

# Tracking Welfare Reform

## Local Welfare Provision – one year on

*June 2014*



## Executive Summary

Following the abolition of central government operated crisis loans and community care grants in April 2013, local authorities across London have implemented innovative local welfare provision partnerships that provide emergency support in crisis situations. The schemes abolished by the Department for Work and Pensions (DWP) were, by the department's own analysis, poorly targeted and failing to help those in need. London boroughs have worked hard to deliver local welfare schemes that target funding at those most in need and move away from the purely financial transaction model inherent in the abolished central government schemes.

Nine months after the localisation of funding for local welfare provision, the government announced that it intends to scrap the grant that makes the schemes possible. The announcement came in advance of a planned review of localised schemes being carried out.

In many cases boroughs are reporting that they will be unable to continue to provide a local welfare scheme once the dedicated grant ceases. London Councils is calling on the DWP and the Department for Communities and Local Government (DCLG) to think again about abolishing the local welfare provision grant. Furthermore, both departments should be prepared now to sit down with local government to consider the ways in which councils' experiences in operating both localised schemes and Discretionary Housing Payments since the implementation of the Welfare Reform Act 2012 can help in ensuring that the cultural changes associated with Universal Credit are as successful as possible.

## Recommendations

London Councils recommends that:

- 1) Central government continues to provide an identifiable local welfare provision grant to local government from 2015/16 onwards.
- 2) The DWP should enter into discussions with the local authority sector to take stock of the lessons learnt from the operations of local welfare provision and Discretionary Housing Payments during the current period of welfare reform. These discussions should work towards establishing a sustainable emergency welfare intervention fund that can be operated at a local level, with additional consideration given to the likely challenges arising from the implementation of cultural changes associated with Universal Credit.

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## Introduction

This report examines the ways in which local authorities in London have implemented and operated local welfare provision schemes since the DWPs' abolition of elements of the discretionary social fund. It provides a wide range of case studies of individuals and families that have benefited from receiving support from local welfare provision administered by London local authorities during the first year of operation.

It also makes recommendations to central government about the operation of the schemes in 2015/16 and beyond.



## Background

On 1 April 2013 elements of the discretionary Social Fund were abolished. Community Care Grants (CCGs), which provided emergency support to people leaving care, prison and other institutions; and Crisis Loans, which allowed recipients of out-of-work benefits to access low interest advances of benefit in instances of financial crisis, ceased to operate as national schemes. Funding was devolved to local authorities to implement local welfare provision tailored to local need.

According to the Department for Work and Pensions (DWP):

***“Community Care Grants and Crisis Loans were poorly targeted and failing to help those most in need”***

Funding previously earmarked by DWP for these schemes was transferred to local authorities but was not ring-fenced, allowing councils the freedom to determine the character of their local schemes. No legal duty was imposed on local authorities meaning that central government did not specify the way in which the funding must be spent.

In preparing local authorities for the localisation of funding, DWP Minister Steve Webb MP said:

***“I would like to reiterate that the government does not want, nor expect, local authorities to replicate the current system in whole or in part. Providing local solutions is the main impetus for reform. We would encourage local authorities to examine their own demographic data and delivery landscape to better anticipate the level of demand for their schemes (which will invariably have different eligibility criteria and provide different support to the current complex and remote system).”***

### **Letter from Steve Webb MP to London Councils, November 2012**

Although some media outlets have characterised the policy change as either the localisation of the Social Fund, or as councils becoming responsible for crisis loans, neither is in fact the case. CCGs and Crisis Loans were only two elements of the social fund; the majority of this fund still exists and encompasses things like Cold Weather Payments and Sure Start Maternity Grants.

In fact, CCGs and Crisis Loans were abolished in their entirety; both schemes ceasing to exist on 31 March 2013. The challenge to local authorities therefore was, not only to design emergency welfare schemes that met local requirements at a time of significant reform to the welfare system, but to take schemes that, by the DWP's own admission were failing, re-design them and operate them with less money.

All local authorities in London did this successfully and were operating schemes by 1 April 2013.

DWP had indicated to local authorities that they would carry out a detailed review of the first year's operation of local welfare provision in order to determine the funding profile for future years.

As part of the Local Government Finance Settlement in December 2013, the government announced that they would cease to fund local welfare provision from 2015. The DWP is now carrying out its planned review of local welfare schemes although clearly it won't be possible for the results to impact on DWP decisions on local welfare provision funding post 14/15, as these decisions have already been made.

## Funding

The Department for Work and Pensions (DWP) spent **£36,334,100** on Crisis Loans and Community Care Grants in London during 2011/12. The total amount of programme funding localised to London local authorities for 2013/14 was **£27,177,400**; a **25 per cent** reduction. The original settlement letter to councils gave indicative funding for two years but did not say at any point that government funding for local welfare provision would end after two years.

In January 2014, the DWP confirmed that programme funding for 2014/15 would be at the same level as for 2013/14.

Background papers released as part of the Local Government Finance Settlement on 18 December 2013 included indicative central government grant transfers to local government for 2014/15 but also included an indication that there would be no DWP grant for local welfare provision from 2015/16 onwards.

There was no clear indication from central government about how, if at all, local welfare provision would be financially supported from 2015/16.

Although the DWP grant was never ring-fenced, the Department for Communities and Local Government (CLG) characterised the change thus:

***"This government is devolving more power and discretion to local councils, so they can best target those most in need.***

***From 2015, the Local Welfare Provision Grant is being wrapped up in general central government grant to local authorities, as part of our broader commitment to reducing ring-fencing."***

**CLG spokesperson, December 2013**

In an evidence session at the DWPs' Select Committee, the Secretary of State described the funding situation as follows;

**Dame Angela Watkinson: *Is there any noticeable inconsistency in different parts of the country or different parts of London?***

**Mr Duncan Smith: *It is a bit early to say at the moment. As I say, we are not setting the rules for this for them [local authorities], so there will be inconsistency in the sense that you will get different approaches taken by different councils. I was with one the other day, talking to some councillors who said that at first they had been concerned about this but they like it very much, because they now think they can do more for the people coming through the door than was being done before. I take my hat off to councils; they have taken a very positive approach to this.***

**Chair: *How are they going to be able to do that in the future when the money coming from central government is going to stop in April 2015?***

**Mr Duncan Smith: *It is not stopping. It is being put into the overall grant. It will not be a separate amount of money, but it will be part of the overall grant.***

**Chair:** *That is slightly different. Will there be extra money in the grant? Will the cap on their grant be lifted?*

**Mr Duncan Smith:** *I cannot forecast what is finally agreed when the grant account of that will be taken between the Department for Communities and Local Government and the Treasury, etc., when they want to set that process. However, it will be subsumed into the grant, not as a separate process, because for this period we would have been administering it, which is why we have allocated it, but from then on, we will have ended the policy, so it is theirs, as it were, and that becomes part of the grant.*

#### **DWP Select Committee evidence session, Monday 3rd February 2014**

Subsequent discussions with CLG have confirmed that there is no identifiable rolled-in grant and that CLG does not currently intend to provide additional funding for local welfare provision from 2015/16 onwards. CLG has said that councils can continue to provide local welfare assistance through their general funding.

However, local government has faced a higher level of funding reductions, proportionately, than almost all other parts of the public sector. London Councils' analysis shows that, between the 2010 Spending Review and 2014/15 financial year, core central government funding to London local government will have fallen by **35 per cent** in real terms.

The 2013 Spending Review confirmed that local government will once again be required to deliver a disproportionately high level of savings. The **10 per cent** real terms spending cut for local government was one of the largest of any department and compares with an average real terms reduction of only **2.2 per cent** across all other Whitehall departments.

London local authorities simultaneously face dramatic increases in service demand due to demographic change with a projected **£2 billion** worth of increased service pressure between 2012/13 and 2019/20.

In this context, it is difficult to see how local authorities will be able to identify resource to provide adequately a local welfare provision scheme along similar lines to that operated during 2012/13. With only nine months elapsing between local welfare provision schemes beginning and the announcement that the funding would be abolished, there has not been the opportunity to assess properly the efficacy of local operations. Indeed the DWP review of local schemes intended to influence future funding arrangements took place after the decision to cease funding.

The CLG Committee made the following recommendation to government in relation to local welfare provision funding;

***We believe that it is essential that the government ensures that sufficient funding is available to local authorities to cover the costs of providing the localised welfare support schemes which have replaced elements of the discretionary Social Fund. We recommend that this is done in one of two ways: either DWP should continue to transfer funding to local authorities beyond April 2015, until it has a clear picture of the level of demand; or the local government settlement administered by the Department for Communities and Local Government should be increased by the full amount that would have been allocated for these elements of the discretionary Social Fund, and this sum should be ring-fenced for local welfare schemes.***

#### **CLG Select Committee report into the performance of the DWP in 2012/13 (March 2014)**

The devolution of this funding to local government followed almost immediately by cessation of that

funding places further financial pressure onto local government. Once again, local government is being asked to deliver savings on behalf of a central government department. Given the extremely challenging financial climate for local government, London Councils believes that this funding decision raises significant questions about the ability of local authorities to continue to provide local welfare provision through general resources. Arguably, this is unlikely to be possible in most cases, especially if local government funding cuts continue into the future.

## Demand

A key part of the government's case for ceasing the operation of the former schemes and devolving the money to local government to invest in something new was that demand for community care grants and, particularly, crisis loans was rising inexorably and the most recent years of award data did not represent true demand, rather it resulted directly from the introduction of the ability to apply for crisis loans over the telephone.

In London there was an average of **6,105** Community Care Grant applications per month during 2011/12 of which an average of **2,586** or **42 per cent** were successful. In the same period there was an average of **19,306** monthly applications for a Crisis Loan of which **15,693** or **81 per cent** were successful. Combined, over **25,000** applications per month were being lodged in London for the former schemes meaning that if the demand translated to the new local provision, London boroughs could reasonably have expected to be receiving around **800** applications per month each.

Demand for the abolished schemes had been rising;

***"From 2006 Crisis Loan applications, awards and expenditure have almost tripled....By moving away from a remote model of central administration to local delivery, customers will be better served as we know that those accessing the current service have complex needs and may benefit from an integrated, locally-delivered approach which will deliver a more responsive, better targeted and relevant service to the most vulnerable."***

**Local Welfare Assistance Equality Impact Assessment, DWP (October 2011)**

In the government's own terms, the underlying requirement for emergency welfare support was thought to be significantly less than could be inferred from the demand data relating to the most recent year of CCG & Crisis Loan operation. Local authorities had essentially been tasked therefore with finding a way to reduce the headline demand figures that had been rising significantly under central government administration.

Projected figures show that during 2013/14 London local authorities were each receiving on average **220** applications for local welfare support per month of which **110** were successful; exactly **50 per cent**. This is significantly below the proportion of crisis loan applications that were being accepted by DWP in the final year of operation, although it is marginally above the rate at which CCG applications were being accepted.

If the aims of implementing locally administered schemes were to better target support, it would surely have been expected that applications would be lower than they were under DWP administration. It would also have been expected that the proportion of applicants receiving support would be lower and this has been the case.



Application and award data is not able to pick up the institutional investment that has happened as a result of local authorities controlling local welfare provision whether that be in stocking food banks, providing sleeping bags to homeless shelters or providing seed money to build capacity in local credit unions. None of these are picked up by looking at raw application and award figures.

Local authorities in London have expended significant resource and effort in establishing local welfare provision schemes in time for the abolition of crisis loans and community care grants and now face funding reductions of **£32 million** across London.

Many have entered into agreements with providers, brokered products with credit unions, used funding to establish financial capability training and crucially provided emergency food, utility and other financial and in-kind support for households in extreme financial crisis or to those leaving institutions such as care or prison.

In line with central government expectations, local government has targeted those most in need. In the context of significant welfare reform and increased incidences of benefit sanction, it is likely that demand for emergency crisis financial and in-kind support will remain and potentially grow. London local authorities would be worried at the possibility that this demand could be met by loan sharks and payday loan companies, and would be further concerned at the increasing burden on an overstretched and overburdened voluntary sector and on statutory local authority services.

## Sanctions

London local authorities have been surprised at the number of approaches they have received for emergency welfare assistance from clients experiencing issues relating to DWP administered benefits. Common issues included;

- Administrative delays resulting in periods without benefit income.
- Job Seeker's Allowance (JSA) and Employment Support Allowance (ESA) sanctions.
- Clients experiencing a period without social security income after failing Work Capability Assessments for ESA or undergoing a period of mandatory internal reconsideration before being able to lodge an appeal about either being found ineligible for ESA or being placed in what they consider the wrong ESA group (Support Group or Work Related Activity Group).

In a large number of cases, authorities were concerned that the availability of DWP-retained emergency support was not being properly advertised and the early months of local welfare provision saw a common experience of clients being referred from the Job Centre to local welfare teams without reference to the locally determined scheme criteria.

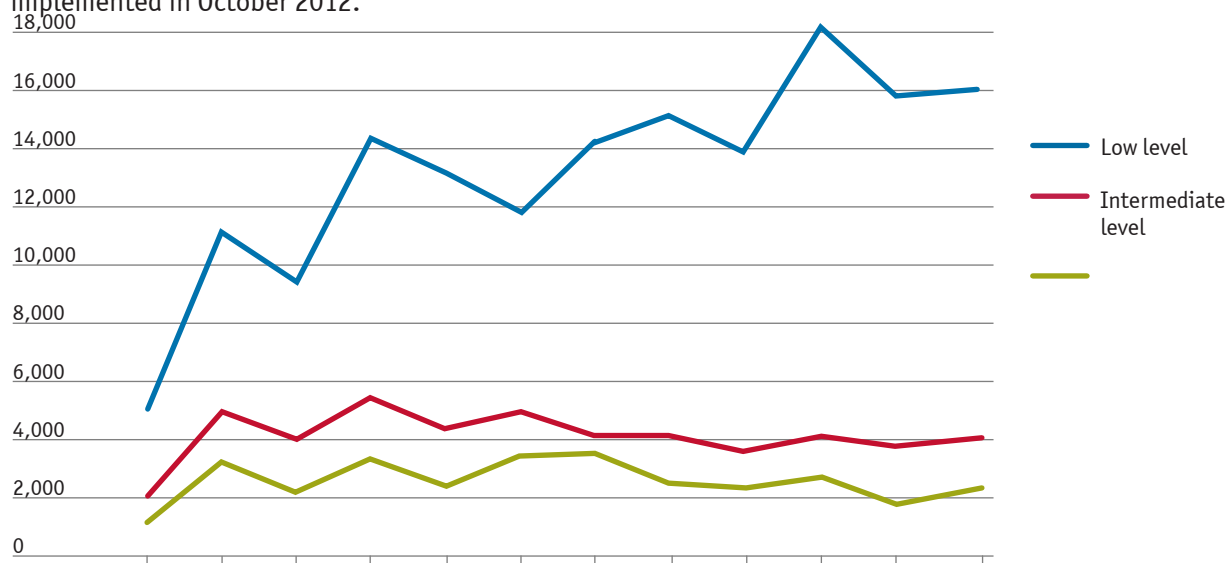
One of the major concerns that local authorities had was that by becoming a de facto last resort for people affected by issues with DWP benefit (including because of their own action), not only were they potentially working against the intended policy goal of the nationally administered sanction, but they were also at risk of exposing local welfare schemes to indeterminable additional demand where DWP budgeting loans, Short Term Benefit Advances and hardship funds should otherwise have provided support. Because of extreme hardship, in many cases local authorities have extended local welfare support to some of those affected by such issues.

A new sanction regime was implemented in October 2012 that has seen a steady rise in the number of sanctions issued to Londoners in receipt of Job Seeker's Allowance and Employment Support Allowance.

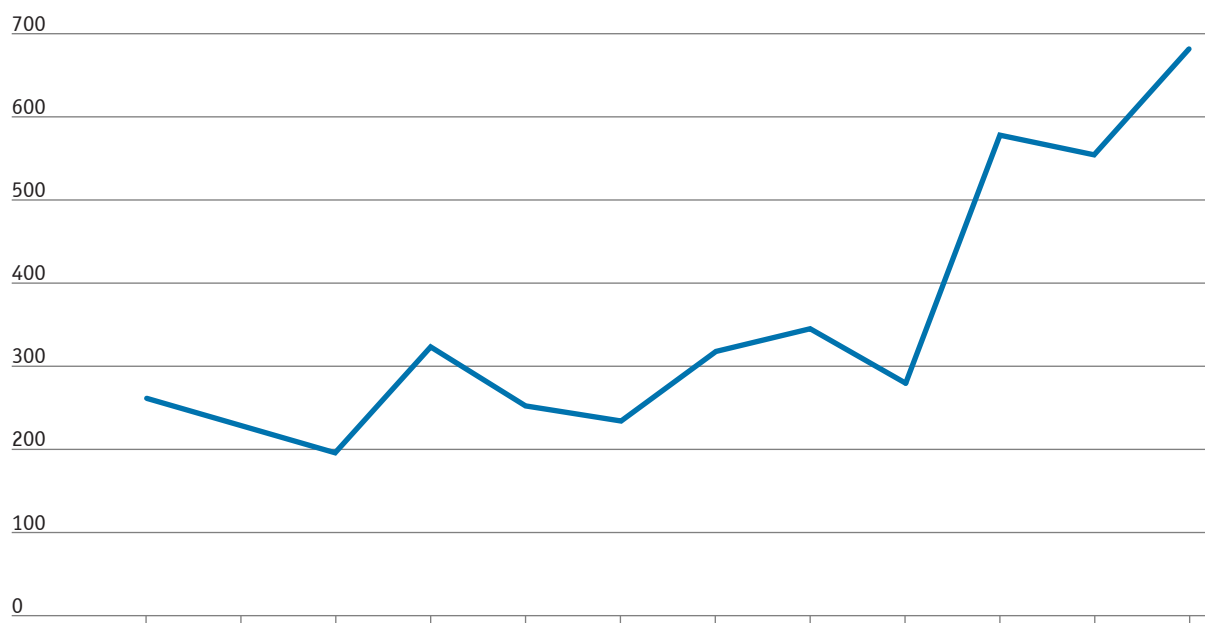
Without recourse to local welfare provision, charities and voluntary organisations are likely to be deeply concerned that the pressure to assist sanctioned benefit claimants will fall to them.

In the 12 months after the new sanctions regime being implemented, the number of low level sanctions (issued if the claimant fails to carry out something that their JCP advisor recommends in order to increase their chances of finding employment) has more than tripled in London from around 4,800 per month to 15,600 per month. Similarly, the number of ESA sanctions has also more than doubled over the same 12 months period from around 250 to 650 sanctions per month.

**Figure 1:** Number of JSA sanctions issued to Londoners in 12 months since new sanctions regime implemented in October 2012.



**Figure 2:** Number of ESA sanctions issued to Londoners in 12 months since new sanctions regime implemented in October 2012.



Universal Credit will see all recipients asked to sign up to a claimant commitment detailing actions that they will take in order to get into some or additional work. Sanctions will be key to ensuring that claimants keep to their commitment. It is not clear whether adequate measures are in place to ensure sanctioned claimants aren't pushed into the kinds of hardship that will lead to pressure on acute public services.



## Approaches

The following examples are descriptions of the ways in which London boroughs have approached administering local welfare provision. As well as the extension of emergency provision of food and fuel, local welfare provision is assisting in cases of re-location due to leaving care, or due to welfare reform. Schemes are also managing issues relating to the introduction of Employment Support Allowance; and enabling wider resilience work, enhancing the skills and employability of those coming into contact with local welfare provision. There is a real risk that the abolition of this support perhaps years before the implementation of Universal Credit in London will mean the partnerships built up and the support being offered will be lost and the institutional structures to support the cultural changes inherent to Universal Credit will simply not be there.

### South London Borough

*"A portion of our local welfare provision grant has been used to fund service interventions aimed at improving the financial resilience of our most vulnerable residents, in turn preventing their need to access emergency support.*

*We are funding a bank account take-up project aimed at supporting benefit claimants to open bank accounts ahead of the introduction of Universal Credit. We are providing one-to-one support to service users from supported housing projects, drug and alcohol services, mental health services, food banks and social housing tenants. We have successfully worked with residents with no photo ID, no proof of address and poor credit histories, many of which have support needs such as limited literacy and language skills, poor mental health and learning difficulties. This intervention is critical given that over 8,000 of our benefit claimants expected to move to Universal Credit do not currently use a bank account.*

*We have also used the funding to locate advisors in food banks around the borough, allowing us to access the residents most in need of support, and provide them with timely advice around debt, money management and benefits. The aim of this is to improve their ability to cope with unexpected financial outlay or crises, and to prevent the need for them to take up further emergency support, either from food banks or local welfare provision.*

*We have also provided the South London Citizens with funding to promote the take-up of Credit Union accounts by our residents. This initiative has a number of benefits for residents, giving them access to current and savings accounts and low cost alternatives to payday lenders, whilst also encouraging financial independence and responsibility. This also allows us to promote financial resilience within local communities that we might not ordinarily come into contact with, such as faith groups, community groups and schools."*



## Central London three-borough partnership

### Interest free loans to support return to work

*"We identified that the one month wait until the first payslip upon starting work was acting as a work disincentive in some cases. In partnership with the local Jobcentre and Credit Union, our local welfare provision offers customers an interest-free loan of up to £2,000, to help them to budget until their first pay. The loans are from London Plus Credit Union: the interest and admin fees are paid from the Local Support Payment scheme."*

### Rent in advance assistance

*"The Local Support Payment team work with a number of third sector organisations – Z2K, The Passage, YMCA, to provide rent in advance and rent deposits to customers who need to move. Many of the recipients of the scheme would not be entitled to DHP, due to not receiving Housing Benefit. The third sector organisation finds a reputable landlord, they check references and history and pay the initial rent in advance/ rent deposit. The council then pays the charity. The advantage of paying via a charity is that they are able to supply the necessary practical support to vulnerable customers - care leavers, women fleeing violence, people in custody – to ensure they maintain the tenancy: they set up direct debits, advice on the importance of keeping up with payments and help with disputes."*

### Debt Advice and refurbish partnership

*"We work with a social enterprise to provide refurbished goods and services to customers. We have invested approximately £1.4 million with this organisation across the three boroughs to help with the difficult move out of London due to welfare reform changes. They have provided removal services, storage, basic repairs as well as providing new and refurbished goods which they delivered and professionally installed. When we carried out a review on why customers claimed a social fund in the past a surprisingly large number had a flood due to poorly plumbed washing machines. They also ensure that gas and electric cookers are safely installed."*

*The team are also able to provide basic but essential debt advice as well as signposting customers to a range of local organisations able to meet the client's longer term needs: one of our aims is to address the root cause of the problem to prevent a culture of multiple claims which was a feature of Crisis Loans and Community Care Grants."*





## **North West London Borough**

*“Our local welfare provision scheme takes a holistic approach to applicants’ needs. The team deals with all discretionary funds: crisis payments, care grants, discretionary housing payments and discretionary council tax support.*

*The team consists of local welfare assistance officers, co-located Job Centre Plus Employment advisors and a skills advisor. Those who make repeat applications for funding are referred to budgeting workshops or one-to-one advice. They are also referred for skills and employment advice if they are able to work and individual cases receive on-going employment and skills support.*

*The local welfare assistance team also works in partnership with the local food bank and is one of the main distributors of food vouchers. The local food bank provides the vouchers free of charge which are offered to the applicants who are not entitled to Local Welfare Assistance payments but need help with food due to crisis.*

*So far, in addition to regular day to day transactions we have issued 84 food bank vouchers, given money and budgeting advice to 172 people and 169 residents have attended our work and skills*

## **Central London Borough**

*“We disburse our local welfare provision fund allocation through the multi-agency resident support scheme. The Residential Support Scheme (RSS) brings together the council, a major local funding foundation and other local charities, pooling funds and expertise to maximise their impact. Through the RSS we put a particular premium on the provision of additional, non-financial support, such as training and advice, and we link our residents to local opportunities that can offer lasting change in their lives. This is over and above the monetary grants we give.*

*The scheme was launched on 1 April 2013 and by the end of its first year we will have spent our full allocation, supporting our residents when they are in most need. With half of our population living in social housing and child poverty rates being the fourth highest in the country, we know that welfare provision of this kind is needed and makes a difference to resident’s lives.*

*Apart from the council’s statutory services, we have nine organisations as trusted partners, who recommend their clients to the scheme for help. In addition, 47 other organisations which are based or operate within the borough are registered as referral partners. This has increased from a base of 11 organisations when the scheme first started.”*

## South East London Borough

*"We have worked closely with our housing providers when 'exceptional' cases have been brought to our attention. All of these cases have meant a better quality of life for the applicant going forward and the local welfare provision has been an essential part of making this a reality for people.*

*Additionally, our expertise within the benefits arena, alongside our connections with other council departments such as social services has meant a much more proactive and cost effective outcome for all parties concerned.*

*After building an 'applicant profile' we determined that the majority of applications fell into two groups:*

- 1. Genuine cases of lost/stolen monies, and;*
- 2. Lack of benefit income for the benefit period as a result of poor budgeting and/or unrealistic financial commitments.*

*The majority of applications fall into the latter group and therefore we saw little point in exacerbating the cycle of debt by creating more debt.*

*As a response to this we do two things:*

- 1. We contact the applicant directly to negotiate the amount of living expenses necessary to manage the period in question. We do this to reduce the overall loan to the minimum level possible to address the crisis and thereby mitigate the amount of debt caused.*
- 2. We refer and create an appointment for the customer with Money Advice and/or the Credit Union to discuss their existing commitments and thereby maximise their income going forward.*

*We feel this, like other responsible councils, is one of the major ways we have seen reduced expenditure in comparison to the former Social Fund. We are making a real difference to the way applicants view the scheme.*

*They are now beginning to understand that local welfare provision is not the 'additional' income*



## West London Borough

*"The council works closely with social services, housing, Citizens Advice Bureau and other support agencies. We work with them to improve the lifestyle of some of our more vulnerable customers.*

*We work with a local registered charity founded in 1970. For more than 40 years, we have continued to work in partnership with service users and local communities to empower vulnerable people across London so that they can make positive changes in their lives. We help to re-settle a lot of their customers by referring them to our furniture suppliers. By assisting we ensure these customers can live independently in the community whilst receiving support.*

*We are now trying to build our links with the credit unions. With the removal of the government grant we will only be able to offer our customer this option. We have already invested in a credit union; with a view that the money allocated will be re-invested into the credit union as customers pay their loans back. The local welfare provision is more effective now than when paid by the DWP because we make payments to better people's life styles and in turn to reduce the costs to the council."*





## Case Studies

These case studies are all real-life examples of individuals and families who have received financial or in-kind support from London local welfare provision during 2013/14. All cases and boroughs are anonymised.

### Case 1

Mr C suffers from Huntington's disease, which is in the advanced stage. He has no control over violent twitches and shaking of his body. Throughout the day and night he continually twitches, resulting in him crashing into people and objects, often with painful results. He often tore his clothing from crashing into walls. During the night he thrashes around in bed so violently he needs a double bed in order to prevent him from falling out of bed. He can no longer eat solid food and at present he has to have it mashed, but eventually he will only be able to take liquidized food.

We awarded him a bed, mattress and clothing to enable him to maintain his health and safety, and also his dignity.

On this case, we liaised with a support worker at a local disability organisation to ensure that the claimant was able to claim his award and purchase his clothing. The claimant and his support worker were very happy with the service they received.

**Outer South London Borough**

### Case 2

Miss Y was in receipt of Job Seeker's Allowance and applied to our local welfare assistance to help with electricity and gas bills as she was facing being cut off due to arrears. Her private landlord would not agree to a pre-payment meter being fitted.

She was granted three crisis payments in just less than two months. The second payment triggered a referral from our local welfare team to one-to-one money and budgeting advice.

The officer was able to negotiate an arrears repayment plan with the utility companies and a Job Centre Plus advisor co-located with our local welfare team gave her additional assistance with finding work. She started full-time employment three months after first coming into contact with the local welfare team delivering long term savings in benefit expenditure for central government.

**Outer North London Borough**

### Case 3

Mr L lives alone in a high rise building and suffers from lower back mobility restriction which means he suffers constant back pain. As a result Mr L rarely goes out; quite simply because it is a struggle for him to leave the building. Mr L is also partially deaf.

Mr L was visited at home and his mattress was found to be badly worn and his bed set very low to the ground causing Mr L great difficulty when getting in and out of bed.

As Mr L did not have the funds to purchase a washing machine he rented one for £6 per week.

Mr L did not have facilities to dry his clothes so after washing his clothes he had to take his wet washing to the launderette and pay for it to be tumble dried. This was for Mr L a physically painful task.

A grant was recommended for a new bed and mattress set at an appropriate height; a washing machine and a tumble dryer.

The total expenditure was £495 improved Mr L's quality of life and will make a presentation to health or social services less likely in future.

**North London Borough**

### Case 4

Mr F's Employment Support Allowance was stopped by DWP on Christmas Eve and he had no other means of income. Client was not informed that the payment had been stopped due to a clerical error at DWP. Mr F was unable to get either a Hardship Payment or Short Term Benefit Advance (having resubmitted paperwork to reinstate his ESA claim) from the Job Centre so was without income for three months.

Mr F presented at a local mental health charity. He had been without food and had been self-harming meaning his clothes were blood stained.

The local welfare provision team were able to offer a pre-pay card for emergency food and clothing to tide him over until his Employment Support Allowance was reinstated.

**Central London Borough**



## Case 5

In December 2013 a 40 year-old man was referred to us. He was a homeless person living in temporary accommodation provided by the council and was suffering from physical and mental health conditions. In order to facilitate his move from expensive temporary accommodation into a permanent tenancy, the local welfare team provided assistance to obtain essential household items.

When he came to our office with his friend he looked very stressed as he did not have the money to buy the household goods that he needed. The council also ascertained that he had electric, gas and water bill arrears which were worrying him.

The council helped him making an application for a discretionary crisis support grant which was awarded allowing him to pay for the household items he needed and the removal cost.

We also helped him enrol on a cooking course and gain computing skills at our computer training facilities and helped him renew his Disability Living Allowance award by completing the relevant form.

Client looked much happier and relaxed as his financial worries were mitigated and that he had he a permanent home with all necessary items that he needed.

**Central London Borough**



## Case 6

This family came to the attention of the council after a local school contacted the welfare reform officer to advise that two of their pupils had been the subject of child neglect.

In total there were four children in the household who had been neglected and left alone for five days by their mother, with no money, food, electricity or gas.

The children were placed in the custody of a family friend while a suitable property was found for the father of the children to move in to and take over custody. Social services advised that the property would have to be adequately furnished before the children were able to move in.

A loan application was made to the council's local welfare scheme for all white goods items, bedroom furniture and living room furniture.

It was due to this crisis payment being granted that all four children were able to return to a stable environment in a suitable and safe timeframe preventing the need for costly local authority care.

**Inner South London Borough**

## Case 7

We were contacted by a Children's Centre support worker about a client living in a really dirty flat; this had been cleaned with the help of the support worker but unless the family could provide a clean home for their 8 year-old son he was going to be taken into care.

The best way of doing this was to make the home more livable and comfortable for the parents to take pride in and keep it clean. They were desperate for carpets and a sofa, we arrange for a carpet company to visit and measure, once this was agreed and fitted we arranged for a recycled three piece suite to be delivered.

The feedback from the support worker is very positive; all of the help has enabled the family to stay together and begin to turn their lives round. This would be a totally different type of support from the old Social Fund; they would have given some money as a CCG which could be spent on anything, this way we supplied the goods needed, got right to the heart of the situation, and helped a child to stay with his parents.

**Outer East London Borough**

## Case 8

We were approached by Mrs N – her husband had an accident which resulted in a brain injury and a lengthy stay in Hospital in west London. The couple was on a very limited income and the travel expenses daily to the hospital were £10 which the wife could not afford.

We helped with an oyster card loaded with £100 to help, again this is direct support and the money is spent on the items needed. We also referred the client to a local charity, who look at individual cases and make awards of money to clients who face unexpected expenditure and have no other way of raising the money.

**Outer East London Borough**

## Case 9

Mr J was awarded custody of his two young sons in dreadful circumstances. He took the children directly from court at which point social services had no further dealings.

Mr J is in receipt of Job Seeker's Allowance and lives in a one bedroom privately rented flat. He had put both the boys in his single bed while he slept on his sofa.

LWP assisted with beds, mattresses and a wardrobe for the children. We were also able to give advice that he would now be entitled to a two bedroom property and when he moves we would consider provision of white goods through the local welfare scheme as his current appliances are part of his tenancy.

**Outer South London Borough**

## Case 10

Ms E is a working single mother of three young children. Her newest child had been born nine weeks early and she was asked to take maternity leave. She was not given any maternity pay, as her earnings were too low, so she had to apply for government maternity allowance. While that was being processed, she was struggling to feed her sons and provide nappies and essential items for her new daughter.

We awarded her assistance to buy food and fuel. She was given the maximum amount of support to cover her until her Maternity Allowance was paid and she was able to support herself financially.

This greatly relieved the hardship for the family and ensured that there was no risk to the health and safety of the children or the mother.

**South London Borough**



## Case 11

Miss J moved into a local homelessness project after a breakdown in family relationships, and had been asked to leave the family home. She has had challenging issues including mental health and is struggling to rebuild relationships while remaining in education and employment. During her time at the project she has engaged with support services which have enabled her to move on with her life and to live independently back into the community.

In March 2014, Miss J was made an offer of permanent accommodation and needed financial support. With the support of her keyworker, she applied for a Crisis and Support Grant for assistance to help purchase essential furniture for her new flat.

Miss J said: ***“It helped me get a head start in settling into my flat. If I didn’t get Crisis and Support Grant I would not be able to move into the flat when I did as I would not have essential items such as a cooker and a bed. I would still feel that I am homeless even though I have a roof over my head because I would have had nothing to make it into a home”.***

**Inner London Borough**

## Case 12

Mr F failed his work capability assessment for Employment and Support Allowance and had requested a mandatory reconsideration (an internal reconsideration of a JCP decision. For the duration of the reconsideration, the client is unable to lodge a formal appeal). During the time DWP had taken to process the reconsideration the claimant had been left with no income.

He is a cancer sufferer and stated in his application that he had not had any food or electricity for five days.

We awarded him vouchers and cash for food and fuel, and also added in awards for travel, as he had to travel back and forth from the hospital for his cancer treatment.

Support was given for up to 14 days, until his ESA appeal was decided. Awarding him with assistance to buy food and fuel meant that the risk to the claimant’s health, and life, have been minimised, and he was able to support himself until his appeal had been decided. No other state support would have been available to him other than local welfare provision and his illness would most likely have caused him to present to acute health or social care services.

**Inner South London Borough**



### Case 13

This family was brought to the attention of the council as they were heavily affected by the benefit cap when it was introduced in summer 2013.

The mother of the family had been a victim of serious domestic violence and the daughter (aged 12) was the victim of a sexual assault and an attempted abduction.

A joint services meeting decided that it was best for the family to move from the area they were living in to a safer area within our authority.

A Discretionary Housing Payment was awarded to provide moving costs, but due to the family living in privately rented accommodation at the previous property, they did not have any of their own furniture or white goods.

A crisis payment was awarded and provided the family with all white goods, bedroom furniture and living room furniture.

This payment enabled the family to move into a safe and secure property and gave them the new starting point they all needed.

**South West London Borough**

### Case 14

A referral for support from local welfare provision was made by an organisation that offers support for people with learning disabilities and those that care for them.

Ms R cares for her adult son who has a severe learning disability. Her son cannot communicate verbally, has poor co-ordination, other serious medical long term illnesses. Due to his disabilities he has frequent falls and injuries. There is a requirement for constant supervision and assistance during the day and at night with all aspects of his daily living.

Ms R's only income is welfare benefits, (income support with a carer's premium). She does not have the money to buy the items requested that are needed to make her son's life more comfortable.

A new cooker was requested as her cooker was broken. The importance for her son to have a cooked meal was stressed. Her son's mattress was old, worn and soiled due to health issues and needed replacing. They did not have heavy curtains so assistance to purchase curtains would make her son's bedroom and the living room warmer. Her wardrobes were broken and their clothes could not be stored.

An award for £610 was made.

**Inner North London Borough**



## Case 15

Mrs G is a wheelchair user and was living with her father on whom she depended for her personal care due to the double incontinence her condition causes. Her father is now suffering with senile dementia and the applicant's care was being neglected as a result.

Additionally her own mental health was beginning to suffer as a consequence of both her neglect and her father's deterioration. The local welfare provision team enabled the customer to move into her own property by providing household items and also advised her on how to secure help and support for her father. In this way both parties were able to move forward with a better quality of life.

**South East London Borough**



## Future of Local Welfare Provision and Recommendations

The announcement that the DWP did not intend to fund local welfare provision beyond 2014/15 was made only nine months after local welfare provision began. This was the first indication that local authorities had been given that there would not be central government funding provided to support local welfare provision for 2015/16 and beyond.

Every element of public spending must be able to demonstrate a rationale for its existence. Crisis Loans and Community Care Grants, by the DWP's own analysis, were not sufficiently well targeted at those in need. The process for Crisis Loans took the form of a cash transfer into a bank account, the transaction could be arranged over the phone and no wider enquiries were necessarily made into the individual's circumstances. Many crisis loan recipients were repeat users.

Local government has used the funding devolved to it to define a purpose for a locally operated welfare crisis offer sitting outside the system of social security benefit entitlements and embedded with the full range of local services. The approaches that have been taken in London have meant that rather than just handing over money, problems are identified and genuine assessments made of the best way in which public services can improve outcomes and change behaviour.

The case studies outlined in this report show that local welfare provision has been used in many cases to prevent a larger cost to public services further down the line. Grants for basic furniture have allowed parents to take custody of their own children rather than them be put into local authority care. Homeless adults have been enabled to live in permanent accommodation rather than in expensive local authority procured temporary accommodation. Serious health conditions have been eased through simple changes to furniture or carpets diminishing the likelihood for expensive presentations to acute health or care services.

Other familiar themes include management of issues related to welfare reform and the labour market such as the resettlement of households affected by the benefit cap, providing food vouchers for sanctioned job seekers or providing bridging loans as people move into work.

The most significant welfare reform for six decades, Universal Credit, is expected to be implemented in the next three to four years. It will require significant cultural and behaviour change. Most recipients will receive payment direct to their bank account, monthly rather than weekly or fortnightly and will be expected to maintain their claim predominantly online. Local authorities will be best placed to maximise the possibility for people to make the jump from legacy benefits onto Universal Credit but it is clear that there will continue to be a requirement for emergency provision of one kind or another, especially as people transition onto the new payment schedule.

It is deeply disappointing, therefore, that just seven months after local schemes began, government announced that its funding would come to an end. The unclear messages from central government surrounding the cessation of funding have added to the sense of confusion.

Discretionary Housing Payments and local welfare provision have helped to manage the impact of significant welfare reforms like the benefit cap in London and have been used to leverage behaviour change and smooth transitions to work or alternative housing. As we move towards Universal Credit, it is a matter of significant concern that the networks and processes that local authorities have built up over the past year will potentially be lost as a result of a relatively small saving to central government.

Central government should be sitting down now with local government partners to devise a new locally administered welfare intervention fund that builds on the experiences of local welfare provision and maximises the chances of large numbers of people being able to make the transition to Universal Credit.

**London Councils recommends that:**

- 1) Central government continues to provide an identifiable local welfare provision grant to local government from 2015/16 onwards
- 2) The Department for Work and Pensions should enter into discussions with the local authority sector to take stock of the lessons learnt from the operations of local welfare provision and Discretionary Housing Payments during the current period of welfare reform and work towards establishing a sustainable emergency welfare intervention fund that can be operated at a local level, with additional consideration given to the likely challenges arising from the implementation of cultural changes associated with Universal Credit.

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