

REDDITCH BOROUGH COUNCIL

EXECUTIVE COMMITTEE

14th January 2020

ESSENTIAL LIVING FUND POLICY

Relevant Portfolio Holder	Cllr David Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering – Executive Director of Finance and Resources
Wards Affected	All Wards

1. SUMMARY OF PROPOSALS

The report and appendices provide a revised Essential Living Fund (ELF) policy to replace the existing guidance. The new guidance will be introduced from 1st April 2020 and will provide greater clarity on the operation of the ELF scheme.

2. RECOMMENDATIONS

2.1 The Executive Committee is asked to RECOMMEND to Council that:

- 1) The Essential Living Fund (ELF) policy is approved.**
- 2) The policy is implemented from the 1st April 2020.**

3. KEY ISSUES

Financial Implications

- 3.1 The costs for the provision of ELF are met locally by Redditch Borough Council. The existing budget for the ELF scheme is £30k. Failure to provide clear procedures for the allocation of funds under the scheme may result in budget being overspent and insufficient funds being available for high need cases.

Legal Implications

- 3.2 There are no specific legal implications.

Service/Operational Implications

- 3.3 The Welfare Reform Act 2012 introduced major changes to welfare benefits. The changes included the introduction of Universal Credit, the implementation of the under occupancy charge for claimants in social sector housing, and changes to the existing Social Fund scheme.

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3.4 The Social Fund scheme previously consisted of 3 elements:

- Budgeting Loans to meet intermittent needs.
- Crisis loans for emergency situations.
- Community care grants to help vulnerable people live independently rather than enter care institutions.

The changes to the Social Fund abolished crisis loans and community care grants and funding was made available to local authorities to provide local assistance to people needing additional support.

3.5 In response to the changes Redditch Borough Council introduced the Essential Living Fund (ELF) the purpose of the fund is to provide assistance similar to that which was previously available from crisis loans and community care grants.

3.6 For the period from 1st April 2013 to 31st March 2015 funding for the operation of ELF was provided by Worcester County Council. Funding was withdrawn from 1st April 2015 and the cost for this provision has been met by the local authority.

3.7 The existing ELF guidance has become out-dated and does not provide consistency in the operation of the scheme. There is a need to revise the guidance to; provide greater clarity for council officers for making determinations of entitlement to support; increased clarity for customers when making applications for support; and better oversight of the operation of the scheme and the allocation of funds.

3.8 The current guidance is limited to providing short term support in the form of food bank referrals and/or utility vouchers. This short-term support helps to alleviate urgent financial pressures however it is not helping to enable long term support and a move towards financial stability which can be strengthened through referring to appropriate outside agencies for more specialist support.

3.9 The revised policy enables decision makers to provide targeted support to those that most require it as well as ensuring that this support is appropriate and provides the assistance that can help customers work towards long term financial stability.

Customer / Equalities and Diversity Implications

3.10 The ELF policy identifies those groups that would be most impacted should an award not be made.

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- 3.11 Having a framework which identifies that flexibility is required, both in the claiming process and the administration of the scheme will assist in ensuring that the scheme objectives are fairly administered and do not place unreasonable restrictions on either staff or the people looking to access the scheme

4. RISK MANAGEMENT

- 4.1 Failure to manage the Essential Living Fund could result in a budgetary Overspend. The risk of overspend will be mitigated by the introduction of measures monitoring the overall costs of the ELF scheme on a month to month basis.
- 4.2 The failure to adopt a robust policy may lead to a risk of not offering a consistent service to some of our most vulnerable residents. Measures relating to application for ELF support and both approvals and refusals of support will be monitored to ensure that decisions are being made in line with the policy and support is targeted to the residents most in need.

5. APPENDICES

Appendix 1 – Essential Living Fund Policy

Appendix 2 – Summary of allocation of awards from 2015 to 2018

6. BACKGROUND PAPERS

None

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