

<b>Subject:</b>	<b>Local Discretionary Social Fund Review</b>		
<b>Date of Meeting:</b>	<b>20<sup>th</sup> March 2014</b>		
<b>Report of:</b>	<b>Executive Director of Finance and Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>John Francis</b>	<b>Tel: 291913</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Local Discretionary Social Fund (LDSF) was introduced in April 2013. The report setting out the scheme was agreed by the Policy and Resources committee in November 2012 and it committed to reviewing the scheme within its first year of operation.
- 1.2 The LDSF and its associated administration have been funded from the Local Welfare Provision grant from DWP for 2013/14 and this will continue for 2014/15. The Council was informed in late December via the Local Government Finance settlement that Local Welfare Provision (LWP) funding will be discontinued from April 2015.
- 1.3 The purpose of this report is twofold:
- i) To set out the review of the first year of the scheme and the resulting recommendations for 2014/15.
  - ii) To set out a planned funding approach to enable the scheme to continue beyond 2014/15.
- 1.4 The change in funding plans has fundamentally changed the approach to this review. The council had been looking at promoting take up on the scheme, and using it more proactively, for example for opportunities where small scale payments could create future savings. The review now needs to focus on the needs of the acutely vulnerable in the medium to long term.

**2. RECOMMENDATIONS:**

That the Policy and Resources Committee;

- 2.1 Agree the Local Discretionary Social Fund Policy as amended and set out in Appendix 1 to take effect from 1<sup>st</sup> April 2014.
- 2.2 Note the planned funding approach to enable a scheme to continue beyond 2014/15 as set out in paragraph 4.14 – 4.21.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 From 31<sup>st</sup> March 2013, the Government scrapped Crisis Loans and Community Care Grants, which had been previously administered by the Department for Work and Pensions (DWP). In their place, funding was provided to councils to develop a local approach towards meeting the needs of people in crisis and people who needed help to return to, or remain, living in the community. The national term used for this funding was Local Welfare Provision (LWP).
- 3.2 Accordingly, Policy & Resources Committee agreed a local scheme in November 2012 which the council referred to as the Local Discretionary Social Fund (LDSF).
- 3.3 The government unringfenced grant funding provided for 2013/14 was £629,487 for the LDSF and £133,015 for its administration. The grant fund is the same for 14/15 but the administration budget is reduced to £121,923. The Government had committed to undertake a two year review of LWP before deciding future policy. However, the Local Government Finance Settlement published in December 2013 stated no funding would be available from April 2015.
- 3.4 Prior to the introduction of the scheme the council consulted widely on the proposed approach and received detailed comments and ideas, in particular from the voluntary and advice sector.
- 3.5 Central to the work of the team who administer the scheme is addressing the immediate need of the applicant. However they will always seek to address any underlying issues that the person or family have. This includes offering advice, supporting them in applying for or maintaining national benefit entitlement by liaising with Job Centre Plus (JCP) on their behalf, or referring on to an appropriate advice agency. This team also administer Discretionary Housing Payments and Discretionary Council Tax Reduction in an approach which seeks to meet the needs of vulnerable people in a holistic way.
- 3.6 The council is working with local charities to make best use of good quality second hand and recycled goods. It is providing top-ups to people's key meters for utilities and provides supermarket cards to people who need help with food and groceries. These cards are not specific to this scheme and the council is committed to minimise any stigma attached to using this service.

### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

#### **Current scheme**

- 4.1 An analysis of LDSF awards can be found in **appendix 2**. In summary, there have been 1,512 applications to the scheme from 1<sup>st</sup> April 2013 to 31<sup>st</sup> January 2014, of which 871 (58%) have been given an award. In this time, the LDSF team have provided 308 beds, 219 cookers and 213 fridge/freezers; they have assisted 352 households with food and 204 households with gas and electricity top-ups; whilst 122 households have been given shop cards for new clothing.

- 4.2 A significant amount of work was done at the outset of the scheme to publicise it to advice agencies, support services, the Job Centre Plus and users of those services. Ongoing feedback has continued to be sought and received. Despite this the immediate take up of the scheme in April 2013 was slow. However, as awareness of the scheme has grown and staff have gained practical experience in interpreting the policy, take up and the number of awards have increased. In addition to awards made based on applications, managers of the scheme are working to make awards from the scheme directly to people who do not cope well with any application process, for example funding the costs of fresh bedding at homeless hostels.
- 4.3 A number of cases have been turned down because there is alternative statutory provision to which the person is entitled. In most cases these alternatives are provided by DWP but customers have not been aware of them or have been incorrectly signposted. The Revenues and Benefits service are working closely with the local Job Centre Plus to make sure the information channels around the scheme are as effective as possible.
- 4.4 Up until the end of January 2014 the total expenditure has been £263,786. The total forecast for 2013/14 is £293,370. The underspend has been reported in the Targeted Budget Management (TBM) process throughout the year.
- 4.5 The scheme has been kept under review for the year in which it has been operating. The review has been undertaken by staff working on the team who administer the scheme; from colleagues in other services in the council and through seeking feedback from the advice sector specifically through the Advice Services Network (ASN) on a regular basis.

### **Scheme review**

- 4.6 Specific consultation was undertaken as a part of this review. Advice agencies and support services fed back via a survey and previous customers were contacted by phone and their experiences discussed.
- 4.7 The main findings of the consultation in terms of administration were that:
- awareness of the scheme was good in advice agencies and support services but poor in the population generally;
  - many people require assistance with the online form and it is not well known that people can make applications over the phone or in person;
  - the work of the team who administer the scheme is highly regarded and referred to as 'helpful and efficient' and 'well informed and extremely quick at providing updates'; and
  - some advisors lacked confidence about whether the applications they made on behalf of clients would be successful or not because they were unfamiliar with the scheme.

Questions were raised about the value of the evidence requirements. Many individuals were given assistance in applying to the scheme and people who received support with the application were more likely to receive an award than those who were not.

- 4.8 There were some comments as to whether the scheme was generous or flexible enough in terms of what it provides, but the number of comments were small in number. It is also apparent that people who are turned down for an award need to be provided with clear and in some cases specific referrals for further advice.
- 4.9 The main suggestions from the consultation in terms of the scheme itself were that it ought to be able to deal with the cumulative impact of several small scale occurrences in addition to singular dramatic crises or emergencies. Additionally it was felt that it should be clear an emergency or crisis can relate to any member of a family, not just an adult in a family.
- 4.10 Part of the review has been to undertake an analysis of claims where a negative decision was given. This has led to some specific changes to the policy, including re-drafting the criteria to allow decision makers to treat the cumulative impact of a series of small scale incidences as a crisis or emergency; clarifying that 'care' means engagement with any support service (statutory or voluntary) not just care in terms of social services care; and ensuring payment can be made where Job Centre Plus benefit processes leave people without means for a temporary period.
- 4.11 The review has looked at other council schemes. A major part of the learning from this has been putting into place ways of people benefitting from the scheme where they are not capable, or are very unlikely to make, a direct application to the fund. For example the council is now providing fresh bedding to some hostels within the city paid for from the LDSF budget. Some residents of these hostels are unlikely to make applications to the scheme but would be likely to benefit from it if they did. By making direct provision to the hostel the barriers these residents face are avoided and they are provided with a healthier and warmer environment.

### **Response to scheme review**

- 4.12 The information collected during this review period has informed the proposed changes to the scheme set out in **Appendix 1**. This includes addressing the points in 4.7 to 4.10.
- 4.13 The council will review and refresh its publicity around the scheme in addition to other discretionary schemes the council runs. This will include promoting the option people have to telephone the team to make an application. The online application is currently being reviewed and will be updated to take into account of the comments made. The information about the support required will also be fed into the financial inclusion work the council is undertaking.
- 4.14 Although there is room to develop the scheme further it is also clear that broadly it is meeting its aims of assisting people in crisis and helping people to remain in the community. In a case of a family with no money or food an advisor commented that she 'doesn't know what the family would have done without this help'

## **Budget & scheme from April 2015**

- 4.15 The decision contained within the Local Government Finance settlement not to continue LWP funding on an ongoing basis was unexpected. The council had been preparing a scheme on the understanding that some LWP funding would be available in the medium term. It is now clear there will be no funding from April 2015. (The DCLG have stated that councils may choose to continue to fund local schemes from their general funds if they wish to).
- 4.16 As referred to in 4.14 there is a clear need from some of the citizens in Brighton & Hove for such a scheme. Without it, or alternative provision, there is a very clear risk of real and genuine suffering caused by hunger and cold occurring and further pressures being created on social services, health and housing budgets.
- 4.17 However the budget position makes this situation complex. Despite the clear demand for the scheme the council faces the dilemma of meeting that need over the period of one further year (14/15) only, and, due to the cancellation of the funding, being placed in a position where it can no longer afford to do so from April 2015. Abruptly ending the scheme from this date will lead to issues of unmet demand and expectations that cannot be met.
- 4.18 To resolve this issue this report proposes that current unused reserves of £300k earmarked to top up the discretionary funds are used to extend the scheme beyond April 2015. In addition it is proposed to plan for the 2014/15 funding allocation to be used over two years. This means any underspend in 2014/15 would be carried forward to 2015/16.
- 4.19 This approach carries a risk because the DWP have implied they may withdraw LWP funding if they are not satisfied it is being spent though 2014/15. The council is seeking to negotiate a position with the DWP which allows the fund to be used over two years rather than one. At the time of writing this report there is no indication as to whether this request will be successful. If this approach proves untenable a further report will be presented to Policy and Resources committee during 2014 setting out alternative options.
- 4.20 If this approach is successful it will allow the council to run the LDSF scheme in 2015/16 and 2016/17. The rollout of Universal Credit is due to be complete by 2017 which will mark such a significant shift in national welfare provision that any local discretionary schemes will need to be reviewed in full then anyway.
- 4.21 The scheme will continue to be reviewed throughout 14/15. The purpose of this review will be to identify and establish the types of claim where the most acute hardship would have occurred if not for the award. It will also be to establish most clearly where an award has saved further and higher costs from being created. Any proposal for an ongoing scheme once the residual funding has run out will focus on these two elements.
- 4.22 In addition to this review the council is also working with the Job Centre Plus to identify an approach to support claimants of Universal Credit when it is rolled out nationally. (DWP have published a document setting out a joint Local Authority and Job Centre Plus commissioning approach called the Local Support Services Framework). Part of the support needed for this rollout will be around supporting

online benefit applications and access to emergency funds. This is very similar to the work the LDSF team currently undertakes.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 This is set out in detail in paragraphs 4.6-4.9

## **6. CONCLUSION**

6.1 The remit of the LDSF is to help vulnerable people in a position of emergency or crisis or to help them move into or remain in the community. The scheme is achieving this aim but work needs to be done to publicise the scheme; to improve the accessibility of the scheme and some areas of the criteria need slight revision.

6.2 It is clear that the council needs to plan what provision it can have in place from April 2015 as it is determining its policy for 2014/15. The alternative may mean establishing and embedding a scheme into the city which meets a crucial need only for it to be withdrawn overnight. This would create serious issues for the users of the schemes and the agencies that support their clients in applying for it.

6.3 Until the announcement of the loss of funding from April 2015 the central part of this review was focussed on increasing take up of the scheme and expanding the areas on which it could provide relief. However given that the council is now in a position of effectively having to use a two year budget to cover a four year scheme the ongoing approach to the scheme must be to focus on the most acutely needy cases and cases where making a small payment will save higher further costs in the future.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

7.1 The LDSF and its associated administration have been funded from the Local Welfare Provision grant from DWP for 2013/14 and this will continue for 2014/15.

7.2 No further funding is anticipated after 2014/15 and so if the council wishes to continue with the scheme it will need to identify funding from within the General Fund budget. This report recommends a way of achieving this until March 2017. This would be funded by a combination of Welfare Reform reserves and the LWP allocation for 2014/15 being spent over more than one year As noted in paragraphs 4.18 and 4.19, if the DWP do not allow this, a further report setting out alternative options would need to be presented to this Committee.

*Finance Officer Consulted: Name Jeff Coates Date: 11/02/2014*

### Legal Implications:

7.3 The statutory framework supporting the council's LDSF includes:

- (a) in connection with people living in Council accommodation, the welfare provisions in Section 11A of the Housing Act 1985;
- (b) if the need is to safeguard or protect a child, section 17 of the Children Act 1989, which specifically includes assistance in kind or cash; and
- (c) more widely, the general power of competence in section 1 of the Localism Act 2011.

The Scheme of Delegation to Officers provides the Executive Director Finance & Resources with delegated power to exercise the council's functions relating to Local Welfare Provision and associated localised schemes. Therefore, subject to P & R Committee agreeing recommendation 2.1 of this report, the Director has authority to implement and administer the LDSF as amended for 2014/15.

*Lawyer Consulted: Oliver Dixon Date: 11/02/14*

#### Equalities Implications:

- 7.4 Equalities information is collected against applications for LDSF and an equalities impact assessment is in place for the scheme. The main conclusions from this assessment are that people of pensionable age are less likely to apply to the scheme than people of working age; that single women are less likely to apply to the scheme than single men; and, that some areas of the city with relatively high levels of deprivation are under-represented in terms of applications when compared to other similar areas in the city. This information is kept under continuous review
- 7.5 Publicity and communications are currently being refreshed and will be specifically targeted at organisations and households in the city which are under-represented in terms of numbers of claims. Work will continue to be undertaken with community and voluntary organisations to ensure that people of pensionable age and single women are directed to the scheme where appropriate. The options that people have to make an application over the phone or in person will be emphasised in ongoing promotional material.

#### Sustainability Implications:

- 7.6 There are no sustainability implications resulting from this report.

#### Any Other Significant Implications

- 7.7 If due to financial restrictions it proves untenable to run the LDSF in future years there will be an impact on both the citizens in the city who rely on it and upon other support services in terms of increased demand, most notably social care, health and housing. Should this be the case a full impact assessment will have to be undertaken to assess the scale of the impact and to consider options to mitigate them.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. The full LDSF policy with amendments
2. Further details on number and types of awards made.

### **Documents in Members' Rooms**

None

### **Background Documents**

None