

**Report to:** Cabinet

**Report:** 31<sup>st</sup> January 2013

**Subject:** Social Fund

**Report of:** Strategic Director - People

**Wards Affected:** All

**Is this a Key Decision?** Yes

**Is it included in the Forward Plan?** Yes

**Exempt/Confidential:** No

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### **Purpose/Summary**

The purpose of this report is to enable Cabinet to determine the scope of the Social Fund

### **Recommendation(s)**

It is recommended to:

- 1) note the contents of the report and give full consideration to the options of delivering a crisis fund in Sefton.
- 2) include the available grant and the associated expenditure into the 2013/14 budget
- 3) establish a local scheme in accordance with the principles set out in Section 6 of the report.
- 4) approve the utilisation of a proportion of the grant available to establish a number of posts to deal with additional administration and to develop the VCF sector in respect of alternative support.
- 5) agree that the reference group comprising of the Strategic Director – People, in consultation with the Cabinet Member - Children, Schools & Families and Leisure, Cabinet Member - Older People and Health and Cabinet Member - Communities and Environment being given delegated authority to allocate £200,000 of the Social Fund to enable resilience and capacity in our communities.

## How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being			√
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

### Reasons for the Recommendation

The government has introduced major changes to the welfare environment through the Welfare Reform Act 2012.

From April 2013 elements of the discretionary Social Fund budget – Community Care Grants and Crisis Loans will be devolved to upper tier authorities who will then be able to determine how the funding is spent.

The budget allocation has only been confirmed for a two year period there is no guarantee of additional funding beyond that period.

### What will it cost and how will it be financed?

#### (A) Revenue Costs

The Grant funding has been determined for 2013/14 and consists of a main allocation (£955,455) and a separate administration grant element (£201,895). Funding for the 2014/15 main element has yet to be confirmed and the indicative funding for administration is £185,058.

This funding is initially for two years and is finite in nature.

#### (B) Capital Costs

None.

## Implications

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

### Legal

LD 1386/13

Welfare Reform Act 2012

### Finance

FD2070/12

## Human Resources

### Equality See Section 3

The Corporate Commissioning Team holds the responsibility for taking an overview on Equality Impact Assessments and assessing the impact of decisions. These will be published on the Council website.

1. No Equality Implication
2. Equality Implications identified and mitigated
3. Equality Implication identified and risk remains

X

In relation to compliance with the Equality Act 2010, Section 149, Members need to make decisions in an open minded balanced way showing due regard to the impact of the recommendations being presented. Members need to have a full understanding of any risks in terms of people with protected characteristics and any mitigation that has been put in place. Equality Impact Assessments, including consultation, provide a clear process to demonstrate that Cabinet and Council have consciously shown due regard and complied with the duty.

## Impact on Service Delivery

None.

## What consultations have taken place on the proposals and when?

There have been a number of meetings in respect of the implications of the Welfare Reform Act and a steering group established.

The Head of Corporate Finance and ICT (FD2070/12) has been consulted and would make the comment that the application of this funding must be carefully managed to ensure there is no over application of the monies available.

**Are there any other options available for consideration?**

The Council does not have to provide a crisis scheme.

**Implementation Date for the Decision**

1st April 2013.

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**Background Papers:**

[www.gov.uk/community-care-grant](http://www.gov.uk/community-care-grant)  
[www.gov.uk/crisis-loans](http://www.gov.uk/crisis-loans)

## **1. Introduction/Background**

- 1.1 The Social Fund is currently administered by Department of Works and Pensions via Jobcentre Plus.
- 1.2 From 1<sup>st</sup> April 2013 elements of the discretionary Social Fund budget - Community Care Grants and Crisis Loans, which currently provide finance for emergency expenditures and transition into the community, will be devolved to upper tier local authorities including Sefton.
- 1.3 These authorities will be free to determine how this funding is spent.
- 1.3.1 The allocation is made up of two elements £955,455 for the fund plus an Administration Grant of £201,895 these funds will transfer to the local authority.
- 1.4 There is no guarantee of this level of funding after 2 years.
- 1.5 The funding is not ring-fenced.
- 1.6 There is no obligation on the local authority to provide a crisis scheme.

## **2. Social Fund Reform**

- 2.1 Universal Credit will provide extended eligibility to access DWP support including
  - Funeral payments
  - Sure Start maternity grants
  - Cold weather payments
  - Budget advances
  - Advance of benefit where appropriate
- 2.2 To be abolished
  - Community Care Grants
  - Crisis Loans
  - Interim payments
  - Crisis loans for alignment of benefit
  - Social Fund Commissioner
- 2.3 To be introduced from 1<sup>st</sup> April 2013
  - Short term benefit advances
  - Local welfare provision

## **3. Data Sharing**

- 3.1 Currently Department of Works and Pensions are trying to establish if local authorities can be given access to customer information.

3.2 Should it be determined that this information will be made available it will not be until after the 1<sup>st</sup> April 2013.

#### **4. Trends and Administration**

4.1 The following table shows the trends over the last 5 years and a disproportionate increase in the number of crisis loans whilst the value of the awards has only marginally changed.

2005/06	2009/10
Community Care Grant	Community Care Grant
£678,300 (1640 awards)	£705,300 (1730 awards)
Average award £414	Average award £408
Crisis Loans	Crisis Loans
£70,400 (1260 awards)	£474,400 (8280 awards)
Average award £56	Average award £57

4.2 In 2009/10 there were 14,110 applications received and 10,010 awarded.

4.3 The funding is finite.

4.4 The administration grant has been confirmed as £201,895 in year 1 and £185,058 in year 2.

#### **5. Claimants**

5.1 Categories of claimants

- Families under exceptional pressure
- Homeless people or rough sleepers
- Vulnerable older people
- People fleeing domestic violence
- Young people leaving care
- People moving out of institutional residential care
- Ex-offenders leaving prison or detention centres
- Chronically or terminally ill people
- People with alcohol or drug issues
- People with learning difficulties

## 5.2 Assistance given to claimants

- Have no essential funds
- Need essential goods associated with infants/children
- Have no heating
- Require help with emergency travel costs
- Have suffered a major upheaval or disaster
- Require suitable clothing for job interview or work
- Require help towards essential medical related costs
- Require assistance to cover living expenses until they receive their first payment of benefit or salary, where this is not met by other benefits from 1<sup>st</sup> April 2013 this will be covered by a new benefit known as 'Short Term Benefit Advance'

## 6. Local Scheme

6.1 It is proposed to establish a local assistance scheme to provide limited support to the categories of people listed in Section 5 above. The scheme will follow the following principles:-

- It is for emergency situations only
- The scheme will not provide loans.
- Assistance will not have a cash provision unless in exceptional circumstances.
- There will be an on-line application process supported through the Customer Access Team.
- There will be an appropriate, timely and effective decision making process put in place to respond to bids.
- There will be no appeal process following decisions.
- Unsuccessful applicants will be given clear referral routes to other help and support.
- The budget is cash limited and will be subject to monthly reviews to ensure that expenditure is maintained within budgetary provision.

6.2 In terms of support to the scheme resources will be made available for the funding of 2 FTE staff members to assist claimants within the One Stop Shop.

6.3 The scheme will be subject to review on a six monthly basis in the context of the development of other forms of support, as set out in Section 7 below.

## 7. Options for Delivery/Support

7.1 In line with the themes of the Action Plan for Welfare Reform, it is suggested that £200,000 from the Social Fund allocation is utilised for pump priming some of the infrastructure support for welfare reform. This will support and build resilience and capacity in our communities in an attempt to limit the demand on the fund. The use of this funding be delegated to the reference group comprising of the Strategic Director – People, in consultation with the Cabinet Member - Children, Schools &

Families and Leisure, Cabinet Member - Older People and Health and Cabinet Member - Communities and Environment.

7.2 In broad terms, the themes will cover:

- Foodbanks
- Furniture recycling and white goods
- Information and Advice
- Financial Inclusion