

North Tyneside Council

Report to Cabinet

Date: 11 March 2013

ITEM 7(j)

Title: Local Welfare
Provision

Portfolio(s): **Adult Social Care**

Cabinet Member(s): **Councillor Leslie
Miller**

Report from Directorate: **Community Services**

Report Author: **Jacqui Old, Head of Adult Social Care** Tel: (0191) 6437317

Wards affected: **All Wards**

PART 1

1.1 Purpose:

The purpose of the report is to seek Cabinet's approval to implement Local Welfare Provision to replace the administration of Community Care Grants and Crisis Loans by the Department for Work and Pensions.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Approve the plans for implementing a Local Welfare Provision in North Tyneside; and
- (2) Agree the proposed eligibility criteria.

1.3 Forward Plan:

Twenty eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 30 January 2013.

1.4 Council Plan and Policy Framework

This report arises from the enactment of the Welfare Reform Act 2012 and has no direct connection to the Council Strategic Plan or the Sustainable Community Strategy 2010-13.

1.5 Information:

1.5.1 Background

As part of the wider welfare reforms, the Government is abolishing the discretionary Social Fund from April 2013 and asking local authorities to set up replacement schemes for Crisis Loans and Community Care Grants. The Authority has spent time in assessing the impact of the range of changes proposed by the reform of the welfare benefits system. In February 2013, the Elected Mayor convened a cross party Welfare Reform Task and Finish Group to ensure that the Authority and its partners are prepared for the impact of the Government's welfare reform changes, and that appropriate arrangements are put in place to support people affected by the changes. The Task and Finish Group will develop recommendations for a borough wide Welfare Reform Action Plan and will cover the local response to each of the individual reforms, with an assessment of the impact and financial implications for the residents affected.

The Localised Council Tax Support Scheme was agreed at full Council on 30 January 2013 and will provide additional support to working age claimants up to 93 percent of their Council Tax liability. In order to support those affected the Authority will increase the Discretionary Housing Payment Fund to the maximum level and the Welfare Reform Task and Finish Group will be responsible for reviewing the criteria for the Authority's use of Discretionary Housing Payments.

The Government's contention in localising support for Crisis Loans and Community Care Grants is that local authorities are better placed to provide assistance in these circumstances, as many of the reasons for making an application will be linked to wider services that councils already provide and/or commission, such as support for young people moving on from care or following a stay in homeless accommodation. It is also hoped that local control will ensure that best use is made of the limited funding.

There is no requirement for local authorities to set up the replacement scheme(s) in a particular way and local authorities are encouraged to:

- work in partnership with the local Third Sector to develop schemes
- explore a range of in-kind support, and to link to advice, information and advocacy
- explore a full range of models for delivery.

The localising of the schemes provides the Authority with opportunities to build on its contact with people who face a crisis situation to help them prevent repeat episodes and to maximise the value of the funds. To this end there will be a single approach to prevention that will align the use of these funds to existing care and support provision.

This report sets out the principles for the delivery of a service to replace Community Care Grants and Crisis Loans.

1.5.2 Current Arrangements

At the moment, the Government administers the Community Care Grant scheme as a discretionary element of the Social Fund through the Department for Work and Pensions (DWP). The DWP in turn administers Community Care Grants and Crisis Loans through a centralised processing office and national phone line. The DWP then makes a direct payment into a successful applicant's bank account for the amount of assistance

awarded. Alternatively, a giro is posted to the applicant's address or collected from their local Jobcentre Plus office.

Community Care Grants are non-repayable grants which are intended to support vulnerable people to remain in, or return to, the community, or to ease exceptional pressure upon families. Eligibility is dependent upon receipt, or imminent receipt of, an income-related benefit.

Grants are commonly awarded for a range of expenses including household equipment such as white goods and furniture. Their aim is to:

- help people to establish themselves in the community following a stay in institutional or residential care
- help people remain in the community rather than enter institutional or residential care
- help with the care of a prisoner or young offender on release on temporary licence
- ease exceptional pressures on families, e.g. the breakdown of a relationship (especially if involving domestic violence) or onset of a disability, or a disaster, such as fire or flooding
- help people setting up home as a part of a resettlement programme, e.g. following time in a homeless hostel or temporary accommodation, or
- assist with certain travelling expenses, e.g. for funerals of a family member or hospital visiting.

Crisis Loans are repayable loans that are intended to cover immediate short-term needs that arise because of a disaster or emergency situation. An award may be for a specific item or service or to meet immediate living expenses for a short period, usually up to 14 days.

They are commonly awarded to assist with events or sudden misfortune, the result of which will normally be significant damage to, destruction or loss of, possessions or property. For example:

Disasters

- Flooding
- Gas Explosion
- Chemical Leak
- Fire

Emergency Situations

- Loss of money through robbery or burglary
- Waiting for benefit payment
- Stranded away from home without funds to return.

1.5.3 Transfer of Funding for the new Provision

In August 2012 DWP provided notification of the indicative amount that will be available for the new provision as well as the amount of set up and administrative funding - this amount is for the replacement of both elements of the Social Fund (both Community Care Grants and Crisis Loans). Confirmation of this funding was provided in December 2012 as follows:

2012/13

Set up funding	£7,168
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2013/14

Programme funding	£716,790
Administrative funding	£151,463

2014/15 (indicative)

Programme funding	£716,790
Administrative funding	£138,832

DWP published figures show that in 2011/12, £245,500 was spent on crisis loans and £534,500 on Community Care Grants amounting to a total spend of £780,000. This relates to 8480 applications and 5780 awards.

The funding identified for 2014/15 remains indicative. Correspondence received in December 2012 from Steve Webb MP, the Minister of State for Work and Pensions, identified that the funding for 2014/15 will be finalised in Autumn 2013 once the figures detailing the spend across 2012/13 are known. The indicative amount will be adjusted to reflect this spend.

1.5.4. Principles for a Local Welfare Provision scheme

Due to the limited amount of funding available for the replacement scheme, the Authority will be unable to replicate the provision currently in place by the DWP. As such, the following principles are proposed in order to ensure needs are targeted, whilst aligning with the Authority's existing plans and commitments which seek to protect those with a risk to their personal health and safety.

It is intended that awards will be made in the form of goods and services rather than cash or cash substitutes e.g. vouchers and pre-payment cards. However, timescales for procuring appropriate vendors are difficult given that confirmation of the indicative budget was received in December and the new arrangements come into force in April 2013. There is therefore a possibility that the Council may need to use a voucher system as an initial step until appropriate provision arrangements are finalised.

Awards are non recoverable due to the transactional costs of recovery. It is proposed that there be two types of award – a Crisis Award and a Resettlement Award.

A) Crisis Awards

Crisis awards are proposed to be awarded to those who have:

i) a risk to the personal health and safety of themselves and/or a member their household and they are unable to secure funding from any other source. This includes provision of:

- Food
- Fuel for heating their home
- Travel costs in emergency situations, for example having a critically ill child in hospital; or

ii) suffered a disaster or crisis. This includes:

- No access to vital necessities (e.g. food, heating and, in rare circumstances, clothing)
- Major flooding, gas explosions or fire which affects the home (where insurance or utility companies are not liable)
- Emergency trips to hospital (e.g. to Accident and Emergency)
- Breakdown of family unit (e.g. fleeing violence).

The only people who will be eligible for support are those who would be at risk of significant harm should the support not be provided. The overarching outcomes are:

- To make best use of all the Authority's resources to support those in times of crisis or disaster through no fault of their own.
- Refer customers to other service providers where appropriate (e.g. request for specialist items need to be referred to social care or NHS).
- To support the most vulnerable by aligning provision and access to appropriate support services and advice.

B) Resettlement Awards

It is proposed that resettlement awards are aimed at helping people on low incomes to resettle and sustain independence in the community, where they have no alternative access to items required to maintain independence. The awards are proposed to provide help for people to:

- resettle in the community following a stay in an institution
- remain in the community rather than enter an institution
- set up home in the community, as part of a planned resettlement programme, following an unsettled way of life.

The overarching outcomes are:

- To allow people to return to or remain in the community without the need for more costly or intensive care and support services.
- To make best use of all the Authority's resources which aim to resettle and maintain people in the community. This includes providing resources for support workers to facilitate maintained independence for their clients.
- To support the most vulnerable by aligning provision and access to items to appropriate commissioned support services and advice.

1.5.5 Type of provision covered by the Awards

A) Crisis Awards:

- Food e.g. from supermarkets or food banks (initially vouchers may need to be provided)
- Fuel top up (preferably via a direct transaction but prepaid cards may be used in the first instance)
- Fuel reconnection charges
- Travel costs e.g. travel where a critically ill child is in hospital or to attend a funeral
- Clothing, nappies, means of maintaining personal hygiene in special circumstances, for example if a person lost all possessions in a house fire.

The service will **not** include payments into individuals' bank accounts.

Awards will be discretionary. Due to the limited amount of money available for the scheme and to ensure that full use is made of the funding each application will be considered on its own merit. Alternative methods of payment will only be considered in **exceptional** circumstances.

B) Resettlement Awards

It is proposed that Resettlement Awards cover provision of one or more of the following in accordance with need, if the person is in unfurnished accommodation:

- Beds
- Bedding
- Chairs/sofas
- Tables
- Wardrobes
- Pans, utensils, crockery and cutlery
- Kettle
- Floor coverings
- Curtains
- Cookers
- Fridge/freezer
- Washing machines
- Heaters
- Storage or removal costs
- Connection charges, or instalment of a pre payment meter

The Service will monitor demand and amend this list according to locally identified need.

1.5.6 Service delivery

Administrative funding is available from Government to support Local Welfare Provision. However, to maximise the use of finite resources and to improve the service to customers, a central contact point will be established for Local Welfare Provision, Supported Accommodation and Adult Social Care. This will allow a single point of entry to assessment and services for people requesting social care and welfare assistance, including those people who experience difficulty in accessing and sustaining a tenancy. This service will maximise the benefit of existing staffing and management structures, reduce the need for additional management posts and will utilise housing and social care expertise.

Calls will be screened by the existing customer contact officers in Gateway. This will consist of a telephone based assessment. Requests for social care services will be dealt with using the existing systems where social work staff will conduct a more in depth assessment of need and provide the appropriate advice and support. Requests for support with housing, or a Crisis or Resettlement Award, will be dealt with by a new team made up of the current welfare benefits and housing gateway teams. These staff will have the necessary skills to enable them to risk assess individuals, communicate clearly, handle difficult conversations, maximise income and ensure that individuals are provided with ongoing advice and support where needed. The aim of this is to assist citizens to build individual resilience and prevent further crisis situations. This methodology also allows the Authority to monitor and respond to a changing demand caused by other changes in the welfare system that impact on the ability of individuals to manage financially.

The service will be provided Monday to Friday, 8:00 to 18:00. There will be no out of hours service. This offer is the same as the current availability of DWP support. People who present to the Authority in the out of hours period will receive an emergency service via the usual out of hours arrangements. From April 2013 applications will be made by telephone and as the Adult Social Care website develops, online applications will be accepted.

- Applications can be made by the applicant, their Appointee or their Advocate
- Timescales for decisions will be based on individual circumstances and the presenting risk
- Customers will be notified of the Authority's decision via telephone, followed by a decision letter/email.

We aim to make arrangements directly with vendors to make delivery of the required goods and services to customers. In the initial period of implementation, vouchers may need to be used and arrangements for the collection/delivery of these vouchers will be agreed.

1.5.7. Eligibility criteria

In order to be eligible for immediate assistance, whether by way of a crisis award or a resettlement award, it is proposed that applicants must meet the following criteria:

- They would be at risk of significant harm without a response and/or have suffered a disaster or crisis and
- Live within North Tyneside and
- Not be an excluded person(see below), and
- They have no/nil income, or
- They are in receipt of one of more of the following qualifying benefits: Income Support and/or Employment and Support Allowance and/or Jobseekers Allowance and/or Pension Credit and/or Universal Credit and
- Be aged 16 or over (for those under 18 who do not have a support worker, referral is to be made to Children's Services) and
- Not have savings or investments of more than £500 if aged under 60, and £1,000 if aged over 60

Exclusions

A Crisis Award will not be granted for:

- A crisis that occurs outside the United Kingdom
- An educational or training need, including school uniform and travel expenses
- School meals
- Any expenses that are in connection with legal proceedings
- Removal or storage charges for re-housing except as the direct result of a disaster
- Cost of domestic assistance and respite care
- Repairs to properties owned by the public sector, including registered social landlords
- Any medical service including medications
- Work related expenses for those seeking work and those already in work
- Monies owed to government organisations
- Costs and charges for a telephone
- Holiday
- Specialist equipment for medical reasons
- Costs and charges for a television, radio or IT
- Costs and charges for a motor vehicle, including fuel (except emergency travel expenses)
- Housing costs
- Rent in advance payments
- Council Tax
- Water charges
- Non householders
- Persons from abroad, with no recourse to public funds
- Maternity expenses
- Funeral expenses (except emergency travel)
- Addiction purposes except as part of ongoing vulnerability
- Spent benefit
- Benefit alignment
- Those people who have been given a sanction against further payments by the DWP.

The rationale for the above exclusions is either that support is available from alternative sources or that significant harm would not be caused by non provision of these items. This is in line with the criteria for such support set by other local authorities regionally.

1.5.8. Evidence required as part of the application process

It is proposed that proof of qualifying benefit, age and residency will be obtained from Housing Benefit and Council Support records and Customer Information System (CIS) via Revenue and Benefit department.

The following matters will be determined through a matrix of questions within the application process:

- Crisis / Disaster
- Emergency
- Risk to Health and Safety
- Access to funds/support from other sources
- Capital / Savings

For claims relating to stolen money a police crime number will be required.

1.5.9 Dispute resolution

Awards are discretionary and there is no entitlement for support, therefore no appeals procedure has been developed. This is in line with the current system operated by DWP, where there is a review process but not an appeals process. Based on historic data the suggested eligibility criteria will, however potentially result in a high number of applicants being refused an award. Whilst all applicants will be signposted to alternative sources of support, the fact that people may not receive immediate awards, and will not receive a cash payment, has the potential to significantly increase dissatisfaction with the service. Each stage of the decision making process has a dispute resolution methodology built in, whereby a line manager will review the decision made. If the claimant remains dissatisfied, they can make written representation to the Service Manager who will review the case and respond in writing. Cabinet will wish to bear in mind, when reflecting on this issue, that one of the policy aims of this change is to tackle an exponential rise in Social Fund claims over the last decade.

1.6 **Decision options:**

The following options are available for consideration by Cabinet:

Option 1

Cabinet may approve the implementation of Local Welfare Provision and the Eligibility Criteria as set out in paragraph 1.2 above.

Option 2

Cabinet may request that more work is done to define the offer of Local Welfare Provision in North Tyneside, noting however that the Authority has to be in a position to provide a method of support from 1 April 2013.

1.7 **Reasons for recommended option:**

Option 1 is recommended for the following reasons:

If Cabinet approves the recommended option, the service will be able to commence at the beginning of April 2013, allowing continuity of crisis support to the population of North Tyneside.

1.8 Appendices:

None.

1.9 Contact officers:

Ellie Anderson, Manager Business Assurance tel: (0191) 6437354
Suzanne Howard, Senior Manager Safeguarding tel: (0191) 6437078
Alison Campbell, Financial Business Manager tel: (0191) 6437038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) Local Support to replace Community Care Grants and Crisis Loans for Living Expenses in England.- Government Response to the call for evidence - DWP June 2011 ([available here](#))
- (2) Welfare Reform Act 2012 ([available here](#))

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Funding totalling £868,253 has been agreed by Central Government to support the administration and implementation of Local Welfare Provision across 2013/14. Funding for 2014/15 is to be confirmed in Autumn 2013 once the demand figures for 2012/13 are known. Existing staffing budgets are being utilised and enhanced by this funding allowing a more efficient use of resources. Spend is discretionary and therefore customers do not have an entitlement to an award. Careful monitoring of the budget will be required to ensure that there is no overspend and this might rely on further restriction of assistance should demand exceed the budget.

Initial assessment has identified that the record keeping and payment systems required can be managed within existing IT resources (AIS and Swift modules) and evaluation of alternative IT methodologies has not highlighted that there would be any benefit to the Council for additional expenditure. The staffing structure proposed encompasses existing staffing teams. There is the risk of the loss of one full time equivalent post in year one. The first year of the service will allow for detailed information to be gathered about volume and type of demand and staffing resources will need to be reviewed in light of this data. Cabinet's budget proposals for 2013-14 include a savings target for £0.215m to reflect that the delivery option is being developed within existing resources, releasing the administration element of £0.151m as an efficiency. In addition, as this is a discretionary service and there are a range of existing services which will meet a proportion of needs, it is estimated that an amount of £0.064m can be released from the support funding.

2.2 Legal

The Welfare Reform Act 2012 is the primary legislation that abolishes the discretionary Social Fund within the Department for Work and Pensions and transfers the responsibility for Local Welfare Provision to local authorities from 1 April 2013.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Senior Leadership Team decided that any system adopted by the Authority should aim to triage customers and provide the correct level of support to them including signposting to alternative services external to the Authority, using existing social care and housing expertise.

Cross council working has been established, and the following departments have been involved in developing this work: Adult Social Care, Children Young People and Learning, Revenue and Benefits, ICT, North Tyneside Homes, Community Engagement, Policy Equality and Partnerships, Cultural Services, as well as Balfour Beatty in respect of procurement and customer services involvement.

The Cabinet Member for Adult Social Care has been briefed and consulted with. The Elected Mayor has been briefed and briefing sessions will be arranged for Members. As mentioned in section 1.5.1, the Elected Mayor has convened a cross party Welfare Reform Task and Finish Group to ensure that the Authority and its partners are prepared for the impact of the Government's welfare reform changes.

2.3.2 External Consultation/Engagement

Consultation was undertaken by the Department for Work and Pensions with users of the Social Fund. This identified that people felt that goods and services were acceptable in place of cash, but that some element of choice should be available. However as the funding allocated for 2013/14 is reduced from the amount spent by DWP in 2011/12 the prime concern of the service is to ensure eligible need is met and significant harm is avoided. Regular contact has also been maintained with other regional Local Authorities to share plans for implementing replacement provision, and a regional system of sharing updates is being developed.

Adult Social Care has consulted with over 500 customers via 40 consultation events. These sessions identified that the public strongly supported the proposals of providing goods and services rather than cash and that aligning front line services was a positive move. Organisations in the Community and Voluntary sector have welcomed the holistic approach described in the proposals and have commented on the eligibility criteria.

2.4 Human rights

There are no human rights issues directly arising from this report.

2.5 Equalities and diversity

An equality impact assessment was undertaken in October 2011 by DWP in relation to new local welfare assistance to replace Social Fund Community Care Grants and Crisis Loans. An equality impact assessment has been completed in relation to local welfare provision in North Tyneside.

2.6 Risk management

A risk register has been created in respect of this project. Risks have been documented and discussed with the relevant Directorate Risk Champion. The Cabinet Member for

Adult Social Care has also been briefed about the potential risks. The risks identified will be managed within the Council's risk management processes and are documented on the Directorate risk register.

2.7 Crime and disorder

These arrangements are intended to support some victims of crime.

2.8 Environment and sustainability

There are no environment or sustainability implications directly arising from this report.

PART 3 - SIGN OFF

- Chief Executive
- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager Policy, Partnerships, Performance and Communications