

TRAFFORD COUNCIL

DELEGATED EXECUTIVE MEMBER DECISION REPORT

Report to: Executive Member for Finance and Governance
Date: 19 February 2021
Report for: Decision
Report of: Director of Finance

Report Title

Local Welfare Assistance (Trafford Assist) Policy – Change to Cash-First Scheme (excluding furniture)

Summary

The Council's existing local welfare assistance policy, the Trafford Assist (TA) scheme, is currently a 'no cash' scheme. Recent studies in the poverty field strongly support the principle that residents entitled to support through local welfare assistance schemes, including free school meal families supported through school holiday schemes, are best provided for through a cash award rather than vouchers or other alternatives.

Residents entitled to support are currently experiencing significant hardship due to circumstances brought about by the pandemic. There is an urgency to ensure that funding support can be delivered to those residents who need it, in the most supportive manner.

The Council has received government funding to fully cover the cost of the school holiday scheme, including relevant administrative costs. Based on the clear support for a cash first scheme, as set out in this report, an amendment to the Council's TA scheme to a 'cash-first' scheme (excluding furniture) is proposed, to be implemented as soon as is operationally practicable and by no later than week commencing 31 May 2021.

To accommodate the scheme change and implement the new cash provision process as quickly as 31 May 2021, an urgent decision on the proposal to amend the TA scheme is needed to enable additional resources to be secured, staff to be trained and existing software to be upgraded in order to be operationally ready.

The Council will carry out a review of the impact of the scheme changes on poverty levels in Trafford during the 12 months following implementation of the cash-first scheme.

Recommendation(s)

That the Executive Member:-

- a) Approves the proposed amendment to the Trafford Assist (TA) Policy to a Cash-First scheme, to be implemented by no later than 31 May 2021;
- b) Notes the proposal to review the impact of the scheme changes on poverty levels in Trafford during the 12 months following implementation of the cash-first scheme.
- c) Approves the urgency provisions in respect of this decision as detailed in the report;

- and
- d) Approves, based on the urgency provisions that this decision shall not be subject to the call in process.

Contact person for access to background papers and further information:

Name: Louise Shaw
 Extension: 3120

Background Papers: <https://cpag.org.uk/sites/default/files/files/policypost/Cash-in-a-crisis-FINAL.pdf>
<https://www.gmpovertyaction.org/wp-content/uploads/2020/08/GMPA-Briefing-%E2%80%98Cash-first-August-2020.pdf>

<https://www.redcross.org.uk/-/media/documents/about-us/research-publications/emergency-response/the-longest-year-life-under-local-restrictions.pdf>

Relationship to Corporate Priorities	Children and Young People Improving health and wellbeing of residents. Targeted Support
Relationship to GM Policy or Strategy Framework	Greater Manchester Poverty Strategy
Financial	The Council already has a budget in place to deliver the existing TA scheme and has received government funding to fully cover the cost of the school holiday scheme, including relevant administrative costs. The Council will require additional operational resources (c£144k) to deliver this change, and potentially increased budget if demand increases as expected, which will met from government funding for as long as it's received. In the event of any funding shortfall this pressure will need to be accommodated in the MTFP in future years.
Legal Implications:	None
Equality/Diversity Implications	An EIA has been completed and details are contained within this report.
Sustainability Implications	None
Carbon Reduction	Cash will be paid in to bank accounts which will reduce the need for printed vouchers and requirement to travel to designated supermarkets.
Resource Implications e.g. Staffing / ICT / Assets	Additional resources will be required, and are referred to within the report.
Risk Management Implications	Cash options increase the risk of fraud and error however only the award type is to change and the individual amounts awarded are low spend.
Health & Wellbeing Implications	The proposals are intended to increase the health and well-being of Trafford residents.
Health and Safety Implications	None

1.0 Introduction

- 1.1 The Council's existing local welfare assistance policy, the Trafford Assist (TA) scheme, is currently a 'no cash' scheme. There is however a general consensus amongst organisations involved in supporting those in or at risk of poverty that residents entitled to support through local welfare assistance schemes, including free school meal families supported through school holiday schemes, are best supported with a cash award rather than vouchers.
- 1.2 By way of example, The British Red Cross has recently published a report entitled *The Longest Year – Life under Local Restrictions* which sets out key recommendation, the first of which urges central and local government to '*Ensure everyone can afford basic essentials, such as food, toiletries, warm clothes, data and heating under Covid-19 restrictions – local or national. This should be achieved by investing in and promoting discretionary emergency support, such as local welfare assistance schemes and, where possible, using a cash-first approach.*'
- 1.3 Residents entitled to local assistance and support are currently experiencing significant hardship due to circumstances brought about by the pandemic. There is an urgency to ensure that funding support can be delivered to those residents who need it, in a way that is most supportive to that resident.
- 1.4 Based on the clear support which exists for a cash first approach as set out in this report, an amendment to the Council's TA scheme to a 'cash-first' scheme (excluding furniture) to be implemented as soon as is operationally practicable is proposed and by no later than week commencing 31 May 2021.
- 15 To accommodate the scheme change and implement the new cash provision process as quickly as 31 May 2021, an urgent decision on the proposal to amend the TA scheme is needed to enable additional resources to be secured, staff to be trained and existing software to be upgraded in order to be operationally ready.

2.0 The 'Cash-First' Case

- 2.1 Recent studies and reports from those working in the poverty field have reported that the advantages for making awards as cash rather than by payment in kind or as vouchers is as follows:
- Dignity is preserved where there is a risk of stigma that may result from the need to access support;
 - Gives people choice and control by enabling them to use support in a way that works best for them, enabling them to meet the multiple needs that they have;
 - Cash is the preferred option for low income families;
 - Cash payments can encourage greater take up;
 - Can be spent on a further selection of providers (rather than limited to voucher provider(s), including local shops and additional on-line providers;
 - For Fuel can be used towards usual Direct Debit and/or online payment schedule.
- 2.2 Although there are some commonly accepted disadvantages to cash schemes, such as the risk that in some instances the cash may not be spent on food and fuel, the current thinking is that individuals should be trusted to make the right choices for themselves and their families, in the way in which awards of state administered benefits are paid and trusted to be spent appropriately.
- 2.3 It is accepted, however, that a cash payment will not suit all circumstances. For example residents without a bank account, for those whose account is in overdraft, or for those who require immediate assistance, as often is the case in safeguarding situations, where there would be risk of harm to wait the 3 working days for the automation bank processing system (BACS) to be in the residents bank account.

- 2.4 Some individuals and families may also prefer to keep the award separate from their day-to-day bills and expenses as a money management tool and may therefore prefer a voucher. It is important therefore that the resident has the option to select an alternative to cash if that is not their preferred option, such as a voucher or a PayPoint cash option.

3.0 Operational Delivery and the Timescales for Implementation

- 3.1 Moving from a 'no cash' scheme to a 'cash-first' scheme requires an operational change, both in terms of front line collation of bank account details and back office software changes, as well as audit requirements and checking for the payments process (BACS).
- 3.2 In addition, the Council will be required to process the school holidays schemes applications of which there were 7,287 awards for the December holidays (these are currently automatically awarded without an application and administered by the schools).
- 3.3 To add to that, the standard TA applications will still be required to be processed and this has seen an increase in the past 12 months due to the economic impact of COVID – 9,848 awards have been processed since 23 March 2020 excluding FSM, plus the anticipated increase in applicants with the introduction of a cash option award.
- 3.4 The volume of workload will require additional staffing resources of 4 members of staff (3 for processing the additional applications and 1 manager). There is no existing Council capacity to do this and therefore an external recruitment exercise will need to be undertaken to secure the additional resources required.
- 3.5 Finally, and in line with the equalities impact assessment (EIA) detailed at section 5 of this report, further consultation with stakeholders, partners, professionals, practitioners, as well as those authorities leading the way in this change, will be required, to ensure the impact on the most vulnerable groups can be minimised.
- 3.6 Based on the above, and subject to approval being received to amend the TA policy with immediate effect as well as immediate finance and HR approval for the additional staffing and software costs, the Council anticipates it will be ready for 'go-live' implementation by no later than week commencing 31 May 2021 (May half term school holidays).

4.0 Managing the Risk of Fraud and Error

- 4.1 Whilst it is important to ensure that the most vulnerable residents, specifically children, in Trafford get the much needed help they need in the most streamlined way, it is also important that any process includes relevant checks to reduce the risk of fraud and error.
- 4.2 Following government information and advice on how councils can manage the risk of fraud, they state that the main fraud risks for this of award are likely to be individuals:
- applying who are not in genuine need of assistance
 - spending payments on non-essential items
- 4.3 In order to try to mitigate fraud and error, the Council will check that applicants meet the relevant eligibility bank transfer (BACS) award criteria through introducing the following checks **before** making the payment:
- verify applicants' identity and bank account details (latest bank statement to be provided as proof)
 - where possible, any payments made into a bank account should be in the same name of the person that is eligible for that payment

- 4.4 The Council's policy will retain the requirement to engage in wrap-around services before repeat awards are granted, so an overall support package of information and advice, including money management and debt signposting can still be provided.

5.0 Consultation

- 5.1 The Council facilitated a public consultation for a 4 week period (December 20-January 21) linked to the administration of the Winter Grant scheme school holidays scheme. As part of the consultation process, opinions regarding the use of voucher and cash-first via support schemes were sought. Details of the consultation was sent with the grant vouchers to partners, to parents and to schools and was publicised on the Council's website. Participants were invited to complete a short survey. The Council received a minimal response during the consultation period. Only 37 surveys were completed and the results areas follows:

- 36 parents responded
- 1 School responded
- 30/37 (81%) of respondents reported that the voucher was very easily/easily accessible and simple to use
- When participants were advised that an alternative future alternative to the supermarket voucher could be to have a cash equivalent option and they were invited to indicate which option would be better for them, the majority of participants - 20(54%) – indicated that they would prefer to continue with the voucher option, with 12 (32%) stating they would prefer money to be transferred into a bank account and 2 (5%) would prefer a cash equivalent voucher. 3 participants did not respond.

- 5.2 The survey also asked participants for comments or feedback on how the Council could improve the scheme. 17 people responded, a number of which were a thank you for the scheme, in terms of suggestions in relation to the scheme, the following comments were made:-

- The food voucher means that it will be spent on food rather being swallowed up in my bank account or having the hassle of going to cash it at a pay point.
- Not every family has a printer to print voucher off
- I am positively overwhelmed with help and support of local council. Very grateful for it. So sorry for no comments about ways of improvement because it works perfectly for us.
- This time has been a lot easier than last time trying to use the other service was absolutely atrocious on many occasions I lost the voucher completely
- If you're going to do this, then do it right and make sure that people actually receive their vouchers. The difference these vouchers have made is huge. Also I would recommend you allow the vouchers to be used for children's clothing/ stationary/bedding for children only, I feel as these vouchers are for children they should be used as such, I also do not think it should be cash I think a voucher either by post or email only. As cash can be spent on anything and my belief is that these vouchers should be used for what they were intended. Also if it were a voucher it might in some households (not mine) enable children to go to the shops themselves and get food if the parents are for whatever reason unable or unwilling. I'd like to for the previous reason see more choice of shops to use them in. Thank you.
- On the whole, I didn't like this system and would not like to have to use it again. It's too time consuming and for me, in my school, impossible to do efficiently during my normal working day/ week.
- Just want to say it has been a great help to receive some vouchers. I wouldn't normally ask for them (there are many worse off than me) but having them sent to me has taken the pressure off a little. So thank you, greatly appreciated
- I didn't receive vouchers for summer holidays or October for two of my three children... Although I'm extremely grateful, the system seems a little flawed in distribution.
- Haven't been able to redeem voucher

5.3 As there was a very small number of participants in the consultation, the Council has deemed the number of survey responses too small to properly inform a decision and therefore notwithstanding that it has been given consideration, the wider experience as cited by articles based on recent studies from experts in the Poverty field remains the largest driver for the change.

6 Equality Duty

6.1 The EIA carried out into the proposal notes that the survey was not completed by any stakeholders, practitioners, partners or information and advice services and therefore recommends that further consultation be carried out with this group as part of the operational implementation, and that an alternative to cash should be made available if that isn't the preferred payment method at the application stage.

6.2 The EIA also recommends that a review of the impact of the changes be carried out in 12 months' time.

7. Other Options

7.1 The Council could continue with its 'no cash' policy but this would go against the general support for the principle of moving to a cash first option.

8. Urgency

8.1 The report is submitted to the Executive Member for Finance and Governance on an urgent basis.

8.2 A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.

8.3 This report should be considered as 'urgent business' and the decision exempted from the 'call-in' process for the following reason(s):-

- The change is required to be in place as soon as practicable to support the most vulnerable residents in Trafford and due to the policy change and operational requirements, if the decision isn't made urgently then payments required during the May school holidays would have to be administered under the old scheme.
- Any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests;
- In the current circumstances of national restrictions, people, in particular children, families and vulnerable adults, who are struggling to afford food and other essentials due to COVID-19 are at risk.
- An urgent decision is required to enable the Council to commence a recruitment exercise to get the Team in place to administer the scheme in line with the targets above.

8.4 The report and urgency of the key decision have been reviewed by the Chair of the Scrutiny Committee on 24 February 2021 has agreed that the decision should not be delayed until the next meeting of the Executive and not subject to call-in.

8.5 It is proposed therefore, that the decision contained in this report is therefore deemed to be urgent and cannot be reasonably deferred. It is also proposed that the decision, based on urgency provisions, is not subject to call-in to allow the Council to administer scheme funds without any delay.

Reasons for Recommendation

- The recommendations are set out on the first page of the report. Residents entitled to support are currently experiencing significant hardship due to circumstances brought about by the pandemic. There is an urgency to ensure that funding support can be delivered to those residents which need it, in a way that is most supportive to that resident. Based on the general support for a cash first option, an amendment to the Council's TA scheme to a 'cash-first' scheme (excluding furniture) to be implemented as soon as is operationally practicable is proposed. The proposals detailed in this report are required to enable an amendment to the Council's current TA scheme.

Key Decision : Yes

If Key Decision, has 28-day notice been given? No (see 'urgency of decision')

Finance Officer Clearance *(type in initials)*.....GB.....

Legal Officer Clearance *(type in initials)*.....DS.....



[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*.....

To confirm that the Financial and Legal Implications have been considered and the Corporate Director has cleared the report prior to issuing to the Executive Member for decision.