

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	13 February 2014
<b>Subject:</b>	Financial Hardship Fund – part of the Harrow Help Scheme
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Tom Whiting, Corporate Director of Resources
<b>Portfolio Holder:</b>	Councillor Tony Ferrari, Portfolio Holder for Finance
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix A – Draft Financial Hardship Fund Policy Appendix B – Draft Application pack with guidance Appendix C – Financial Hardship Fund EqIA

## **Section 1 – Summary and Recommendations**

This report sets out the new policy for the Financial Hardship Fund, funding developed to support people impacted by the welfare reforms and current economic climate.

### **Recommendations:**

Cabinet is requested to make the following decision:

1. Agree and adopt the Financial Hardship Fund Policy and application pack (incorporating the guidance notes).

2. Agree and adopt the Financial Hardship Fund assessment criteria
3. Agree and adopt the decision making process for awarding Financial Hardship Grants.

### **Reason: (For recommendation)**

The Financial Hardship Fund was created as a direct result of feedback to the Localisation of Council Tax Support consultation carried out over the summer of 2012 and was put in place to support those experiencing most hardship from the current economic situation and/or those who need assistance to transition to the reformed welfare system. It also coincided with the transfer from the Department of Works and Pensions (DWP) to Harrow of a £489k un-ring-fenced Social Fund grant which previously provided emergency support to claimants and was administered by the DWP.

The Financial Hardship Fund is a pot of funding of £100,000 that sits within the overall banner of the Harrow Help Scheme. The intention of the Financial Hardship Fund is to commission community projects that will help to mitigate the impacts of welfare reforms and the current economic situation.

The draft policy, including the assessment criteria, has been developed in partnership with the Welfare Reform's multi-agency Community Reference Group and Officer Project Board.

## **Section 2 – Report**

### **Introduction**

- 2.1 Since 2011 a broad programme of welfare reforms have been implemented which have included the following key changes:
  - Abolishing Council Tax Benefits and the introduction of localised Council Tax Support Schemes
  - Introduction of the property size criteria
  - Introduction of the Benefit Cap
  - Abolishing Disability Allowance and introduction of Personal Independent Payments
- 2.2 Universal Credit has been introduced to some Local Authority areas as pilots. However, it has not been rolled out to Harrow residents as yet.

## **Local Council Tax Support Scheme**

- 2.3 Council Tax Benefit was abolished at the end of March, 2013 and all Councils were given responsibility to agree localised Council Tax Support/Reduction Schemes by the end of January 2013 with a 10% reduction in funding. Within Harrow, this resulted in the requirement to make £3.8m savings to be able to run the scheme effectively which was passported to Council Tax Support claimants. A major consultation was held with residents on the changes and feedback shaped the development of the Council Tax Support Scheme for a two year period, 2013/14 and 2014/15. Within this consultation, residents were asked whether they felt the Council should develop a Hardship Fund to help support people impacted by the changes to Council Tax Benefits and the majority of respondents (63%) agreed that it should.
- 2.4 The Council Tax Support Scheme was developed as a direct result of the feedback from the consultation. Further to the feedback from the consultation, elected members also agreed to develop a Hardship Fund of £100k to support community projects that would help low income individuals and households who are negatively impacted by the Welfare Reforms or the current economic situation.

## **The Financial Hardship Fund**

- 2.5 The proposed Financial Hardship Fund policy has been developed further to feedback from the Welfare Reform's multi-agency Community Reference Group and the internal Welfare Reform Officer Project Board. Membership of the Community Reference Group includes Harrow Citizens Advice Bureau, Mind in Harrow, Harrow Mencap, Age UK Harrow, Harrow Association of Disabled People (HAD), Harrow Equalities Centre, National Landlords Association, Harrow Association of Somali Voluntary Organisations, Harrow Law Centre, Housing Associations, representatives from Harrow Council Services and Councillors. The draft policy, is at Appendix A to this report.
- 2.6 It is intended to follow a similar application process for the Financial Hardship Fund to the Small Grants Process. The process will begin immediately once this report is approved and community groups will be able to apply over a 4 week period.
- 2.7 Members will note that the Application Pack includes guidance notes. The guidance provides information on the initial impacts of the welfare reforms and ideas for proposed projects. The Council will, however be open to all ideas that meet the assessment criteria.

## **Assessment Criteria**

- 2.8 The draft assessment criteria has been developed to ensure that Community Groups/organisations are able to apply for funding projects that are inclusive, however recognising that some groups of people may be impacted by the welfare reform changes more than other

groups. Applications will be assessed against the following proposed criteria, as noted in the policy:

- § Encourage the fund to be used to provide sustainable long-term support that helps people or the community to better help themselves
- § Evidence of need for the proposed project/activity and
- § How the project/activity will address the need that has been identified
- § How the project/activity tackles disadvantage, fosters good relations and/or promotes equality of opportunity
- § How the project has a positive impact adding value for the community who are impacted by the welfare reforms and economic recession
- § How your project/activity will deliver your proposed outcomes
- § How people can access the project/activity
- § How your project/activity will promote social value e.g. by using volunteers and promote training, skills development and learning opportunities for local residents
- § Clear and realistic costs for the project/activity
- § Exit strategy beyond the life of this funding to ensure the outcomes are sustained.

2.9 Further detail of the projects that the Council will/will not fund is included within the draft policy at page 2.

### **Financial Hardship Fund Decisions**

2.10 Within the application process, prospective bidders will be given the opportunity to come along to a Grants Information Event where clarification can be provided on the process and criteria.

2.11 Once the application process has closed, the bids will be reviewed against the assessment criteria and presented in a report to the Welfare Reform Officer Project Board. This group has representation from all Directorates within the Council and will make recommendations of awards to the Head of Revenues and Benefits and the Director of Corporate Resources who will make the final decision on the awards of the Financial Hardship Fund.

2.12 All applicants will receive details of the appeals process which will be heard by the Portfolio Holder for Finance.

### **Legal Implications**

2.13 The Financial Hardship Fund has been developed to help mitigate the impacts of welfare reforms. The Council has discretion in setting criteria for the Financial Hardship Fund. The Assessment criteria has been developed to ensure that organisations are able to focus their projects to help all sectors of the community who are experiencing financial hardship. An Equality Impact Assessment check has been carried out (see below and in Appendix C for more details).

## **Financial Implications**

- 2.14 The Financial Hardship Fund was created by putting aside £100k of the total funding allocated to help mitigate [as part of a wider Harrow Help Scheme] the repercussions of welfare reform. The budget was specifically to fund, through commissioning, Community Groups/organisations so they could also support our residents.

In the last few days the DWP has announced that the Local Welfare Provision funding pot is to be abolished from 2015/16. This funding was allocated to Councils in April 2013 to deliver a Welfare Provision. Harrow is using these monies to fund both the Hardship Fund and the Emergency Relief Scheme under the umbrella of Harrow Help Scheme.

This grant was allocated on a non ring-fenced basis to 2015. Whilst Harrow will be able to continue to offer this support for 2014/15, from 2015/16 any funding will have to be found from within the general fund. In the circumstances it is likely that the commissioning of the Hardship Fund to distribute the £100k to Community Groups/organisations will be a one off exercise within 2014/15.

This funding cut will also impact the Council's emergency relief scheme as this is fully funded from the DWP grant. A further report of the options to continue the Emergency Relief Scheme will be brought to Cabinet at a later date.

## **Performance Issues**

- 2.15 There are no direct performance issues although indirectly the provision of additional budgeting and benefits advice will ensure better money management and potentially higher Council Tax receipts from those below the benefits financial threshold or struggling with low incomes.

## **Environmental Impact**

- 2.16 There are no direct environmental impacts.

## **Risk Management Implications**

- 2.17 There are risks that the funding will be allocated to projects and hoped for outcomes are not met. Therefore measuring success achieved by the voluntary sector will be crucial in ensuring value for money. Grants monitoring will be carried out on the delivery of the projects that are successful.

## **Equalities implications**

- 2.18 Pursuant to the Equality Act 2010 ("the Act"), the council, in the exercise of its functions, has to have 'due regard' to (i) eliminating discrimination, harassment, victimisation and any other conduct that is

prohibited by or under the Act; (ii) advancing equality of opportunity between those with a relevant protected characteristic and those without; and (iii) fostering good relations between those with a relevant protected characteristic and those without. The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

2.19 An Equalities Impact Assessment screening was conducted in relation to the introduction of the Hardship Fund, and can be found at Appendix C. The proposed Hardship Fund policy seeks to mitigate the impact of the welfare reforms and current economic situation.

2.20 The Financial Hardship Fund's assessment criteria has been designed in partnership (with the Welfare Reform's multi agency Community Reference Group and the Officer Project Board) to help residents from all the protected characteristics. The Equality Impact Assessment screening has concluded that the Financial Hardship Fund will not have an adverse impact on residents from any of the protected groups however the following actions have been put in place to avoid potential impact:

1. The fund will be advertised widely to ensure all groups get the opportunity to respond
2. The impacts of the welfare reforms will continue to be monitored. If it is found that there are any specific groups that are impacted more than others weighting will be applied to bids to ensure the projects support those most impacted.
3. Monitor the applicants for the fund against the protected characteristics to ensure that in future years, if appropriate, actions are put in place to widen the groups that are applying and improve the quality of applications

## **Corporate Priorities**

2.21 The Financial Hardship Fund will support the Voluntary Sector by funding extra capacity to support, advise and sign post residents. By ensuring the appropriate support is given to our voluntary partners, this will ensure we promote this administration's priorities to deliver a safer and fairer Harrow.

### **Section 3 - Statutory Officer Clearance**

Name: Dawn Calvert

on behalf of the  
Chief Financial Officer

Date: 9 January 2014

Name: Paresh Mehta

on behalf of the  
Monitoring Officer

Date: 9 January 2014

### **Section 4 – Performance Officer Clearance**

Name: Martin Randall

on behalf of the  
Divisional Director  
Strategic  
Commissioning

Date: 18 January 2014

### **Section 5 – Environmental Impact Officer Clearance**

Name: Andrew Baker

on behalf of the  
Corporate Director of  
Environment and  
Enterprise

Date: 17 October 2013

### **Section 6 - Contact Details and Background Papers**

#### **Contact:**

Fern Silverio (Head of Service – Collections & Housing Benefits),  
Tel: 020-8736-6818 / email: [fern.silverio@harrow.gov.uk](mailto:fern.silverio@harrow.gov.uk)

#### **Background Papers:**

None

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**YES/ NO / NOT APPLICABLE**

*[Call-in applies]*