

Response by Southwark Council (London Borough)

1. The Council welcomes the Government's decision to consider reinstatement of separately identified funding to meet the costs of local authorities' local welfare provision. Among the three options set out in the consultation paper on how funding might be separately identified the Council's preference would be for Option 2 (b) i.e. separate visibility for local welfare provision funding in line with the allocation of local welfare provision in 2014-15.
2. However, we note that none of the three options set out in the consultation paper actually proposes any additional spending power to local authorities. Previously earmarked Government funding to meet known and longstanding needs and explicitly provided for in the last public spending round, appears to have simply evaporated. This at a time when many local authorities are seeing significant reductions in their spending power for 2015-16, £18m in Southwark, whilst demand for local welfare provision and other forms of emergency support is increasing. We therefore propose a fourth option which would be not only separate visibility for local welfare provision, but also ensure continuity of reasonable, dedicated funding from Government to help local authorities meet the cost of that provision. An outline summary of our proposal is set out below.
3. The Council proposes that from 2015-16 Government create a new, dedicated fund to meet the costs of both local welfare provision and the existing, discretionary housing payments scheme from what would be a single funding pot for all, single tier, English local authorities.
4. The new scheme would adopt a number of features of the existing Discretionary Housing Payment scheme. Most notably, the size of the fund for all English single tier local authorities would be fixed (DEL) but annual allocations to individual local authorities would vary to reflect actual expenditure by all local authorities in the previous year. Under-spends in one area – including lower tier local authorities - would be transferred to local authorities who had exhausted or overspent their budgets the previous year.
5. In addition, local authorities would have headroom to top up central funding from their own resources where they judged it appropriate to do so. We believe that this would ensure the right degree of local discretion and flexibility and would also be consistent with the principles of localism.
6. The Council also notes that the recent DWP review finds that it is simply not possible to produce a like for like comparison between local authorities' welfare schemes and the discretionary Social Fund which was abolished from April 2013. That finding is reflected in the very significant variances in local authority programme spend across the country during the first two years of the new arrangements. Local authority funding during that period used prior year Social Fund spend in those localities as a baseline. That baseline is, by the Department's own admission, now proven to have been deeply flawed.
7. However we believe that the experience in Southwark does confirm that Government's expectation that new provision would be better integrated with existing local services and therefore more efficient and effective than remote, centrally delivered Government schemes has been fully borne out.
8. We believe that adoption of the Council's proposal would strike the right balance between ensuring that local authority emergency support spend

continued to be well targeted at those with real need and providing a central funding floor. This would allow local authorities to ensure that proven demand could continue to be met over the longer term in ways that are both sustainable and that reflect local needs and priorities.

9. One significant factor in the increasing demand for the Council's own provision (LWF) appears to be the large and still rising number of referrals from Jobcentre Plus (DWP). We have seen numerous examples of referrals for those who have been sanctioned by JCP and lost benefit and for those facing extended payment delays for DWP administered benefits. The Council would urge Government to carry out a full investigation into the extent to which DWP sanctions or delays in paying DWP administered benefits are significant factors driving demand for local welfare services.
10. The Council calls upon government to recognise the importance of local welfare provision as it decides the total, national figure for local welfare and other emergency provision from 2015-16. The Council's recognition of the importance of this provision is reflected in the fact that we have committed to funding our own scheme (Southwark Emergency Support Scheme) until at least 2018, at levels based on actual demand during the first eighteen months of live running of that scheme.
11. It is the Council's view that it would be premature to make definitive, long-term decisions on future Government funding requirements for LWF as demand for the scheme and our understanding of that demand continue to evolve. It is notable for example that during the first year of the scheme two thirds of those referred to the Council's scheme were referred by staff at Jobcentre Plus (DWP). In the second year of the scheme the numbers referred from Jobcentre Plus has increased but the proportion has fallen markedly as the numbers referred from the local advice and voluntary sectors, and from other parts of the Council, has grown even more rapidly as awareness of the scheme deepens and the real, underlying level of demand is revealed.
12. The policy aims of the Southwark Emergency Support Scheme are to offer protection to those facing an emergency and at risk of significant harm; to prevent individuals or families from entering care; and to assist those leaving care, or other institutions, as they move back into the community.
13. Southwark's scheme was implemented in partnership with our local partners in the voluntary and community sector. The scheme offers assistance and support, typically in kind, including the provision of white goods, furniture, food-bank parcels, but also rent advances for those leaving care or prison and, in exceptional circumstances, cash payments. More than half those seeking help are offered help, mostly in the form of white goods and furniture.
14. The Council welcomes publication of the DWP review of Local Welfare provision (November 2014) which shows that our total programme spend was higher than the average published figure for all English local authorities in 2013-14 and is set to be higher still in 2014-15. The Council also calls upon Government to continue to work with the local government sector as a whole, so that a sustainable welfare emergency intervention fund may continue to be operated at local level. The Council also argues that, as part of that engagement, proper consideration should be given to the local challenges expected to arise from the implementation of Universal Credit.