

TELFORD & WREKIN COUNCIL

CABINET – 28 MARCH 2013

LOCAL CRISIS AND LOCAL RESETTLEMENT ASSISTANCE POLICY

REPORT OF ASSISTANT DIRECTOR, CUSTOMERS and PEOPLE

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

1. Purpose of the report

- 1.1 To seek approval for the Council's policy on Local Crisis and Resettlement Assistance.

2. Recommendations

- 2.1 That Cabinet approve the Local Crisis Assistance and Local Resettlement Assistance Policy (Appendix A).**
- 2.2 That authority to administer the Local Crisis and Local Resettlement Assistance schemes and make determinations is delegated to the Benefit Service Delivery Manager with further delegations for specific functions at the Benefit Service Delivery Managers discretion.**
- 2.3 That the concerns of the Co-operative & Communities and Budget & Finance Scrutiny Committee regarding payments of rent in advance are acknowledged and that there will be a need to widen the scope of the Council's rent Bond Scheme which will be detailed in a future report to Cabinet by the Family & Cohesion Service.**

3. BACKGROUND

- 3.1 As part of the Welfare Reform Act two parts of the discretionary Social Fund currently administered by the Department for Work and Pensions are being abolished with effect from 1 April 2013, the Government is instead providing each council with funding for new Local Welfare Provision.
- 3.2 The elements of the Social Fund which are being abolished are Community Care Grants and Crisis Loans for living expenses.
- 3.3 Community Care Grants were awarded for a range of expenses, including household equipment, and were intended to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families. They were also intended to assist with certain travel expenses.
- 3.4 Crisis Loans were made to meet immediate short-term needs in an emergency or as a consequence of a disaster when a person had insufficient resources to prevent a serious risk to the health and safety of

themselves or their family. Most crisis loans were paid direct into the customer's bank account and were repaid via deductions to any DWP benefit entitlement.

- 3.5 The tables below show the figures for crisis loans and community care grants in the Telford & Wrekin area. It can be seen from the tables below the significant increases in applications and awards between 2005/06 and 2009/10 onwards.

Number of Awards Received and Granted for Telford and Wrekin Area for Crisis Loans for Living Expenses (figures from DWP Website)

	2005/06	2009/10	2010/11	2011/12
Number of Applications for Crisis Loan	570	4,970	5,570	4,160
Number of Crisis Loan Awards	340	3,740	3,440	3,280
Expenditure on Crisis Loans	£20,600	£216,800	£199,000	£176,900

Number of Awards Received and Granted for Telford and Wrekin Area for Community Care Grants (figures from DWP Website)

	2005/06	2009/10	2010/11	2011/12
Number of Applications for Community Care Grant	1,520	1,880	1,900	1,610
Number of Community Care Grants	950	890	860	730
Expenditure on Community Care Grants	£358,900	£386,700	£386,600	£337,300

- 3.6 The reason that the current scheme is being abolished is that it is considered to be "not particularly successful". It is a self nominating scheme; it is expensive and not reaching it's target audience. Since 2005/06 expenditure has dramatically increased and DWP are trying to bring back expenditure to 2005/06 levels. Analysts do not think the increase is necessarily to do with the economic climate as the rise began before the recession. The greatest increase in applications has been from young people under the age of 25.

- 3.7 Some years ago, the DWP made the decision to take the Social Fund application and decision making process out of local Job Centre Plus offices. Customers now apply for assistance from the Social Fund via a telephone contact centre with decision makers being located in regional offices. If the customer is successful with their application it is paid into their bank or they can collect a cheque (which can be cashed at a local Post Office) from their local Job Centre.
- 3.8 The decision to move away from a face-to-face application process was largely because Job Centre's found the behaviour of the customers applying for help from the Social Fund to be disruptive to their other business. This is because of a combination of customers truly being in a state of crisis requiring a favourable decision to be made instantly; and customers who are making fabricated applications, who react badly when their application is refused. Whether genuine or false, clearly customers applying for assistance from the Social Fund are desperately in need of immediate financial support for whatever the reason.
- 3.9 Many Job Centre Plus offices had to re-install security screens for their staff when dealing with crisis loans due to risk of violence, prior to the decision to make it a telephone application process. However, it is the loss of the face to face contact that is, in part, believed to be the cause of the number of awards escalating. Whilst Telford & Wrekin Council's scheme will not give out cash awards the risk of aggressive behaviour from applicants, especially those who do not qualify for an award, remains a concern. The funding from one of the vacant customer service officer posts has been used to employ a 'security guard' to help respond to and manage the risk of aggressive behaviour. The post holder will wear the councils corporate uniform and will be trained to deal with routine customer service enquiries when working in First Point.
- 3.10 The anticipated amount of funding being transferred to Telford & Wrekin Council for Local Welfare Provision will be:

2012/13	
Set-up funding	£4,867
2013/14	
Programme funding	£486,724
Administrative funding	£102,848
2014/15	
Programme funding (indicative)	£486,724
Administrative funding (indicative)	£94,272

However these are the indicative amounts of programme funding provided by the DWP as they intend to base the final figure for 2014-15 on discretionary Social Fund spend in the area for the 2012 – 2013 year. This data will not be available to the Department for Work and Pension until after April 2013.

- 3.11 It is for each council to decide how they will allocate this new Local Welfare Provision funding. The funding is to allow councils to give flexible help to those in genuine need and it is the Government's intention that the funding should be used for this purpose. There is no expectation for councils to replicate the DWP's scheme in fact there is a desire not to do so for the reasons outlined above. Spending decisions are and will continue to be a matter for each council and the Government does not intend to start placing restrictions on any future decisions they may make on funding.
- 3.12 An officer/member working group, which also included members from CAB and DWP has been considering the best way for Telford & Wrekin Council to utilise this funding to assist the most impoverished residents. It is proposed that two types of assistance will be available – Local Crisis Assistance and Local Resettlement Assistance. Subject to the entitlement criteria within the policy we will give assistance to the most vulnerable residents when they suffer a crisis or require resettling back into the community.
- 3.13 The basic principals of Telford & Wrekin Councils scheme are that the assistance will be via the provision of goods or services. Neither cash payments nor payments into bank accounts will be made. There will be no expectation for successful applicants to repay the cost of the award. Wherever possible good quality second hand goods will be provided rather than new goods.
- 3.14 If people require food then they will be referred to Telford Crisis Network who are providing a number of food banks in the borough.
- 3.15 It is proposed that if any of the charitable organisations who are assisting in the delivery of the Local Crisis or Local Resettlement Assistance have a requirement for financial support to enable them to continue to operate, consideration will be given to awarding them a grant from the Welfare Provision funding.
- 3.16 Responsibility for the administration of Local Crisis and Local Resettlement assistance will fall within the Revenues & Benefits Service. A team of 6 Discretionary Awards Officers will make decisions on applications alongside their responsibility for Discretionary Housing Payments, Council Tax Support Hardship Assistance and Benefit Tenancy Safeguard decisions as well as Landlord Liaison. The Customer Services Team in the contact centre and in First Point will deal with general customer enquiries and assist applicants to make an application for assistance. It is hoped that a majority of applications will be made by 'professionals' and charities already working with the applicant for example CAB, therefore removing the need for the customer to visit First Point.
- 3.17 It will be necessary to monitor the budget closely to ensure that we have enough funds for the year. Monthly profiling will be applied to the budget. The types of assistance granted will also be monitored. Data on numbers

and types of award will be monitored by the Assistant Director for Customers and People and shared with the Cabinet Member for Resources. The goods and services provided will be analysed and fed into procurement arrangements to ensure that best value is gained. The working group through the first year of the scheme will continue to meet regularly, at least quarterly, to monitor the effectiveness of the scheme, with input from the Co-operative Council Scrutiny Committee.

- 3.18 Local Authorities have had very little time to research, prepare and develop a policy for this new area of responsibility. We therefore recognise that this policy is very much a starting point that will undoubtedly need to be refined and developed over the coming year as we gain experience and intelligence during the administration of this new assistance scheme.

4. LOCAL CRISIS ASSISTANCE

- 4.1 Local Crisis Assistance will cover situations where a household has insufficient resources to meet an urgent need that poses an immediate and substantial risk to their health and safety.
- 4.2 A crisis may include no access to specified essential items, the imminent risk of homelessness, the imminent risk of children being taken into care, unexpected death of an immediate family member, domestic abuse, neglect and harm, a flood, fire and gas explosion.
- 4.3 The type of assistance may include crediting a gas or electric meter, provision of a food parcel via Telford & Wrekin Crisis Network and repair or provision of an essential white good or furniture.
- 4.4 Local Crisis Assistance will not be reliant on entitlement to particular benefits but on the resources available (income, savings, access to credit or insurance pay out) to a person / family to enable them to overcome the immediate risk to their health and safety caused by a crisis.

5. LOCAL RESETTLEMENT ASSISTANCE

- 5.1 Local Resettlement Assistance – will give assistance to vulnerable people to live independent lives to remain or become integrated within their community by the provision of goods or services.
- 5.2 Examples of those who may require assistance include people leaving care, people requiring assistance to remain in the community rather than enter care, help to ease exceptional pressures, help for a prisoner or young offender on home leave or release to re-adjust to life outside of prison, help for people to set up a home as part of a resettlement programme following a period without a settled way of life.
- 5.3 The applicant will need to be in receipt of a specified means tested benefit and not have the resources (income or savings) to be able to provide the goods or service themselves.

- 5.4 The type of assistance will typically be the provision of essential white goods or furniture but may include crediting a gas or electric meter or provision of a food parcel via Telford & Wrekin Crisis Network.

6. CONSULTATION

- 6.1 Due to the tight time scales, which have been outside of the control of the council, we have not been able to consult widely on the policy with partner organisations. However the CAB and DWP are represented on the working group which was set up to consider the best way to implement Welfare Provision in the Borough.

- 6.2 We have met with Children Services and the Probation Service to discuss the needs of their service users. We have also spoken to a number of local providers of goods and services to explore how we can utilise the services that they are already providing.

- 6.3 Training on Welfare Benefit Reform has been undertaken for Stakeholders and Partners by the Benefit Service Delivery Manager which has included the proposals to replace the Social Fund . The training was delivered to a wide range of Council Officers, Members, partner organisations and local charities. These included:

West Mercia Police, Parish Councillors, Wrekin Housing Trust, Bournville Village Trust, FAIRshare Credit Union, Drug and Alcohol Recovery Service, Adult Community Learning, Shropshire Fire and Rescue Service, Family and Cohesion Service, Choices Housing Association, CAB, Kip Project, Listen Not Label, TCAT, Stay, Bromford, Community Mental Health Team, PODS, Habinteg, Telford Mind, Adult Services, YMCA, Wrekin Landlords Association, Sanctuary Housing.

- 6.4 It is essential that Job Centre Plus as the current provider of Social Fund sign post any potential applicants in an appropriate manner in order that the potential applicant has realistic expectations of how the council's new scheme operates. It will be crucial that people are not told that the council's scheme replicates Job Centre Plus' loan scheme and that they are made aware that there are no cash payments. Also Job Centre Plus will administer different elements of the Social Fund e.g. Short Term Benefit Advances and Budgeting Loans and it is imperative that if a person qualifies for these they are offered these rather than sign posted to the council. This has been raised with our local Partnership Manager at the DWP along with the final communication plan.

- 6.5 The Co-operative & Communities and Budget & Finance Scrutiny Committee held a joint meeting on 11th March 2013 to review the Local Assistance and Local Resettlement Assistance Policy. Their comments have been incorporated within the policy and are attached in full in **Appendix C**. The committee were concerned that including rent in advance as an essential item could potentially cause a significant and unsustainable

drain on the limited funding that is available. The policy has been amended to state that rent in advance will only be considered in very exceptional circumstances and that first due regard will be had as to whether the Council's bond scheme could assist. The Family & Cohesion Service are considering expanding the scope of the bond scheme. The bond scheme is where the Council has an agreement with a landlord to waive rent in advance / deposit and in effect under writes all or part of the rent in advance / deposit.

7. SUMMARY IMPACT ASSESSMENTS

7.1 Financial Implications

7.1.1 The Council has been allocated a cash limited grant from the government in 2013/14 and 2014/15 for Local Crisis and Resettlement Assistance as detailed in paragraph 3.10. This grant will sit within the Revenues & Benefits Service where the scheme will be administered. The grant is split into two parts with £102,848 available in 2013/14 to cover administrative costs associated with running the scheme such as additional staffing or system costs. £486,724 has been allocated in each year to cover the actual costs of the Local Crisis and Resettlement Assistance that is provided.

7.1.2 In each financial year the Council must ensure that spending remains within these cash limits as there is no further budgetary provision for Local Crisis and Resettlement Assistance. Expenditure incurred against the grant will be monitored on a monthly basis and variations from budget will be reported to the Assistant Director: Customers & People and to Senior Management Team as part of the financial monitoring cycle.

MLB 01.03.13

7.2 Legal

7.2.1 From 1 April 2013 the Department of Work and Pensions administered Social Care Fund Community Care Grants and Crisis Loans will be abolished by the Welfare Reform Act 2012. Thereafter discretionary Local Welfare Provision will be provided by local government from funding provided by central government. The Local Welfare Provision will consist of Local Crisis Assistance and Local Resettlement Assistance details of which are provided in the body of the report and the policy. Responsibilities under the Human Rights Act 1998 and the Equality Act 2012 will continue.

7.3 Equalities

7.3.1 An impact assessment has been undertaken which can be seen at **Appendix B**. This policy does not have a negative effect on any group and has been developed to help support those people in the Borough who are most deprived.

Report prepared by Lee Higgins, Benefit Service Delivery Manager, Tel: (01952) 383835