
Cabinet Member for Strategic Finance and Resources -

13 December 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:

Community Support Grant Expenditure

Is this a key decision?

No

Executive Summary:

It is requested that additional funding is provided to enable the council's Community Support Grant Scheme to continue supporting vulnerable residents to the end of the financial year. An increase in the demand for support will exhaust the current budget of £375,000 by mid December 2018.

Recommendations:

The Cabinet Member for Strategic Finance and Resources is recommended to approve additional funding of £153,000.

List of Appendices included:

None

Other useful background papers:

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: Community Support Grant Expenditure

1. Context (or background)

- 1.1 The council introduced its Community Support Grant Scheme (CSG) in April 2013, when the responsibility for local welfare provision was transferred from the Department for Works and Pensions (DWP).
- 1.2 Initially DWP funded the scheme through ring fenced funding. However, from 2015/16 the DWP withdrew the separately identifiable funding, and informed councils that they would continue to provide support for Local Welfare Provision through 'general funds'. At this point the Council approved core funding for the CSG scheme and since 2015, the annual budget allocated to the Benefits Service for awards under the CSG scheme has been £375,000.
- 1.3 The scheme provides assistance for the most vulnerable residents of Coventry. There are two types of award:
 - Crisis awards – usually a same day award to provide help for food and utilities where there is a risk to their health and safety. Vouchers / spend cards are issued for these awards.
 - Support awards – which comprise of white goods, furniture and essential household items to enable those leaving temporary accommodation, care, prison etc to enable them to resettle into the community. Items are ordered directly from the suppliers.
- 1.4 The number of applications has increased year on year. In the first 6 months of current financial year the number of successful applications and awards for support grants have increased from 229 (in 2017/2018) to 309 (2018/2019). Further analysis shows an increase in awards for those leaving temporary accommodation.
- 1.5 In financial terms the expenditure for the same period (first 6 months) has increased from £207,738 to £264,842, an increase of just over £57,000
- 1.6 If the demand continues at the current rate, the budget of £375,000 will be spent by mid December 2018.
- 1.7 In response to the budget pressure a benchmarking exercise has been carried out across a range of suppliers to identify the most cost effective way of providing goods. Following recent agreement with procurement and input from internal audit the service will be piloting a revised purchasing process.
- 1.8 Customers who apply for a crisis award for food will be issued with a foodbank voucher where appropriate.

2. Options considered and recommended proposal

Option 1

- 2.1 Whilst there is an option to stop awards under the scheme once the current budget is spent (as detailed in the CSG Policy point 2.1: once the fund has been exhausted for the respective financial year, there will be no further awards) the implications of not continuing the scheme will affect the most vulnerable of our citizens. People moving out of temporary accommodation will not be helped with essential furniture and white goods and people in a crisis situation will not have access to help with food or utilities.

Option 2

- 2.2 Approval of additional budget of around £16,800 which would enable the crisis element of the scheme to continue. This figure is based on current average weekly award levels of £1,120 x 15 weeks. However, by part funding the scheme the support element of the scheme would cease, leaving those resettling back into the community without help.

Option 3 - Recommended

- 2.3 The recommended proposal is approval of additional funding of £153,000 to enable the CSG scheme to continue until the end of the financial year. This figure is based on current average weekly award levels of £10,200 x 15 weeks. This will enable the council to continue supporting their vulnerable residents.

3. Results of consultation undertaken

Not applicable

4. Timetable for implementing this decision

As soon as approval is granted, the service will continue with the CSG scheme.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The recommended option is estimated to cost £153,000 although this will be subject to service demand through the remainder of the year and could exceed this figure. Officers will continue to monitor this closely. It is possible that the figure may be reduced by the alternative purchasing options outlined.

The Council's overall budgetary position at quarter 2 is an overspend of £0.5m with an expectation that this will move towards a balanced position or better by the year-end. If this is achieved, including the anticipated financial consequences of this report, there will be no specific financial action required. If however, the overall bottom line is overspent it is proposed that the CSG overspend will be funded from corporate reserve balances.

Going forward there will be a need to ensure alignment of the existing policy and the budgetary provision in this area of activity.

5.2 Legal implications

- 5.1 The December 2010 White Paper - 'Universal Credit: welfare that works', set out the Government's reform plans for the Social Fund. The changes resulted in the abolition of the previous system of discretionary payments. In their place from April 2013 there was a combination of a new locally based scheme which replaced crisis loans and community care grants, and a new nationally administered advance of benefit facility that replaced alignment crisis loans and budgeting loans.
- 5.2. The locally based Community Support Grant scheme was devolved to the Local Authority and came into effect from 1 April 2013. There was no requirement to replicate the previous crisis loan or community care grant schemes. Individual Local Authorities were given the funding and the flexibility to redesign the emergency provision for vulnerable groups according to local circumstances, in order to meet severe hardship in the most appropriate way.
- 5.3 Funding for 2013/14 and 2014/15, the Council received specific funding to administer a scheme. Since April 2015, funding for Local Welfare Provision is part of the Local Government Settlement and is subject to local decisions as part of Annual Budget Setting.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

Continuing with the scheme will contribute to the Council's priority of improving the quality of life for Coventry's vulnerable people.

6.2 How is risk being managed?

Expenditure, along with alternative purchasing arrangements will be monitored on a weekly basis to check that the scheme is in line with predicted spend.

6.3 What is the impact on the organisation?

Additional financial pressure to provide the Council's Community Support Grant Scheme.

6.4 Equalities / EIA

No impact

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

No impact

Report author(s):

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