

Committee Name and Date of Committee Meeting

Cabinet – 21 October 2019

Report Title

Crisis Support (Local Welfare Provision)

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Shokat Lal, Assistant Chief Executive

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The current contracts for provision of crisis support services – crisis loans; supply of food to food banks and the service level agreement for the Food in Crisis Partnership expire at the end of March 2020.

This report makes recommendations for commissioning future crisis support services over the medium term three years 2020/21- 2022/23 with voluntary sector providers through the terms of the Rotherham Compact. The process will include an invitation to bid to be the lead organisation in the voluntary sector to engage partner organisations in a co-design with the Council, leading to award of grant(s) and service level agreements.

Recommendations

1. That approval be given to the Council to invite bids for a lead voluntary sector organisation to engage with partner organisations and the Council in a co-design for the future provision of crisis support over the medium term 2020/21 – 2022/23 in accordance with the provisions of the Rotherham Compact.
2. That, following the co-design process, proposals for future delivery arrangements be brought back to Cabinet for approval.

List of Appendices Included

Appendix 1 Initial Equality Screening Assessment

Background Papers

Local welfare provision: fund for change – report to Cabinet – 13th March 2013;

<http://modgov-p-db/documents/s84644/Local%20Welfare%20Provision%20Cover%20Report.pdf>

Fund for Change – report to the Deputy Leader – 11th July 2013:

<https://moderngov.rotherham.gov.uk/documents/s87401/009%20-%20Fund%20For%20Change%20-%20Deputy%20Leader%20Report%20-%2011th%20July%202013.pdf>

Local Welfare Provision future options – report to Commissioner Manzie – 30th March 2015:

<http://modgov-p-db/documents/s99235/Local%20Welfare%20Provision%20Future%20Options.pdf>

Local Welfare Provision 2016/17 - report to Cabinet and Commissioners' Decision Making Meeting – 15th February 2016:

<https://moderngov.rotherham.gov.uk/documents/s104689/Local%20Welfare%20Provision%202016-17.pdf>

Crisis Support (local welfare provision) – report to Cabinet and Commissioners' Decision Making Meeting – 13th February 2017:

<http://modgov-p-db/documents/s109169/1%20-%20Crisis%20provision%20final%20Cabinet%20report%20-%2026%2001%202017.pdf>

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board – 16 October 2019

Council Approval Required

No

Exempt from the Press and Public

No

Crisis Support (Local Welfare Provision)

1. Background

- 1.1 Crisis support (Local Welfare Provision), provided by the Council started in 2013 following abolition of the Government's Discretionary Social Fund.
- 1.2 The current arrangements for delivery of crisis loans; provision of food; and support for the Food in Crisis Partnership expire at the end of March 2020. This report recommends arrangements for service provision from April 2020.

2. Key Issues

- 2.1 Following abolition of the Government's Discretionary Social Fund in March 2013, under the provisions of the Welfare Reform Act 2012 (c. 5), the government provided local authorities with two years' funding (2013/14 and 2014/15) for 'local welfare provision' (LWP). The funding was provided as a section 31 grant (S. 31, Local Government Act 2003 (c. 26)). Over the two financial years 2013/14 and 2014/15 Rotherham received a total of £1.697m. Whilst this funding was not ring-fenced, the Council allocated the money for Crisis Support (Local Welfare Provision) purposes and maintained the balance of the fund at the end of the two years for future years provision. This provided a fund at the start of 2015/16 of £749,666, which has now reduced to a projected balance at the end of 2019/20 of £198,252.
- 2.2 Crisis Support provided by the Council is now the final welfare safety net for many people in Rotherham.
- 2.3 The provision in the first two years (2013/14 and 2014/15) included crisis loans and support for food provision along with grants via Furniture Solutions and emergency cash grants. The cessation of the grant in 2015/16, resulted in the furniture and cash grants being withdrawn. The current provision consists of £60,000 p.a. allocation for the provision of crisis loans; £30,000 p.a. for the supply arrangements of food to food banks (Community Food Members); and £10,000 for support for the Food in Crisis Partnership, which includes research and supply of data. Community Food Members are local organisations providing food in crisis support that sign up to the priorities for providing support agreed with the Council. The current arrangements expire at the end of March 2020.
- 2.4 Looking forward, this paper sets out recommendations for commissioning future provision through partnership working with the voluntary sector under the provisions of the Rotherham Compact. This will enable a medium term (three year) solution through co-design that will both meet established need and link into Council policy developments around tackling deprivation; advice services; and neighbourhood working.
- 2.5 The budget provision would be maintained at the current level of £100,000 p.a. being funded by the residual sum from the Section 31 grant for the first two years and would require £100,000 additional funding to be agreed within the Medium Term Financial Strategy to fund the third year of the agreement (2022/23).

Demand

- 2.6 Crisis support continues to receive significant demand in Rotherham. The current data available for 2018/19 shows that 433 people accessed crisis loans at a total value of £34,585; and 4408 food parcels were provided that fed 5867 people.
- 2.7 The reasons for accessing crisis loans shows general living expenses with a combination of food and bills being the single most frequent reason. The need to purchase electrical goods and furnishings, whilst at a lower number of loans, are a factor. Details for 2018/19 and the first quarter of 2019/20 show the following:

	2018/19	1st Quarter 2019/20
Electrical goods	30	8
Bed	10	2
Food	13	1
Bills	31	13
Food & Bills	241	69
Lost money	37	11
Benefit sanction	1	
Benefit delay	51	11
Rent arrears	12	1
Council Tax arrears		1
Urgent travel	7	4
Total	433	121

- 2.8 It is important to recognise that not everyone in crisis will be able to access a crisis loan because of regulations requiring responsible lending. This means that anyone judged as being unable to repay a loan must not be provided with one.
- 2.9 The data for food in crisis provision reveals a broad picture of demand. This provision also serves people who are not able to access crisis loans, especially those of no fixed abode; refugees and asylum seekers. Details for 2018/19 and the first quarter of 2019/20 show the following:

	2018/19	1st Quarter 2019/20
Benefit sanction	287	106
Benefit delay	863	213
Change of job	18	5
Family crisis	89	14
Unexpected expenses	85	18
Out of work with benefits	62	9

Out of work no benefits	19	4
Low income	1284	404
Poverty	253	52
Debt	221	60
Money management	202	26
Other	297	37
Total	3680	948

2.10 People of no fixed abode; refugees and asylum seekers make up a significant proportion accessing food in crisis provision:

	2018/19	1st Quarter 2019/20
No fixed abode	119	43
Refugee	36	10
Asylum seeker	624	186
Total	779	239

2.11 Postcode data for the first quarter of 2019/20 shows the following demand:

	Food	Loans
S25 Dinnington	9	2
S26 Kiveton Park	4	4
S60 Brinsworth / Treeton	128	16
S61 Kimberworth	93	19
S62 Rawmarsh	52	15
S63 Wath	75	3
S64 Swinton	19	7
S65 Eastwood / Thrybergh	246	36
S66 Maltby / Wickersley	36	17
S73 Brampton	1	1
Homeless	43	
Unspecified	134	
DN12		1
Total	840	121

There is no indication that the demand for support is reducing, or is likely to reduce.

2.12 What the data shows is that there are a significant number of low income families whose finances are not resilient. They just about survive, but when something unexpected happens they cannot cope. The immediate impact appears to be most commonly not being able to afford food, and in all likelihood, other daily household consumables. Unexpected demands arise from the need to replace white goods and furnishings. Many of the applications for crisis loans are to pay bills, which will include utility costs.

- 2.13 Looking forward, given that partners to date in the delivery of crisis support have been from the voluntary and community sector, the option exists now to build on the experience gained to commission future provision under the terms of the Rotherham Compact. The Council has successful experiences of commissioning under the terms of the Compact including using co-design. Specific examples are Advice Provision and Voluntary Sector Infrastructure, both of which went through bidding processes and have been awarded grants with three year service level agreements for the service provision.
- 2.14 The opportunity to take a medium term view using the provisions of the Rotherham Compact co-design process will enable links to be made to other services and policy development, especially around deprived neighbourhoods and a proposed broader policy approach to tackling deprivation.
- 2.15 The co-design approach will also enable discussion around the detail of future provision to ensure that it continues to meet community need. It can start from the basis of the current provision, but also look at provision of non-food items such as household and personal hygiene goods. Options around fuel vouchers; white goods and furniture could be examined where the current loans arrangements are not appropriate in some cases, together with criteria for access to the services and assessments could also be reviewed. The co-design can also build in flexibility over the medium term as part of the SLA to enable services to evolve alongside the Council's neighbourhoods and tackling deprivation work; and strategically link to developments in advice services. The Council also supports housing tenants and prospective tenants and homeless people. As part of this, the furnished home scheme has set aside an annual Furniture Grant of £100K for new council tenants to assist in reducing the likelihood of a tenant becoming homeless, assisting people into employment and reduce financial hardship. The essential pack consists of a cooker, fridge freezer and a bed. However, these provisions address the needs of what might be described as "existing clients or service users" rather than addressing one-off crisis situations that can be addressed through the partnership approach to crisis support.

3. Options considered and recommended proposal

- 3.1 Two options have been considered.
- 3.2 Option one – discontinue crisis support in its current form

This option would discontinue the current crisis support arrangements. Theoretically £198,252 would remain for the Council to use for crisis type support.

Whilst crisis support is a discretionary function and the budget can be withdrawn, it is likely that an impact assessment would identify that people with protected characteristics would be disproportionately impacted, should this option be pursued. There would inevitably be a disproportionate adverse impact on low income and vulnerable households.

3.3 Option two - Continue to provide crisis support at the current budget level of £100,000 p.a. for three years 2020/21 – 2022/23

This option would enable crisis loans and food provision to both be continued at the current levels. The co-design under the provisions of the Rotherham Compact would allow for a single bid to be invited for a lead organisation for a partnership approach to future provision. This would bring an added advantage to the current provision where there is partnership working across “food in crisis” but this is not directly linked to crisis loans. A grant would be provided to the service provider(s) along with service level agreements and monitoring arrangements as provided for in the Council’s Financial Regulations. The co-design process would also include equality assessment to ensure access provision across all communities.

4. **Consultation on proposal**

- 4.1 Continuation of crisis provision has not been subjected to consultation as the recommended option does not involve a reduction of provision. However, consultation will form part of the co-design process, especially where any changes are proposed to access to crisis provision. Outcomes from consultation and engagement of users will inform design of the service provision.

5. **Timetable and Accountability for Implementing this Decision**

- 5.1 One month will be allowed for the bidding stage of the commissioning process. It is expected that this would be completed by the end of November. It is proposed that the co-design will follow to reach completion of Service Level Agreements (SLAs) and grant agreements by mid-February 2020. The service provision would commence from 1st April providing continuity of provision between the expiry of the current contracts and commencement of the new SLAs.

6. **Financial and Procurement Advice and Implications**

- 6.1 Assuming a three year planning of the future provision, it is recognised that the residual S. 31 grant sum of £198,252, will not maintain the current provision for three years. Consequently, the proposed future provision would require funding of £100,000 to be agreed within the Medium Term Financial Strategy to fund the third year of the contract (2022/23).
- 6.2 On the basis that the proposed recommendation is for the award of a grant, there are no direct procurement implications. It is however important to ensure that the agreement is structured appropriately.

7. Legal Advice and Implications

- 7.1 The Council has the ability to provide support for people in need through various provisions including S. 1 of the Localism Act 2011 (c. 20) (Local authority's general power of competence); S. 17 of the Children Act 1989 (c. 41) (Provision of services for children in need, their families and others) among other provisions.

8. Human Resources Advice and Implications

- 8.1 There are no HR implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 Many vulnerable families with children are helped through crisis provision. In 2018/19, of 5,867 people fed through "food in crisis", 1,696 were recorded as being under 18 years. Three children's centres are "community food members" providing foodbank facilities to communities.

10. Equalities and Human Rights Advice and Implications

- 10.1 Crisis support by its very nature supports the most vulnerable people in society, many of whom will also have protected characteristics. S. 1 of the Equalities Act 2010 (c. 15) places a "Public sector duty regarding socio-economic inequalities" stating in sub-section (1) "An authority to which this section applies must, when making decisions of a strategic nature about how to exercise its functions, have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage."
- 10.2 Maintaining the current level of resource for crisis provision will ensure there are no adverse equalities implications. Additionally, the recent addition of the Unity Centre to those providing food in a diverse community, supplied through the Council crisis support further assists addressing inequalities.
- 10.3 The co-design process will enable an "equalities check" to be incorporated for continuing and enhancing the service provision available, with an impact assessment produced on the model of provision agreed.
- 10.4 An Initial Equality Screening Assessment has been undertaken, which is attached.

11. Implications for Partners

- 11.1 The recommended option furthers the objective of partnership working through the provisions of the Rotherham Compact, engaging with the voluntary and community sector.

12. Risks and Mitigation

- 12.1 The principal risks associated with crisis provision are demand outstripping supply and budget. The experience of recent years suggests that £100,000 p.a. will be adequate for the future, but regular monitoring will continue to assess demand and resources. The front line service provision is through partner organisations staff and volunteers.
- 12.2 It is necessary to commence the process of inviting bids for lead organisation and moving to the co-design by late autumn to ensure that service arrangements are in place to commence in April 2020.

13. Accountable Officer(s)

Shokat Lal, Assistant Chief Executive

Jackie Mould, Head of Performance, Intelligence and Improvement

Steve Eling, Policy and Partnership Officer

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	07/10/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	03/10/19
Head of Legal Services (Monitoring Officer)	Bal Nahal	03/10/19

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