
Meeting: Social Care, Health and Housing Overview and Scrutiny Committee
Date: 21 January 2013
Subject: Local Welfare Provision
Report of: Cllr Mrs Carole Hegley, Executive Member for Social Care, Health and Housing
Summary: The report proposes the introduction of a scheme to provide Local Welfare Provision to provide support for residents to alleviate financial distress following a crisis or disaster or to obtain or maintain independent living. This would be replacing the Social Fund, administered by the Department for Work and Pensions (DWP), but which will be abolished after 31st March 2013.

Advising Officer: Julie Ogle, Director of Social Care, Health and Housing
Contact Officer: Hamid Khan, Head of Housing Needs
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

1. The establishment of a local scheme of Welfare Provision to assist low income residents in times of crisis and help with the setting up of a home to enable independence directly contributes to the following priority
 - Promote health and wellbeing and protecting the vulnerable

Financial:

2. In 2011/12, the DWP provided £377,200 in support for crisis loans and community care grants to residents of Central Bedfordshire. The annual allocation for 2013/14 and 2014/15 will be £355,903, a reduction of £21,297 (just under 6%). In addition, there is an allocation of £75,205 for administrative set up costs, reducing to £68,934 for the financial year 2014/15. There is therefore a clear funding shortfall and at present it is not possible to predict demand.

Legal:

3. There are no direct legal implications as a result of this report

Risk Management:

4. This is a new scheme for Central Bedfordshire and a number of new financial procedures and processes will have to be put in place. Corporate colleagues are assisting in mitigating all the risks associated with this scheme.

Staffing (including Trades Unions):

5. Initially up to 2 full time equivalent (FTE) posts may be required, initially on a temporary basis, and there will be regular reviews as to workload. Some additional housing needs staff will also cover this service as part of their duty roster.

Equalities/Human Rights:

6. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Research has identified that vulnerability is particularly linked to groups including older people, disabled people, people with low levels of literacy, people from poorer socio economic groups, people experiencing domestic violence, some people from ethnic minority communities including migrant workers and Gypsies and Travellers, and people from lesbian, gay, bisexual and Transgender communities.
7. A full Equality Assessment has been carried out and has identified some areas of concern. It is recommended that the Equality Assessment is regularly reviewed throughout the implementation of the scheme.
8. In respect of both Crisis Loans for living expenses and Community Care grants, under the existing DWP Social Fund, national data on recent scheme usage indicates that those most affected by proposals to tighten eligibility criteria and move towards a scheme which is based on the provision of goods, services and vouchers will be single people aged between 16 and 34. For Central Bedfordshire Council, it is proposed that the only change in eligibility criteria from the present DWP scheme will be the inclusion of a "local connection provision". This eligibility criterion will be reviewed and consulted upon in the future. Crisis Loans are to be replaced by "Emergency Provision" and Community Care grants, to be placed by "Grant Provision".
9. There are further concerns with regards to accessibility, telephone only access, ensuring all groups have equal access to review decisions and the general impact on the well being of the most vulnerable households, especially families under crises.
10. The Local Welfare Provision scheme in Central Bedfordshire must be seen in the context of a discretionary scheme and its intention is only to assist those households in short term crises. Many existing clients of the DWP Social Fund are potentially also in receipt of support from Central Bedfordshire Council services and partners, but due to the absence of data from DWP it is impossible to know how many. Examples of services already provided to vulnerable households include those listed below.
 - Children's Services – S17 or S20 assistance (Children's Acts 1989 & 2004)
 - Social Care Services
 - Statutory Homelessness Services
 - DWP assistance in the form of budgeting loans or transitional funding
 - Charity and voluntary sector support

The Troubled Families agenda is another layer of provision for those families most in need.

11. The proposed scheme, renamed Emergency Provision and Grant Provision, will operate through an efficient and effective application and assessment process with appropriate training provided to relevant personnel to ensure that customers in need of assistance are quickly and easily identified and targeted towards the most appropriate support for their particular situation. As indicated above, support may be available through a variety of Statutory Services and ensuring customers are directed to the relevant service will be a key requirement, especially in the case of those who do not fulfil the eligibility criteria for local welfare provision. The capability to provide access to ongoing support and signpost those who are not eligible for local authority assistance to organisations that can help applicants avoid crisis situations in future will also be an important aspect of the service. The Council recognises that the service it proposes must be more than one-off crisis support and that applicants are given the necessary advice and information to avoid a recurrence.
12. Data indicates that the profile of customers who have accessed Crisis Loans and Community Care Grants under the DWP Social Fund in Central Bedfordshire is similar to national patterns. In the case of Crisis Loans, they are primarily single people under the age of 35, who are in receipt of Jobseekers Allowance. Recipients of Community Care Grants are more likely to be female and lone parents.

Public Health

13. Ensuring provision for the basic necessities in life will enable vulnerable households to maintain a basic quality of life that will contribute to their general health and well being.

Community Safety:

14. The Council has a statutory duty to do all that it reasonably can to reduce crime and disorder under Section 17 of the Crime and Disorder Act 1998. Local Welfare Provision arrangements will provide short term financial support that can ensure that vulnerable people do not become victims of crime, perhaps because they are homeless, or by supporting those who may already have offended from further offending behaviour. The financial support available will also reduce the need for people to access illegal money lenders or perhaps consider committing crime themselves to obtain money.

Sustainability:

15. There are no direct implications as a result of this report.

Procurement:

16. Phase 1 of the scheme will look to build on established corporate contracts, but Phase 2 of the scheme may require a more formal tendering process in order to procure the services required

RECOMMENDATION(S):

The Committee is asked to:-

1. **Consider the establishment of a Local Welfare Provision scheme with two aims;**

- a) **Alleviate financial distress following an emergency, crisis or disaster**
 - b) **Enable vulnerable residents to set up home or remain at home and so gain or maintain their independence.**
- 2. **To comment on the proposed Eligibility Criteria for the scheme as set out in APPENDIX A of this report**
- 3. **To comment and consider the proposal that the scheme be introduced in two phases ,**
 - a) **Phase One, will replicate the current DWP scheme with a minor change to eligibility and the range of support offered as outlined in this report**
 - b) **Phase Two, the scheme will be reviewed after six months operation once the level and type of demand is known.**
- 4. **To recommend to the Executive that the Local Welfare Provision Scheme be adopted by Central Bedfordshire as set out in the main body of this report and as outlined in APPENDICES A and B as attached**

Background

- 17. The Welfare Reform Act 2012 gives local authorities the power, but not the legal duty, to provide financial or material support to people in need. As part of the government's welfare reforms the Department for Work and Pensions (DWP) will stop making discretionary Community Care Grants and Crisis Loans through the Social Fund from 1st April 2013. It is proposed that Central Bedfordshire Council should start a scheme that provides local welfare provision, to replace the abolished Social Fund. Crisis Loans are small short term payments made to assist with emergency living expenses. Community Care grants are normally larger payments to households who urgently require assistance with special difficulties. For example, looking after someone in the community rather than them going into care.
- 18. The DWP will continue to administer Community Care Grants and Crisis Loans until 31 March 2013. Community Care Grants were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means-tested benefits such as Jobseekers Allowance. Crisis Loans were intended for applicants who are unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living expenses in order to avoid serious damage or risk to the health or safety of the applicant or a member of the family.
- 19. The system operated by the DWP relies on applicants telephoning a call centre or completing an application form. Relatively few checks are made on the information given by applicants or the use to which they put the funds provided. It is not expected that councils will replicate the existing scheme and government is looking to them to develop innovative approaches including using partner organisations to deliver some aspects of the provision. It is intended that the scheme for the Council will make use of third sector white goods and furniture recycling schemes alongside vouchers to deliver some aspects of service, as these are perceived as being more cost effective and less open to abuse than cash grants.

20. In devising a scheme for Central Bedfordshire a phased approach is being conceived, underpinned by a rigorous project managed approach to delivery. The first phase of the project will focus on delivery of a service from 1 April 2013. The second phase of the project will focus on embedding provision within the Council's Customer First programme and maximising procurement opportunities to ensure all assistance is non cash based and meets the actual requirements of vulnerable households.

Funding and Demand

21. In 2011/12, the DWP provided £377,200 in support for crisis loans and community care grants to residents of Central Bedfordshire. The government will make available a grant in 2013/14 and 2014/15 to the Council of £355,903, a reduction of £21,297 (just under 6%). In addition there is an allocation of £75,205 to cover administrative set up costs, reducing to £68,943 for the financial year 2014/15. The administrative cost will contribute to employing two FTE staff for a defined temporary period to assist with both Emergency Provision assessments and Grant Provision assessments and there is existing service provision to manage demand. The government grant is not ring fenced and will be paid to the General Fund. There is therefore a potential funding shortfall, which is the greatest risk arising from the scheme.
22. Information from the DWP shows that, in 2011/12 the average Crisis Loan, in Central Bedfordshire was £60 and the average Community Care Grant £567. The DWP also reports that it costs more to ensure the repayment of the loan than is collected back, as very small loans of this nature are not a financially efficient method of providing support. As a consequence it has to be recognised that much of the funding will not be recoverable, although attempts will be made to reclaim some funds
23. There is considerable uncertainty surrounding the level of likely demand for assistance and the nature of the help requested. The DWP is unable to provide figures at a local authority level to show the type of measure provided and the nature of the crisis or other event experienced by applicants. In addition, the impact on demand for assistance from changes to other benefits and allowances can not be anticipated with any degree of certainty. However, the DWP have made available a transitional fund which will assist in meeting the needs of those households that are in crisis. Households will also be able to access a new Budgetary Loan being made available by the DWP
24. The adoption of a local scheme would provide the opportunity to introduce a "case worker" type approach which would provide a more holistic response to identified need. This would allow clients to be helped through accessing charitable funds and possible referral to appropriate support from the voluntary sector. There is the potential to increase self reliance and resilience by signposting applicants to organisations who can assist with life skills, budgeting advice, mutual support and self help. It would also be possible to make engagement with such support a condition of financial assistance in certain cases.

25. The phased approach to implementation of a local scheme will enable the Council to measure more accurately the level and type of demand and therefore devise appropriate demand management strategies and ensure accurate monitoring of expenditure. This will also enable the Council to tackle potential fraud. This approach has been discussed with officers at Luton Council and Bedford Borough and the DWP to ensure a consistency of approach and to minimise the risk of fraud.

Proposed Scheme

26. The scheme will be called Local Welfare Provision and will be separated into Emergency Provision and Grant Provision, which in essence will mirror the present system of crisis “loans” and community care grants.
27. Access to the service will be via telephone and all customers will be expected to meet the eligibility criteria to qualify. For Emergency Provision, if all the eligibility criteria are met then the outcome will be a transfer of funds into the customers’ account. The maximum limit will be £60, but there will be a banding of payments between £0-20, £21-40, £41-60. The Scheme will also try to maximise the use of ‘All Pay’ cards, (subject to established contracts or new provision) which are cards that entitle the holder to buy goods limited to the amount of credit contained on the card. This would be targeted to those few households that may not have a bank account. Cash provision has been considered, but carries a large degree of risk in terms of fraud, security and implementation. Where food is required customers will be offered assistance via the Food Banks in Dunstable or Biggleswade or the nearest local provision via the Food Bank Network. For Grant Provision, if the eligibility criteria are met, an appointment will be made with the Housing Needs Service to fully assess the needs of the customer. Work is underway to enable the Council to access furniture through appropriate procurement processes.
28. As a consequence of the reduced funding from the DWP it is necessary to review the eligibility criteria. **APPENDIX A** sets out the eligibility criteria and the rationale for change. In Phase 1 of the scheme the only change to the criteria will be the introduction of a local connection provision. This will allow better targeting of assistance to the residents of Central Bedfordshire. The Council’s statutory provision is already geared to meet the needs of the most vulnerable people, therefore this provision is targeted to those customers who genuinely require assistance, but are not eligible for the statutory provision.
29. It must be noted that any changes made to this criteria that may result in an increase in demand for welfare provision that would have a potentially negative effect on the fixed budget and may require additional funding. It is envisaged that in Phase 2 of the Project a broad consultation will be launched with regards to the Eligibility Criteria.
30. An Appeals Process has also been designed to enable customers to appeal decisions on both Emergency provision and Grant Provision. The scheme does not intend to provide a 24 hour service as all night emergencies will continue to be dealt with by the Council’s Emergency Duty Team

Administration of the Scheme

31. In designing the scheme for LWP it was key that it was embedded into the Council's Customer First programme to maximise efficiency gains and to provide a single point of access to all customers, through Customer Services. However, due to the lead-in periods for Customer First it will not be possible for the processes to be embedded with Customer Services by 1 April 2013. There are also issues surrounding data capture and complexities of using the QL IT system for Housing in a Customer Services environment
32. A change request has been incorporated into the Customer First Programme to accommodate Local Welfare Provision .It is anticipated that the changes will not be implemented until after 'go live' date for Local Welfare Provision around June 2013 . The CRM used by Customer Services would be a much more adaptable platform fit for purpose and be better able to handle data requirements.
33. As a consequence the Operational design of the scheme has been altered in order to accommodate the scheme successfully into the Customer First programme at a later date. Initially it is proposed that the scheme will be run by the Council's Housing Needs Service from 1 April 2013. **APPENDIX B** highlights the two operational designs that have been considered
34. This report proposes that Option 2 is the most viable Operational option for Phase1 of this scheme and minimises many elements of risk. By allowing the Housing Needs Service to run the scheme, intelligence and data on demand can be captured and used to design business process into Phase 2 and integration with Customer First. The Housing Needs Service is experienced in dealing with vulnerable households and also has experience of administering grant funded services for vulnerable households. This period will also allow for the fine tuning of procedures and processing and monitoring of the scheme and its effectiveness and indeed its future direction.

Conclusion and Next Steps

35. The Local Welfare Provision scheme Project will continue to be managed and developed up until the end of Phase1 with a 'go live' date of 1 April 2013. A communications plan has been developed and the DWP do not plan any publicity on the changes before February 2013
36. In February 2013 there will be an opportunity for key stakeholders to understand how Local Welfare Provision will work in Central Bedfordshire via an invited one day event

Appendices:

Appendix A – Eligibility Criteria

Appendix B – Operational Design Options Phase 1

Background papers and their location: (open to public inspection)

Equality Impact Assessment

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