

To: Executive Member Adult Services, Health and Housing
Date: 10th May 2024

LOCAL WELFARE SCHEME 2024-25
Executive Director: People

1 Purpose of Report

- 1.1 To brief the Executive Member on the changes proposed to the Bracknell Forest Local Welfare Scheme

2 Recommendation(s)

- 2.1 That the new Local Welfare Provision (LWP) Policy is adopted from 1 May 2024**
- 2.2 That the provision of LWP funding, is approved as a Cash First model**

3 Reasons for Recommendation(S)

- 3.1 The Household Support Fund grant has been extended for a period of 6 months but when exhausted, the local welfare budget will reduce to £20,000, meaning a change in process is required. The £20,000 is from the general fund for 2024/25
- 3.2 The dedicated staffing resource used to assess applications for LWP, will be lost when the grant funding ends, as it is funded from HSF.
- 3.3 The mechanism for energy support is via paypoint vouchers, in a contract held by Finance, that is also ending on 26 March 2024.

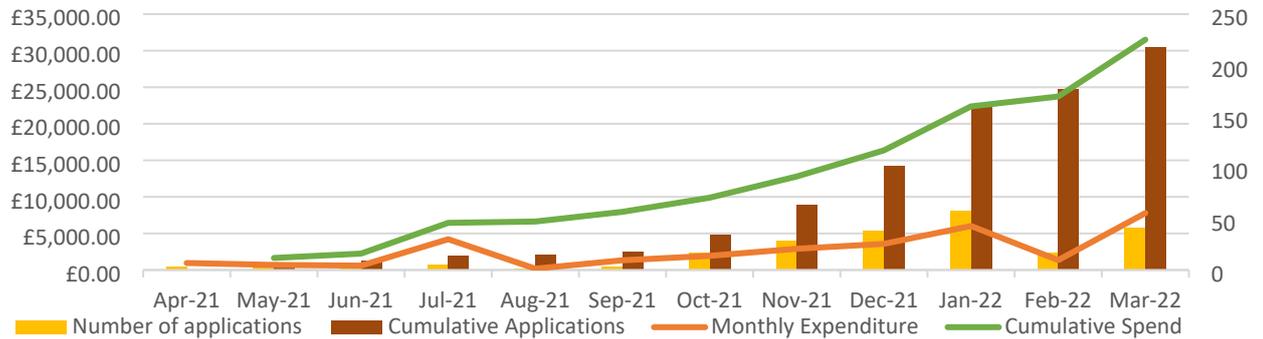
4 Alternative Options Considered

- 4.1 The Council could choose not to offer any scheme at all and refer those who approach to partners and third sector organisations. However, this support is intended for those who may have exhausted other options, or approach at a time of crisis and not having an offer to address these, may lead to more costly service demand such as involvement from Childrens Social Care or out of hours services.
- 4.2 The service offer could remain unchanged, and provision of the funding could remain via purchase of goods, or payments to energy firms. This option will be challenging to deliver because the Household Support Fund, has funded a post to complete the process, but that post will end when the grant ceases. A new tender would need to be completed for energy support, which will likely come at a cost, and may not deliver the sustainable option moving forward, particularly when the HSF grant ends in September 2024.

5 Supporting Information

- 5.1 The current LWP scheme, was introduced in October 2021, having combined 2, underused pots of funding, which themselves had been unchanged since 2013.
- 5.2 After the new scheme was launched, demand for the limited grant funding, picked up very quickly as demonstrated in Figure 1

Local Welfare Scheme 2021/22



- 5.3 As residents continued to experience challenges related to Covid, such as furlough, self isolation and loss of income, the Government provided additional, discretionary funding which was used to support households in the borough, though a series of grants such as the Local Council Support Scheme and the Covid Winter Grant.
- 5.4 Each of these different government schemes, came with different criteria, but for the application based approach, which was required for the Household Support Fund from October 2022, Bracknell used the existing LWP framework for delivery and the Welfare team have delivered this at an operational level.
- 5.5 The current LWP policy makes grants of up to £500 and the primary means of delivery, is through the purchase of goods in kind, payment of invoice, or payment to energy companies via a paypoint voucher issued to residents via text.
- 5.6 In late 2022, a tender was undertaken, seeking to provide an alternative means of provision, in the form of a pre-paid payment card. Unfortunately, after selecting a supplier, they were unable to meet the needs of the service and the provision therefore stayed as 'in-kind' support.
- 5.7 The provision of goods 'in-kind', has presented issues for the service. There have also been logistical challenges, and the service has received queries and complaints from residents, when goods have been purchased on their behalf, regarding the fitting of the goods, disputes over colour, size or date of delivery. If the goods are faulty, then the council is required to be involved in a way that would not happen with a cash grant. The current in kind support is unreasonably burdensome but with the limited funding, tendering for a new contract is considered of limited value.

The proposal for the new LWP policy is to shift from in kind support, to a 'cash-first' approach, making a payment to those in scope, directly into their account, but at a lower rate than presently. This is intended to provide empowerment to residents, whilst enabling them to find solutions independently. Giving a resident a cash grant, would enable them, for example, to purchase second hand goods, pay for goods to be repaired instead of replaced, or to pay for energy top up's directly, without the need for Bracknell, to hold a paypoint contract.

The proposed level of grant is as follows;

Household composition	Grant award
Single customer	£120
Couple	£200
Family with dependent children under 18	£250

A 'cash first' approach is supported by a number of influential groups and organisations, specialising in financial hardship including the Trussell Trust, Greater Manchester Poverty Action Group, and was a firm recommendation of an inquiry by an All Party Parliamentary Group in 2022. The all party Bracknell Forest Council Members Welfare Steering group also confirmed their support for a change to cash first, in the meeting of 26 March 2024.

It is acknowledged that switching to a cash first approach, does present risk that the funding may be used contrary to its intended purpose. However, research conducted in this area, by academics and organisations such as the Child Poverty Group (June 2020) supports the view that the risk of misuse is outweighed by the benefits of a cash first approach, which include but are not limited to

- Giving people dignity by removing the stigma that often comes with using in-kind support.
- Giving people choice and control by enabling them to use support in a way that works best for them, enabling them to meet the multiple needs that they have. This boosts household wellbeing and has significant benefits in households with dependent children.
- Giving people what they want – cash is the preferred option for most people on low incomes.
- Simplicity and efficiency - Cash payments are the most simple, efficient and cost effective means of providing people with support as cash payments can be made directly into people's bank accounts. It can be a more efficient approach for local authorities as it removes need for the partnership arrangements that come with in-kind support.
- Increasing take up - Cash payments encourage greater take up of support by households experiencing financial hardship.
- Giving a boost to the local economy by increasing the likelihood of payments being spent with local, independent retailers.
- Preventing people from falling into high interest debt when they face a financial crisis, and therefore preventing them from spiralling deeper into hardship.

5.8 The Household Support Fund 4, provided over £1.1m of funding, of which over £170,000 has been issued to households who have applied for support. However, the funding has been extended for 6 months but when it ends, the LWP funding allocation, will revert to £20,000. Without changes to the policy, that funding will exhaust very soon after the HSF ends, and the intention is to change the policy for a consistent approach to hardship support over the financial year.

5.9 Demand for the new scheme is anticipated to be very high, as an enhanced grant funding offer has been open to residents, in one form or other, since 2021. With the

significant loss of government funding for those in hardship, a new and more restrictive offer is essential, to maintain any service and ensure that the support is allocated to those in most need.

- 5.9 It is therefore appropriate to consider changes to the scheme to maximise the delivery of this limited budget, in the most cost effective manner, whilst also having a robust method of identifying fraudulent applications, and action taken in respect of those.
- 5.9.1 The expenditure will be monitored during monthly budget sessions with the Finance Business Partner, and when exhausted, the application form will be removed from the BFC public website, which will instead signpost to other forms of support only.

6 Consultation and Other Considerations

Legal Advice

- 6.1 There are no specific legal issues arising in this report.

Financial Advice

- 6.2 The Executive Director: Resources is satisfied that arrangements are in place to manage expenditure to available funding. Moving to a cash first model reduces the control on use of the funding allocations.

Other Consultation Responses

- 6.3 N/A

Equalities Impact Assessment

- 6.4 Attached

Strategic Risk Management Issues

- 6.5 Not applicable

Climate Change and Ecological Impacts

- 6.6 The recommendations in Section 2 above are expected to reduce emissions of CO₂.

The reasons the Council believes that this will reduce emissions, is because the provision of cash to residents, will enable the purchase of second hand goods, reducing the amount of white goods, ending in landfill, enabling people to pay for repairs rather than replacement and will reduce the packaging associated with new goods.

It is also anticipated that the miles per item will reduce as support is met from within the local area, rather than deliveries being made by larger vehicles, travelling further.

Health & Wellbeing Considerations

- 6.7 This proposal is intended to support the most vulnerable, experiencing financial hardship and is therefore considered to benefit the well-being of residents.

Background Papers

All Party Parliamentary Group Report “Ending the need for food banks”

Proposed LWP Policy

LWP EQIA

Contact for further information

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