

Wiltshire Council

Cabinet

12 February 2013

Subject: New Local Welfare Provision

Cabinet member: Cllr John Thompson - Adult Care, Communities and Housing

Key Decision: Yes

Proposals

1. That the cabinet ratify the proposed criteria and delivery model for a new local welfare provision.
2. That the cabinet provide officers with delegated responsibility to make minor amendments to the application of the scheme in light of review and ongoing consultation.

Reason for Proposal

As part of the Welfare Reform Act (2012), the Government is abolishing the current system of Social Fund discretionary payments. From April 2013, the support provided to households through the Social fund by means of Community Care Grants and Crisis Loans for Living Expenses will cease and Local Authorities will receive financial support to enable them to develop and implement their own 'successor models'.

This report is the second of three reports that will introduce local schemes to administer welfare support, the first being council tax support, the second being Local Welfare Provision and the third to raise awareness of how the discretionary housing payments and discretionary council tax support payments will be directed as a result of these changes.

Name of Director Michael Hudson
Service Director, Finance

Wiltshire Council

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Purpose of Report

1. The purpose of this report is twofold:-
 - 1.1 Firstly it provides an overview of the transferred responsibility for Social Fund discretionary payments from the Department for Work and Pensions (DWP) to unitary and upper tier authorities from April 2013.
 - 1.2 Secondly, it seeks approval for a new local scheme for Wiltshire that will replace elements of the social fund with a new 'Local Welfare Provision' (LWP) The full detail of the new scheme is set out in the policy document contained in appendix A of this report.

Background

2. The Welfare Reform Act (2012) abolishes Community Care Grants and Crisis Loans with effect from 31st March 2013. These are discretionary Social Fund payments administered by central government through the Department for Work and Pensions (DWP).
 - 2.1 Crisis Loans (CL's) are interest - free loans and available to anyone who cannot meet their immediate short term needs in an emergency or as a consequence of a disaster. CL's are awarded for immediate living expenses such as food, heating and clothing in order to avoid serious damage to the health and safety of the applicant or a member of their family. The average loan for Wiltshire applicants in the six month period between April and September 2011 was around £51 with over 2500 applications received and 2100 successful awards.
 - 2.2 Community Care Grants (CCG's) are a non – repayable payment awarded for a range of expenses including household equipment, primarily to support vulnerable people to return to or to remain in the community or to ease exceptional pressures on families. The average grant for Wiltshire

applicants in the six month period between April and September 2011 was £598.00, with almost 500 applications received and 380 awards.

- 2.3 The Government's intention is that CCG's and CL's will be replaced with a combination of locally based provision alongside a new nationally administered scheme. The national scheme will provide an advance of benefit facility in addition to regulated elements of the social fund for things like funeral expenses, cold weather payments and sure start maternity grants. Local authorities have been given the flexibility to determine the scope and design of their own locally based provision to sit alongside the national scheme.
- 2.4 There are acknowledged weaknesses in the operation of CCG's and CL's and for this reason the government does not want or expect local authorities to replicate the current system of awards. Instead there is an expectation that funding is concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need.
- 2.5 The funding formerly spent in local areas in delivering support has been devolved by government to a local level. Wiltshire Council has received confirmation from the Department for Work and Pensions (DWP) about the funding transfer settlement for the new scheme. The annual budget will be £619,057 in 2013/14 with an additional £130,811 for administrative costs. In 2014/15 the budget will remain at £619,057 but administration costs will fall to £119,903.

Although local authorities have been given the opportunity to redesign and deliver emergency provision in a more responsive and integrated way, the new scheme has to be developed in a sustainable way as funding is not guaranteed beyond 2014/15. In addition the allocation for Wiltshire seems to be less than in the previous years, (estimated £50,000 compared with 2011/12).

Design and delivery approach to new scheme

3. The Council's approach to the delivery of the new scheme needs to be set within the broader agenda of the welfare reform programme. We know that the council will be running a number of discretionary payment schemes from April 2013 including discretionary housing payments and the council tax support discretionary fund. Access to each of these funds will initially be through application, each with different qualifying criteria. However each of the discretionary funds will continue to be managed, in one place, by the council's Revenue and Benefits Service. The advantage of this approach will mean that the processing of an application may result in an offer or sign-posted to claim other discretionary awards. It is therefore sensible, where possible, for residents to be assessed for their eligibility for this type of support in a holistic manner rather than having to pass through multiple assessment procedures. A further report regarding

discretionary housing payments and discretionary council tax support will be produced later this year, once details of funds available have been confirmed.

- 3.1 The Council's Revenues and Benefits team have been tasked with administering the new scheme. The team are already skilled in delivering regular and one off awards in a consistent, measured and secure way. They already have knowledge of the I.T. solution capable of delivering the new scheme and importantly have controlled processes in place to issue secure awards in a variety of ways. They also have access to data held by the DWP which is subject to stringent security checks and data sharing protocols, through the Customer Information System (CIS). (See Appendix C)
- 3.2 The intention is, over time, to establish and develop a universal assessment process that provides a holistic solution in terms of accessing the new scheme in addition to a range of council services. Furthermore, applications received which are covered through other provisions will be refused and applicants appropriately signposted and supported to access an alternative provision.
- 3.3 It is envisaged that this 'Systems thinking' approach to service delivery will be the catalyst for far more joined up working across housing, revenues, benefits, adult and children's services.
- 3.4 Because the funding provided for the scheme is less than the current DWP spend on Crisis Loans and Community Care Grants, it has been necessary to create a robust scheme that prioritises those most in need.
- 3.5 In developing a new scheme the council has attempted to go back to basics and capture the original intention of Community Care Grants and Crisis Loan by focusing design around two key principles these are;-
 - To support people through personal economic/life crisis, alleviating immediate hunger or poverty, this may be through either signposting and/or direct support.
 - To prevent economic crisis by promoting independence. Helping people to try and help themselves through sound financial management advice and support.
- 3.6 It is envisaged that the second of the key principles with regard to promoting independence will only really begin to be fully realised in year two of the scheme, as the Council gains a clearer understanding of the underlying causes of crisis identified during the application process.
- 3.7 The Council has consulted with the Department for Work and Pensions (DWP) and a range of key stakeholders in order to identify demand and future need for emergency support; this has been in addition to researching the available options.

- 3.8 Key challenges in the design of the scheme have been with regard to whether or not to prioritise particular client groups and if the scheme should include the provision of cash support.
- 3.9 In 2006 the Joseph Rowntree Foundation published research into what a revised social fund might look like. The general consensus from the focus groups (a mix of benefit recipients and non benefit recipients) was that the scheme should be based on need rather than client group and that the system should be one of grants rather than loans. The research also identified a preference for people to receive goods in kind, although it acknowledged that this could lead to stigmatising individuals.
- 3.10 Having weighed up the inherent risks of making cash payments particularly with regard to abuse of the scheme, as well as the limited funding available, the council has resisted the option of cash awards.
- 3.11 Rather than provide applicants with cash payments the council has worked with partner organisations and is developing a network of support which can be accessed by referral. For example, in the form of a referral to food bank, white good supplier or furniture supplier rather than cash payments.
- 3.12 Those outside of the remit of the service would be directed to other forms of support by means of intelligent signposting to other organisations that can help tackle people's underlying financial needs or problems.
- 3.13 The policy document outlining the new scheme is contained in appendix A of this report.

Consultation and Communication

4. The Council has already sought views of the DWP and other key Stakeholders in relation to the policy and will continue to do so as the scheme develops. A series of works shops have also been organised throughout January to raise awareness and map existing services
- 4.1 Initially the DWP and Citizen Advice Bureau will be the main referral agents to the scheme. It is anticipated that the number of agents will increase as the scheme continues to develop.

Environmental and climate change considerations

5. None

Equalities Impact of the Proposal

6. An equality analysis is attached at Appendix B.

Risk Assessment

7. The introduction of any new scheme, specifically a local scheme, carries with it the inherent risk, in terms of its design, to minimise challenge and dispute whilst offering a simple and cost effective solution.
- 7.1 The funding arrangements will mean that the council will inherit a new financial risk due to the uncertainty over estimations of demand for the service particularly in context of wider reforms including the introduction of the new universal credit.
- 7.2 The scheme is targeted at some of the most vulnerable members of our community and consideration will have to be given to the range of behaviours staff may encounter. Further work may be required to ensure the security of staff and members of the public who may encounter a dissatisfied customer in crisis, and may not behave in a rational way.
- 7.3 Customers will need to be clearly sign-posted to specific council offices equipped to deal with assessing an award quickly. Whilst reception areas have been risk assessed, where staff are dealing with these customers face to face it will be important to have clear guidelines and appropriate procedures to minimise any risk of violent or threatening behaviour toward assessment staff.

Risks that may arise if the proposed decision and related work is not taken

8. Any failure to provide an appropriate service will have a negative impact on the well being of vulnerable people and the reputation of the council.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

- 8.1 Demand for the scheme may outweigh budget, to mitigate against this council will monitor expenditure carefully through designated I.T. system and provide robust award criteria to ensure available budget is targeted to those most in need.

Financial Implications

9. The DWP settlement for the provision of the new service includes an annual budget of £619,057 in 2013/14 with an additional £130,811 administrative costs. In 2014/15 the budget will remain at £619,057 but administration costs will fall to £119,903. The council has received no information about funding for the scheme beyond 2015.

- 9.1 The Council will be entering into an agreement with Northgate to provide suitable software to deliver the scheme. Northgate are the current IT Software suppliers for Revenues and Benefits. The software costs will be £8,000 per annum and met from the capital savings that resulted from the implementation of the new Revenues and Benefits system.
- 9.2 A major financial challenge will be to manage the costs of the service within a fixed budget ensuring applicants get the same service irrespective of when, in the financial year, they apply.

Legal Implications

10. The Welfare Reform Act 2012 provides for the abolition of Community Care Grants and Crisis Loans. From April 2013 Local Authorities have been tasked by central government with providing locally based schemes and funding has been made available to enable them to do so, although there is no statutory duty on local authorities to provide such schemes. Central government has stated that it expects these new schemes to enable a more flexible response to unavoidable need, with funding to be concentrated on those facing greatest difficulty in managing their income. Duties under the Equality Act 2010 have been addressed at Appendix B. There are no other specific legal implications of the report.

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Background Papers

Settlement letter DWP

Background data re social fund

Appendices:

Appendix A Local Welfare Provision policy document

Appendix B Equality Analysis

Appendix C Data sharing protocols with the DWP
