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Cabinet Member for Strategic Finance and Resources

22 March 2018

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

**Director Approving Submission of the report:**

Deputy Chief Executive (Place)

**Ward(s) affected:**

All

**Title:**

Policy Contingency Funding Requests – Coventry Law Centre and Coventry Pride 2018

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**Is this a key decision?**

No

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**Executive Summary:**

The Cabinet Member for Strategic Finance and Resources is responsible for a Policy Contingency budget which is set aside to cover any ad-hoc one-off requests for funding that are deemed to be in line with Council's policy priorities. The Policy Contingency was reduced to £75,000 as part of the 2017/18 budget setting process. This report deals with 2 separate requests for funding from this budget.

One request for additional funding is from the Coventry Law Centre (CLC). The Law Centre is concerned that the level of support they currently offer could become unsustainable, due to the increased demand for their services, which has been compounded by welfare reforms, the rising number of sanctions, and previous reductions to their grant funding. To help manage these pressures, Coventry Law Centre have asked for funding to recruit an additional full time expert benefits adviser for an initial period of 12 months at a total cost of £34,535.

The other request relates to the Coventry Pride 2018 event. Coventry Pride is an organisation that runs an annual lesbian, gay, bisexual and trans pride event and a series of other events that promote equality and diversity for the public benefit. This report recommends providing a £5,000 contribution to Coventry Pride 2018.

**Recommendations:**

The Cabinet Member for Strategic Finance and Resources is requested to:

- (1) Approve one-off grant funding of £34,535 to be paid to Coventry Law Centre for an additional benefits adviser to supplement their existing grant.
- (2) Approve one-off grant funding of £5,000 to support the Coventry Pride 2018 event.

**List of Appendices included:**

Central England Law Centre, *Mitigating the impact of Welfare Reform* (January 2018)

**Background papers:**

Central England Law Centre Limited, *Financial Statements for the year ended 31 March 2017*  
<https://beta.companieshouse.gov.uk/company/04149673/filing-history>

Department for Work and Pensions, *Collection: Universal Credit statistics*  
<https://www.gov.uk/government/collections/universal-credit-statistics>

**Other useful documents:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

**Report title:** Policy Contingency Funding Requests – Coventry Law Centre and Coventry Pride 2018

**1. Context (or background)**

- 1.1 The Cabinet Member for Strategic Finance and Resources is responsible for a Policy Contingency budget which is set aside to cover any ad-hoc one-off requests for funding that are deemed to be in line with the Council's policy priorities. The Policy Contingency was reduced to £75,000 as part of the 2017/18 budget setting process. This report deals with 2 separate requests for funding from this budget from the Coventry Law Centre (CLC) and Coventry Pride 2018.
- 1.2 CLC are a charity employing solicitors and paralegals to provide legal action for the community across a number of areas including welfare benefits. CLC receive grant funding from Coventry City Council, but due to increased demand for services, they have requested additional funding to employ another full time benefits adviser.
- 1.3 Since January 2016, CLC have recorded a 63% increase in the number of referrals and requests for representation, along with a 40% increase in the number of welfare benefit appeals where they have provided representation. They consider these increases to be symptomatic of wider issues such as the application of sanctions, additional requirements being placed on claimants to manage their claim, the vulnerability of people on benefits to sudden reductions in income that can propel them into crisis, and mistakes made by the DWP as they attempt to implement significant system changes.
- 1.4 CLC have approached the Council for support to fund an additional full time expert benefits adviser, for 12 months initially and subject to review.
- 1.5 Coventry Pride is an organisation that runs an annual lesbian, gay, bisexual and trans pride event and a series of other events that promote equality and diversity for the public benefit. The event organisers have sought a financial contribution from the Council through the Cabinet Member for Strategic Finance and Resources to help fund the Coventry Pride 2018 event. This report recommends providing a £5,000 contribution to Coventry Pride 2018.

**2. Options considered and recommended proposal**

**Coventry Law Centre**

**2.1 Option 1 – Do Nothing**

This option is not recommended. CLC are concerned that the existing team of 2.5 staff will not be able to maintain the current level of service due to increasing demand and wider system pressures. They are worried that they might have to start turning people away if these pressures continue, which could have wider impacts across Coventry if it becomes more difficult to access legal advice and representation.

The Universal Credit roll-out, which began in May 2016, has sought to make wholesale changes to the welfare system. It has been a complex process and it will reach Coventry in July 2018. As a result, it is recognised that there will be some significant local impacts that, if the CLC is not able to respond to them, could have an effect on the number of people presenting to access Council Services.

## Option 2 – Meet the funding request

This is the recommended option. Providing one-off funding will enable CLC to offer a more effective level of service. There is a strong likelihood that this funding will help to reduce the amount of vulnerable people that might otherwise need to rely on support from the Council if they did not have access to legal representation. The figures supplied by CLC indicate that the investment would be cost effective, as they currently have an 80% success rate, and obtain over £2 million pounds a year in financial gains through their Welfare Benefits appeals representation service.

### **Coventry Pride 2018**

#### 2.2 Option 1 – Do Nothing

This option is not recommended. The Coventry Pride event is run by volunteers and relies heavily on donations from other bodies. Without sufficient funding there is a risk that the Trustee Board will be unable to keep its “free for all” policy to ensure that the event is as open and inclusive as possible. The Cabinet Member has already indicated informally that the Council is likely to support the event.

#### Option 2 – Meet the Funding Request

By making a contribution to the event, the Council can help to support the aims of the Coventry Pride organisation, seeking to ensure that Coventry is seen as a diverse, open-minded and welcoming city. In addition, the city’s success in achieving UK City of Culture 2021 status will bring an additional focus on the strength and variety of the cultural offer within the city. The Coventry Pride event can provide an important role in these aspects and this is an appropriate moment for the Council to support such an event.

### **3. Results of consultation undertaken**

#### 3.1 None

### **4. Timetable for implementing this decision**

#### 4.1 Subject to approval by the Cabinet Member, the decision to support CLC will need to be implemented as soon as possible so that it can start the recruitment process.

### **5. Comments from Director of Finance and Corporate Services**

#### **5.1 Financial implications**

##### **Coventry Law Centre**

The Council has provided significant financial support for the CLC over a number of years and continues to recognise the effectiveness of the work done by the Centre. CLC currently receives a core grant of £440k from the Council which represents a reduction of £77k compared to the grant received in 2015/16. CLC also attracts funding from the Council for specific individual projects on an ad hoc basis.

The Council approved reductions in its grant funding for a number of external organisations in 2016/17 including the CLC as a direct result of the need to balance its own budget and manage the very large reductions in Government grant funding since 2010. These financial circumstances continue to put significant pressure on the Council’s financial position and there is no expectation that it will be able to continue this additional funding of £35,000 beyond 2018/19. Therefore, this report is recommending one-off funding only.

### **Coventry Pride**

This decision would involve a one-off grant of £5,000. The ongoing financial challenges facing the Council and the need to balance policy priorities mean that the Council cannot commit to funding in future financial years.

## **5.2 Legal implications**

There are no specific legal implications resulting from the report.

## **6. Other implications**

### **6.1 How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))?**

The proposed contribution to CLC will help to reduce the impact of poverty, improve health and wellbeing, and develop active and empowered citizens. This is because CLC have a proven track record of securing money owed to claimants, reversing unfair sanctions, and making sure that claims are recorded correctly. They also work to reduce demand by raising awareness and building capacity through pop up shops, roadshows, and social media.

By providing support to the only organisation in Coventry that provide representation for appeals at the First Tier Tribunal, this investment will help to contribute towards making the most of our assets by reducing the demand for Council services, particularly in relation to preventing homelessness and reducing pressure on people with caring needs.

The proposed contribution to Coventry Pride will help to encourage active communities and deliver cultural opportunities.

### **6.2 How is risk being managed?**

The key risk with the grant to CLC is that the investment will not be cost effective. The Council already provides significant core funding to CLC and reviews the effectiveness of this arrangement on an on-going basis. The Council has made the position clear to CLC and Coventry Pride that any funding will be provided on a one-off basis only.

### **6.3 What is the impact on the organisation?**

#### **Coventry Law Centre**

CLC would receive additional funding to go directly towards benefit appeals work. It is envisaged that the funding will help them to cope with current pressures. This will help the Council because there could be increased demand for services from welfare claimants requiring advice or facing financial difficulties as a consequence of being unable to access legal support.

#### **Coventry Pride**

Funding for the Coventry Pride event will help to support an important event in the city's cultural calendar as the city begins preparations for the its UK City of Culture status in 2021.

### **6.4 Equalities / EIA**

#### **Coventry Law Centre**

Coventry Law Centre has provided us with a breakdown of the demographics of clients they have supported through their Welfare Benefits Team in the last 12 months. It provides some insight into the impact on the following groups of people with protected characteristics under the Equalities Act of 2010 of not providing additional funding.

### **Disability**

If this additional funding is not approved, there will be a disproportionate impact on disabled people and people with mental health conditions and other long term illness in Coventry. 80% of clients supported by the Welfare Benefits team in the last 12 months report that they have a long term illness or disability. 33% report a physical impairment, 24% of clients report a mental health condition, and 20% a long standing health condition.

### **Gender**

There would be a disproportionate impact on women of not funding this service. 60% of the team's clients are women.

### **Age**

There would be a disproportionate impact on people over the age of 50 of not funding this service. 50% of the clients supported by the Welfare Benefits team in the last 12 months are between 50 and 70 years of age (with 22% over 60 years of age)

### **Ethnicity**

There would be no significant impact on any particular ethnic group as the ethnicity make-up of clients supported by the Welfare Benefits teams is broadly in line with the census data for Coventry for 2011.

### **Coventry Pride**

Coventry Pride is an organisation that promotes equality and diversity through its representation of the lesbian, gay, bisexual and trans community. The Coventry Pride Festival promotes community cohesion by bringing people of different protected characteristics together; funding the festival helps to demonstrate how the Council is meeting the community cohesion strand of the public sector equality duty,

## **6.5 Implications for (or impact on) the environment**

None

## **6.6 Implications for partner organisations?**

The funding for CLC will help to ensure its sustainability and help it to engage with other partners, such as through their involvement in the Welfare Reform Working Together Group. The funding for Coventry Pride will assist them with event running costs.

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This report is published on the council's website:

[www.coventry.gov.uk/councilmeetings](http://www.coventry.gov.uk/councilmeetings)

## Appendices



# Central England Law Centre

## Mitigating the impact of Welfare Reform

Welfare Reform is a wholesale change affecting everyone within the benefits system. While some people will gain, the majority of people will be worse off as a result of the changes.

People living on benefits generally have very limited ability to cushion the impact of financial changes. They're vulnerable to any kind of 'income shock' that can very swiftly propel them into crisis. This is visible in the increased use of food banks and the growing numbers of households who are homeless.

The requirements placed on claimants to actively manage their claim and to demonstrate that they are seeking work, alongside the introduction of benefit sanctions, also heralds a new set of pressures for those who are most vulnerable.

At the same time, the DWP is managing comprehensive change and we are seeing an increase in mistakes and poor decision making within the system.

The complexity of the benefits system and the structures for managing it means that there are few people within the system who are expert in all aspects of it; so it is common for claimants to be disadvantaged by lack of knowledge amongst those they deal with.

### **Financial security is the first line of protection for those who are vulnerable in other ways. We believe it is therefore critical that**

- We ensure claimants and people working to support them have access to expertise to be able to navigate the complexities of the system; and to understand where there may be important choices and options open to them that will provide some protection to their income levels and will ensure their benefits remain in payment
- We build confidence within the claimant community to manage their benefits claim and to know their rights, so they have as much control as possible over their situation
- We maintain expertise to provide advice and support to people who are affected by mistakes and poor decision making so they can appeal these decisions.

**We're the only service in Coventry providing representation at appeals at the First Tier Tribunal** (CAB did provide some representation up to September 2017, but their case worker retired and has not been replaced). **We also hold a legal aid contract that allows us to represent at the Upper Tribunal.**

On average, we obtain over **£2 million pounds a year** in financial gains for clients through our Welfare Benefits appeals representation service

The benefit of expert representation at appeal is clear from our **success rate**. It is running at **around 80%** - considerably higher than the national average, which is about 60%. We are also very successful at achieving a higher level of award, e.g. a client being placed in the support group instead of work related activity group; or enhanced rather than standard rates of PIP. This means not only more income, but also provides protection against other welfare reform reductions such as the benefit cap. DWP are now frequently sending presenting officers to attend ESA appeals hearings, which makes it even more important that the claimant is represented.

### THIS SERVICE IS COMING UNDER UNSUSTAINABLE PRESSURE

Cuts to legal aid mean that our only funding for first tier benefits tribunals is from Coventry City Council. We've protected this service from the impact of the legal aid cuts and from subsequent reductions in our Council grant, but the demand for our help is rising rapidly:

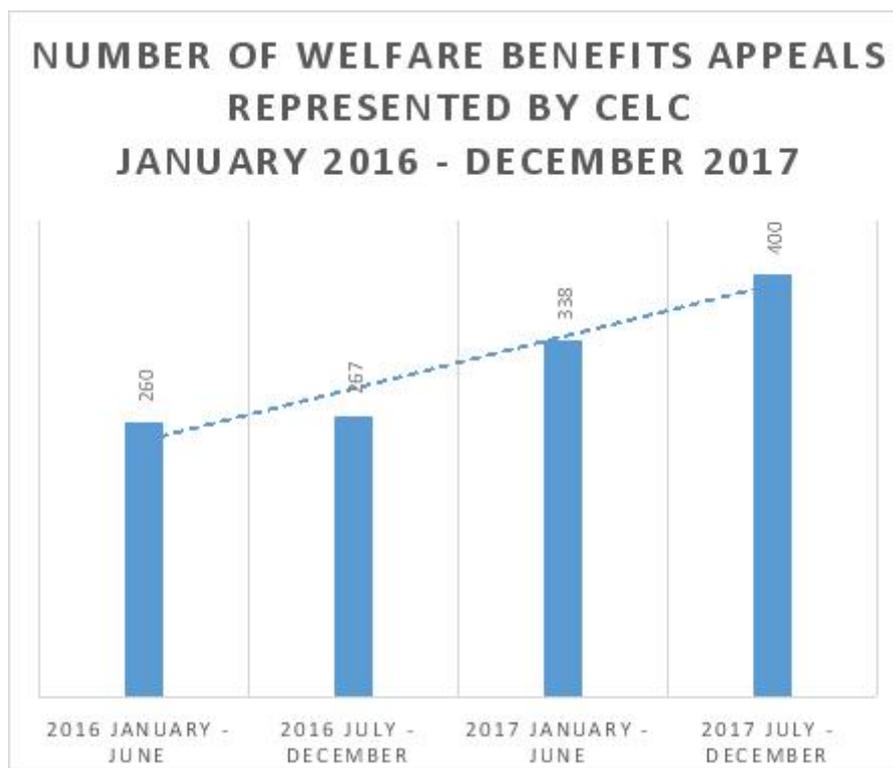
**A 63% increase in referrals and requests for representation at first tier tribunal appeals.**



- Based on what has happened in other localities, we expect this to accelerate when 'full roll out' of Universal Credit happens in July.

The tribunal service is not keeping up with demand, and so delays in appeals are building, but there is still:

**A 40% increase in the number of appeals being listed.**



- More judges are being recruited so we expect appeals hearings to begin to increase further to match demand.

**An increasing need for expert advice before and after the appeal itself:**

- Claimants waiting (on average 6 months) for ESA appeals are advised by DWP to claim JSA. We've seen a high rate of sanctions in this group as they struggle to meet the claimant commitment, so we're offering additional help to support them to claim ESA (so they are not at risk of sanctions) while they wait for the appeal.
- ESA claimants who've been placed in the Support Group at appeal have been sometimes paid at only the lower Work Related Activity rate by DWP. One claimant was wrongly sanctioned as a consequence. We're therefore investing additional time in ensuring our clients are not adversely affected by these mistakes
- When Universal Credit rolls out, ESA appellants will be at risk of having permanent reductions in income if they are transferred to UC during the Mandatory Reconsideration period before they lodge their appeal. This can be avoided for most people by ensuring they are offered the correct advice as soon as they receive their ESA decision.

**WE'RE WORKING TO REDUCE DEMAND AND GROW CAPACITY**

- We've played a full role in Coventry's '**Working Together for Welfare Reform**' partnership: staffing pop up shops, roadshows, providing training and briefings and where possible working with DWP to ease the process of implementation

- We run '**Benefits Aware**' – an initiative that aims to reduce the number of people unaware of the changes being brought in by welfare reform. Using our website (<http://benefitsaware.centralenglandlc.org.uk> ) and social media, we're working to build a better understanding of the changes and to build capacity to cope with them in our local communities and the organisations working in them.

Our goal is to reduce the number of people struggling to manage the new requirements and/or who have missed out on some potential benefits, making it harder for them to cope financially.

- We have a strong and well established partnership with the Law School at Coventry University. They provide funding for us to supervise and support their students to gain valuable practical experience on placement with us.

This year, **we're training and supervising 24 students to represent clients at ESA appeals**. This will make some impact on meeting growing need, but it's unlikely that the students will be able to represent at more than 25/30 appeals in the first year. We hope we can grow this number but it obviously a small percentage of the appeals referred to us.

#### THE IMPACT OF THESE ACTIVITIES IS LIMITED SO WE ARE MAKING A REQUEST

We fully appreciate the financial pressures being faced by the local authority, but **we are seeking your support in the form of additional funding to go directly into our benefits appeals work.**

Our current team is 2.5 staff and they cannot continue to absorb the increase in demand. We have not yet turned away anyone and we do not wish to do so, but without extra resource we will have to do that.

To enable us to cope with the current pressure, we are asking for funding for an additional full time expert benefits adviser, for 12months initially and subject to review.

**We believe that this investment will pay for itself in the impact it will make on preventing homelessness and reducing pressure on families and people with caring needs.**

The cost of this would be

	£
Salary plus NI and pension	32,635
IT and equipment	1,900
Total	34,535