food storage would have exacerbated his mental health issues and caused him to spend his money on unaffordable takeaways
- His living style was so poor that it may have resulted in a breakdown of his tenancy - the costs of which have been estimated at £6,680 (2010/11 prices, which cover writing off arrears at point of eviction, costs of repairs and re-letting, administrative and legal costs and the costs of temporary accommodation)
- As his situation deteriorated, he is likely to have required increasing treatment and support from Adult Mental Health Services. As an example, the cost of providing treatment and support by Adult Mental health services to one person with depression has been calculated at £1,355.00.

Miss C (Women's Refuge, fleeing domestic abuse)

Miss C was suffering abuse from her partner. She fled in 2013 and was assisted to access Portsmouth Women's Refuge. She fled her home with nothing, and applied for emergency support for daily living costs, for which she was awarded a small cash sum. She was awarded emergency travel costs to ensure she could maintain the weekend custody arrangement of her children that the Refuge team supported her to establish. She was rehoused from the Refuge as a homeless person, and had been able to collect a few household items but was lacking many essentials. LWAS awarded a fridge freezer, a mini oven, carpet, curtains, a bed and bedding.

Possible outcomes had local welfare assistance not been available:

² **Supporting public service transformation:** cost benefit analysis guidance for local partnerships HM Treasury (April 2014)

- The costs of responding to domestic abuse, to the local authority, the police and criminal justice system and the NHS, have been calculated as £2,470.00 per incident, while the costs to victims are £818.00, and the human and emotional impact costs are £6,795.00³
- Failing to maintain contact, or an unsuitable home environment for children could have led CAFCASS to recommend reduced contact time between Miss C and her children
- Having built up her confidence to be able to have regular overnight weekend contact, being unable to provide a suitable home environment would have been a major setback

Miss D (childhood illness)

Miss D had seriously ill child who had to spend long periods in hospital and with a poor prognosis. Whilst Miss D was in receipt of various benefits, and whilst financial support was available for her son's trips to hospital, there was no financial assistance available for Miss D to fund her visits to her son in hospital. During the preceding months, Miss D had exhausted all other forms of charitable and grant aid. The Local Welfare Assistance Scheme provided her with travel expenses for 6 weeks to visit her son in hospital over a particularly difficult period.

Possible outcomes had local welfare assistance not been available:

- Miss D would have been unable to visit her son in hospital
- This would have caused unnecessary stress and upset to the family
- The family would also have had to cope with additional debt issues had Miss D tried to borrow money from elsewhere. Had Miss D required specialist debt sessions as a result of this debt, this would have cost approximately £110 for 4 sessions (based on current Advice Portsmouth estimates).

Miss E (supported housing scheme)

Miss E had escaped a violent relationship, leaving all her belongings behind. She was given a place of safety in the Women's Refuge and subsequently in a hostel. Although she saved as much as she could while in the hostel, she was only able to buy beds for herself and her son.

Once she was ready to move on, she was able to move into a council home, and applied to LWAS for a cooker, fridge freezer and washing machine, which were all awarded.

Possible outcomes had local welfare assistance not been available:

- Miss E's support team would have been recommending she remain in hostel, due to the risk of the Council placement failing without the necessary household essentials.

³ **Supporting public service transformation:** cost benefit analysis guidance for local partnerships HM Treasury (April 2014)

- This would have increased the waiting list for supported housing, which increases the costs of temporary accommodation (which costs approximately £230 a week in Portsmouth in either B&Bs or the RC Temporary Accommodation Service), and which also means that parents are not getting the support they need, increasing the risks to their children.
- Had she been required to move on to release the hostel space, she may have resorted to options taken by other supported housing clients, such as unaffordable payday loans, which are not repaid and are rolled over so the level of debt snowballs, or weekly payment stores, where people are encouraged to spend beyond their means without understanding the true cost or the impact this will have on their ability to manage their weekly budget.