

CABINET

15 JULY 2014

GATEWAY 4 REPORT: LOCAL WELFARE PROVISION

Portfolio Holder: Councillor David Brake, Adult Services

Report from: Barbara Peacock, Director of Children and Adults Services

Author: Helon Bent, Partnership Commissioning Manager
Preeya Madhoo, Head of Category Management – People

SUMMARY

This report sets out a review of the progress of the contract currently delivered through the supplier(s) as highlighted within paragraph 1.1 of this report.

This Gateway 4 Report has been approved for submission to the Cabinet after review and discussion at Children and Adults Directorate Management Team meeting on 10 June 2014 and Procurement Board on 18 June 2014.

1. BACKGROUND INFORMATION

1.1 Contract Background Information

1.1.1 From 31 March 2013 the law was changed to abolish discretionary elements of the Social Fund, namely Community Care Grants and Crisis Loans. Some funding was then transferred to Local Authorities to use as they saw fit to meet local needs by way of Local Welfare Provision.

1.1.2 A contract was awarded to West Kent Extra for the delivery of Medway's Local Welfare Provision. This provision (LWP) operates as a grant and not as a loan scheme. This ensures that money is spent on the items needed and claimants in a crisis situation are provided with a solution which is not in a monetary form but satisfies the need i.e. food, clothing, household goods etc.

1.1.3 This funding supports 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

1.1.4 The contract duration is between 1 August 2013 and 31 March 2015 with provision to extend the contract for a period of 2 years subject to availability of further funding from Central Government.

1.2 Funding/Engagement From External Sources

1.2.1 As part of the Welfare Reform Act 2012, the Discretionary Social Fund scheme administered by the Department of Works and Pensions (DWP) was abolished on the 1 April 2013. The responsibility for part of this discretionary scheme transferred to all Local Authorities to develop Local Welfare Provision Schemes. The funding level identified was for a period of 2 years. It is unclear what the longer term intentions are nationally for Local Welfare Provision Schemes, but Central Government has indicated that funding may not continue post-March 2015.

2. STATUTORY/LEGAL OBLIGATIONS

2.1 Statutory/Legal Obligations

2.1.1 Section 70 Welfare Reform Act 2012 repealed the statutory provisions relating to community care grants and crisis loans.

2.1.2 There are no statutory requirements for the provision of the Medway Local Welfare Provision (LWP) Scheme. However the service has implications and impacts on other local authority functions including:

- Impact on the lives of local vulnerable people in the event of an emergency or crisis.
- Pressure and strain on existing local services and local partners.

3. BUSINESS CASE

3.1 Procurement Project Outputs / Outcomes

The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement and identified as justification for awarding the contract at Gateway 3, have been appraised in the table below to demonstrate how the procurement contract and corresponding supplier(s) has delivered said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How has contract award delivered outputs/outcomes?
1. Advertising and signposting	Applicants routed to service from other partners such as DWP.	Commissioner	Quarterly	There has been a steady stream of referrals for the service as can be seen in the Appendix 1 to the report. Information regarding this service is published on the Medway Council website. West Kent Extra work closely with community groups in order to promote the service.
2. Application process, eligibility and decision process	Applications and awards monitoring	Commissioner	Monthly	There is a clear application process including eligibility criteria to support appropriate decision making, which is implemented by the provider.
3. Rejected applications	Number of rejected applications and reason	Commissioner	Monthly	Due to the robust eligibility process, there are high levels of rejected applications that have not met the criteria (see Appendix 1 to the report).

4. Appeals	Appeals/outcomes	Commissioner	Monthly	There is an appeals process in place; however, there were no appeals from August 2013 – March 2014.
5. Access to grants	Data on people accessing the service, including equalities data	Commissioner	Monthly	Comprehensive data is collected as can be seen in Appendix 1 to the report.
6. Develop local networks with retailers for provision of service e.g. furniture	Data from provider on purchases and payments	Commissioner	Monthly	Networks have been established with two small local businesses for the provision of white furniture goods.

4. RISK MANAGEMENT

Risk Categorisation – The following risk categories have been identified as having a linkage to the procurement contract at this Gateway 4 stage.

1. Risk Category: Contractual delivery	Likelihood: Very Low	Impact: Critical
Outline Description: Failure of provider to deliver contractual arrangements		
Plans to Mitigate: Contract monitoring is robust and monthly monitoring reports are provided by the provider.		
2. Risk Category: Reputation / political	Likelihood: Low	Impact: Critical
Outline Description: Impact on the lives of local vulnerable people in the event of an emergency or crisis and pressure and strain on existing local services and local partners		
Plans to Mitigate: There is a clear referral process there is evidence of support for people in crisis.		
3. Risk Category: Equalities	Likelihood: Very Low	Impact: Critical
Outline Description: Failure to ensure this service is accessible to all communities and people in Medway		
Plans to Mitigate: The service is advertised and signposted across a wide range of agencies and community groups, including the Medway Council website. The levels of applications, awards, rejections, appeals and complaints are all closely monitored by the provider and submitted to the Council on a monthly basis.		

5. POST PROJECT APPRAISAL/PERMISSIONS REQUIRED

5.1 Post Project Appraisal

5.1.1 This procurement post project appraisal and its subsequent review is within the Council's policy and budget framework and ties in with all the identified Core Values, Strategic Priorities, Strategic Council Obligations and Departmental/Directorate service plans.

5.2 Permissions Required

5.2.1 This report provides Cabinet with a post project appraisal and seeks permission to submit a Gateway 5 report at the next anniversary of the contract in 2015.

5.2.2 This request is on the basis that whilst this contract has fulfilled requirements in accordance with the service specification and associated contract terms and conditions and review of Key Performance Indicators, there are sensitivities associated with this contract.

6. CONTRACT MANAGEMENT

6.1 Contract Management

6.1.1 The Partnership Commissioning Team undertakes the full management and monitoring of the contract to ensure the service is delivered in accordance with the specification and within the budget.

6.1.2 The information monitored by the Provider on a monthly basis covers the following areas.

- Total number of applicants
- Demographics of applicants
- Number and types of award and spend
- Speed of awards
- Reasons for awards refused
- Award rates broken down in detail
- Number of appeals and their outcomes
- Number and nature of complaints
- Number and type of repeated applications
- Spend to date and trend by award type.

7. CONSULTATION

7.1 Internal (Medway) Stakeholder Consultation

7.1.1 The lead officer liaises with Council colleagues, eg Adult Social Care, Housing and Finance as appropriate.

7.2 External Stakeholder Consultation

7.2.1 Monitoring, the lead officer will liaise with service users, as appropriate.

8. PROCUREMENT BOARD

8.1 The Procurement Board considered this report on 18 June 2014 and supported the recommendation set out in paragraph 11 below.

9. SERVICE COMMENTS

9.1 Finance Comments

9.1.1 The procurement requirement and its associated delivery will be funded from existing revenue budgets in 2014-15. It has been indicated that Central Government funding is due to cease from 31 March 2015. If funding is not made available by Central Government, the Council will need to decide what it wishes to do as continuation of the contract is strictly on the basis of available funding.

9.2 Legal Comments

9.2 There are no legal implications as Cabinet is asked to note this reported. The applicable legal provisions are set out at paragraphs 2.1 and 9.4 of the report.

9.3 TUPE Comments

9.3.1 N/A

9.4 Procurement Comments

9.4.1 The value of the contract was above the EU procurement threshold for services set at £173,934. Although Local Welfare Provision is a Part B service and therefore not strictly subject to the OJEU notice procedure, the Public Contracts Regulations 2006 still impose a requirement that the procurement process comply with the requirements of equal treatment, non-discrimination and transparency. This means that the opportunity to bid must be adequately advertised. It was considered that this required the OJEU procedure to be followed and so a compliant open procurement exercise was conducted.

9.5 ICT Comments

9.5.1 There are no ICT implications within this procurement

10. OTHER INFORMATION

10.1 Other Information

10.1.1 N/A

11. RECOMMENDATION

11.1 The Cabinet is requested to note the positive performance of the contract during its first year and agree to a Gateway 5 report being submitted at the next anniversary of the contract in 2015.

12. SUGGESTED REASONS FOR DECISION

12.1 The contract continues to meet the aims and objectives set out by Medway Council as outlined in the Gateway 3 report and has delivered to the quality and financial requirements of the contract.

LEAD OFFICER CONTACT

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BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
GW3 Report	Cabinet http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?Id=10775	9 July 2013
GW1 Report	Cabinet http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?Id=10577	16 April 2013

Local Welfare Provision – contract performance

Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
£9,854	£10,132	£12,340	£13,471	£10,465	£8,066	£12,901	£8,851

Figure 1 – Spend per Month

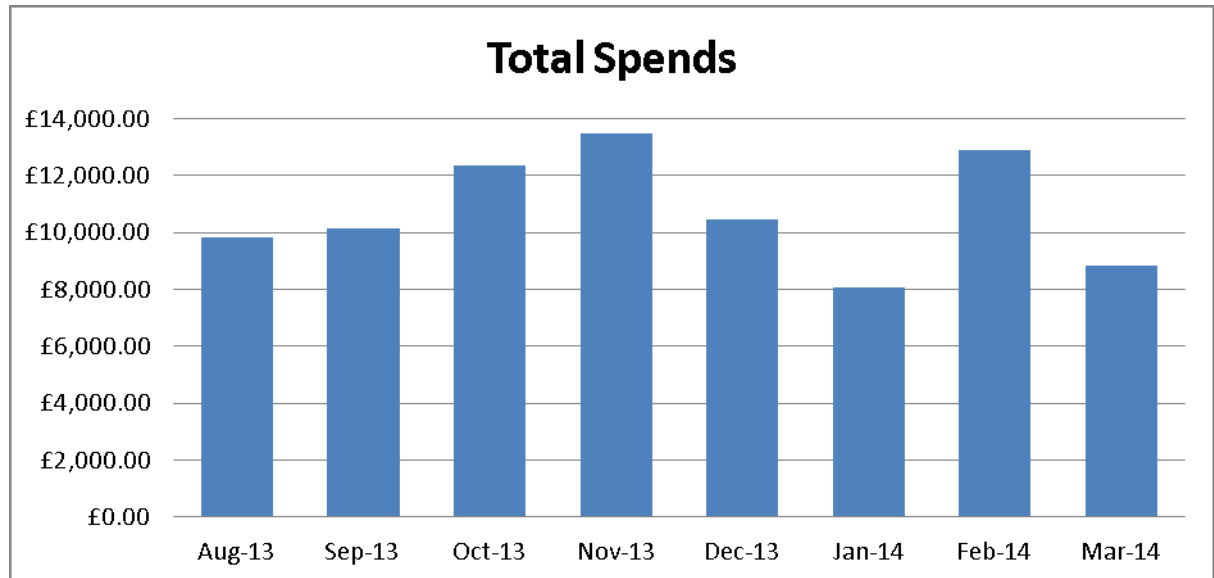


Figure 2 – Spend per Month

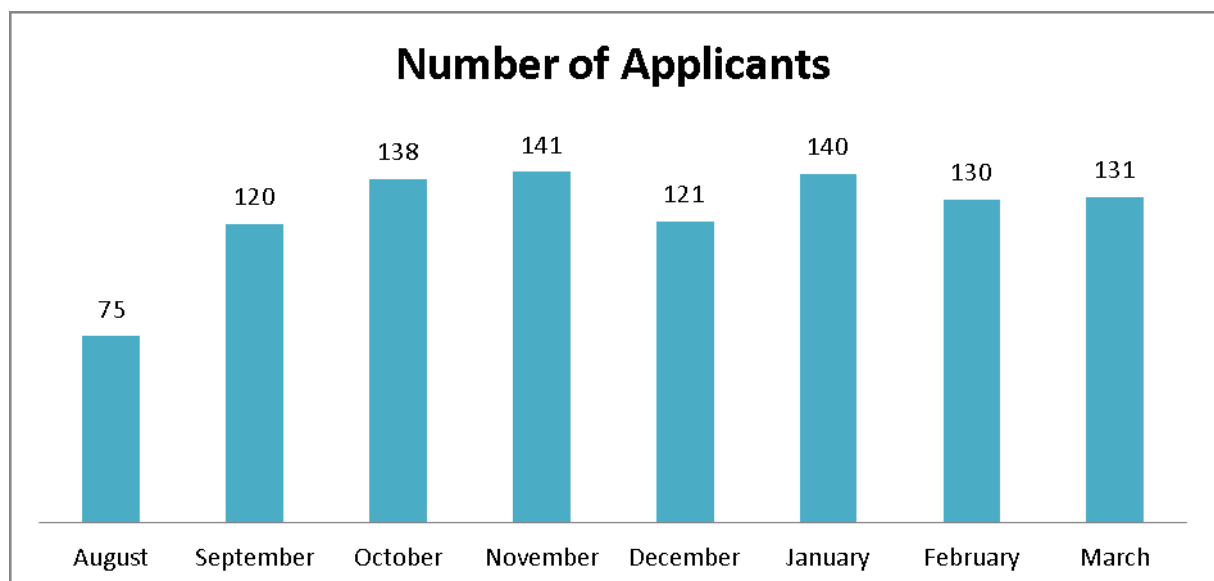


Figure 3 – Applicants per Month

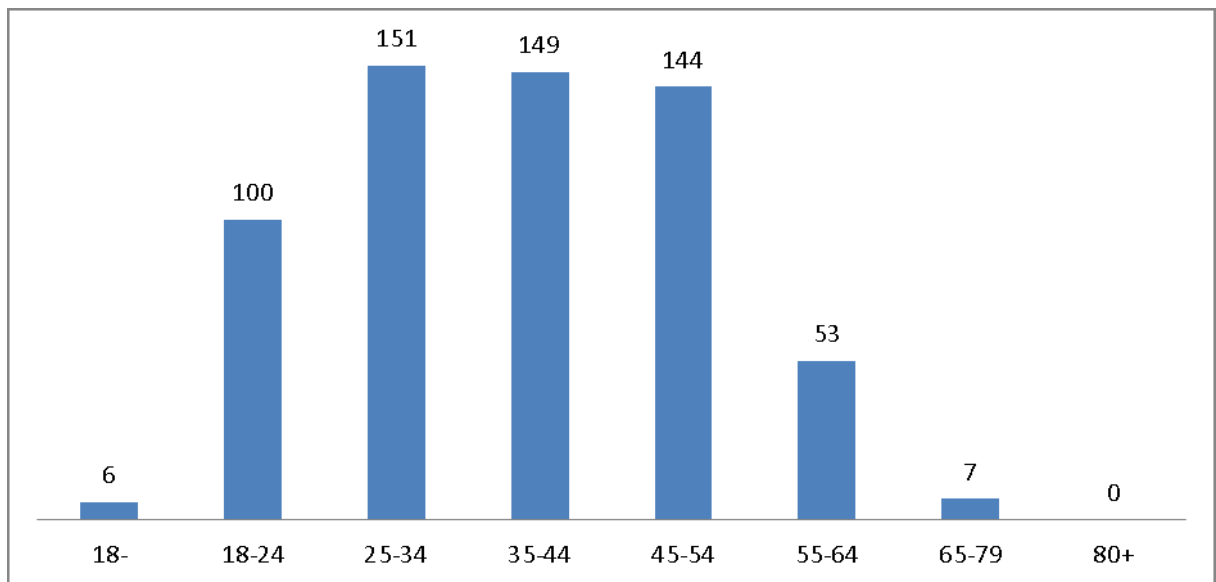


Figure 4 - Age group of applicants

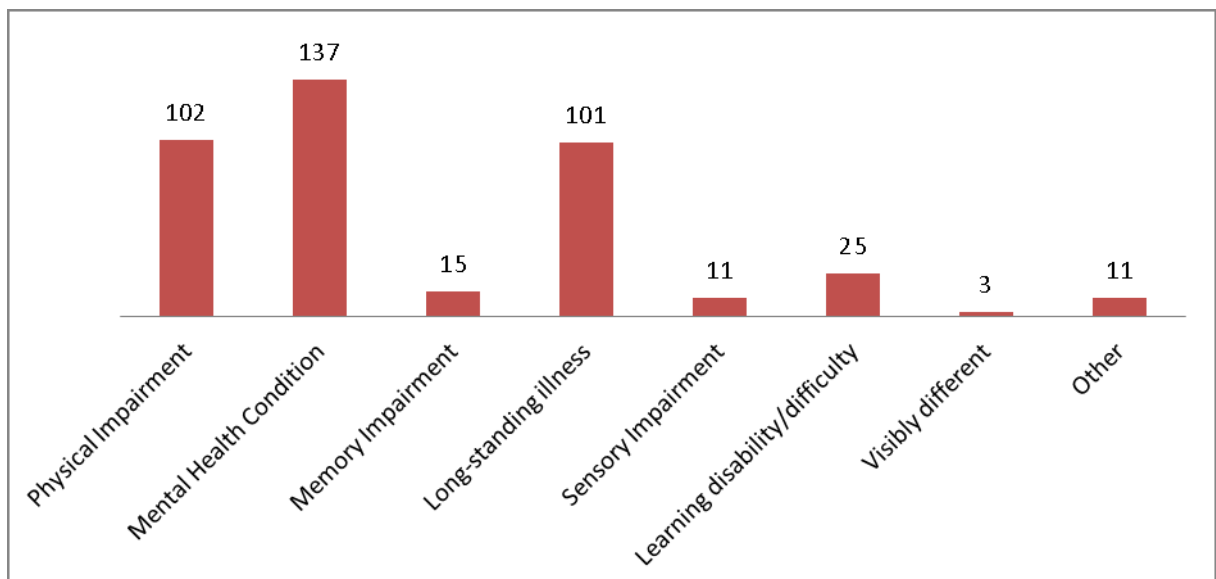


Figure 5 – Disabilities Declared by Applicants

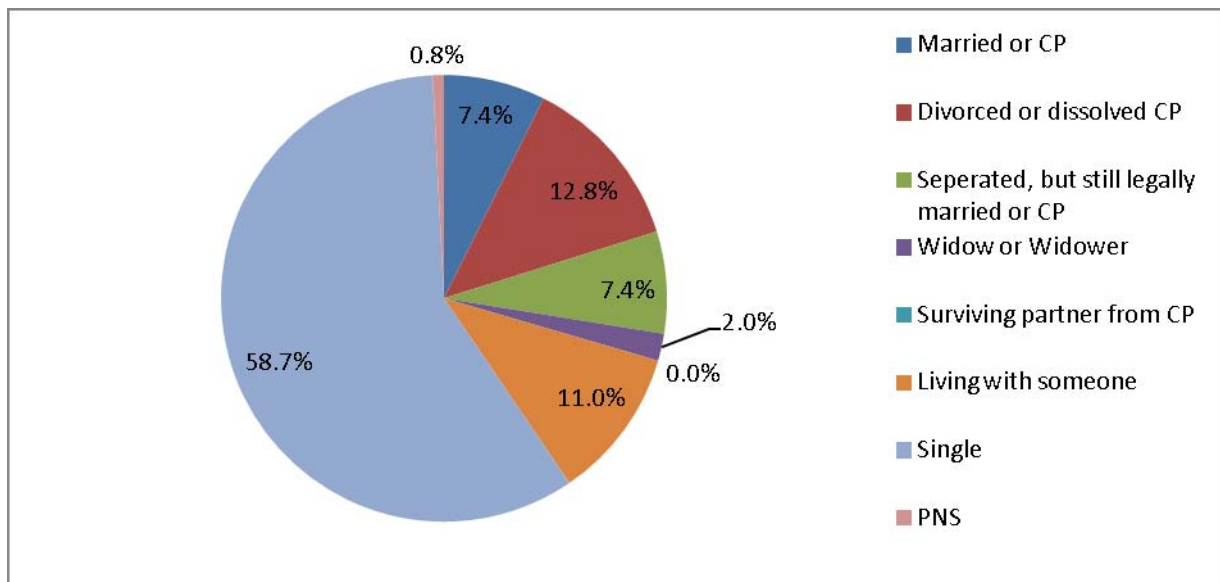


Figure 6 - Relationship Status of Applicants

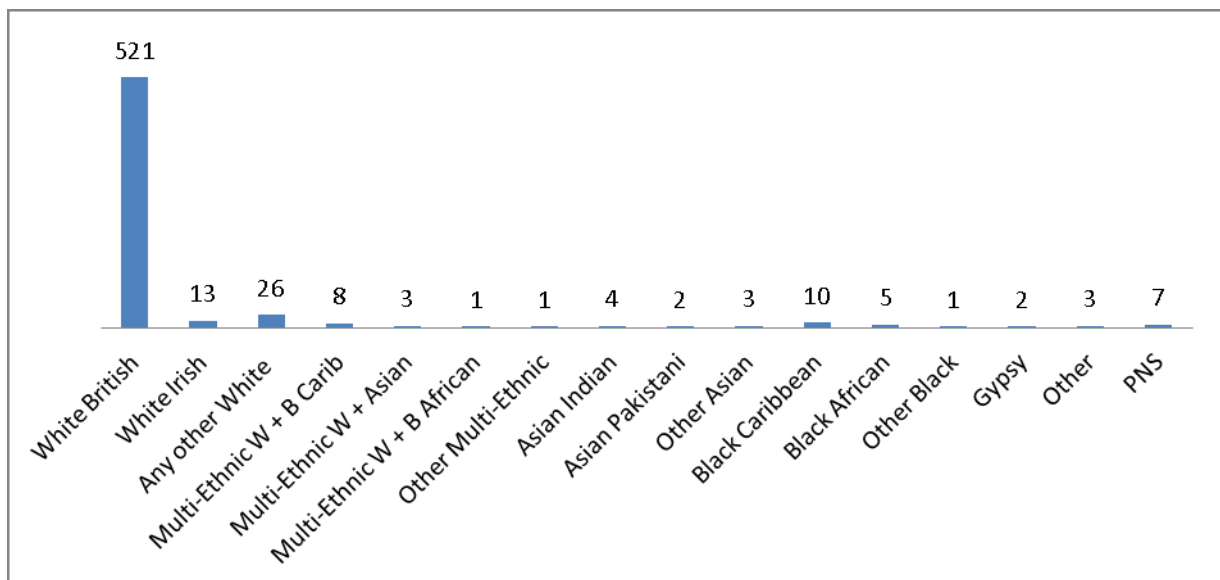


Figure 7 - Ethnicity of Total Applicants

Number and Types of Award and Spend

West Kent Extra have received a total of 996 completed applications in the first financial year of operating the contract. 393 (39%) of the applications have been successful and 603 (61%) have been refused.

Of the 393 successful applications, 185 were for crisis support and 208 were for resettlement or community awards. The reasons for the crisis awards were linked to shortages of money as benefits claims were processed or re-evaluated and the applicant had not been notified of the change until a revised payment was made meaning they had not adjusted their spending or had time to apply for an alternative benefit.

The reasons for successful community and resettlement applications are varied and include resettlement after family break up, domestic abuse or

leaving prison, health changes and homelessness. The breakdowns of these 208 cases are set out in the pie chart below.

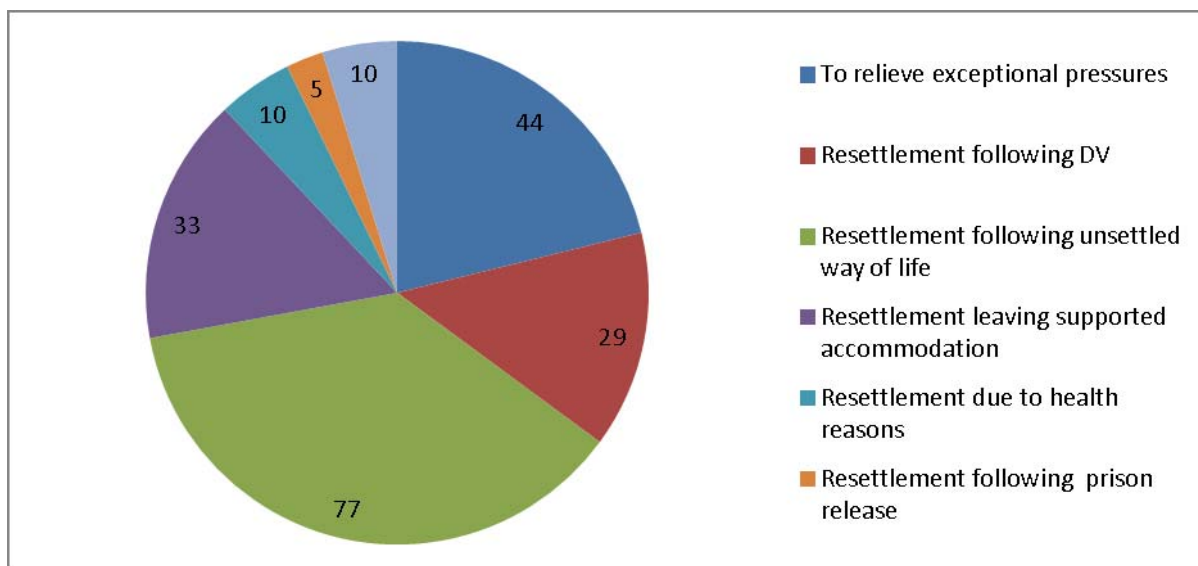


Figure 8 - Causes of Community Awards

Support was available to applicants in areas as set out in the bar chart below (fig. 9). Cash awards were to be avoided except in extreme circumstances, of which there were 5 in the first 8 months of operating the contract. The key requests for support came in food, heating and furniture/white goods.

It should be noted that the figures in the bar chart below do not total 393, the number of successful applications, as some applicants were seeking and were successful in securing support in more than one category. This was particularly noticeable with resettlement applications that coincided with household items (starter packs) and requests for heating that coincided with food requests.

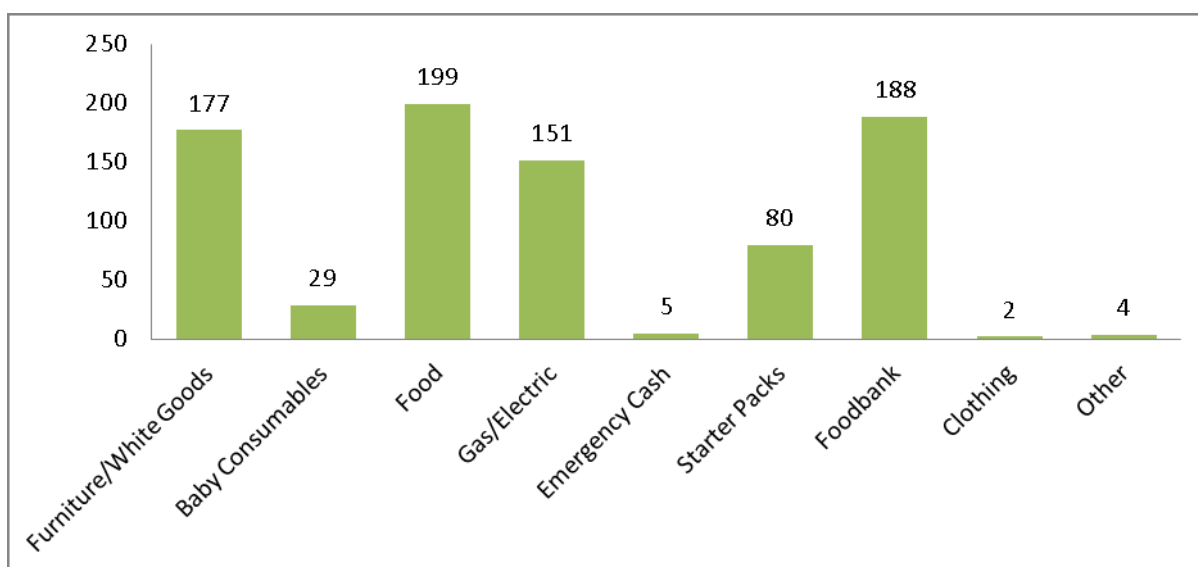


Figure 9 - Awards by Category

The total overall cost per type and average cost per type as shown in figures 10 and 11 below.

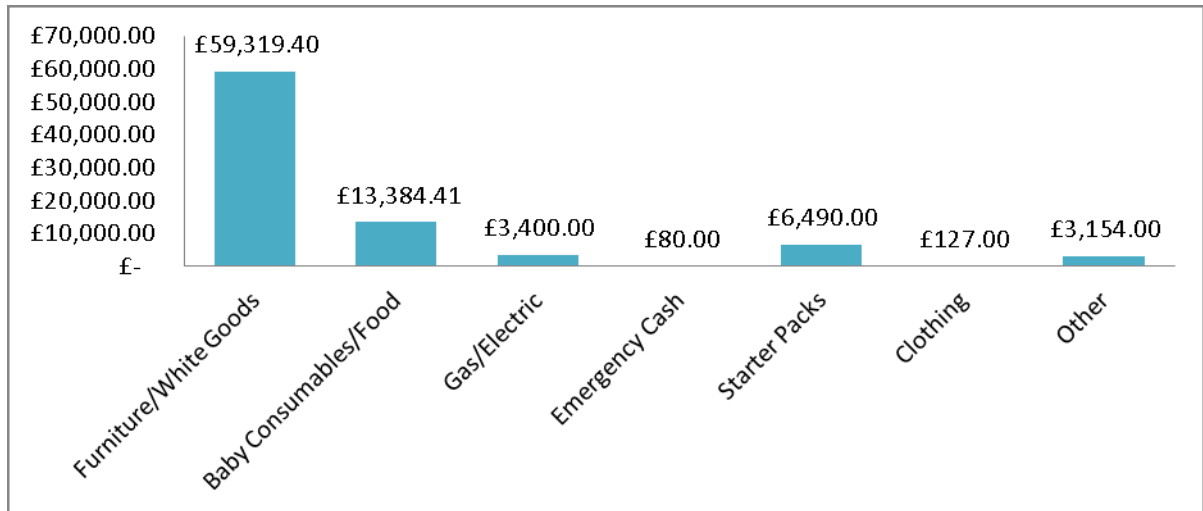


Figure 10 – Total overall Spend per Award Type

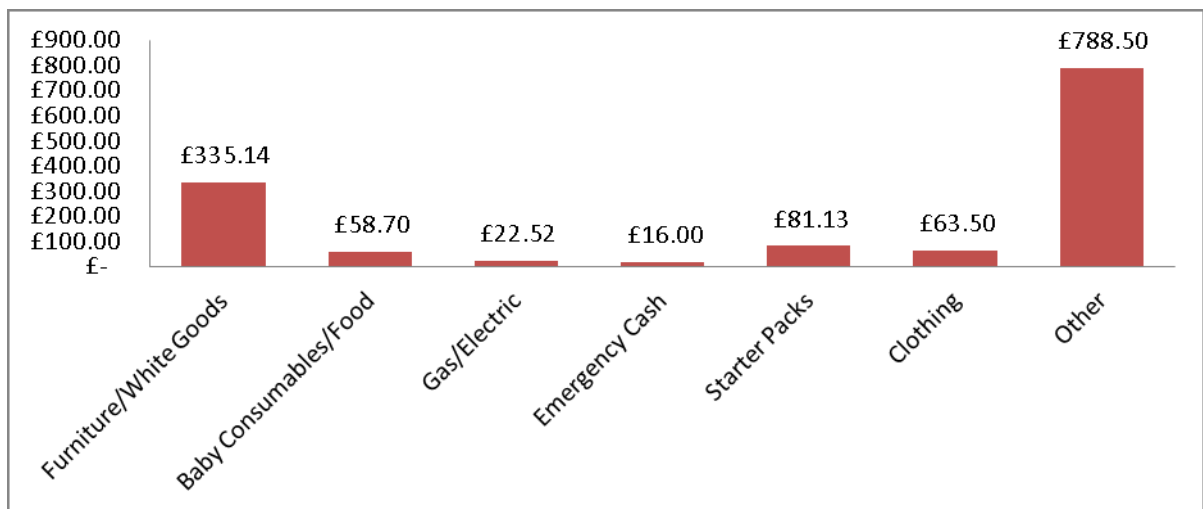


Figure 11 – Total average Spend per Award Type