

Notice of KEY Executive Decision

Subject Heading:	Emergency Assistance Scheme Review
Cabinet Member:	Councillor Roger Ramsey
SLT Lead:	Jane West, Chief Operating Officer
Report Author and contact details:	Chris Henry Tel: 01708 432413 Chris.henry@havering.gov.uk
Policy context:	The discretionary provision of financial support to vulnerable households in emergency need.
Financial summary:	<p>The Emergency Assistance Scheme programme and administration costs are funded from the Emergency Assistance Scheme Reserve.</p> <p>Funding of £62k already earmarked to cover cost of contract to administer scheme in 21/22. Leaving £884k earmarked to provide support to households estimated. This is estimated at £619k leaving £265k to be carried forward to 22/23 to administer the scheme and provide further awards.</p> <p>Proposals to utilise £625,615.71 of further government funding for children's meals.</p>

Key Executive Decision

Reason decision is Key	Significant effect on two or more Wards
Date notice given of intended decision:	25 March 2021
Relevant OSC:	Overview and Scrutiny Board
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Coronavirus brought about significant changes to the Emergency Assistance Scheme which supported children and vulnerable households during a very difficult period. Now that the pandemic is easing and the economy is showing signs of recovery, it is an appropriate time to revert the scheme back to its original purpose of assisting those in emergency need.

Making changes to the Emergency Assistance Scheme will reduce benefits dependency while maximising the funds available to help residents in most need over a longer period.

The recommendations for the COVID Local Support Grant extension aim to help the lowest income families with children in need during the summer holidays.

Recommendations

1. That resident applicants eligible for emergency assistance can receive a cash payment of £100 up to a ceiling of £300 in a twelve month period.
2. That the changes made to the Emergency Assistance Scheme Policy attached at Appendix A are approved with effect from 1 August 2021.
3. That the Disablement Association Barking and Dagenham (DABD) be awarded a further contract for two years commencing 1 July 2021 to 30 June 2023 at a cost of £105,000 with an option to extend for 12 months.
4. That families eligible for welfare benefit related free meals receive £90 per child to help pay for meals during the six week summer holiday period.
5. That £625,615.71 is made available to fund meals for up to 7,000 children including £11,779 for administration costs from the COVID Local Support Grant extension.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Constitution- Responsibility for Functions: Para. 2.2 (a) (i) relating to taking decisions relating to the Councils finances including but not exclusively budget control.

STATEMENT OF THE REASONS FOR THE DECISION

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1.0 The Emergency Assistance Scheme

- 1.1 The Havering Emergency Assistance Scheme (EAS) has been in place since April 2013. The EAS is a discretionary, non-statutory scheme primarily providing financial assistance to low income households to help with food and utilities bills as well as providing essential furniture and white goods. The [Emergency assistance scheme policy](#) can be viewed on the Council's website.
- 1.2 The Disablement Association Barking and Dagenham (DABD) work in partnership with Benefits Services to receive, assess and pay applications for emergency assistance. Referrals are also made through Benefits Services, other Council departments and external and voluntary organizations. DABD and Benefit Services when reviewing claims will look at the applicant's financial situation as a whole and advise them regarding other benefits, personal budgeting and will also refer to Havering's Employment and Skills Service.
- 1.3 The financial assistance took the form of one-off emergency payments of £100 for any applicant resident in the borough up to a maximum of three payments in a 12 month period. Between 2013 and 2019, scheme expenditure was met from a one-off DWP grant held in reserves.
- 1.4 The EAS policy was revised twice during 2020 to help mitigate the impacts of the Coronavirus. The scheme now provides eligible individuals and couples without dependent children support of £100 in one month up to 10 times in a 12 month period. Eligible families with children can also receive a direct award of £170 in one month up to 10 times in a 12 month period.
- 1.5 At the onset of the pandemic Havering made available £1.5 million funding to the Emergency Assistance Scheme to mitigate the effects of the Coronavirus. With a balance of £500k already in the reserves, this made the total £2 million available for emergency assistance.

2.0 Expenditure and Reserves

- 2.1 As can be seen in the table below, EAS expenditure of £764,965 is significant in 2020 compared to £45,305 in 2019 which is due to a large increase in the number of awards made.

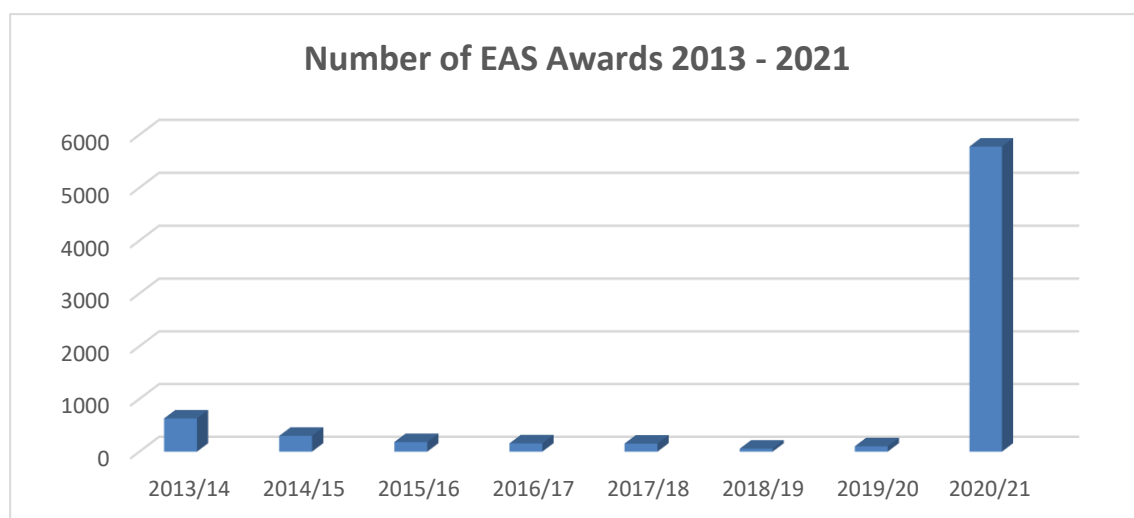
EAS Expenditure		
Month	2019/2020	2020/2021
April	£1,726.96	£30,114.99
May	£1,667.10	£43,065.00
June	£2,324.95	£38,216.00
July	£2,890.94	£36,159.00
August	£4,776.87	£28,992.56
September	£2,259.94	£42,296.44
October	£7,617.88	£50,652.68

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November	£6,370.84	£57,602.32
December	£5,758.82	£117,209.44
January	£1,798.00	£116,638.72
February	£3,438.94	£88,286.04
March	£4,673.92	£115,732.52
Total	£45,305.16	£764,965.71

2.2 EAS is not intended for use as a mainstream benefit even though the additional funding from Government has enabled Havering to help more than 5,770 households during the pandemic.

2.3 The chart below illustrates the number of EAS awards since the scheme commenced in 2013.



2.4 It is also useful to note that in terms of deprivation, Havering officially ranks 179 out of 317 local authority districts in England with rank 1 being the most deprived. This is a better than average rank on the Index of Multiple Deprivation.

2.5 The EAS Reserve also covers the administration costs of the scheme and during the pandemic also held funding to cover the administration and provision of children's meals. After allowing for existing commitments, the balance available for future EAS scheme expenditure from April 2021 onwards is £884,255.

3.0 Proposal to Change the EAS Scheme

3.1 Managing expectations, budgets and avoiding benefit dependency are key drivers to changing the Emergency Assistance Scheme as we emerge from the pandemic.

3.2 This proposal reverts the current EAS back to the original scheme with effect from August 2021. This would mean any applicant in emergency need could receive £100 in one month up to a maximum of three times in a year. It is estimated the

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scheme would spend £619,168 across 2021/22 leaving a credit of £265,087 unspent at the end of the year.

3.3 DABD and Benefit Services would continue to provide guidance, support and direction to individuals and families regarding benefits, council services and personal budgeting advice to improve their wellbeing, work and financial disposition. This service would be contained within the price of the contract with DABD.

3.4 The credit balance of £265,087 can be carried forward to 2022/23.

3.5 This is the preferred option by Officers as it maximises the funds remaining and provides emergency assistance to residents in 2022/23.

Month	Actual and Estimated Spend	Cumulative Spend	Balance £884,255
Apr-21	£122,385.00	£122,385.00	£761,870.00
May-21	£85,639.00	£208,024.00	£676,231.00
Jun-21	£78,072.00	£286,096.00	£598,159.00
Jul-21	£78,072.00	£364,168.00	£520,087.00
Aug-21	£40,000.00	£404,168.00	£480,087.00
Sep-21	£35,000.00	£439,168.00	£445,087.00
Oct-21	£30,000.00	£469,168.00	£415,087.00
Nov-21	£30,000.00	£499,168.00	£385,087.00
Dec-21	£30,000.00	£529,168.00	£355,087.00
Jan-22	£30,000.00	£559,168.00	£325,087.00
Feb-22	£30,000.00	£589,168.00	£295,087.00
Mar-22	£30,000.00	£619,168.00	£265,087.00

3.6 The Emergency Assistance Scheme has been operating in Havering since 2013 and has been a fair way to provide help to residents in emergency need. Annual expenditure for this scheme up until the year of the pandemic has been less than £50,000 per year.

3.7 Officers have carefully considered various options and would recommend the proposal to revert back to the original scheme as the most efficient and supportive choice for residents.

3.8 The revised EAS scheme will be monitored closely and reviewed in light of any future Coronavirus waves or changes to the economy.

3.9 It is anticipated the contract with DABD will require £62,000 in the first year while applications numbers are higher then reduce to £43,000 in the second year. The contract will allow for either party to terminate the agreement providing three months' notice in the event of any issues arising on review.

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4.0 COVID Local Support Grant Extension

- 4.1 The COVID Local Support Grant (CLSG) scheme was due to end on 20 June 2021. This scheme enabled the Council to support low income families with children eligible for free school meals during the May half-term holidays with a £15.00 payment toward the cost of meals for a week.
- 4.2 The Council has also supported eligible families with payments of £15 per week towards children's meals during the October, December and February holidays.
- 4.2 On 21 June 2021, Government extended the CLSG to 30 September 2021 and allocated a further £625,615.71 to Havering Council.
- 4.3 The determination, reporting and guidance on how to spend the CLSG extension remain the same in that 80% of the funding must support households with children experiencing or at risk of experiencing poverty during the pandemic. The COVID Local Support Grant extension launch letter v1 and the Draft CLSG Determination June to Sept v2, are attached at Appendix B and Appendix C.
- 4.4 Children's Services seek to continue providing support to families of children eligible for free school meals during the six week summer holiday. Each eligible family would receive £90 per child towards meals for the six week summer holiday.
- 4.5 To administer the CLSG extension, Children's Services would require £11,779.
- 4.6 The potential maximum cost to Havering could be £641,779. This is based on 7,000 awards of £90 and £11,779 administration costs. However, using experiences from the previous four holiday scheme payments, it is likely that take up will be in the region of 5,500 claims. This would be at an estimated cost of £507,279 (£495,500 claims and £11,779 administration).
- 4.7 If the maximum potential cost of £641,779 is achieved, the shortfall of £16,163.29 (£641,779 maximum cost - £625,615.71 CLSG = £16,163.29 shortfall) can be funded from the Emergency Assistance Scheme reserve.
- 4.8 Similarly, if the estimated cost of £507,279 is realised, the remaining CLSG funding of £118,336.71 can be allocated to the Emergency Assistance Scheme reserves.
- 4.9 By allocating the CLSG extension of £625,615.71 to Children's Services, this will balance the changes to the EAS scheme and provide targeted financial support to households with children in the borough.

OTHER OPTIONS CONSIDERED AND REJECTED

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The options considered were the subject of an earlier Executive Briefing and are summarised below.

EAS Options for 2021	Option	Balance 1 Apr 21	Estimated Expenditure	Estimated Balance 31 Mar 22
Scheme - no change	A	-£884,255	£1,200,000	£315,745
Scheme - October change	B	-£884,255	£900,000	£15,745

Option A reflects a significant shortfall £315,745 in funding should the EAS continue in its current form.

Options B reverted the scheme back to its original design in October 2021.

The above options were discarded on the basis that Havering is moving towards recovery from the pandemic, with the current levels of households supported, the options would deplete the reserve rapidly and so not protect this future failsafe for residents in real need.

The HRA was considered to boost the EAS reserve however, there is no legal gateway to enable a transfer of funds for this purpose.

PRE-DECISION CONSULTATION

There is no statutory requirement for a public consultation. Theme Board, SLT, Exchequer and Transactional Services and DABD have been consulted regarding this decision.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Chris Henry

Designation: Head of Council Tax and Benefits

Signature:



Date: 29 June 2021

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Emergency Assistance Scheme is a discretionary scheme that it is empowered to implement in line with its general power of competence pursuant to section 1 of the Localism Act 2011. Additionally, the implementation of the discretionary scheme amongst other responsibilities enables the Council to discharge its duties pursuant to Section 17 of the Children Act 1989.

Expenditure will be monitored and the contract with DABD will allow for either party to give three months' notice of termination should funding no longer be available or the EAS is withdrawn.

The proposals for the CLSG extension adhere to the guidance for the COVID Local Support Grant Scheme determination and also promote the welfare of children in accordance with Section 17 of the Children Act 1989.

FINANCIAL IMPLICATIONS AND RISKS

Recommendations 1 & 2 Revision of Emergency Assistance Scheme Policy

The EAS Reserve also covers the administration costs of the scheme and during the pandemic also held funding to cover the administration and provision of meals to children during school holidays. After allowing for existing commitments, the balance available for future EAS scheme expenditure from April 2021 onwards is £884,255.

With the proposed change in support available, and assuming the current level of households supported reduces slightly the estimated spend on Emergency Assistance for 20/21 is £619k as set out in the table below.

Month	Actual and Estimated Spend	Cumulative Spend	Balance £884,255
Apr-21	£122,385.00	£122,385.00	£761,870.00
May-21	£85,639.00	£208,024.00	£676,231.00
Jun-21	£78,072.00	£286,096.00	£598,159.00
Jul-21	£78,072.00	£364,168.00	£520,087.00
Aug-21	£40,000.00	£404,168.00	£480,087.00
Sep-21	£35,000.00	£439,168.00	£445,087.00
Oct-21	£30,000.00	£469,168.00	£415,087.00
Nov-21	£30,000.00	£499,168.00	£385,087.00
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Jan-22	£30,000.00	£559,168.00	£325,087.00
Feb-22	£30,000.00	£589,168.00	£295,087.00

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Mar-22	£30,000.00	£619,168.00	£265,087.00
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It is estimated that there will be a balance of £265,087 available to continue the EAS scheme into 22/23, of which £62k will be used to fund the DABD contract (see below). If levels of households requiring support drop to pre-pandemic levels, the balance may provide support for a number of years, however, if they remain at levels anticipated for 21/22 there will be insufficient funding for a full second year of awards.

As such, the EAS scheme and reserve will need to be closely monitored over this period and if necessary the scheme reviewed.

Recommendations 3 –Award of contract to DABD

Cost of 2 year Contract £105,000

Funded by:

Existing Allocation within EAS Reserve for 21/22 costs	£62,000
EAS Reserve balance at end 21/22 (estimated at £265k)	£43,000

The contract will include a break clause with 3 months' notice which can be invoked should the level of awards be higher than anticipated leading to insufficient funds available for the 2 year contract.

Recommendations 4 & 5 – COVID Local Support Grant extension

£630,000	Support for children's meals during the six week summer holiday (£15.00 x 6 = £90 per child to support the cost of 7,000 children's meals).
£11,779	Assigned to Children's Services to administer the May half-term meal payments
£641,779	Total estimated spend The actual costs incurred will depend upon the take-up of this offer by eligible families. However, any remaining funding or shortfall will be offset by the Emergency Assistance scheme reserve.

Authorities will receive payment of their CLSG allocations in November/December 2021 following the completion of the final MI report in October 2021. The payment will be adjusted to align with the actual amount of reported eligible grant spend.

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HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no significant Human Resources implications or risks relating to this decision. DABD will continue using its own existing staff to deliver the service.

Members of staff within the Benefits Service will continue to share information with DABD to verify the eligibility of applicants. As the process is tried and tested, it is not anticipated that there will be any increased onus on these members of staff.

There are no accommodation implications.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The nature of the Emergency Assistance Scheme means that it is intended to serve those in lower socio-economic groups, as these groups are likely to be more vulnerable to emergency situations that require immediate financial support.

By reverting back to the original scheme design, Havering is able to maintain its reserves to provide support to those who have a genuine need particularly households with children from whom the majority of EAS applications come.

The Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. The CLSG recommendations will be essential to supporting the financial health of families with children during the summer holidays.

The contract to administer EAS applications will be awarded in line with relevant UK legislation and therefore will be compliant with the Equality Act 2010, as well as the Council's internal policies and procedures.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The purpose of this decision is to ensure EAS remains focussed on those resident vulnerable households with emergency needs as we emerge from the pandemic.

Managing expectations and avoiding Benefit dependency is essential to recovery. Those residents who have come to rely on emergency assistance scheme payments during the pandemic will be supported to find work or retrain. DABD and Benefits Services will work together when reviewing claims to look at the applicant's financial situation as a whole and advise them regarding personal budgeting, Welfare Benefits and will also refer to Havering's Employment and Skills Service.

By allocating the CLSG extension of £625,615.71 to Children's Services, this will balance the changes to the EAS scheme and provide targeted financial support to households with children in the borough that will positively impact their health and wellbeing.

Havering continues to provide care around health and wellbeing to individuals through its Coronavirus webpage which include customer telephone helplines.

The Coronavirus web page also provides NHS guidance and information for people with concerns about Covid-19.

BACKGROUND PAPERS

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____