

# LOCAL WELFARE SUPPORT SCHEME

<b>Cabinet Member(s)</b>	Councillor Ray Puddifoot Councillor Jonathan Bianco
<b>Cabinet Portfolio(s)</b>	Leader of the Council Finance, Property and Business Services
<b>Officer Contact(s)</b>	Paul Whaymand, Director of Finance
<b>Papers with report</b>	Appendix A – Draft Local Welfare Support Scheme

## 1. HEADLINE INFORMATION

<b>Summary</b>	This report seeks Cabinet approval to implement the Council's scheme for local welfare support, with effect from 1 April 2013.
<b>Contribution to our plans and strategies</b>	Achieving value for money is an important element of the Council's medium-term financial plan.
<b>Financial Cost</b>	This scheme will be self-financing; the proposal is that the costs of payment and administration will be fully funded from the grant payable from Central Government.
<b>Relevant Policy Overview Committee</b>	Corporate Services and Partnerships Policy Overview Committee Residents' and Environment Services Policy Overview Committee Social Care, Health and Housing Policy Overview Committee
<b>Ward(s) affected</b>	All

## 2. RECOMMENDATION

**That Cabinet approve the proposed Local Welfare Support Scheme attached in Appendix A.**

### **Reasons for recommendation**

Central Government will be transferring the funding for the Crisis Loans and Community Care Grants elements of the current Department for Work & Pensions (DWP) Social Fund to local authorities from 1 April 2013. The expectation is that local authorities will create a local welfare scheme to cater for those elements no longer provided by DWP.

## **Alternative options considered / risk management**

Not to adopt a scheme. The funding from central Government is not 'ring fenced' and there are no new duties on local authorities to provide the new assistance. However, Central Government have stated their intention to review 50 local authorities on how they have used the funding during 2014/15.

## **Policy Overview Committee comments**

None at this stage

## **3. INFORMATION**

### **Background**

The current Social Fund, introduced in 1987, is administered in full by the DWP. However, from April 2013 Central Government will be transferring the funding for the Crisis Loans and Community Care Grants elements of the Social Fund to local authorities. The expectation is that local authorities will create a local welfare scheme to cater for those elements no longer provided by the DWP. There is no requirement to replicate the current scheme and local authorities are free to design a scheme best suited to local need, from eligibility through to delivery and payment. But while the funding will not be ring fenced, during 2014/15, 50 local authorities will be reviewed on how they have used the funding. It would, therefore, appear prudent to use the funding for a provision along similar lines to the current scheme.

There are two key elements a local provision should provide:

- Community Care Grants to help individuals and their families to establish themselves in the community; or to maintain themselves in the community; or to continue their links with family, friends and local life.
- Crisis Loans intended to meet short-term needs either in an emergency in relation to certain expenses or as a consequence of a disaster.

With each element consideration needs to be given to other funding sources available and also the priority of need.

### **Local Scheme Design and Delivery**

As mentioned above, each authority will have to design all aspects of a scheme best suited to local need, including scheme rules and eligibility criteria, in addition to how the scheme will be delivered and payments made. Agreement was given through a Cabinet Member report in January to appoint Liberata to provide a managed service to operate the Hillingdon Local Support Scheme for a period of two years and also to procure a system to operate the new provision from Northgate. This report focuses on the specific scheme design and eligibility criteria.

The overriding principle of the scheme is the intention to meet short term needs (not exceeding 14 days):

- Either in an emergency in relation to certain expenses, or
- As a consequence of a disaster

Key in designing a scheme was maintaining focus on the specific intentions of this new provision. With the wealth of other support available from various agencies and other Council services, the scheme rules need to be clear to ensure that the funding is directed towards those with greatest need. Additionally, as funding is limited, the rules need to make clear that once the allocation has been awarded in full, there will be no additional funding available.

Work on the design of this scheme has been closely aligned to the various workstreams across the Council on impending welfare reforms. In addition, Officers are working with the DWP, specifically with Job Centre Plus, to help people likely to be affected to understand the changes and make appropriate preparations.

In designing the scheme rules, the following criteria were taken into consideration:

- Eligibility to claim
- Qualifying benefits
- Level of payments
- Whether anyone else could help meet the need and any alternative funding
- How payments will be made
- What payments can cover
- How to apply and effective date
- Evidence and defective claims
- Repeat applications
- Decision making process
- Requests for review of decision
- Funding available

A copy of the draft scheme is attached as an appendix to this report. The document is designed to fully explain all aspects of the scheme and, once agreed, will be published on the Council's website. It explains who is eligible to apply; how to apply; what payments are intended to cover; evidence required in support of applications and the decision-making process.

Application will be by telephone to a dedicated number and full assistance with the application process will be given. All Council services will be made aware of this and so if they are approached for assistance, they will be in a position to help residents to access the service. Additionally, the Revenue and Benefits Service is responsible for the scheme, running it alongside Housing Benefits, the Local Council Tax Reduction Scheme and awards of Discretionary Housing Payments. Officers considering applications will have access to Council databases on each of the above, ensuring that residents are directed to the most appropriate form of support available to them.

Discussions are ongoing in respect of how awards will be made, but it is anticipated that pre-paid cards will be used for emergencies only and vouchers, which can be exchanged for goods and services, will be used for all other awards.

## **FINANCIAL IMPLICATIONS**

The indicative funding for the new local welfare provision was contained within the last Comprehensive Spending Review and so allocations are only available for 2013/14 (year 1) and 2014/15 at this stage. The funding available is as follows:

<b>Year</b>	<b>2013/14</b>	<b>2014/15</b>
Start up funding	7,092	
Administration	149,866	137,368
Programme funding	709,230	709,230

The intention is that the cost of any new provision would be contained within the funding available, both in the initial years and ongoing. Programme Funding is intended to cover all awards of payments to residents. DWP have provided information on the number and level of payments made over the last two years:

<b>Year</b>		<b>Applications</b>	<b>Awards</b>	<b>Total Spend</b>
2010/11				<b>£</b>
Crisis Loans	Items	1,350	780	138,600
	Living Expenses	4,430	3,350	186,600
Community Care Grants		1,900	910	538,400
<b>Total</b>		<b>7,680</b>	<b>5,040</b>	<b>863,600</b>
2011/12				
Crisis Loans	Items	350	200	30,800
	Living Expenses	3,610	2,880	151,700
Community Care Grants		1,860	800	565,700
<b>Total</b>		<b>5,820</b>	<b>3,880</b>	<b>748,200</b>

On the basis of recent history, eligibility criteria will need to be tighter in a local provision to enable the scheme to operate within the funding of £709k provided. The scheme rules make clear that no funding in excess of the £709k provided will be made available for this scheme.

Expenditure will be carefully monitored throughout the year and if it seems likely that demand could risk available funding being exhausted before the end of the year, then an urgent review of the eligibility criteria will be undertaken.

#### **4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

The availability of a local welfare provision will help prevent serious risk to health and safety of the most financially excluded residents within Hillingdon. Additionally it could ease severe financial pressure on families in certain situations and help those without the necessary means to either establish themselves in the community after a period of institutional care, or to remain in their community.

#### **5. CORPORATE IMPLICATIONS**

##### **Corporate Finance**

Payments by the DWP over the previous years for Crisis Loans and Community Grants in Hillingdon have amounted to £863k in 2010/11 and £748k in 2011/12. The programme funding transferred to the Council for 2013/14 and 2014/15 is £709k per annum, less than the DWP is currently spending on these loans and grants. Therefore, the local scheme rules and eligibility criteria will need to ensure that the cost of any future awards made by the Council are contained within the funding provided for the period 1/04/13 – 31/03/15.

The local scheme proposes that, as the funding available is very limited, the Council will need to exercise discretion in deciding the use of the £709k. In order to ensure funding is available throughout the year, expenditure will be closely monitored. If there is a serious risk of the available funds being exhausted before the year end, an urgent review of the eligibility criteria will be undertaken.

## **Legal**

The Welfare Reform Act 2012 gives the Secretary of State power to transfer responsibility for the administration of the Social Fund from the Department of Work and Pensions to local authorities. On 10 December 2012, the Secretary of State made the Welfare Reform Act 2012 [Commencement No.6 and Savings Provision] Order 2012. This Order provides for the Council to take over responsibility for the Crisis Loans and Community Care Grants elements of the Social Fund on 1 April 2013.

The Secretary of State has the power to issue directions as to how the funding for the above is to be spent but the Borough Solicitor is not, at the time of writing this report, aware of any such directions having been made.

The information which has currently been provided to local authorities is that the funding is not 'ring-fenced' but there is an expectation that they will use it for the purpose for which it has been given and that they will be reviewed on how they have used the funding.

The Council is required to design a local welfare support scheme. In the absence of any directions from the Secretary of State, the Council has a discretion as to how the scheme is to be set up and as with any discretion exercised by a local authority, it should be done so reasonably and fairly in order to withstand a successful legal challenge. The scheme which Cabinet is being asked to approve is based on local need and it includes scheme rules and eligibility criteria and it sets out how the scheme will be delivered and payments made. The Borough Solicitor is not aware of any legal impediment which would prevent Cabinet from agreeing to adopt the scheme.

## **Relevant Service Groups**

Officers across the Council are working together on the welfare reform agenda and have been included in the development of this scheme.

## **6. BACKGROUND PAPERS**

NIL