

Business Support Overview and Scrutiny Committee

BRIEFING NOTE – No. 5

Date: 6 April 2016

To: All Members of the Business Support Overview and Scrutiny Committee

Purpose: This briefing note was as a result of discussion at the meeting of this Committee on 2 February 2016

Heading: Local Welfare Provision

Background

As part of the Welfare Reform Act 2012, the Discretionary Social Fund Scheme (formerly administered by the Department for Work and Pensions (DWP)) was abolished in 1 April 2013. As a short term transitional measure, Local Welfare Provision schemes were devolved to local authorities responsible for a system of discretionary payments made to low income people or households who are unable to access credit and are facing sudden unexpected costs, emergencies or crises. The local service supports vulnerable people in Medway who are in a crisis due to a disaster or other emergency.

Medway Council awarded a contract for Local Welfare Provision from August 2013 for a period of 20 months to March 2015. The contract states that this may be extended for a period of up to two years (to March 2017) at the sole discretion of the Council, however 3 months notice must be given to terminate the contract. There are no statutory requirements for the provision of the Medway Local Welfare Provision (LWP) Scheme and the funding is no longer ring fenced.

A full review of the Local Welfare Provision has been undertaken, together with benchmarking of other services in the South East. There are concerns with regards to the proportion of the cost of the contract spent on administration costs associated with delivering this service.

Current Position

Officers have explored options relating to:

- continuing with the current Local Welfare Provision service at a reduced level;
- continuing with parts of the function, but with a different service model, different contractual and financial arrangements and at a reduced cost.

The current provider responded to our brief to consider options for scaling down the service and their proposal was implemented with effect from 1 October 2015.

Funding has been confirmed in the budget in 2016-17 but at a reduced level. Commissioners are meeting with the current provider to discuss how the service will be delivered in 2016/17 and re-commissioning going forward and support is being provided by

Category Management. A wider review of advice and guidance services is taking place to look at the potential of joining up a range of services.

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