

HEALTH AND ADULT SOCIAL CARE OVERVIEW AND SCRUTINY COMMITTEE

9 APRIL 2013

LOCAL WELFARE PROVISION

Report from: David Quirke-Thornton, Assistant Director, Adult Social Care

Summary

The Welfare Reform Act 2012 has abolished the Discretionary Social Fund scheme previously administered by the Department of Works and Pensions (DWP) with effect from 1 April 2013. Responsibility for developing Local Welfare Provision Schemes has transferred to local authorities. This report advises the Committee of the arrangements being put in place in Medway.

1. Budget and Policy Framework

- 1.1 The Discretionary Social Fund has been abolished and some funding has been made available to Local Government to provide Local Welfare Provision (LWP) schemes. Medway's Local Welfare Provision (LWP) scheme is therefore within the council's policy and budget framework from April 2013.
- 1.2 With the agreement of the chairman, this report is submitted to the committee as an urgent item of business to enable members to comment on proposed arrangements for local delivery of the LWP scheme in Medway. Interim arrangements have been put in place and a procurement exercise for longer-term arrangements will soon commence. If the report did not come to this committee meeting the procurement timetable would not enable members to consider the matter at committee potentially before the contract is awarded which is why it has been brought as an urgent item of business.

2. Background

- 2.1 Under the Welfare Reform Act 2012, the Department of Works and Pensions (DWP) has abolished the Discretionary Social Fund from 31 March 2013 and Government are providing some funding to Local Authorities to use as they see fit to meet local needs from April 2013.
- 2.2 The Discretionary Social Fund comprised 3 elements:

SCHEME	SCHEME PROVISION UNDER DWP ADMIN	ADMIN RESPONSIBILITY FROM APRIL 13
Budgeting Loans (largest element of discretionary scheme)	<u>Interest free loans</u> to help people on benefits with limited access to credit options to assist with emergency expenses. Repayments direct from benefits.	New scheme "Budgeting Advances" provided by DWP.
Community Care Grants	Non repayable grants awarded for a range of household equipment to support vulnerable people to remain in or return to the community or to ease exceptional pressure on families in crisis. Primarily to help vulnerable people live an independent life.	Abolished from 31 March 2013, replaced with Local Welfare Provision (LWP) scheme.
Crisis Loans	<u>Interest free loans</u> available to anyone (whether on or not on benefits) who cannot meet their short term needs in the event of an emergency or disaster in three broad areas: <ul style="list-style-type: none"> ○ General living expenses ○ Items following disaster (white goods, furniture etc) ○ Alignment payments, to meet urgent need pending payment of benefit or wages. Repayments either through benefits or alternative arrangements if not receiving benefits.	Abolished from 31 March 2013 Local Welfare Provision (LWP) scheme. Alignment payments will be provided by DWP under "Short Term Advances".

The DWP locally awarded Community Care Grants and Crisis Loans of £797k in 2011/12. This excludes Alignment Payments of £239k. Appendix A provides more detail on localised data relating to Crisis Loans and Community Grants for 2011/12.

The funding provided to Local Government is not ring-fenced and Central Government has informed Local Authorities that there is no requirement for the service to be delivered in its old form. Local Authorities are being encouraged to look at new ways of meeting the needs of local people living in their area, at times of crisis.

This provides an opportunity to develop a local scheme, which ensures an appropriate, but not necessarily financial, solution for people in crisis. Financial assistance will take the form of a grant rather than a loan and other alternative forms of assistance may be provided instead. For example food, clothing, household goods etc.

3. Local Welfare Provision in Medway

- 3.1 **Interim Arrangements:** In order to meet the statutory timetable an exemption to the Councils contract rules has been agreed to enable interim arrangements to be made with Caring Hands in the Community, a voluntary group based in Medway for administration and delivery of the service for the period up until 30 June 2013. Caring Hands operates a welfare service locally to vulnerable people providing food, clothing and support through a network of agencies and are well positioned through their existing infrastructure to deliver the LWP scheme on behalf of Medway Council whilst a formal procurement process is undertaken. Caring Hands will receive proportional funding and administration costs to deliver this service.

This funding will support vulnerable people in Medway who:

- are in a crisis due to a disaster or other emergency
- need support to regain independence after a period of institutional care
- need support to regain a more settled way of life
- are at risk of losing their independence or ending up in institutional care

The arrangements included development of an interim Medway Local Welfare Provision (LWP) Scheme Policy and Qualifying Criteria against which the service will be delivered as set out at Appendix B.

- 3.2 **Longer-term arrangements:** A formal procurement exercise is required to put in place arrangements for the long-term operation and administration of Medway's LWP scheme with effect from 1 July 2013. A report is due to be considered by the Cabinet on 16 April 2013 seeking approval to commence procurement.

4. Risk management

- 4.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community.

Risk	Description	Action to avoid or mitigate risk
Failure to deliver the service to the required level and quality	Risks have been identified relating to procurement of a suitable long-term service provider, contractual delivery and meeting the Councils obligations under Equalities legislation.	A clear contract specification, contract management and monitoring procedures.

5. Financial and legal implications

- 5.1 Funding is being transferred from Central Government to administer the LWP scheme and for service delivery. The confirmed funding is up to March 2015 and further funding is dependent on the outcome of Government Spending Reviews. More detail will be included in the report to Cabinet, which will be

available to all members of the Council. As some of this information is commercially sensitive at this stage in the procurement exercise it will be deemed to be exempt, for discussion in closed session.

- 5.2 An exemption to Contract Procedure rules has been agreed for the interim arrangements with Caring Hands in the Community. The procurement for the longer-term arrangements is being undertaken in accordance with EU Procurement legislation and the Councils Contract rules.

6. Recommendation

- 6.1 The Committee is asked to note and comment on the arrangements being put in place for local delivery of the LWP scheme in Medway.

Lead officer contact

David Quirke-Thornton, Assistant Director, Adult Social Care

Telephone 01634 331206

Email:

david.quirkethornton@medway.gov.uk

Background papers

Local support to replace Community Care Grants and Crisis Loans for living expenses in England

Available online at:

<http://www.dwp.gov.uk/consultations/2011/local-support-replace-ccg-cl.shtml>

DWP DATA 2011-2012 – AWARDS

LOCALISED DATA 2011-2012

Local Authority:	Medway		
------------------	--------	--	--

Loan/Grant Type	Crisis Loans ALL		
	Applications	Awards	Expenditure
Apr-11	820	650	£49,600
May-11	970	780	£57,200
Jun-11	920	740	£53,400
Jul-11	820	670	£51,500
Aug-11	880	710	£47,400
Sep-11	920	790	£55,300
Oct-11	800	670	£50,900
Nov-11	870	670	£51,100
Dec-11	690	540	£39,400
Jan-12	950	760	£56,300
Feb-12	920	730	£52,200
Mar-12	910	700	£51,700
			£616,000

Loan/Grant Type	Crisis Loans (Alignment)		
	Applications	Awards	Expenditure
Apr-11	340	300	£18,600
May-11	390	350	£22,500
Jun-11	370	340	£21,500
Jul-11	340	310	£19,100
Aug-11	350	320	£20,200
Sep-11	390	370	£22,600
Oct-11	340	320	£20,500
Nov-11	330	300	£18,600
Dec-11	260	230	£16,900
Jan-12	360	330	£20,800
Feb-12	340	300	£20,000
Mar-12	330	300	£18,200
			£239,500

Loan/Grant Type	Crisis Loans (Living Expenses)		
	Applications	Awards	Expenditure
Apr-11	380	300	£14,700
May-11	490	390	£19,800
Jun-11	460	360	£20,200
Jul-11	390	310	£15,700
Aug-11	430	350	£19,100
Sep-11	450	370	£20,900
Oct-11	370	300	£16,300
Nov-11	440	330	£17,800
Dec-11	370	280	£15,500
Jan-12	510	390	£23,400
Feb-12	500	390	£20,200
Mar-12	490	360	£20,500
			£224,100

Loan/Grant Type	Crisis Loans (Items)		
	Applications	Awards	Expenditure
Apr-11	100	50	£16,300
May-11	90	40	£14,900
Jun-11	90	40	£11,700
Jul-11	90	50	£16,700
Aug-11	100	40	£8,100
Sep-11	80	50	£11,800
Oct-11	90	50	£14,100
Nov-11	100	40	£14,700
Dec-11	60	30	£7,000
Jan-12	80	40	£12,100
Feb-12	80	40	£12,000
Mar-12	90	40	£13,000
			£152,400

Loan/Grant Type	Community Care Grants		
	Applications	Awards	Expenditure
Apr-11	180	90	£31,400
May-11	150	70	£25,800
Jun-11	200	110	£44,300
Jul-11	210	100	£50,300
Aug-11	180	90	£35,400
Sep-11	160	80	£34,900
Oct-11	170	80	£34,000
Nov-11	190	90	£39,700
Dec-11	150	80	£30,200
Jan-12	150	70	£29,000
Feb-12	150	50	£23,200
Mar-12	180	90	£42,700
			£420,900

Source: <http://www.dwp.gov.uk/local-authority-staff/social-fund-reform/localisation-data/>

Awards and applications are rounded to the nearest 10, expenditure is rounded to the nearest £100

- denotes no applications or awards, or £0 expenditure

denotes less than 5 applications or awards, or less than £50 expenditure

DWP DATA 2011-2012 – AWARD ANALYSIS

Medway				
2011/2012 (Full Year)	Crisis Loan Items	Crisis Loan Living Expenses	Crisis Loan Alignments	Community Care Grants
Awards & applications rounded to				
Summary				
Number of Applications received	1,030	5,290	4,150	2,070
Total expenditure	£152,300	£224,000	£239,500	£420,900
Number of Awards	500	4,130	3,750	990
Lone Parent Status				
Lone Parent	17%	17%	11%	29%
Not a Lone Parent	49%	51%	53%	34%
Unknown	34%	33%	36%	36%
Age of youngest child				
0-5	17%	18%	12%	29%
6-8	2%	3%	2%	5%
9-12	2%	2%	2%	5%
13-16	2%	1%	1%	3%
No children 16 or under	76%	75%	84%	58%
Age of recipient				
Under 18	2%	1%	2%	1%
18 to 24	31%	34%	40%	22%
25 to 34	27%	29%	29%	26%
35 to 44	24%	21%	17%	22%
45 to 54	11%	11%	9%	19%
55 to 64	3%	3%	3%	6%
65 to 69	1%	0%	0%	2%
70 to 79	0%	0%	0%	2%
80 to 89	0%	0%	0%	1%
90 and over	0%	0%	0%	0%
Unknown	0%	0%	0%	0%
Household type				
Couple	9%	11%	9%	18%
Single Female	36%	35%	27%	51%
Single Male	55%	54%	64%	32%
<i>Percentages may not sum to 100% due to rounding</i>				



MEDWAY LOCAL WELFARE PROVISION (LWP) SCHEME

POLICY AND QUALIFYING CRITERIA

Introduction

As part of the Welfare Reform Act 2012, the current Discretionary Social Fund scheme administered by the Department for Work and Pensions (DWP) will be abolished with effect from 1 April 2013.

The current system of discretionary payments made to low income households who are unable to access credit and are facing sudden unexpected costs, emergencies or crises will be replaced by a combination of new Local Welfare Provision (LWP) schemes, devolved to Local Authorities, and a new nationally administered 'Advance of Benefit' scheme for some types of Crisis Loans and Budgeting Loans, which will continue to be administered by the DWP.

Part of the existing grant allocated by DWP to the Discretionary Social fund will be devolved to Local Authorities and will not be ring-fenced.

Medway Council will use this funding to support those people who are most financially vulnerable. This includes people who:

- are in crisis due to a disaster or other emergency
- need support to regain independence after a period in institutional care
- need support to regain a more settled way of life
- are at risk of losing their independence and ending up in institutional care

The key policy objectives this scheme is aiming to achieve include:

- To prevent serious risk to the health, wellbeing or safety of the most financially excluded residents
- To ease severe financial pressure on families in certain situations
- To help those, without the necessary means, to either establish themselves in the community as a transition from institutional care or to remain in their community
- To align with our homelessness strategy with the broad aims of preventing homelessness, developing alternative housing options, supporting vulnerable groups, promoting tenancy sustainment and ending rough sleeping
- To give flexible practical help to those in genuine need

We want to encourage greater financial capability and resilience so that we prevent problems where possible and reduce dependency on the council and others for emergency and expensive forms of support and credit e.g. loan sharks and payday loans.

Broadly, the scheme seeks to replace the core element of the Discretionary Social Fund that is being abolished by the DWP from 1st April 2013 onwards – namely, the provision of crisis support.

However, it should be noted that the DWP have not transferred sufficient grant to the council to make support available at the level provided in the past; therefore the new Local Welfare Provision scheme does not duplicate the DWP's Discretionary Social Fund in every way.

Medway's LWP scheme consists of two elements: the provision of basic essential goods and services, and financial crisis grants.

Access will be on the basis of need only and no person shall be discriminated against due to their gender, race, religion, sexual orientation, nationality or disability. Priority will be given to families with children and vulnerable young people or adults. There is a finite pot of funding available and it must therefore be used wisely to assist those most in need.

Basic essential goods and services:

People will be able to access fresh cooked food and refreshments, food bank to prepare food at home, access to showers, access to clothing and footwear, access to basic goods for setting up home or the replacement of such goods e.g. furniture, bed, white goods. No charges will be made for these goods/services.

Additionally, information, advice and guidance will be provided to assist people to access housing, employment, welfare benefits and community support. People at risk will be sign-posted to the relevant agency for assistance.

Financial crisis grants:

In exceptional circumstances, financial crisis grants will be available to ensure people have access to safe living standards e.g. to pay for essentials such as electricity, gas and water.

The LWP scheme must be satisfied that the need is genuine and that there is no alternative available to the individual. This will be established through personal confidential interview and evidence such as final demand bills. Details of the recipient, the crisis grant provided and the reason for awarding the crisis grant will be recorded at the LWP office and will be available for monitoring by the Council. Awards of crisis grants must pass the *light of day* test, in that based on the information available and robust checking it can be justified that the grant was necessary and only used for essential services.

Any abuse of the scheme will not be tolerated and would exclude the recipient from access to crisis grants in future.

Examples:

- help people to establish themselves in the community following a stay in institutional or residential care, or to remain in the community rather than enter institutional or residential care; or
- ease exceptional pressures on families e.g. the breakdown of a relationship (especially if involving domestic violence) or onset of a disability / caring responsibility, or a calamity such as fire or flooding; or

- help people setting up home as part of a resettlement programme following for example, homelessness.

Applicants must be in receipt of a qualifying benefit¹ (or about to be in receipt of a qualifying benefit) and must not be classed as excluded people².

The LWP scheme is not a rent deposit scheme nor a rent in advance scheme.

This document sets out the broad principles of the scheme and how it is intended to operate. However it is not exhaustive and applicants presenting with exceptional circumstances may be considered.

Applications

Applications will be made in person by the applicant at the LWP scheme office. Enquiries can be made by phone on 0808 168 6050 and any assistance for applicants with disabilities, mobility needs or requiring an interpreter / BSL signer will be made.

The LWP scheme office is open

Monday to Friday 9am – 4pm

at

**CARING HANDS
15A-16, New Road Avenue
Chatham
Kent
ME4 6BB**

0808 168 6050

Out of Hours Provision

There will be no out of hour's provision within this scheme.

-
1. Income Support, income-based Jobseeker's Allowance, Employment and Support Allowance (income-related), Housing Benefit, Council Tax Support, Pension Credit or payment on account of one of them, or you are due to leave an institution or care home within 6 weeks, and are likely to get one of those benefits or entitlements on leaving.
 2. People in hospital or care homes (unless they are about to be discharged within 6 weeks), prisoners, members of religious orders, people in relevant education who do not qualify for the qualifying benefits.

Onward Referrals for Support

The Council has other avenues through which it can support residents with financial difficulties in a range of circumstances. These include:

- Providing help with housing costs through the Discretionary Housing Payments scheme within Revenues and Benefits
- Providing care leavers with help with setting up home costs and other items through the Care Leavers Grant administered by the Children and Adults Directorate
- Referring rough sleepers to the Housing Department
- Welfare Benefits Advice and assistance with making applications
- Adult Social Care assistance to adults with disabilities, older people and carers
- Emergency support under the National Assistance Act for people who are destitute

Appeals

An applicant may appeal against a decision made by the LWP scheme provider. An appeal must be received within 14 days of the decision being made.

An appeal must

- be made in writing (assistance will be provided if necessary)
- be signed by the applicant or the applicant's representative
- state why the applicant believes the decision should be changed
- contain any further information and evidence that the applicant believes the LWP scheme provider should consider when reviewing its decision.

An appeal will be considered by Trustees of the scheme who were not involved in the original decision-making and who have delegated authority to over-turn the decision without prejudice.

Records of all appeals will be maintained at the LWP scheme office and will be available to Medway Council for inspection and monitoring.

Medway Council will monitor the LWP scheme and in particular seek assurance that the scheme is providing assistance to those who genuinely need it, without prejudice or favour, and an annual report will be made available to the Council setting out the support provided. The scheme will be amended if necessary and any amendments or helpful guidance will be published to ensure that people are clear about what the LWP scheme does, and does not, provide.