
SOCIAL FUND LOCALISATION

Responsible Cabinet Member - Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio

Responsible Director – Murray Rose, Director of People

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to:-
 - (a) outline the work undertaken to consider the most appropriate use of the grant funding provided by the DWP for a local social fund service
 - (b) seek member approval to deliver the proposed local service as identified within the report

Summary

2. In the 2011 Welfare Reform Bill, the Government outlined its plans to cease payment of Community Care Grants (CCG) and Crisis Loans (CL) by 31st March 2013. From 1st April 2013, the responsibility will pass from the Department for Work and Pensions (DWP) to Local Authorities (LA), who will provide their own localised schemes for helping people in need.
3. This responsibility, being passed from national government to local government, includes a cut in the resource allocation and insufficient funds for local authorities to establish the new service. Table 1, below, identified the total payments made by the existing scheme for 2010/11 of £678,500. In August 2012, the DWP confirmed in a settlement letter (attached as **Appendix 1**) that Darlington Borough Council will receive £407,000 per annum in Programme Funding (a reduction of £271,500 from the 2011 outturn figure). Table 2, below, shows the reduction in funding to the Council.

Table 1 – Community Care Grant and Crisis Loan data for Darlington 2010-11

2010/2011	Crisis Loan	Crisis Loan	Community	Total
Darlington Summary	Items	Living Expenses	Care Grants	
Applications received	1,720	3,900	1,550	7170
Number of Awards	1,140	3,000	710	4850
Total expenditure	£256,700	£161,200	£260,600	£678,500

Table 2 – Social Fund Spend in 10/11 and DWP funding to LA for local service

	DWP in 10/11	DWP funding to DBC in 13/14	Reduction
Programme funding	£678,500	£407,000	£271,500

4. The Council will also receive £86,000 per annum in Administration Funding, reducing to £79,000 in 2014/15 and a one off payment of £4,000 for set up costs. The cost of setting up the local service will be £20,000 but the DWP have only allocated £4,000 – a budget pressure placed on the Council of £16,000 as a result of the transfer of responsibility. The DWP has guaranteed provision of the programme and administration funding for a two year period, after which the arrangements will be reviewed as part of the next Spending Review period.
5. Within the settlement letter the Government stated that no restrictions would be placed on how the funding was used but did state the intention of localising the funding was to 'give [LAs] the flexibility to help those in genuine need'.
6. To ensure the limited and reduced budget was used in the most effective manner the Council established a project team to identify the options for future delivery.
7. Consultation, impact assessment work and the engagement of stakeholders was integrated into each stage of the project and the Equalities Impact Assessment can be found at **Appendix 2**.
8. Cabinet are being asked to approve a proposed service; set out in the draft Local Social Fund Policy which is attached as **Appendix 3**. The Local Social Fund service is designed to support the most vulnerable clients who are in financial need. Support is separated into:
 - (a) Crisis Support which aims to prevent an immediate deterioration to an applicants health by providing short-term access to food and limited supplies of clothing and baby consumables such as nappies and milk.
 - (b) Community Care Support aims to help applicants remain in the community or move back into the community after a period in supported or unsettled accommodation. It does this by providing access to a range of standard items such as beds, bedding, furniture and white goods.
9. Cabinet are also being asked to approve a recommendation that Darlington Borough Council's Revenues and Benefits team would be best placed to deliver the local service between April 2013 and March 2015. A Service Level Agreement and performance management framework for the in house provision is in development. Monitoring information obtained during the first 18 months will contribute to decisions on how and who might be best placed to deliver the service from April 2015. By that time the Council will also have a clearer idea on the level of ongoing funding from government for the social fund.

Recommendation

10. It is recommended that Cabinet :

- (a) approve the Local Social Fund Policy as outlined in appendix 3.
- (b) agree that the service is delivered by Revenues and Benefits from April 2013 to March 2015 with the intention that People Commissioning undertake a strategic review to inform any future commissioning intentions from the 1st of April 2015.
- (c) Release £16,000 in 2012/13 to cover the setup costs in preparation for delivering the service from April 2013.

Reasons

11. The recommendations are supported for the following reasons :

- (a) The policy will provide financial support to households in crisis and allow individuals to move back into or remain in the community. These forms of support will be a critical resource as the LA attempts to mitigate the impacts of the welfare reforms which will lead to a significant increase in the number of households that are forced into financial crisis.
- (b) The DWP has confirmed that while it will allow its Customer Information System (which holds key data on benefits claimed, value of benefits and payment dates) to be accessed to help assess localised social fund applications, this function will only be provided to services that currently access and are trained to use the system. The Revenues and Benefits staff already have access to this system and are trained in its use.
- (c) Operating the scheme in house will allow for greater flexibility in how the scheme is managed and enable the Council to gather intelligence on who is using the service and how best to deliver the service in the future.
- (d) Many of the customers accessing the Social Fund service will already be Housing Benefit and Council Tax Benefit recipients, so information will already be held on their systems that will assist in the processing of these applications.
- (e) DBC will receive £4,000 from the DWP in setup funding but setup costs in 2012/13 will be £20,000 leaving a shortfall of £16,000. Setup costs will include the recruitment and employment of two additional staff from January 2013, training for new and existing staff, the purchase and licensing of ICT infrastructure and advertising costs.

Murray Rose
Director of Services for People

Background Papers

DWP Social Fund Guide Revision 2012

Peter Akers: Extension 2249

S17 Crime and Disorder	<p>Consultation with local service providers has indicated that a minority of individuals who fail to receive support from the DWP scheme resort to theft to meet their or their family's immediate need.</p> <p>The localised service has been designed to support those who are in greatest need and reduce the risk of criminal activity. As a result the following services have been identified as specialist referral agencies who will be able to verify an applicant's need without the need for further assessments.</p> <ul style="list-style-type: none"> - Probation - Children's Social Care and Youth Offending Service - Housing Options - First Stop - Supporting People contracted services
Health and Well Being	<p>One of the key reasons for the provision of Crisis Support within the localised service will be to prevent 'the immediate deterioration in the health of an applicant or family member'.</p> <p>Crisis Support will ensure that during financial crisis basic provisions to maintain the health of an applicant or family member will continue to be provided.</p> <p>Community Care Support will be awarded to help individuals in financial crisis move back into the community or remain in the community by the provision of key household items.</p>
Carbon Impact	There are no significant impacts.
Diversity	The service is open to all member of the local community and a full EIA has been completed.
Wards Affected	The service is open to all wards in Darlington.
Groups Affected	The service is open to all member of the local community and a full EIA has been completed.
Budget and Policy Framework	There will be a £16k impact in the 2012/13 MTFP
Key Decision	Yes
Urgent Decision	No
One Darlington: Perfectly Placed	The localised service will support outcomes linked to the quality of life, narrowing health gaps, reducing offending, domestic abuse,

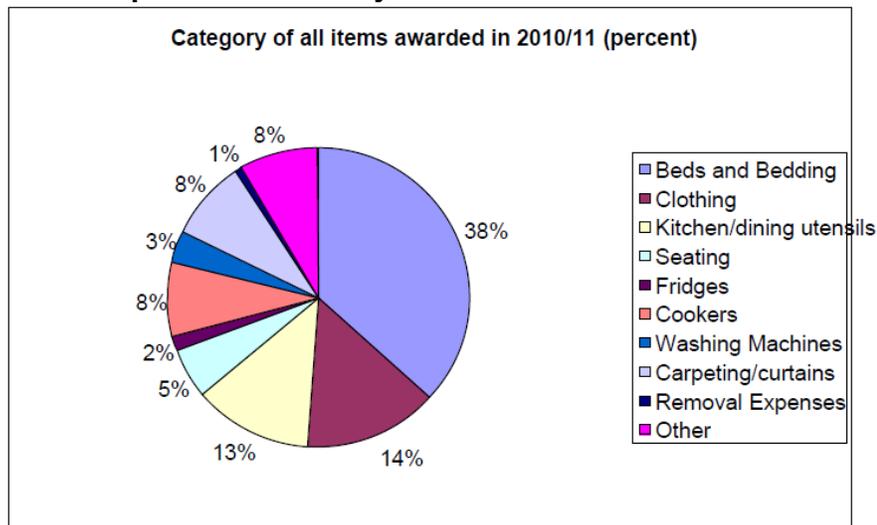
	emotional health and early intervention.
Efficiency	<p>A number of actions have been taken to minimise the ongoing administration costs for the local service including:</p> <ul style="list-style-type: none"> - the development of specialist referral agencies allows the local service to benefit from needs assessments already completed by specialist services. This in turn reduces the number of needs assessments completed by Revenues and Benefits team. - only two members of staff will be recruited to deliver the social fund as all assessment officers within Revenues and Benefits will be trained to complete Social Fund assessments. <p>The Local Social Fund is developing a number of contracts for the purchase of goods and services. The contracts will involve the procurement of new and recycled products from private and voluntary organisations and will lead to improved purchasing arrangements for other LA services such as Children’s Social Care’s Section 17 payments.</p>

MAIN REPORT

Analysis of data provided by DWP on current Social Fund service

12. As outlined in Table 1 there were over 7000 applications in Darlington in 2010/11 to the elements of the Social Fund transferring across to the LA and over £670k distributed to residents of Darlington in the form of cash grants or loans.
13. The DWP have provided very limited profiling data on the type of applicants for the Social Fund. Analysis of this data shows that the majority of applicants in Darlington for Crisis Loans (CL) are single, aged between 18-25 and have no children under the age of 16. Community Care Grants (CCG) have similar usage trends but with a slightly higher number of applicants who are lone parents or couples. See **appendix 4** for a full breakdown of the DWP profiling data provided.
14. The DWP has provided 'items awarded data' for Community Care Grants only and this is limited to data at national rather than local level. Graph 1 outlines the items CCGs are most often awarded for nationally.

Graph 1 – Community Care Grant items



15. There is no national or local data on how the volume of Crisis Loan awards is split by category but the DWP has outlined the broad award categories used. These are:
 - (a) Living expenses (food and clothing)
 - (b) Rent in advance to secure new accommodation
 - (c) Charges for board and lodging accommodation and residential charges for hostels
 - (d) Emergency travel expenses when applicant is stranded away from home
 - (e) Repaying emergency credit on a pre-payment meter so the supply of fuel can be restored

Analysis of the current Social Fund – Provider workshops

16. During March 2012 4 workshop events were held with attendance from 26 local service providers. The workshops highlighted the outcomes and problems with the

current scheme as well as critical needs a localised scheme should aim to meet. Key findings from these workshops are outlined below:

17. Outcomes achieved through accessing Community Care Grants were to:
 - (a) facilitate move-on from supported accommodation into more independent living arrangements
 - (b) increase the likelihood of maintaining more independent living arrangements
 - (c) improve emotional and mental well-being by facilitating travel arrangements in crisis situations
 - (d) maintain financial independence and emotional well-being by preventing usage of high interest lenders

18. Outcomes achieved through accessing Crisis Loans were:
 - (a) Maintaining the health and well-being of households in financial emergencies by:
 - (i) preventing homelessness
 - (ii) enabling access to accommodation for those who are homeless
 - (iii) providing access to food and clothing
 - (iv) enabling homes to be adequately heated
 - (b) Maintaining financial independence and emotional well-being by preventing usage of high interest lenders
 - (c) To prevent criminal activity by individuals in desperate situations

19. All service providers felt there were significant issues with the current Social Fund. The key issues identified were:
 - (a) Cash payments to clients often results in the money not being spent on the appropriate need
 - (b) The provision of loans leads to long term financial pressures for applicants
 - (c) Remote processing, self presentation and low levels of communication with local agencies during decision often results in those with lower level of need receiving awards while those with a greater need are refused
 - (d) Amount awarded is always reduced so applications for funding are often overstated
 - (e) Lack of clarity in eligibility criteria
 - (f) Perceived inconsistency in award decisions
 - (g) CCG applications are overly complex so discourage applications from those potentially in need
 - (h) Lack of awareness from certain groups and service providers (Older People, People with Learning Disabilities and Mental Health support needs)
 - (i) Fails to address underlying support needs that may have led to the crisis

20. Service providers were also asked to identify how they would support clients if Community Care Grants (CCG) and Crisis Loans (CL) were removed and no new support was introduced. Providers identified a range of alternative support options but stressed that these support options were already oversubscribed and many applications would fail to meet the eligibility criteria required. Service providers felt that if CCGs and CLs were removed and no alternative forms of support provided, individuals would take mitigating actions which were likely to lead to serious long term support needs (see Table 3).

Table 3 – Impact if CCG and CL removed and no alternative provision

	Alternative forms of support Service Providers would use	Service Provider concerns about alternative forms of support	Client response if alternative forms of support fail	Consequence client responses
Food	<ul style="list-style-type: none"> - Kings Church Food Bank - Grange Road Church Basement Project - DBC Social Care - DWP Budgeting Loans - DWP Alignment Payments 	Lack of alternative services	<ul style="list-style-type: none"> - Shoplift - Use loan sharks - Use high interest lenders 	Evictions
Accommodation	<ul style="list-style-type: none"> - 700 Club Bond Scheme - DBC Housing Options - DBC Homeless Investigation - DBC Discretionary Housing Payments 	Appropriateness of alternative services Capacity of alternative services to cope with demand	<ul style="list-style-type: none"> - Sleep rough - Live with friends - Use B&Bs - Continue to live in inappropriate housing 	Depression and mental health issues Domestic abuse Deterioration in hygiene
Furniture	<ul style="list-style-type: none"> - DBC Furniture Scheme - FRADE - Kings Church - Charity Shops - DBC Social Care 	Services unable to respond within 24hrs Restrictive eligibility criteria for services	<ul style="list-style-type: none"> - Live without necessary furniture - Use of high interest lenders 	Malnutrition Overcrowding Criminal activity
Heating	<ul style="list-style-type: none"> - Call provider and arrange payment plan - Use own funds to buy emergency heater - DBC Social Care - DWP Budgeting Loans - DWP Alignment Payments 		<ul style="list-style-type: none"> - Live without heating 	Spiralling debt issues

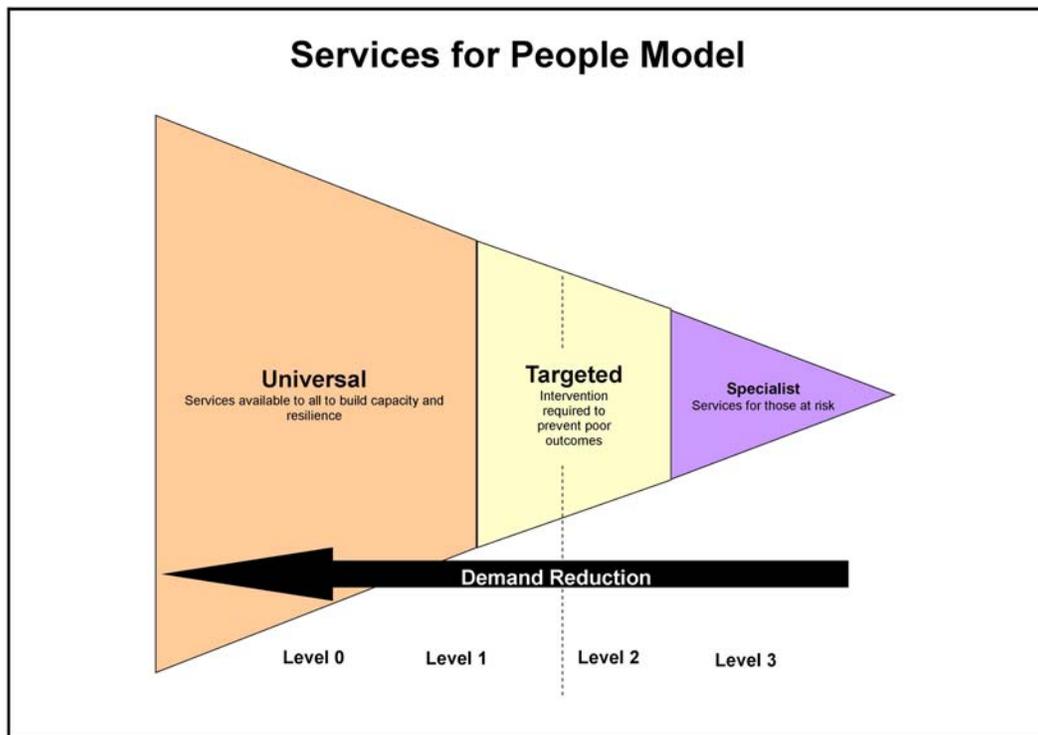
21. The overwhelming consensus for all service providers in each of the four workshops was that, whilst flawed, Community Care Grants and Crisis Loans were a critical resource to support people in crisis and help people remain in or move back into the community. Service providers strongly recommended that a similar service should continue to be provided and identified a number of design principles that should be included within the localised scheme:

- (a) Provide items or services rather than cash
- (b) Involve providers in decision making process to ensure support is given to those most in need
- (c) Decisions and the provision of support must be made within 48hrs for emergency situations
- (d) Service should be integrated with other local services to address any underlying support needs of applicants

Implications of Localised Social Fund for DBC business model

22. The current Social Fund plays an important role in contributing to the Sustainable Community Strategy outcomes 'People in Darlington are healthy and supported' and 'People in Darlington are financially secure'. In May 2012 the Authority commenced a major review of how it works towards these outcomes through the Commissioning for Resilience project, which has as its objective redesigning service delivery to reduce demand for expensive specialist services and direct a greater proportion of spend toward early intervention and prevention services. A graph summarising the proposed future Services for People Model is outlined in Figure 1.

Figure 1 – Proposed Services for People Model



23. It is critical that the Social Fund Localisation project is integrated into the future vision for Services for People and supports the primary objective of using early intervention and prevention to reduce demand for high cost specialist services.
24. While the funding transferring to the LA as a result of the Social Fund Localisation will not be ring-fenced the DWP Settlement Letter sent to LA's in August 2012 identified that the funds should 'give [LAs] the flexibility to help those in genuine need'. This leads to three high level options as to how this funding could be used:
- (a) Do nothing and use the money to help reduce the LA budget deficit

- (b) Use the money to increase the capacity of existing LA services which support people in need
- (c) Use the money to deliver a new localised service which could be delivered 'in-house' or procured from an external provider.

25. Table 4 evaluates the strengths and weaknesses of the three high level options:

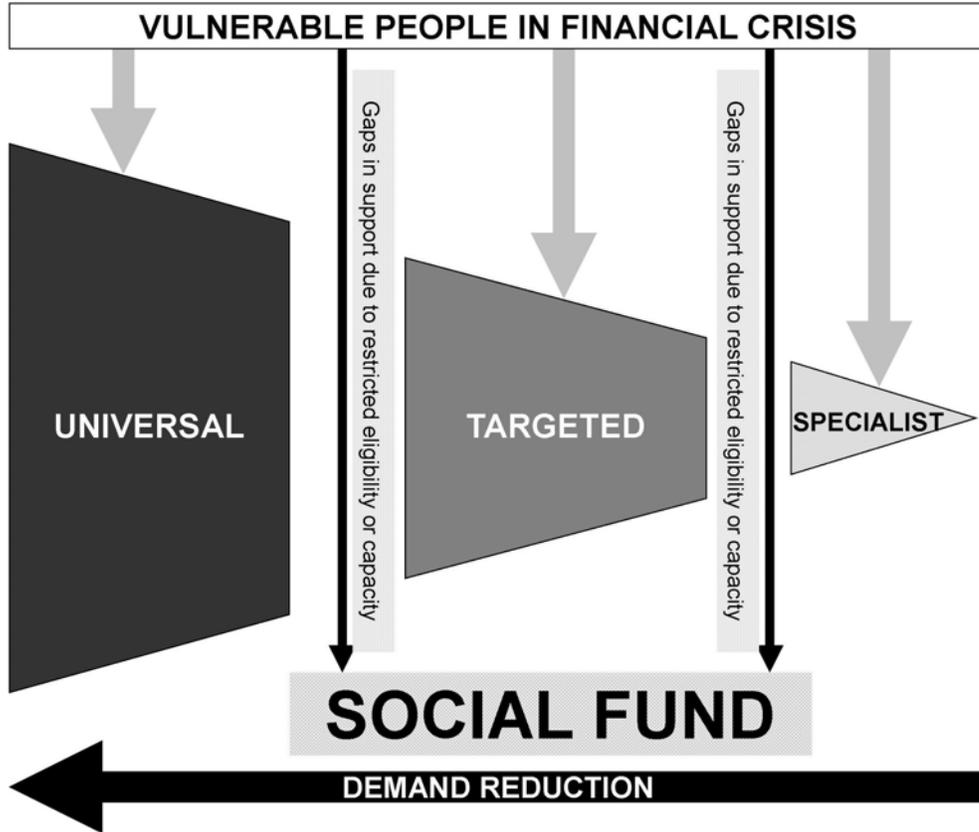
Table 4

Option	Strengths	Weaknesses
1. Do nothing - reduce budget deficit	<p>Contributes towards DBC's savings targets</p> <p>Potentially prevents or lessens funding reduction to other services</p>	<p>The social fund would qualify as a basic requirement in order to meet outcomes around health and financial security.</p> <p>Essentially a cut in preventative services for the local area. Will lead to increased demand on LA's high cost crisis and specialist services.</p> <p>Will contradict the instructions outlined within the settlement letter.</p>
2. Top up existing services	<p>Increases capacity of LA services at a point of increased demand due to Welfare Reform.</p> <p>Invests in core services which have a proven record in delivering key strategic outcomes.</p>	<p>The social fund would qualify as a basic requirement in order to meet outcomes around health and financial security.</p> <p>Current local services do not have the skills set and resources to meet the specific needs provided by the existing DWP administered Social Fund.</p> <p>Key LA services (Adult and Children's Social Care, Housing Options) identify the current Social Fund service as preventing demand for their services.</p> <p>Failing to re-provide a similar service would potentially increase demand for higher cost specialist services.</p>
3. Provide new service	<p>Allows a service to be specifically designed to meet local need arising from welfare reforms and closure of national Social Fund.</p> <p>Service can be designed to complement and support</p>	<p>Cost of developing a new service (though this will be offset by the 'new burdens' fund provided by the DWP).</p> <p>Uncertainty over how new service will operate within budget envelope, and on funding allocation beyond 2015.</p>

existing local services.

26. It is recommended that Option 3 be taken as while there are other public and voluntary services offered locally to support people in financial crisis, restricted eligibility criteria and resources mean that many people will fall through the gaps and require a final safety net.
27. Figure 2 shows how the Localised Social Fund will be aligned with other local provision to support delivery of the proposed Services for People Model.

Figure 2 – Role of Social Fund within Services for People Model



28. In progressing Option 3 the Localised Social Fund would continue to act as a fund of last resort, providing emergency support for those in financial crisis who slip through the gaps in local service provision.
29. It is proposed that the Localised Social Fund will differ in two significant ways from the current Fund in that:
- (a) It will be aim to be highly integrated with other local services, ensuring that all applicants will have a clearly identified need, that cannot be met by other providers and that those with underlying support needs will be referred to the appropriate local service provider for support.
 - (b) It will aim to provide support in the form of services or items rather than grants or loans to ensure that funds are used to meet priority needs and that no additional financial pressure (loan repayment) is placed upon applicants.

Design principles for Localised Social Fund

30. Based on the analysis of the current scheme and the strategic role of the localised scheme the following design principles have been identified:

- (a) Service to be available to any resident of Darlington in financial crisis and requiring support:
 - (i) To maintain or improve independence e.g.
 - moving out of supported accommodation, residential or institutional care to live independently
 - support to stay in home and prevent move into residential care or hospital
 - (ii) Where there is a severe risk to the health and safety of the applicant or an immediate family member which can not be met from another source
- (b) Support will focus on facilitating access to:
 - Food
 - Clothing
 - Essential household items
 - Heating
 - Services which will address any underlying support needs
- (c) Strong focus on value for money
 - Minimal setup cost
 - Minimal ongoing administration cost
 - Best value in procurement of relevant goods and services
 - Maximisation of other resources and support available locally so that social fund is truly the final option
 - Prevention of future spend for LA
 - Awards based on need
 - Awards spent on need identified
 - Improve administration and targeting of other similar services e.g. Section 17 payments
- (d) Clear thresholds of need with fairness in decisions and the ability to make appeals
- (e) High level of accountability and control of budget
- (f) Broad access and a single form of assessment
- (g) Simplicity
 - Prompt administration and delivery of goods and services
- (h) Flexibility
 - Ability to respond to future changes in local need and funding/policy from Central Government

- Ability to change service provision and eligibility criteria based on the insight gained from managing the localised scheme

Detailed options appraisal for delivery agent of local service

31. There are two potential delivery options which broadly meet the design principles highlighted in paragraph 30:
- (a) Option A – A new local service which makes assessment and award decisions and co-ordinates the delivery of goods and services. This service may be a procured service or delivered in-house by the LA.
- (b) Option B – Key local Third Sector organisations make assessment and award decisions directly and refer to a central team to process awards and co-ordinate the delivery process. Key to this option will be a common assessment framework which all services are trained to use and a robust monitoring system to ensure all awards are appropriate.
32. An assessment of each option was made against the design principles as outlined in paragraph 30. The assessment included the findings from consultation and impact assessment work completed on the options with service providers and potential service users.
33. A summary of the key strengths and weaknesses of the options are outlined in Tables 5 and 6.

Table 5 – Options A Strengthens and Weaknesses

Option A - Central assessment		
Strengths	Weaknesses	Mitigating Actions
Support consistency in decision making - potentially reducing the number of appeals	Difficult to establish applicant need from one-off phone call or an electronic or paper application form	<ul style="list-style-type: none"> • Locate within service that has existing knowledge of applicants • Develop information sharing protocols with service providers • Develop information sharing protocols to enable referrers and service providers to complete applications on behalf of clients • Contact service providers and practitioners to inform them of any relevant applications received by service
Clear signposting and referral pathways	Standalone service which will find it more difficult to provide a holistic form of support or address underlying needs	
Supports delivery of a clear and consistent service with a high level of control of QA and performance monitoring	One service will have limited times of access	
High level of budget control	Potential applicants may not feel comfortable accessing central service	
Ability to respond quickly to changes in eligibility criteria and assessment processes	Duplication in assessment and information gathering as applicant may have shared information and completed needs assessment with other local services	
Low level of setup complexity with clear costings	Risk that single service does not have the capacity to process all applications with target timescales	

Table 6 – Options B Strengthens and Weaknesses

Option B - Service provider assessment		
Strengths	Weaknesses	Mitigating Actions
Previous or on-going contact with applicant will improve number of awards being based on genuine need	Difficult to maintain consistency in decision making - risk of higher level of appeals	<ul style="list-style-type: none"> • Develop LA quality assurance monitoring to continually review decisions and train assessors
Ability to integrate social fund awards within a wider package of support offered by the provider	Complexity in management and control of grant allocation budget	
Applicants can approach a service they are familiar with	Potential difficulty for service providers to refuse awards when this may negatively impact applicants on-going participation with service	
Increased flexibility with opening times and access points	Without formal contracts and financial support the LA cannot guarantee the service provider opening times or timescales from presentation to assessment	
Reduce duplication in assessment processes	Cost and complexity of setup costs if formal contract required with assessing service providers	

34. Based on the tight timescales for delivery, the unknown nature and demand for the service it is proposed that the localised service be delivered directly by the Council initially. This will allow the LA to develop the service to ensure it meets strategic priorities and understand the volume and nature of demand for the service.
35. It is recommended that the local service is delivered by the Council for two years from April 2013 to March 2015. During this time the service will be monitored and there will be a further strategic review to identify the most appropriate commissioning arrangement effective from the 1st April 2015.
36. The two year timescale aligns with the DWP intention to maintain Social Fund grant allocations as a separate payment to Local Authorities until 2015 at which point the grant allocations will be subsumed within the general funding allocations to the Council as part of the next Spending Review period.
37. The Revenue and Benefits section have been identified as the most suitable section in which to integrate the localised social fund service for the following reasons:

- (a) Revenues and Benefits are the only section in the Council with the expertise and capacity to be able to deal with the type and volume of work the new Social Fund will bring. Revenues and Benefits also operate face to face services for customers and current systems are geared towards processing applications on the same day, at the first point of contact.
 - (b) The DWP has confirmed that while it will allow its Customer Information System (which holds key data on benefits claimed, value of benefits and payment dates) to be accessed to help assess localised social fund applications, this function will only be provided to services that currently access and are trained to use the system. The Revenues and Benefits staff already has access to this system and are trained in its use.
 - (c) The Revenues and Benefits section have expertise in undertaking means tested financial assessments in the processing of Housing Benefit and Council Tax Benefit claims.
 - (d) Revenues and Benefits staff also have expertise in undertaking discretionary decision making with the processing of Discretionary Housing Payments.
 - (e) Many of the customers accessing the Social Fund service will already be Housing Benefit and Council Tax Benefit recipients, so information will already be held on their systems that will assist in the processing of these applications.
 - (f) The Revenues and Benefits section has established links with other Council sections, landlords, support agencies and third party welfare providers that will be beneficial in the provision of this new service.
38. It should be noted that delivery of the localised service will place additional pressures on the Revenues and Benefits section during a period in which it is undergoing a programme of significant change as a result of the welfare reforms agenda. As a result it is anticipated that the service will require additional staffing resource. The financing of these posts is considered in detail in paragraphs 67 to 70.
39. The recommended timescales will allow the Council the opportunity to reassess the Revenue and Benefit section's capacity to continue to deliver the local service in light of its changing role following the migration of Housing Benefit responsibilities to the DWP between April 2013 and 2018.

Summary of local Social Fund service

40. The local Social Fund service is designed to support the most vulnerable clients who are in financial need. Support is separated into:
- (a) Crisis Support which aims to prevent an immediate deterioration to an applicants health by providing short-term access to food and limited supplies of clothing and baby consumables such as nappies and milk.

- (b) Community Care Support aims to help applicants remain in the community or move back into the community after a period in supported or unsettled accommodation. It does this by providing access to a range of standard items such as beds, bedding, furniture and white goods.
41. A comparison of the proposed local scheme compared to the current DWP scheme is attached as **appendix 5**.

Eligibility criteria

42. As there has been a £300k reduction (compared to 10/11 levels) on the programme budget given to the LA for local social fund service, support must be targeted towards those in greatest need. As a result it is proposed that support is limited to applicants who:
- (a) Are deemed as in financial crisis following a financial assessment by Revenues and Benefit assessor and
 - (b) Can demonstrate that , the applicant or their partner who lives with them meets at least one of the following:
 - (i) They have a serious physical health problem, which they are receiving treatment for
 - (ii) They have a dependent child who normally lives with them and that child's health would be at immediate risk
 - (iii) They are homeless, or at risk of homelessness
 - (iv) They have a substance or alcohol misuse problem, which they are receiving treatment or support for
 - (v) They are on probation or receiving support relating to their offending history
 - (vi) They are affected by, or at risk of domestic abuse
 - (vii) They have a learning disability
 - (viii) They have a physical or sensory impairment
 - (ix) They have a mental health problem, which they are receiving treatment or support for
 - (x) They are an older person with support needs
 - (xi) They are pregnant
43. This criterion is designed to target the very limited support towards those who are at highest risk of a serious health deterioration as the result of a financial crisis. The criterion has been developed in conjunction with local stakeholders and a full EIA is attached as **appendix 2**.
44. The DWP's eligibility criteria is very open as anyone who can demonstrate that they *'do not have enough money to meet a short term need'* will be considered for support. Feedback from stakeholders indicated that the DWP criteria was too open and lead to a wide range of people applying to the scheme with significantly varying levels of need. Stakeholders felt that the rational for awards was unclear and work should be completed to target support towards those in greatest need.

45. The more explicit criteria within the localised scheme is designed to increase transparency, reduce pressure on the assessment team by minimising the number of inappropriate applications and targeting support to those most likely to experience a serious negative consequence as a result of a financial crisis.

Branding and communication plan

46. It is proposed that the new scheme keeps the general title of Social Fund with slightly adjusted terminology for the two elements of support from 'Crisis Loans' to 'Crisis Support' and 'Community Care Grants' to 'Community Care Support'.
47. The rationale for this branding was in recognition of the fact that the local service is broadly similar to the current DWP scheme in terms of the outcomes it aims to achieve but is notably different in that cash payments will not be made and loans will not be provided.
48. The Revenues and Benefits team are currently working with the Communication team and local stakeholders, including the local Job Centre Plus, to develop a communication plan to ensure local residents and services understand how support will change in April 2013.

Shifting demand from Crisis Support to Community Care Support

49. A key aim of the localised service is to increase the proportion of funding spent on Community Care Support as opposed to Crisis Support¹. The rationale for this is that the provision of Crisis Support should be seen as highly undesirable as applicants in this position are at high risk and have failed to receive appropriate support from preventative services. Community Care Support on the other hand delivers clear positive outcomes for applicants in terms of maintaining and improving independence while also reducing long term costs for the Council.
50. The service will seek to reduce the value of spend on Crisis Support by the close monitoring of applications and signposting to appropriate services. The monitoring will be reviewed by Services for People commissioning team and used to shape future commissioning intentions surrounding preventative services.
51. Use of Crisis Support is expected to reduce for a number of reasons. One is that support will not be available to everyone in financial crisis, but will be targeted to those whose health, age or circumstances make them particularly vulnerable. The priority groups for support have been identified based on detailed consultation with key local stakeholders and equality impact assessments.
52. Demand for the Crisis Support is also expected to reduce due to the removal of cash payments. Consultation with stakeholders indicated that crisis loan payments were often used as a low interest loan for non-essential items. By providing items or services directly rather than making cash payments only those requiring true crisis support will benefit from the service. It has been noted that this approach may result in an increased use of high interest lenders for non-essential items and as a

¹ The percentage value of spend between crisis support and community care support by the DWP in 2010-11 was 61% to £39%

result the communications linked to the localised Social Fund service will include the promotion of services such as the Credit Union.

Role of Specialist Providers

53. As part of the local Social Fund Policy a list of Specialist Providers have been identified. These are organisations that will complete specialist needs assessments which verify a vulnerability included within the Social Fund Policy's eligibility criteria. The local Social Fund Policy includes a draft list but this will be continually developed through engagement with key stakeholders.
54. The local Social Fund service will use the needs assessment completed by specialist providers as evidence that an individual meets the Social Fund's vulnerability requirements. As a result, if an applicant engaged with a specialist support service is referred by that service to the Social Fund, the Revenues and Benefits team will accept the client meets the vulnerability requirements and will move on to assess the applicant's financial need. The purpose of this is to make use of specialist support provider's knowledge, avoid duplication of effort in assessments and improve the process for the applicant.
55. The specialist supplier arrangement for the local Social Fund service will improve outcomes for a wide range of service delivered or commissioned by the Authority. For example during 2011/12 over 200 individuals moved out of Supporting People contracted short-term accommodation. The majority of these services rely on Community Care Grants (CCG) to support successful move-on to independent living but often fail in applications. Without CCG support individuals either remain in supported living arrangements with an average cost of £150 per week or move into more independent accommodation but because there is no furniture or cooking facilities fail to maintain the independent living arrangements. Ensuring support is provided to these vulnerable groups will improve positive move-on outcomes and free up supported accommodation for those in need.
56. The Revenues and Benefits assessors responsible for completing Social Fund assessments will also receive training to ensure they can identify and make referrals for potential issues such as 'children at risk' or households with social care support needs.
57. The local Social Fund service is integrating standard referral and signposting processes into the application and assessment process. This will ensure that applicants who present directly to the Social Fund service with underlying support needs will either be referred for a specialist support assessment or signposted to relevant support agencies.

Process where Specialist Provider assessments are unavailable

58. Where support is requested, but there is no evidence of stated need and insufficient time to signpost for an assessment, the Revenues and Benefits team will directly establish if there is sufficient risk that an individual's health will deteriorate. If the assessor establishes there is sufficient risk of a serious deterioration of health a financial assessment will be completed. If the applicant is

deemed as also in financial crisis support will be provided and will also signpost to relevant services to address underlying need if this is appropriate.

Removal of DWP restriction on number of awards to an applicant

59. There will be no limit to the number of awards for individuals. Each application will be assessed on its own individual merits as awards will be based on need only. However, where repeat awards, particularly for Crisis Support are made, this may highlight a need for other types of intervention. All assessors will receive training to identify underlying needs and will be able to make referrals to relevant specialist support service where appropriate.
60. Regular performance monitoring will be used to highlight where individuals, families or particular client groups regularly require multiple crisis awards. The Revenues and Benefits manager will meet regularly with the Services for People commissioning team to review service usage trends and it is anticipated that this data will be used to inform future commissioning intentions. The Revenues and Benefits manager will also meet with specialist support providers where usage of the scheme is higher or lower than expected.
61. The Social Fund Policy states that “*Crisis Support will be given to a client without a specialist provider assessment if it is their first application (providing they meet the eligibility criteria and are deemed to be in financial crisis). The applicant may be informed any subsequent Crisis Support applications (even if this is for a different reason) will not be given until the applicant has presented to a specialist provider if this is appropriate*” (page 5). This will help to avoid a situation where applicants are believed to be abusing the Crisis Support or failing to engage with services which will help resolve underlying needs.
62. Staff will identify during the application and assessment processes the need for further advice and information. Applicants will be referred or signposted to other advice agencies if, for example the potentially qualify for additional benefits or Tax Credits.

Support provided by the local service

63. A key decision for the project team has been the type of goods or support provided by the service. Based on current demand figures provided by the DWP, feedback on applicant need from consultation and an assessment of the support available by Children’s Social Care, Adult Social Care and Public Health, a set list of support provided by the local Social Fund Service has been agreed. Table 7 outlines the list of support identified and the procurement arrangements being considered for this provision.

Table 7 – Support provided by local scheme

Form of support	Category	Provision		Supplier
		Items	Quantity/Length of support	
Crisis Support	Food	- Items TBC	Supplies to last 1 week	Foodbank/ Voucher for local store
	Clothing	- Underwear, t-shirt, socks,	1 set	Voucher for

		jumper, trousers		local store
	Baby Consumables	- Milk and nappies	Supplies to last 1 week	Voucher for local store
	Heating	- Top up of pre-payment card	Supplies to last 1 week	Prepaid card from Allpay
	Access to hospital	- Bus voucher or payment of taxi fare	Cost of return journey	LA Transport Framework
	Access to accommodation	- Bus voucher or payment of taxi fare	Cost of return journey	LA Transport Framework
Community Care Support	Single Adult/Couple without dependant children	- 2 Seat Sofa - Dining table and 2 chairs	Not applicable	Local Recycled Furniture Store
		- Single/double divan mattress - Bedding (duvet+cover, pillow +cover and 1 sheet) - Wardrobe and draws - Washing Machine - Fridge with small freezer compartment - Microwave - Curtains for living room and bedroom only - Carpet where demonstrable need	Not applicable	New sub-regionally procured contract
		- Pans, Utensils, Crockery, Cutlery - Removal and Storage	Not applicable	TBC
	Couple with dependant children	- 2x 2 Seat Sofa Dining table and 4/6 chairs	Not applicable	Local Recycled Furniture Store
		- Single/double divan mattress/Cot/Bunk Beds - Bedding (duvet+cover, pillow +cover and 1 sheet per bed) - Wardrobe and drawers per bedroom - Washing Machine - Fridge with small freezer compartment - Electric Cooker - Curtains for living room and bedrooms only - Carpet in children's bedroom or where demonstrable need	Not applicable	New sub-regionally procured contract
		- Pans, Utensils, Crockery, Cutlery - Removal and Storage	Not applicable	TBC

64. Within the local Social Fund Policy it is explicit that the items outlined with the policy are the only items that will be provided. The purpose of this is to ensure that there are no overlaps in support or inconsistency in decision making between the local Social Fund service and Social Care. Where specialist support is requested by the local Social Fund service the applicant will be informed that support cannot be provided and will be signposted to the relevant health or social care assessment team.

65. As a result of the feedback from the consultation and equalities impact assessment the local service will have a range of suppliers for each item. This will ensure support can still be provided to applicants who cannot use a service due to accessibility issues or because previous behaviour has resulted in exclusion from using a particular supplier.
66. It should be noted that the local scheme will not provided support for a number of services previously catered for under the DWP scheme. The most significant form of support no longer provided by is 'rent in advance' and 'boarding and lodges' payments. The value of this support was not included in the Programme Funding given to LAs as the DWP have chosen to use these funds to top up each LA's Discretionary Housing Payment Fund.

Cost of Local Social Fund Service

67. As the programme funding for the local service is fixed at £407k per year the primary cost variable for the local service will be the number of staff the Revenues and Benefits team will need to recruit. Staffing levels required will be directly linked to the number of applications received by the Revenues and Benefit service and this is extremely difficult to anticipate for a number of reasons:
- (a) Trend analysis of the current scheme can be used but this may not be helpful as the local service differs significantly from the national service e.g. items will be provided rather than cash payments and support will be non repayable rather than a loan.
 - (b) The Welfare Reforms will result in a £14m reduction per year in benefit payments to Darlington residents from April 2013. This is likely to significantly increase the number of households experiencing a financial crisis and as a result increase the number of households potentially in need of support through the Social Fund.
68. The project team have worked with the DWP and other local authorities to develop some indicative costs for the service based on a number of scenarios which consider the risks in forecasting demand as outlined above. It is likely that by training all current benefits assessors to complete Social Fund assessments an additional two or three employees will be required to meet anticipated demand levels. Table 8 outlines the proposed budget position for the Social Fund Service between 2012/13 and 2014/15 when two to three members of staff are recruited.

Table 8 – Potential budget position for local service

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>Total</u>
<u>Income</u>	-4,073	-86,059	-78,883	-169,015
<u>Expenditure</u>				
Additional Staffing	12,312	49,249	49,249	110,810
Other costs	7,500	15,500	15,500	38,500
Total expenditure	19,812	64,749	64,749	149,310
Net expenditure for two new staff	15,739	-21,310	-14,134	-19,705
Additional member of staff	0	24,624	24,624	49,248
Net expenditure for three new staff	15,739	3,314	10,490	29,543

69. Based on the forecasts completed it is recommended that the Revenues and Benefits team recruit two additional members of staff and that Cabinet recognise an additional £16K will need to be released in 2012-13 due to insufficient start up cost from the DWP. Setup costs will include the recruitment and employment of two additional staff from January 2013, training for new and existing staff, the purchase and licensing of ICT infrastructure and advertising costs.
70. Recruitment of two additional members of staff will leave a budget surplus of £29k by 2014/15 and it is suggested this is held as contingency funds for the service to meet any unexpended financial pressures.
71. It should be noted that a number of actions have been taken to minimise administration costs and delivery efficiencies for other service areas as outlined below:
- Existing Revenues and Benefits Assessors to be trained to complete Social Fund assessments which will increase capacity and resilience of Social Fund service
 - Locating the Social Fund service with the Revenues and Benefits team will allow financial assessments to take into consideration specialist information held by the LA and DWP with regard to an applicants benefit payments. This will improve the speed and accuracy of the financial assessment completed.
 - Assessments completed and referrals from specialist providers will be used as evidence of an applicants need. This will remove the need for Revenues and Benefits staff to complete a needs assessment and so will eliminate duplication of effort and improve the speed of the assessment process.

Links with the Welfare Right and Financial Advice Review

72. The ability to provide effective benefits advice and financial management training to the local community will also be fundamental to addressing the underlying support need of Social Fund applicants and prevent future financial crises. As a result, the project team planning the delivery of the localised Social Fund service

have been involved in the review of Welfare Rights and Financial Advice where the Social Fund has been identified as a key interdependency.

Support for those refused Crisis or Community Care support

73. It is inevitable that the local Social Fund service will be unable to support all of those who apply for Crisis Support and Community Care Support. Due to the significant reduction of Programme Funding provided to the LA from DWP and the £14m reduction in benefit payments in Darlington as a result of the welfare reforms the local Social Fund will be unable to support all applicants. Applicants who are refused support due to their failure to meet the qualifying conditions may still be able to access support from a number of local charities. For example Grange Road Baptist Church provide a soup kitchen each week day and have a limited amount of non-perishable food which can be provided and Kings Church operate a food bank which can be accessed 3 days a week.

Out of hours support

74. It is proposed that support will not be offered during evenings or weekends due to the limited administration budget provided by the DWP for the local service. Consideration has been given to ensure those that cannot physically access the Town Hall during office hours can still receive an assessment through the provision of a direct telephone line, an on-line application from and the provision of home visits in exceptional circumstances. Outside of office hours the Council website and the Social Fund service's telephone line will signpost callers for Crisis Support to other agencies which operate outside of Social Fund service standard operating hours such as the Council's Emergency Duty Team.

Procurement of relevant goods and service

75. As outlined in paragraph 63 to 66 the Local Social Fund service will offer a fixed list of items from a selection of suppliers. Procurement arrangements are being explored to ensure that the Authority receives both quality and value for money in the items provided by the local Social Fund service.

76. The project team have worked closely with a range of third sector organisations such as Evolution, Kings Church Furniture Scheme and Food Bank, FRADE and Grange Road Baptist church to identify how local charities could be involved in the delivery of goods included within the Social Fund. Current discussions indicate recycled furniture schemes could be used to provide sofas, tables and chairs.

77. Sub-regionally the local authorities are collaborating to adopt a shared contract for white goods, bedding, carpets and curtains and this is being led by Darlington.

78. All contract awards will be made by January 2013 to ensure a pilot of the Localised Social Fund can be delivered during February and March 2013.

Similarities and differences between schemes across the sub-region

79. The project leads for the localisation of the social fund within each authority have met on a monthly basis since January 2012. The purpose of these meetings has

been to share best practice, establish commonality in service provision where possible and identify potential opportunities for collaboration or joint procurement.

80. Four out of the five sub-regional authorities are considering locating the local Social Fund service within their Revenues and Benefits department with one currently considering out sourcing the service. Local policies vary significantly based on local needs and priorities but joint procurement has taken place for the provision of furniture. Future sub-regional meetings will continue to ensure there is clarity over the duty to support applicants with links to multiple areas.

Ongoing monitoring

81. Services for People commissioning staff will provide an outcome and performance management framework for the in house team which will be monitored through a Service Level Agreement (SLA)
82. The SLA monitoring undertaken by the commissioners will provide a strategic overview of service utilisation, presenting needs and the outcomes achieved from awards made. Using the information obtained through the monitoring process officers will undertake a strategic review to ascertain the extent which the intended aims of the Localised Social Fund Policy have been delivered and the most appropriate commissioning arrangement effective from the 1st April 2015.

Consultation and impact assessment

83. Support through the service should be a one off event from someone in financial crisis whose health is at risk or who needs help to move back into or remain in the community. As a result of the ad-hoc nature of service usage the specific individuals who may use the service cannot be identified. In response to this difficulty, consultation and the equalities impact assessment has focused on engaging with key local service providers as a proxy.
84. There have been four major consultation stages during the development of the local Social Fund service. The first focused on identifying key local services supporting clients who may be affected by the wider welfare reforms. The second event was separated into four sessions with service providers supporting families, single adults, older people and those with mental health or learning disability support needs. These sessions focused on evaluating the current DWP Social Fund service and identifying priorities for the local service as outlined in paragraphs 16 to 21. The third consultation period focused on visits to provider's front-line services to work with potential social fund users to evaluate the proposed items and services to be provided by the local service. The final consultation brought all local stakeholders together to review the proposed local Social Fund policy and consider equality impact assessment issues.
85. Key outcomes from the consultation and impact assessment are outlined below:
 - (a) Consultation questioned why those with gambling additions and those who are pregnant or army leavers were not included within the qualifying criteria of the draft policy. The policy was revised to include those who are pregnant as directly meeting the qualifying criteria. Army leavers and those with gambling

addictions were not included as part of the qualifying criteria as there is no reason to assume army leavers and those with gambling addictions are at greater health risk than the general population.

- (b) Specialist support providers highlighted that the current DWP scheme will consider offering support to purchase specialist items such as adjustable beds, grab rails etc and challenged why the local scheme would not offer this support. The issues was considered but no change was made to the policy as the assessments and support provided by health and social care were considered sufficient for identifying and providing specialist items required to support an individual to live independently.
- (c) Concerns were raised that the Social Fund would not operate on evening or weekends and this would limit the people able to claim Crisis Support. The decision was made not to offer support during evenings or weekends due to the limited administration budget provided by the DWP for the local service. Consideration was made to ensure those that could not physically access the Town Hall could complete the application process and receive items or services. An answer machine service will also be in operation and this will signpost callers for Crisis Support to other agencies which operate outside of Social Fund service standard operating hours.