

**FALKIRK COUNCIL**

**Subject: FAIRER FALKIRK FUND – PROPOSALS FOR FUNDING**  
**Meeting: EXECUTIVE**  
**Date: 18 June 2013**  
**Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES**

**1. INTRODUCTION AND BACKGROUND**

- 1.1 This report asks the Executive to consider a number of funding proposals to utilise £66k of Fairer Falkirk Funding (FFF) currently ring-fenced to help mitigate the impact of welfare reform on people experiencing poverty within the Falkirk Council area.

**2. BACKGROUND**

- 2.1 This report advises Members on the application now made by the Link Group for a Welfare Rights Officer, the alternative proposals to utilise this budget and makes recommendations to Members in this regard.
- 2.2 The Link Group has submitted an application to the Council for £50k of funding for a Welfare Rights Officer (WRO) to provide a holistic welfare advice service and basic budgeting advice to working age residents in Falkirk. In addition to this Link intends to submit an application to the Big Lottery Fund to augment and re-launch its own advice service as “The Life Transitions Advice Service” providing a holistic advice service including: money advice, complex case debt management support and court representation; welfare rights advice, support and appeal representation; financial and digital inclusion support, signposting and training for tenants/service users and for staff in-house and of partner organisations. The post funded by the request from the Council would sit within this team. In addition to the funding for the Life Transition Advice Service, Link has submitted another bid for lottery funding to provide additional access for its tenants and those of the other five Registered Social Landlords that wish to work with Link, to a Money Advice Officer and Inclusion Officer from around October 2013. This would supplement the Welfare Benefit advice service provided by the WRO.
- 2.3 Having considered the application from the Link Group for a WRO to provide a holistic welfare advice service to working age residents in Falkirk, Officers consider that this is similar to and in addition to services currently provided by the Council’s Community Advice Service and to that provided by the three local Citizens Advice Bureaux. As such was felt that it was not appropriate to fund an additional organisation to provide generic advice services.

**3. PROPOSED USE OF THE FAIRER FALKIRK FUND**

- 3.1 In a previous report updating the Council on Welfare Reform we confirmed the need to seek to provide services such as budgeting and money management advice as a means of early intervention and prevention. The Council has set aside funding to pursue proposals for additional banking and lending services. A feasibility study on the need and demand

of a social enterprise alternative to Pay Day and Short-term loan companies concluded that there was potential for a sustainable, 5-year model at a cost to the Council of around £147k over a three year period. This will be the subject of a separate report on a Community Development Finance Initiative (CDFI) to the Executive at a future meeting. The recommendation from the consultants' report is to open a branch of "Moneyline", which is a not-for-profit organisation with a number of branches in England. Some of these branches offer money advice services within the branch but additional funding would be required for this. A proportion (approx £30k) of the £66k budget could be allocated to provide funding for one full-time money advisor in Falkirk.

- 3.2 The decision to appoint a Project/Change Manger to guide the Council and our services through welfare reform has been agreed by Council and the appointment process is underway. Administrative support will be required from when the successful candidate takes up the new post. Utilising a proportion of the FFF would allow us to advertise the administrative support post at an early date. Again this would amount to approximately £26,000 per annum.
- 3.3 The Northern Housing Consortium has launched a website [www.smarterbuys.org.uk](http://www.smarterbuys.org.uk) designed to enable tenants to buy essential home items at discounted prices and with access to socially responsible finance through credit unions and other finance organisations such as CDFI's.
- 3.4 Following the feasibility study outlined above, we have identified that citizens in Falkirk are paying in excess of the value of goods purchased through higher purchase stores as a result of large interest charges on repayments and mandatory insurance requirements. Reports by tenants on the Smarterbuys initiative have been very positive and this initiative also encourages access to other, socially responsible lending organisations.
- 3.5 It is therefore proposed that £10,000 of the £66,000 be used to commission a feasibility study for the subsidised introduction of an alternative to higher purchase firms along the lines of the social enterprise "Smarterbuys" store model operating in the North of England. Commissioning a Feasibility Study would allow the Council to consider the value of developing such an initiative in Falkirk.

#### **4. RECOMMENDATION**

- 4.1 **It is recommended that the Council does not fund the Link Group proposal but rather utilises the £66,000 in the way outlined above in section 3 of this report and that officers advise the Link Group of this decision.**

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**DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES**

Date: 30 May 2013

Ref: ABB0613LS

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## **LIST OF BACKGROUND PAPERS**

Report to Falkirk Council, 6 March 2013, Welfare Reform

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506045 and ask for Linda Scott.