

APPENDIX 1

Local Welfare Provision, response to consultation 7/11/14

The Council's formal response to the consultation on future funding arrangements for local welfare provision is attached. However, as the Southwark Council Cabinet member with responsibility for local welfare, I wanted to go on the record to express my anger and disappointment at the way in which I believe that Government has handled this matter; failings that the latest consultation does not, in my view, come close to adequately addressing.

The most recent, full spending round (2010-2014) included provision for total Community Care Grant and Crisis Loan programme costs of about £180m annually. In 2013 that budget was transferred in its entirety, with additional funds to meet administration costs, to the devolved administrations in Scotland and Wales and to upper tier local authorities in England, with no reduction in the money available to support vulnerable people.

In a letter of settlement to local authorities of August 2012 Steve Webb, Minister for Pensions stated

"We expect the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need...In short the funding is to allow you to give flexible help to those in genuine need"

In separate correspondence with local authority associations from later the same year Steve Webb stated

"Community Care Grants and Crisis Loans were poorly targeted and failing to help those most in need"

These and other Ministerial statements of the time reflected a shared assumption between Governments and local authorities that a level of funding would be required to meet the real and unavoidable needs of our most vulnerable people at times of genuine crisis. Southwark Council and other local authorities responded positively to the challenges of delivering an entirely new scheme and to targeting that funding more effectively and efficiently at those in greatest need. When he appeared before the Work and Pensions Select Committee in 2013, Secretary of State Ian Duncan Smith, "took his hat off" to local authorities for doing so. And yet, less than two years later, that funding has, notwithstanding Ministerial protestations to the contrary, simply vanished as a result of what I would characterise as Treasury sleight of hand.

CLG now confirm that from next year there will be no identifiable rolled in grant and that the Department does not intend to provide any additional funding for local welfare provision from 2015-16 onwards. Instead, local authorities will meet the costs of that provision from general grant. This at a time of unprecedented austerity for local government as a whole, and for Councils such as Southwark, in particular. With almost breath-taking cynicism, Ministers have divested themselves of any responsibility for our poorest and most vulnerable and presented local government with an unsustainable mandate, while hiding behind the increasingly hollow rhetoric of a so called localism.

This Council may not have a statutory duty in respect of Local Welfare provision but we do have a mandate – a mandate of conscience, a mandate born of our values which are rooted in basic human decency. That is why, in spite of the fact that this Council faces swingeing cuts in central government funding and further increases in service demand due to demographic pressures, we remain firmly committed to retaining the existing level of local welfare provision for our most vulnerable for the duration of this administration (until 2018).

The Government is carrying out this consultation for no reason other than it was effectively forced to do so following judicial review proceedings against its decision to end funding as set out in background papers to Local Government Financial Settlement of December 2013.

No consultation was carried out before that decision and no impact assessment of any kind carried out. Having committed to reviewing the operation of the new arrangements for local welfare provision, Government made the decision to end funding before that review was complete.

I would simply implore Ministers to take this opportunity to think again, do the decent thing and restore funding in respect of local welfare provision to a level that will enable local authorities to continue to meet the needs of our most vulnerable in a sustainable way that reflects local priorities from 2014-15 and beyond.