

Name of meeting: Cabinet

Date: 7th March 2017

Title of report: Review of Local Welfare Provision Policy and Credit Union(s) Loan Scheme(s) for Kirklees Residents

Purpose of report: To set out the proposals for implementing the changes to the Local Welfare Provision scheme following the decision by Council on 15th February to reduce the budget for the 17/18 and subsequent years.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes Expenditure > £250,000 and affects more than 1 ward
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Yes 20 January 2017
The Decision - Is it eligible for "call in" by Scrutiny?	Yes
Date signed off by Director & name	Debbie Hogg, Assistant Director for Financial Management, IT, Risk and Performance, 27 February 2017
Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance?	Debbie Hogg, 27 February 2017
Is it also signed off by the Assistant Director - Legal Governance and Monitoring?	Julie Muscroft,
Cabinet member portfolio	Cllr Graham Turner

Electoral wards affected: All

Ward councillors consulted: N/A

Public or private: Public

1. Summary

- 1.1 On 30th January 2013, Cabinet established a Local Welfare Provision Scheme (LWP Scheme) following the abolition of the Social Fund (Community Care Grants and Crisis loans).
- 1.2 The scheme was set up to provide advice, food/emergency packs, white goods and furniture, and other services that were complimentary. Delegated responsibility was granted to the then Executive Director of Resources to amend the policy, working practices and programme budget profiling, in year without the need for cabinet approval.
- 1.3 This report sets out the proposals for implementing the changes to the Local Welfare Provision scheme following the decision by Council on 15th February to reduce the budget for the 17/18 and subsequent years.
- 1.4 The budget for 2016/17 was allocated as follows:

Furniture	£410,000
Food	£113,000
Fuel	£33,000
Advice	£231,000
Winter Coats and Uniform	£16,000
Contingency	£36,000
Total	£839,000

- 1.5 The reductions in the budget of £410,000 in 2017/18 with a further £80,000 in 2018/19 do not affect Food, Fuel or Support with Winter Coats and Uniforms. The authority recognises that emergency support and advice is essential and is continuing to fund that support across the borough.
- 1.6 In order to mitigate the removal of the furniture scheme officers are working with three Credit Unions to implement a low costs loan scheme and in addition the Credit Unions will be accessible to all the people of Kirklees.

2. Information required to take a decision

- 2.1 This proposal would reduce the grant allocation as follows:
- The white goods proposal is to remove the grant provision £410k from 2017/18 and utilise Credit Unions to set up loan schemes to replace the white goods scheme, this would replace the annual grant and therefore the expenditure.
 - Kirklees Citizens Advice and Law Centre (KCA&LC) grant of £100k would be reduced by £30k in 2018/19 and new burdens Universal Credit funding for personal budgeting support will be used instead.

- Funding for Support and Advice to Fusion and the Mission to be reduced by approx £50k in 2018/19 – alternative support to be provided through “Advice Kirklees” and we will investigate the possibility of using Universal Credit (UC) funding for assisted claiming to replace the lost grant funding. The exact UC funding will be known later in 2017/18.
- Reserve fund from existing underspend (approx £36k to be increased to £50k) held as a reserve/hardship fund.

2.2 White Goods and Furniture

The current scheme provides free furniture and white goods to those in need. Many of those that benefit from the scheme are becoming council tenants for the first time and may be moving from temporary accommodation. Providing support to those individuals reduces the cost of temporary accommodation to the council and enables the individuals to take up residency and therefore apply for Housing Benefit or Universal Credit to help them with their rent. If the individuals cannot move into a property they will still be liable for rent and may accrue rent arrears without Housing Benefit or Universal Credit in payment for that period. It is possible that some individuals may require greater intervention/support if they cannot access the White goods and Furniture scheme.

In order to mitigate the potential effects officers are working with Fusion Housing, Calderdale Credit Union, South Yorkshire Credit Union, and Borough and Parish Credit Union to establish alternative affordable white goods loan scheme(s) for those people that don't have alternatives. In a small number of cases a reserve/hardship fund would meet the costs.

2.3 Advice

Grant funding for advice and support through this scheme will be reduced by approximately £80k in 2018/19, with users being directed to the Kirklees Citizens Advice and Law Centre for advice and support procured through the “Advice Kirklees” contract. The intention is to utilise UC funding to better joining up advice services to ensure vulnerable adults do not fall through the benefits system. The UC funding covers budgeting support and support for assisted claiming.

Current provision at the Methodist Mission supports around 2,900 advice sessions to around 800 people; many of these people are currently homeless or present with complex needs. Current demand is increasing with 339 support sessions to 200 people in Jan 2017, around a 25% increase upon the same period in 2016.

We are not proposing that those sessions cease but will seek to bring them within the overall advice contract under a revised UC funding regime. *The exact UC funding however for 2018/19 is unknown at this stage.*

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

The redesigned approach requires early multi agency coordinated advice and support in order to help people plan for their move from temporary accommodation / into rented accommodation and therefore prevent the lack of white goods and furniture from being an obstacle to that. The scheme redesign achieves the same outcomes without the direct costs.

3.2 Economic Resilience (ER)

This review is in part a catalyst for the successful establishment of two new Credit Unions to operate in the Kirklees area. Those credit unions will benefit the population as a whole, widening the saving and borrowing options currently available.

It is also intended that the Council will look to support the existing Credit Union within Kirklees

3.3 Improving Outcomes for Children

Local Welfare Provision services do have an impact on families and children. Our services are designed to both support them with and advice and outcomes they can afford and to support them with emergency food and fuel support should they get into difficulties. The approaches outlined are designed support and make families resilient.

3.4 Reducing demand of services

The immediate need for white goods/furniture and advice will continue however, the cost to the authority will reduce because we will no longer be providing the goods directly in the majority of cases and the advice will be provided by the Credit Union(s) or through the UC new burdens funding system.

3.5 Equality Impact Assessment

An equality Impact assessment has been undertaken, the proposal does not impact on any particular group, the services are non statutory and an alternative model is being proposed.

4. Consultees and their opinions

4.1 Credit Unions

Officers have had discussions with 3 credit unions:-

Calderdale Credit Union (CCU) has already moved into premises at 22 Queen Street, Huddersfield. CCU already holds a bond for the whole of Kirklees. They do not require any specific funding to set-up as this is already done; however, there may be some assistance that the Council could provide in the form of publicity for the CCU.

South Yorkshire Credit Union (SYCU) have indicated that they wish to have offices in both Dewsbury and Huddersfield town centre and also hold a bond for the whole of Kirklees, following a meeting on 16th Feb between Fusion Housing and South Yorkshire Credit Union, it appears likely that they could be co-located in Empire House at Dewsbury. Fusion Housing are keen to co-locate and are to consider this at their next Board Meeting on the 27th February.

The SYCU may require some assistance with start-up costs for refurbishment of premises, but the exact costs for this is unknown at this stage, although sharing of premises and co-location of advice and CU services would be an advantage in both Dewsbury and Huddersfield.

We believe that both CCU and SYCU operate loan schemes and both have a Debit Card that can be used to pay for goods and receive cash back or operate in ATM's there is however, a charge of £0.75 for each ATM use but not for Cash Back.

The card also allows users to earn rewards in the form of a 3% payback on transactions which ultimately outweighs the costs of the ATM charge. The advantage for the CU's is that they don't need to provide bank like facilities and carry cash – they can then operate in most locations.

Borough & Parish Credit Union hold a bond for Dewsbury, Mirfield and Thornhill, (B&PCU) have also expressed a desire to work with the Council. The proposal here is to assist (B&PCU) to expand its loan scheme(s) and ultimately its bond. They currently offer loan schemes and have a very good payment return rate.

B&PCU may require some assistance in the form of a small start-up grant and publicity (approx £20k); members are asked to consider if they are prepared to support this. If approved Officers will agree the scheme criteria with the B&PCU and will also monitor progress and its impact.

Discussions between all parties are at an early stage but progressing because of the urgent need to establish alternative provision.

The Audit and Risk Manager is in the process of undertaking financial probity checks on the Credit Unions.

At the stage of writing we are seeking the opinion of Kirklees Neighbourhood Housing and Kirklees Housing Service. Early publicity of the Credit Union(s) offer prior to any accommodation moves would help with clients setting up bank accounts, basic savings and provide access to the Credit Union loan schemes.

4.2 Advice

Officers have spoken with the directors of Fusion Housing and the Kirklees Citizens Advice & Law Centre and Management at the Mission about the need to reconsider how support is provided and by whom and the need to reduce expenditure whilst still providing positive outcomes.

They are committed to working together and working with the authority to establish a mechanism to better link and improve support for clients.

5. Next steps

- 5.1 Calderdale Credit Union has already opened premises in Queen Street Huddersfield and is in a position to take referrals for the whole of Kirklees.
- 5.2 SYCU and Fusion Housing are considering a colocation arrangement in Dewsbury; Officers will look to help with the timetable for this to start provision during March 17 if possible.
- 5.3 Consider what start-up funding may be required to help publicise the CU's and to see what assistance may be required.
- 5.4 To look at the possibility of future co-location arrangements for the Credit Union's and Advice Kirklees in Huddersfield town centre.
- 5.5 Officers will facilitate the new scheme and re-write the operational policy as required to move away from the grant scheme to the Credit Union referral scheme.
- 5.6 Officers look to progress the change from grant funding to Universal Credit new burdens funding for 2018/19.

6. Officer recommendations and reasons

- 6.1 For cabinet to note the changes in relation to the Local Welfare Provision scheme.
- 6.2 For cabinet to note the progress being made in relation to the developments in relation to the Credit Unions & approve start up financial assistance to Borough and Parish Credit Union, subject to further discussions, be delegated to Assistant Director Financial Management, IT, Risk and Performance

7. Cabinet portfolio holder recommendation

The Portfolio Holder for Resources supports the officer recommendations and welcomes the benefits these partnerships will bring for those residents in Kirklees who are in need of support.

The Portfolio Holder supports the request for one-off funding of £20k to support publicity and start-up.

8. Contact officer

Steve Bird - Head of Welfare and Exchequer Services
Julian Hobson – Policy Officer

9. Background Papers and History of Decisions

Last considered 23rd January 2013 where delegated authority was vested in the role of Executive Director for Resources.

10. Assistant Director responsible

Debbie Hogg, Financial Management, Risk, IT and Performance