


<p><b>Cabinet</b></p> <p>28 November 2017</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Zena Cooke, Corporate Director Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Tower Hamlets Resident Support Scheme</b></p>	

<b>Lead Member</b>	<b>Councillor Sirajul Islam, Cabinet Member for Housing</b>
<b>Originating Officer(s)</b>	Ellie Kershaw
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>A fair and prosperous community</b>

### **Executive Summary**

Tackling poverty is a Mayoral priority, with a budget of £5 million over 3 years having been set aside to enable work to be undertaken that will assist those residents in the borough living or at risk of living in poverty. Work is being undertaken with a range of partners to establish a borough wide Tackling Poverty Action Plan, which will bring together all of the work in the borough that is being done to help those in or at risk of poverty and this funding will be used to create a range of projects and initiatives that will contribute towards this aim. The first of these to be developed is the attached Resident Support Scheme, which will be a key tool in assisting residents who need support in both the short and longer term.

The aim of the scheme is to relieve short term pressure while offering support and advice to assist residents in improving their financial circumstance in the longer term income.

The scheme will introduce greater flexibility in terms of the residents that it supports and represents a move from the current cash based policy to one which is more responsive and provides goods and services required by residents. This will ensure that residents receive the goods and support that they need and is also more cost effective, meaning that the funding will go further, to help more residents.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Approve the attached Residents Support Scheme policy to go out to consultation.
2. Agree the commissioning of a short term pilot to provide support immediately pending the outcome of the consultation.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The proposed Scheme provides for advice and support to help residents improve their future financial circumstances, by tackling the causes, rather than just meeting an immediate need.
- 1.2 Offering goods and services would allow the Council to track any trends in the type of goods and required. This would allow for further proactive work to be undertaken: for example, if high numbers of people are requesting energy top ups, the Fuel Poverty Team could be utilised in helping residents to switch to more cost effective tariffs or providing measures such as property insulation to ensure that residents are assisted in the long term.
- 1.3 The Council's current Welfare Assistance Policy makes it hard to prove value for money. A goods based service would allow the Council to reclaim VAT, meaning that the same budget allocation would provide for more awards.
- 1.4 The proposed scheme would allow the Council to make efficiencies in staff time as currently awards are distributed from cash offices which is time and cost intensive.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The following options have been considered but are not recommended:

The Council could continue with the current cash policy.

The Council could choose not to offer any form of support.

The Council could offer a service that provides only for immediate need and does not take into account other forms of support to assist residents in the long term.

## **3. DETAILS OF REPORT**

- 3.1 Local Welfare Provision was previously administered by the Department for Work and Pensions where it was known as the Social Fund. The provision was transferred to Local Authorities in April 2013 but since the end of the first year, the scheme's previously ring fenced funding has been absorbed into Government finance settlements to Local Authorities and it is no longer clear what, if any funding is actually still provided. The operation of the scheme is discretionary. Tower Hamlets Council has decided that operating a policy is important to the welfare of its residents, and it will continue to be funded through the Tackling Poverty Fund.

- 3.2 The current scheme provides for two types of support:
- Crisis Grants – Provide assistance for residents who need help due to a sudden crisis. Awards can cover short term living costs, such as food, heating and accommodation
  - Support Grants - Provide longer term financial support to enable residents to live independently and safely in the community. Typical awards include provision of help to care leavers or residents who move to or from supported and temporary homeless accommodation.
- 3.3 The revised scheme is intended to be simpler both for residents to navigate and from an administrative perspective also. It will offer a range of goods and services, with cash payments in the form of pre-paid cards being made in exceptional circumstances.
- 3.4 Both households claiming benefits and those low income households not in receipt of benefit will be eligible to make an application for support, with each case being judged on merit, using the eligibility criteria at section six.
- 3.5 Where appropriate, the Council will refer the applicant to another Council service or for advice and support where it is considered that their long term financial situation would be improved by doing so.
- 3.6 Residents will have the right to seek a review of negative decisions.
- 3.7 The revised scheme will be based on the provision of goods and services with cash being offered only in exceptional circumstances. This approach will allow the Council to achieve the most value for money, due to both purchasing power and the ability to reclaim VAT on goods. Furthermore, through monitoring the reasons for claims and most requested item, the Council will be able to commission services or undertake new work streams to mitigate what the information tells us.
- 3.8 It is also proposed that school uniform grants be moved into this scheme to enable the Council to offer wider support to households with children making that application.
- 3.9 In order to assist with decision making and to increase efficiency, an IT solution will be commissioned for applications to be made and assessed. Other access options will be made available to those with no access to IT to ensure the scheme is as widely available as possible. This will also allow the Council to monitor the demographic profile of those applying to the scheme to assess whether it is being advertised appropriately to ensure fair access.
- 3.10 Whilst this scheme is not open to people with no recourse to public funds, the Council uses other funding sources to assist such households where appropriate.

- 3.11 Funding for the scheme is held within the £5 million Tackling Poverty fund. The current Local Welfare Provision costs in the region of £500,000 per year and forms part of the £5 million.
- 3.12 It is recommended that the Council proceed with a pilot to ascertain the benefits and drawbacks of introducing a goods based scheme, taking into account such things as customer choice and use of recycled goods. This will enable a full procurement specification to be written taking the learning into account to ensure a fair and robust service provision.
- 3.13 Over the next 6 to 12 months the Council is seeking to create a broader Tackling Poverty Scheme, which will include this policy, discretionary housing payments and will investigate options for low cost loans that may be appropriate in some circumstances. This work will be carried out in conjunction with a range of stakeholders and organisations leading in the field of tackling poverty such as Toynbee Hall to ensure that the final Tackling Poverty scheme is sufficiently broad, robust and fit for purpose to support the borough's residents in improving their financial circumstances.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report sets out proposed changes to the existing Welfare Assistance Policy is one of the Council's preventative initiatives aimed at reducing the impact of the current welfare reform programme and the wider financial climate and the potential financial burden that may be placed on local residents.
- 4.2 These changes will ensure value for money, whilst maximising potential outcomes for those residents most in need of assistance.
- 4.3 The Tackling Poverty Fund is currently in place until 2020. The fund is supported by The Welfare Reform Reserve which totals £5m.

#### **5. LEGAL COMMENTS**

- 5.1 The Government introduced wide ranging changes to the welfare benefits system through the Welfare Reform Act 2012. A key area was to the discretionary elements of the Social Fund, which under the Department of Work and Pensions (DWP) scheme, sought to meet a range of needs that were not met through regular benefits or tax credit payments. From April 2013 Community Care Grants (CCG) which met, or helped to meet, a need for community care; and Crisis Loans (CL) for general living expenses which met, or helped to meet an immediate short term financial need, were replaced by a non-ring fenced grant paid to local authorities to provide a new Local Welfare Assistance Provision (LWA).
- 5.2 There is no duty on local authorities in respect of the LWA as the Government's view was that authorities needed to be able to be flexible to provide this support in a way that was suitable and appropriate to meet the needs of local communities. The Council introduced the Welfare Assistance

Policy and this report presents a proposed new local discretionary support scheme “the Tower Hamlets Resident Support Scheme policy” and which provides for advice and support to help residents improve their future financial circumstances, by tackling the causes, rather than just meeting an immediate need. The proposed Scheme is intended to introduce greater flexibility and is therefore in line with the Government’s views and lawful.

5.3 There is no statutory requirement to consult on the support scheme but the Council will be undertaking consultation in accordance with common law as it is considered appropriate to do so. The consultation must comply with the following criteria:

- (a) it should be at a time when proposals are still at a formative stage;
- (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response;
- (c) adequate time must be given for consideration and response; and
- (d) the product of consultation must be conscientiously taken into account.

5.4 The Local Welfare Assistance Provision is an Executive function and therefore decisions in relation to this proposed revised Scheme is for the Mayor in Cabinet to make.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

Equality and diversity considerations have been considered in the proposed policy changes. It is not considered that there are any negative implications arising as a result. Indeed, by delivering goods directly to residents it is considered that the new policy is an improvement for those people who may find it difficult to leave the house for reasons of illness or age. It is considered that the measures the scheme recommends will help to minimise inequality in the borough.

## **7. BEST VALUE (BV) IMPLICATIONS**

7.1 The Best Value duty requires the Council to ‘make arrangements to secure continuous improvement in the way in which its functions are exercised , having a regard to a combination of economy, efficiency and effectiveness’

7.2 The proposed scheme aims to provide a more cost effective method of service provision whilst ensuring that the service to residents is not negatively impacted.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

8.1 As part of the procurement of a goods based scheme, those bidding would be asked to give consideration to green issues including the potential for use of recycled goods.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The policy will be consulted upon with partners prior to any implementation.
- 9.2 Should the policy be implemented, it will be monitored to ensure that it is delivering the expected outcomes.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 This report has no implications for crime and disorder.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 Safeguarding children and adults in the borough is everybody's business and the Resident Support Scheme will, by its nature, be utilised by residents who are vulnerable and at risk. This may enable the council to ensure that the correct services are being accessed by vulnerable people, and ensure that they can receive long term support.
- 11.2 Any provider that is appointed to deliver scheme will be expected to have robust processes in place for escalating safeguarding concerns identified during the application and award phases of the scheme to the relevant council services

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## **Linked Reports, Appendices and Background Documents**

### **Appendices**

- Appendix A Tower Hamlets Resident Support Scheme

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- None

### **Officer contact details for documents:**

N/A