



# **Local Welfare Provision: the story so far, and the next chapter...**

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Why is LWP needed?

What's the story so far?

Where are we now and what's the future?

# Why is LWP needed?

- We all experience some one-off, emergency or unexpected costs at some point (lumpy expenditures)
- Low-incomes often don't allow households to afford the basics, let alone save for these costs
- Failing to help with these costs can lead to bigger crises that are more costly to the state

# Benefit (in)adequacy

	Income (excluding housing support)	Poverty line (AHC)	Shortfall
Single person	£72.40	£130.00	44.3%
Couple	£113.70	£224.00	49.2%
Lone parent			
<i>with 1 child</i>	£156.34	£175.00	10.7%
<i>with 2 children</i>	£222.81	£269.00	17.2%
Couple			
<i>with 1 child</i>	£197.64	£269.00	26.5%
<i>with 2 children</i>	£264.11	£363.00	27.2%

# When a cost becomes a crisis...

- If parents provide essential goods for their families, there is an increased risk that their children could be taken **into care**
- Without rent in advance or funding for essential furniture and white goods, the risk of **homelessness** increases
- If faulty electrical items and cookers cannot be replaced, there is an increased risk of **domestic fire**
- If health conditions deteriorate because of a lack of basic items, more pressure on both **NHS and social care** budgets
- If ex-offenders cannot establish themselves in the community, **re-offending rates** are likely to increase

# The story to date...

- **April 2013** social fund ends and DWP provide grant to councils for local welfare provision. No ringfence, but settlement letter providing steer to councils
- **Dec 2013** local government finance settlement indicate grant funding will end in April 2015
- **Jan 2014** DWP announced that 'from April 2015, local authorities will be able to offer this support (LWAS) from within the general fund'.
- 'Keep the Safety Net' campaign launches
- **Sept 2014** Government settle a judicial review and agree to make a fresh decision on LWP funding

# The story to date...

- **Nov 14** Consultation on future funding
- **Dec 14** Provisional local government finance settlement indicates councils should spend £129m on LWP. But doesn't provide any cash...
- **Jan 14** Final local government finance settlement allocates £74m to councils to “assist them dealing with pressures on local welfare and health and social care”

# The future of LWP

- No ring-fence -> local decision on provision
- No guidance / steer
- No monitoring
- Cuts to budget
- Blurring of purpose *“This support is often called “local welfare provision” – an umbrella term, or shorthand, used to describe the variety of local schemes and response.”* Lord Ahmed, HOL debate 10<sup>th</sup> Feb 2015
- Little expectation of reliability of funding



# But...

- Councils using underspend from previous years to continue schemes
- Local figure = local accountability? Opportunity for local campaigning?

# Emerging picture for 2015/16

<b>2014/15 Allocation</b>		<b>2015/16 Budget</b>		
£	500,127.00	£	-	0%
£	1,118,562.00	£	800,000.00	72%
£	404,977.00	£	200,000.00	49%
£	604,178.00	£	150,000.00	25%
£	244,788.00	£	25,000.00	10%
£	366,911.00	£	100,000.00	27%
£	1,444,675.00	£	1,127,000.00	78%
£	774,070.00	£	300,000.00	39%
<b>£</b>	<b>5,458,288.00</b>	<b>£</b>	<b>2,702,000.00</b>	<b>50%</b>

# Our calls

- Funding restored to 2013/14 levels
- To be funded by a DWP grant to recognise the role of schemes as part of the social security system
- Fund to be ring-fenced
- Minimum monitoring standards
- Clarity on how ongoing funding decisions will be made

# What can we be doing now to safeguard Local Welfare Provision?

- How do we show the impact of these schemes?
- How do we maintain and increase the capital built up during the campaign?
- What should we be getting 'on the record' now?