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Customers and Communities Overview and Scrutiny Panel – Task and Finish Group

Monday 24 September 2012

PRESENT:

Councillor Tuffin, in the Chair.
Councillors Ball, Damarell and Philippa Davey.

Co-opted Representative: Steve Meakin.

Also in attendance: Councillor Penberthy (Cabinet Member for Cooperatives and Community Development), Peter Aley (Head of Safer Communities), Jo Hambly (Financial and Social Inclusion Officer), Martine Collins (Revenues and Benefits Services Manager), Dave Saunders (Strategic Manager – Customer Services), Maria Schingen (Product Portfolio Manager), Lisa Woodman (Lead Officer) and Katey Johns (Democratic Support Officer).

The meeting started at 9 am and finished at 12 noon.

Tuesday 2 October 2012

PRESENT:

Councillor Tuffin, in the Chair.
Councillors Ball and Damarell.

Co-opted Representative: Steve Meakin.

Apology: Councillor Philippa Davey.

Also in attendance: Lisa Woodman (Lead Officer), Katey Johns (Democratic Support Officer), Eunice Halliday (Coordinator) and Brenda Carter (Volunteer), Plymouth Foodbank, Betty Gray (Founder and Co-ordinator) and Paul Williams (Manager), Plymouth Credit Union, Andrew Richards and Lynden Gibbs, Salvation Army.

The meeting started at 1 pm and finished at 4 pm.

Monday 8 October 2012

PRESENT:

Councillor Tuffin, in the Chair.
Councillors Ball, Damarell and Philippa Davey.

Co-opted Representative: Steve Meakin.

Also in attendance: Lisa Woodman (Lead Officer) and Katey Johns (Democratic Support Officer).

The meeting started at 4 pm and finished at 5.50 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

29. **DECLARATIONS OF INTEREST**

There were no declarations of interest expressed by members in accordance with the code of conduct.

30. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

31. **SOCIAL FUND REPLACEMENT** (Pages 1 - 30)

The task and finish group convened over three days to consider written and verbal evidence in respect of the Social Fund Replacement proposals submitted in response to the Government's package of welfare reform. Members focused their review on the eight principles which had been identified as essential to support the development on an equitable welfare assistance scheme. As part of this process the task and finish group heard concerns from voluntary organisations on the effect that cuts and legislative changes would have on their ability to deliver services.

The full draft report containing the findings, conclusions and recommendations arising from this task and finish group are attached as an appendix to these minutes.

This report will be considered by the Customers and Communities Overview and Scrutiny Panel at its meeting on 7 November 2012.

32. **EXEMPT BUSINESS**

Whilst parts of the information contained within the documentation presented to Members for their consideration as part of this review were confidential, it was not necessary to move to Part II during their discussions.

33. **SOFT MARKET TEST**

Members noted the schedule submitted outlining the results of the soft market test.

SOCIAL FUND REPLACEMENT

Customers and Communities Overview and Scrutiny Panel
Task and Finish Group



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Ie	Betty Gray (Founder and Co-ordinator) and Paul Williams (Manager), Plymouth Credit Union
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I. INTRODUCTION

- 1.1 The Social Fund provides a safety net for people who cannot afford essential daily living. In April 2013 it is going to be abolished and the Department for Work and Pensions (DWP) will hand partial funding to Local Authorities to design and deliver a localised welfare assistance scheme. With rising living costs and an estimated loss in benefits to the City having already been identified at between £13 and £27 million, as a result of Welfare Reform, Local Authorities are faced with making tough decisions around how they can continue to meet increased demands on already stretched services.
- 1.2 There are several types of funding pots available within the Social Fund but only two of those will transfer to Local Authorities:
- Community Care Grants
 - Crisis Loans
- 1.3 At a meeting of the Customers and Communities Overview and Scrutiny Panel on 20 June 2012, the Cabinet Member for Cooperatives and Community Development sought members' assistance in helping to shape the proposals for the Social Fund Replacement by undertaking pre-decision scrutiny on the matter. Focussing on the eight principles identified as essential to support the development of an equitable welfare assistance scheme, this report summarises the findings of the task and finish group review and makes a number of recommendations to Cabinet about how this money could be administered and spent.

2. SCRUTINY APPROACH

- 2.1 The Overview and Scrutiny Management Board approved the establishment of a task and finish group to review the Social Fund Replacement scheme at its meeting on 25 July 2012.

2.2 Task and Finish Group Objectives

- 2.2.1 The group was asked to advise the Council on the delivery options for the new scheme.

2.3 Task and Finish Group Membership

- 2.3.1 The task and finish group had cross party membership comprising the following Councillors –

- Councillor Tuffin (Chair)
- Councillor Ball
- Councillor Damarell
- Councillor Philippa Davey

- 2.3.2 In addition, in order to broaden and enhance the group's knowledge and experience, a co-opted representative was appointed from the Citizens Advice Bureau –

- Steve Meakin

- 2.3.3 For the purposes of the review, the Task and Finish Group was supported by -

- Lisa Woodman, Business Support Officer (Quality Assurance and Customer Services)
- Katey Johns, Democratic Support Officer

2.4 Task and Finish Group Methodology

2.4.1 The Task and Finish Group convened over three half-day sessions to review the documentation submitted as evidence and to hear from a number of witnesses.

2.4.2 Witnesses invited:

- Peter Aley (Head of Safer Communities), Plymouth City Council
- Jo Hambly (Financial and Social Inclusion Officer), Plymouth City Council
- Councillor Penberthy, Cabinet Member for Cooperatives and Community Development
- Martine Collins (Revenues and Benefits Services Manager), Plymouth City Council
- Dave Saunders (Strategic Manager – Customer Services), Plymouth City Council
- Maria Schingen (Product Portfolio Manager), Plymouth City Council
- Eunice Halliday (Co-ordinator) and Brenda Carter (Volunteer), Plymouth Foodbank
- Betty Gray (Founder and Co-ordinator) and Paul Williams (Manager), Plymouth Credit Union
- Andrew Richards and Lynden Gibbs, Salvation Army

2.4.3 Full details of the evidence provided by each witness are attached at Appendix I to this report.

2.4.4 In order to assist with its deliberations, the task and finish group were provided with the following documentation and background information:

- Project Initiation Document
- Briefing Paper outlining the Social Fund Replacement Principles
- Consultation response to Social Fund Replacement Principles
- A presentation on Localising the Social Fund in Plymouth
- Soft Market Test Results – Social Fund (Confidential)
- Timeline of Welfare Reform Changes (attached at Appendix 2 to this report)
- Discretionary Housing Payments (attached as Appendix 3 to this report)

3. FINDINGS

3.1 Social Fund

3.1.1 In order to set the scene and bring the task and finish group up to date with the current arrangements and the changes to be implemented, members received a detailed presentation from the Council's Head of Safer Communities and Financial and Social Inclusion Officer, accompanied by the Cabinet Member for Cooperatives and Community Development. A copy of this presentation is included in the agenda pack for this review but can be viewed by clicking on the following link:

<http://www.plymouth.gov.uk/mgInternet/documents/s41352/Presentation%20Handout.pdf>

3.1.2 The Social Fund currently comprises various funding pots, two of which will transfer to Local Authorities in April 2013; Community Care Grants and Crisis Loans. In 2010/11 the DWP spent a total of £1.2 million on Community Care Grants and Crisis Loans in Plymouth; £581,700 on Community Care Grants and £642,000 on Crisis Loans.

3.1.3 Community Care Grants

- (a) Community Care Grants are non-repayable grants awarded to cover a range of expenses, including household equipment. They are intended to support vulnerable people to return to or remain in the community and to ease exceptional pressure on families;
- (b) the average award of Community Care Grants in Plymouth during 2010/11 was £458.57;
- (c) reasons for applications during the period April to September 2011 include –
- Families under exceptional pressure
 - Helping people to stay in the community
 - Moving out of residential/institutional care
 - Planned resettlement
 - Travel expenses
- (d) examples of items awarded nationally include –
- | | |
|---|--|
| <ul style="list-style-type: none">• beds/bedding• kitchen utensils• carpet/curtains• seating• fridges | <ul style="list-style-type: none">• clothing• cooker• washing machine• moving |
|---|--|

3.1.4 Crisis Loans

- (a) Crisis Loans are interest free loans currently available to anyone (whether on benefit or not) who cannot meet their immediate short-term needs in an emergency or as a consequence of disaster, usually for food, utilities, essential furniture/white goods. Repayments are taken by the DWP directly from people on benefits;
- (b) the average award of Crisis Loans in Plymouth during 2010/11 was £67.51;
- (c) reasons for applications during the period April to September 2011 include –
- benefit spent – living expenses
 - lost or stolen money/giro
 - capital not realisable
 - JSA sanctions imposed on customer
 - homelessness – securing accommodation
 - reconnect fuel supply
 - leaving care – not entitled to benefit/rent in advance

3.1.5 Very little information has been released by the DWP to local authorities about who applies for and is awarded money under the social fund at a local level. The National Social

Fund Project Team at the DWP has set up some web pages which are aimed specifically at Local Authorities and this is the only detail being made available to Local Authorities across the county. This information can be viewed at by visiting -

<http://www.dwp.gov.uk/local-authority-staff/social-fund-reform/>

<http://www.dwp.gov.uk/local-authority-staff/social-fund-reform/localisation-data/>

3.1.6 Only two years of funding had been guaranteed by the DWP. For 2013/14 funding has been confirmed as £878,428, plus £185,618 administrative costs and for 2014/15 £878,428 plus £170,139 administrative. The Government has not ring-fenced the funding and there is no duty placed on Local Authorities to deliver any specific type of service.

3.1.7 The task and finish group were disappointed that the DWP declined their invitation to participate in the review.

3.2 The Principals

3.2.1 In preparation of the handover of this funding, the City Council has undertaken a public consultation exercise focussing on some critical decisions, identified as essential to support the development of an equitable welfare assistance scheme, they are:

- Principal 1 – Shared Services
- Principal 2 – Delivery Model
- Principal 3 – Funding Amounts
- Principal 4 – Eligibility
- Principal 5 – Type of Assistance
- Principal 6 – Administrative Costs
- Principal 7 – Benefits Offered
- Principal 8 – Limiting Awards

3.2.2 The task and finish group took into account the evidence it heard from witnesses when considering its recommendations and used that information to assist in forming an opinion against each of them and the options contained therein –

Principal 1 – Shared Services

Option a – develop a scheme limited to Plymouth

Option b – develop a shared scheme with other Local Authorities

Whilst no direct evidence was heard in relation to this Principal, members were aware that Plymouth has higher deprivation scores than its neighbouring Local Authorities and has uniquely urban financial exclusion problems to address. They therefore agreed with the recommendation in the officer's report that it would therefore be very challenging to deliver a shared scheme within the time available and could limit delivery options.

Principal 2 – Delivery Model

Option a – all options delivered in-house

Option b – all options commissioned out to partners to deliver

Option c – split and combine delivery options across the local authority

The task and finish group heard that the Council's Revenues and Benefits Service has staff who are experienced in assessing and administering discretionary funds and who are trained in dealing with difficult customers. In addition, the department already has access to relevant customer data and this can be used to provide a more efficient service to customers, including signposting, whilst keeping administration costs down. Changes to the Council Tax Benefit scheme will mean that resources are freed up within the service and release capacity for staff to administer Social Fund claims. The Council's First Stop Reception desk is already set up to deal with customers in challenging circumstances and has cubicles where private conversations can be held without compromising staff safety.

Many of the types of assistance accessed via the current Social Fund are services that Plymouth City Council is not set up to provide. If it were to look to partner agencies to deliver those elements it would need to consider their capabilities. In respect of the Plymouth Foodbank, members heard concerns that –

- there is a real danger that some of their donors will cease to provide support if they think the Government is using their donations as an excuse for cutting back on a decent welfare system;
- their priority is to remain committed to feeding the hungry and they did not wish to compromise their core values or be seen as becoming a contractual arm of the welfare state;
- they already have a well-established criteria for distributing food parcels;
- there is a danger that demand could exceed capacity and with limited available storage they only have the capacity to provide a maximum of 60 extra food parcels a week;
- depending on the criteria adopted by the City Council for issuing crisis loans, it is possible that some people may be left with a food parcel if you get a crisis loan and a food parcel if you don't.

The task and finish group heard evidence from the Plymouth Credit Union to the effect that, if given the funding, they did have the capability to administer the Social Fund with the creation of two and a half jobs. In support of this members were advised that Plymouth Credit Union -

- were well-established in funding and administering loans as well as providing an advice service to customers on managing their household budgets and encouraging them to save;
- already has a contract with a supplier to provide goods required and customers can then repay the cost of the goods provided via a low interest rate;
- has an arrangement in place with the DWP for any unpaid debts to be recovered from benefit payments;
- is developing proposals with the Local Authority and landlords/housing associations for housing benefit payments to be paid direct to the credit union who will then pay the tenant's rent on their behalf.

Taking the above into account, members were of the view that, whilst the Plymouth Credit Union was in a position to work with the Council to deliver the Social Fund, given the time constraints involved (the service needs to be operational by April 2013) it would be more practical for all options to be delivered in-house for the first 12 months but that consideration should be given to the Plymouth Credit Union taking on part of the responsibility at some point in the future. They therefore disagreed with 2c, the option recommended in the officer's report and propose option 2a as an alternative.

Principal 3 – Funding Amounts

- Option a – spend the same level of funding from Government
- Option b – spend less than the level of funding from Government
- Option c – spend more than the level of funding from Government

Having heard of the funding levels planned for Plymouth for 2013/14 and 2014/15 and that the DWP spend in Plymouth during 2010/11 had been £1.2m, it was established that there will be a deficit in funding of £322,000 (27%). In view of mounting pressures on Council services and fewer resources to deliver them it will not be possible to consider spending more than the level of funding from Government. Given that demand on the Social Fund will rise as a result of other welfare reform changes and having heard evidence from the Plymouth Credit Union, Plymouth Foodbank and the Salvation Army of the increasing demand on their services, members of the task and finish group were of the opinion that the spend should not be less than the level of funding from Government. In addition, having heard that the Revenues and Benefits Service are looking at a service provision model with minimal cost to the authority and that the simplification of council tax benefit will free up resources and release capacity for the staff currently processing Discretionary Housing Payments to also administer Social Fund claims, members were confident that keeping the spend level the same was deliverable. They therefore agreed with 3a, the option recommended in the officer's report.

Principal 4 – Eligibility

- Option a – maintain current eligibility criteria
- Option b – create new eligibility criteria

The current criteria are based on the receipt of benefits, low income and responding to unavoidable crises. These are well established and understood across the city by those who have contact with the most vulnerable members of our communities.

Whilst developing a set of new criteria would enable the Council to target specifically designated groups and set local policy, Members were advised that there would be extensive time, costs and capacity involved in developing, testing and implementing any new eligibility criteria. In addition, with limited data available from the DWP it will be difficult to know whether the criteria help prevent escalation of the crisis and it would therefore make sense to maintain the current criteria whilst monitoring/evaluating the situation and undertaking a review in twelve months' time. The task and finish group were therefore supportive of the recommendation in the officer's report, option 4a.

Principal 5 – Type of Assistance

- Option a – deliver a single type of welfare assistance
- Option b – split crisis and care support to provide two types of welfare assistance to those in need

The current assistance provided by the Social Fund is in cash. However, the panel is aware that this system is open to abuse with some clients spending the money on cigarettes and alcohol and making repeat applications. Members heard evidence supporting –

- a voucher scheme to provide food;

- direct purchase of essential white goods;
- prepaid utility key cards;
- prepaid debit card facility;
- direct payment of rent;

many of which are already offered by the voluntary agencies talked to as part of this review.

The task and finish group were of a consensus that the Social Fund Replacement Scheme should be about providing a pathway to support as opposed to a pathway to cash and that any assistance offered should be monitored to ensure that the right people are accessing the right support for them whilst being encouraged at every opportunity to take responsibility for their situation to avoid repeated claims for assistance in the future. Members therefore agreed with option 5b, that splitting crisis and care support to provide two types of welfare assistance was the right way forward in helping people to help themselves.

Principal 6 – Administrative Costs

Option a – combining efficiencies and limiting administration to the amount provided by Government for this purpose

Option b – Increase or decrease funding used to administrate scheme

The DWP has allocated funding of £185,000 (equivalent to approximately 20% of the Social Fund) for the administration of the scheme. In order to pursue either an increase or decrease in administration costs the Council will require clear information on the cost of administration and this is something that is currently available. It is clear from all those involved in this review, including early indications from the consultation results, that administration costs should be kept to a minimum. Limiting administration costs means that maximum benefit can be gained from the monies in the pot to support those who are most vulnerable and in need.

As previously detailed under Principal 2 (above), the task and finish group heard that the Council's Revenues and Benefits Service has staff who are experienced in assessing and administering discretionary fund and have access to relevant customer data which can be used to provide a more efficient service to customers (including signposting) whilst keeping administration costs down). In addition, changes to the Council Tax Benefit scheme will mean that resources are freed up within the service and release capacity for staff to administer Social Fund claims.

Bearing the above in mind, members are of the opinion that combining efficiencies and limiting administration is the right option and are therefore supportive of the recommendation put forward in the officer's report, option 6a.

Principal 7 – Benefits Offered

Option a – cash and loans only

Option b – goods and services only

Option c – combination of cash, loans, goods and services

As previously considered under Principal 5, the current system relies upon the customer having the financial capability and skill to help themselves and ensure the money is spent on

what is needed. Loans require administration and the cost of this combined with the cost of collection is likely to generate high expenditure for low return. The DWP currently claims back 82% of Social Fund loans direct from benefits, an option which will not be open to the Council. The Plymouth Credit Union is able to offer low interest loans which can be reclaimed through benefit payments and has a contract with a supplier to provide electrical goods which the customer can pay for via a low interest rate loan.

With the merits of cash discounted due to it being open to abuse and the availability of low-cost loans through the Credit Union, members share the view that provision of goods and services only is the right way forward – option 7b. However, in giving thought to the types of assistance highlighted at Principle 5, the benefits of providing new goods established in exploring Principal 2, and considering the evidence they have received in respect of Discretionary Housing Payments (DHP), members are of the opinion that any model developed to deliver this option should include -

- any advances for rent should, if eligible, be referred in the first instance to the DHP fund;
- cheapest new goods be supplied as standard (due to the time limits involved), subject to review of the second hand reuse network's capacity to supply and deliver;
- the Council developing the capability to charge utility pre-payment keys/cards;
- provision of vouchers for food at a selection of retailers with restrictions imposed on their use so as to exclude the purchase of alcohol and tobacco.

Principal 8 – Limiting Awards

Option a – no limits

Option b – apply limits to the number of awards

The average award in Plymouth during 2010/11 was £67.51 for a Crisis Loan and £458.57 for a Community Care Grant. The current arrangement allows for three crisis loan awards whilst there are no restrictions in respect of Community Care Grants. With demand expected to increase by approximately 30%, applying limits to the number of awards is the Council's only realistic option as offering up a scheme with no limits will soon allow demand to outstrip supply.

Given that Community Care Grants are non-repayable grants awarded to cover a range of expenses, including household equipment, to enable vulnerable people to return to or remain in the community and to ease exceptional pressure on families, it is reasonable to expect people to move no more than once a year and, if they do move, any household equipment already supplied could be moved with them. In addition, the task and finish group heard evidence that there are other sources of assistance available within the community who can provide small household items, clothing and toys such as the Salvation Army.

With regard to Crisis Loans, members were of the opinion that a crisis loan is something that most people should require only once and, with the emphasis on support for clients finding themselves in this situation being the promotion of personal financial responsibility and resilience, and in order to prevent abuse of the system, the task and finish group support option 8b. They are, however, aware that there will always be exceptions which will need to be considered on their own merits and to this end they propose that –

- the limit is set at one claim in any 12 month period;
- applicants can appeal for a review of the decision to be undertaken by a senior council officer during the first 12 months of operation (this review process to include a representative from the third sector in the longer term once the process has become established).

3.2.3 In addition to the consultation exercise on the principles, a soft market test was carried out in order to establish what level of interest would be generated in providing the furniture/equipment required to deliver this service. Despite over 7,000 organisations being contacted, only nine companies expressed an initial interest in contracting for this service.

3.2.4 The panel would like to have explored the option of second hand goods provision further through discussion with the Furniture Reuse Project. Unfortunately however, despite best efforts, no one was available to attend and, due to the time constraints on this review, this avenue of exploration was lost.

4. CONCLUSIONS

4.1 In reviewing the evidence and analysing all of the data provided, the panel concluded that -

- (a) if the funding is not ringfenced there is a risk of it being absorbed into the Council's General Fund and used in the provision of other service areas;
- (b) those who require food or electricity will have different needs to those who require rent in advance or a cooker and are likely to use different services to access support. By delivering the Social Fund Replacement Scheme in-house through the Council's existing social care and revenues and benefits services it will have greater control over spend, budget and the more discretionary elements of awarding. Whilst not discounting the ability of the Plymouth Credit Union to deliver this service, the fact that the Council is under pressure to have the service operational by April 2013 leaves little time to explore the possibilities of entering into any contract arrangement;
- (c) the change over from the current system to the new one needs to be as smooth as possible in order to avoid unnecessary delays in processing applications. Members welcome the fact that the Revenues and Benefits Service are looking at the training requirements needed to equip staff with the necessary skills to manage the change and are already working closely with the DWP in order to ensure that the needs of vulnerable customers are not overlooked during transition;
- (d) with ever decreasing funding and increasing demands on services, the Council is going to be faced with making extremely difficult decisions. Members are confident that by –
 - establishing an in-house delivery model;
 - maximising use of existing resources within the Revenues and Benefits Service and keeping administration costs to a minimum;
 - adopting (as least for the first year of operation) the current eligibility criteria;
 - limiting the number of awards;

the existing spending level can be maintained;

- (e) due to the low level of interest expressed during the soft market test for the supply of goods, whilst not discounting entirely the merit of second hand goods, it would be difficult to ensure supply could match demand or that robust contracts could be put in place before the implementation date. In addition, the benefit of new goods is that they come with guarantees and can be delivered and installed, albeit at extra cost whilst second hand goods are bought on trust with no guarantee on how long they will last. The benefits of supplying new goods therefore far outweigh the benefits of supplying second hand;
- (f) without the generosity and goodwill of the countless volunteers providing support to all of the agencies who participated in this review, there would be many more demands on the Council's already stretched services. Members offered their heartfelt thanks for the outstanding services they provide to the City and particularly to those in need.

5. RECOMMENDATIONS

The task and finish group recommend to Cabinet –

R1	that both the fund and the administration element be ringfenced to Plymouth City Council;
R2	that principle one, three, four, five and six be adopted as presented in the consultation;
R3	that principle two be adopted as follows – <ul style="list-style-type: none"> • Option a – All options be delivered in-house with Plymouth City Council holding the funding and administering the service through Revenues and Benefits, subject to capacity being reviewed (<i>when?</i>) • consideration to be given to a credit union taking part of the responsibility at a future date;
R4	that principle seven be adopted as follows – <ul style="list-style-type: none"> • rent advances be applied for out of discretionary housing payment fund; • cheapest new goods be supplied as standard due to the time limits involved, subject to a review of the second hand reuse network's capacity to supply and deliver (<i>when?</i>); • the council developing capability to charge utility pre-payment keys/cards; • provision of vouchers for food at a selection of retailers, with restrictions imposed on their use so as to exclude the purchase of alcohol and tobacco;
R5	that principle eight be adopted as follows – <ul style="list-style-type: none"> • that the limit be set at one claim in a 12-month period (<i>crisis loan / community care grant / both?</i>) • appeals to be considered by a senior officer from within the authority from the outset, with a view to including representatives from the third sector in the longer term

R6	that adequate assessment and support plans are developed to ensure that the service acts as a holistic pathway to support;
R7	that a six-month progress report be presented to the Customers and Communities Overview and Scrutiny Panel with any major variances to the fund being reported back sooner.

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REVENUES AND BENEFITS

Social Fund Task and Finish Group



PLYMOUTH
CITY COUNCIL

Martine Collins

Current Position

The Revenues and Benefits department administers Housing Benefit and Council Tax Benefit for the people of Plymouth. There are currently 31,015 customers in receipt of Housing Benefit and 27,816 in receipt of Council Tax Benefit. Council Tax Benefit can also be paid to owner occupiers of properties who may not be in receipt of Housing Benefit.

As part of administering the benefits, customers who have a shortfall in their rent can apply for Discretionary Housing Payments (DHP) to help towards their rent if they are experiencing hardship or are vulnerable. Applications are assessed and a means test is carried out and those qualifying will receive additional financial support.

As part of Welfare Reform all Local Authorities have had their funding for 2012/2013 increased and for Plymouth this is £224,000. Recent changes to the criteria under which customers can apply for DHP mean that this fund can now also be used for the payment of rent in advance.

The Housing Options team also have a fund that currently pay for rents in advance and work is being undertaken to determine the numbers that are currently paid out and details of this will be available shortly. It is anticipated that the Social Fund will not need to be used for the payment of rents in advance however more work needs to be done to determine this categorically.

Welfare Reform Changes

From April 2013 Council Tax Benefit will be abolished and replaced with a localised Council Tax Support Scheme (CTS). It is proposed that a vulnerability fund be built into the local scheme to help customers experiencing exceptional hardship with their Council Tax.

Revenues and Benefits will continue to administer discretionary funds and the new CTS scheme and the Social Fund can fit alongside this. The department already has access to relevant customer data both in terms of its current activities and through the DWP's IT systems which can be used for the administration of Housing Benefit. Access to this data will allow officers to provide a more efficient service to the customers and help keep administration costs down. The service can provide benefit advice and ensure that relevant customers are accessing the maximum level of benefit that they are entitled to and that the additional help is being drawn from the correct discretionary fund.

The Revenues and Benefits Service has officers experienced in assessing and administering discretionary funds and it has highlighted the need to support staff further in this function as part of the welfare reform changes. The relationship with the customer will change as we move from demand led financial support to fixed funding levels and the service is currently looking at the training requirements needed to equip staff with the necessary skills to manage the change.

The Service is working very closely with Housing Options, the DWP and Job Centre Plus to determine ways of working more closely to assist vulnerable customers. There has been some partnership working with the Citizens Advice Bureau during September and Officers from Housing

Options and Revenues and Benefits have been signposting customers where appropriate for advice. Work is now underway to make this a permanent arrangement.

Dave Saunders

All front line staff will need to be aware of what the Social Fund Replacement is and how it can be accessed.

Libraries can be used to provide information and signpost people on to appropriate agencies.

Revenues and Benefits staff are trained to handle difficult situations which can arise when dealing with angry customers. Diffusion technique training is currently provided for security staff but there is a plan to roll this out to Housing and Revenues and Benefits staff within the next two months.

The Civic Centre's First Stop Reception area is already set up to deal with customers in challenging circumstances and has cubicles where private conversations can be held without compromising staff safety.

The call centre did not currently operate a call-back service as the demand was not there. However, this is something that could be considered if callers were to identify themselves as in crisis.

All calls taken in the call centre are monitored so the number of people waiting at any one time was known – the answer rate was currently 96%, 74% of which was within 7 seconds.

Social Fund Replacement Task and Finish Group

Witness Summary: Maria Schingen (Product Portfolio Manager), Plymouth City Council

The City Council's Strategic Procurement Unit offers advice to staff and suppliers on all aspects of procurement and contractual matters. The team is working to make the Council's procurement processes and procedures as efficient and user-friendly as possible to make the maximum possible savings for the Council.

Plymouth City Council staff must follow the rules outlined in our Contract Standing Orders when purchasing goods, works or services and staff are asked to contact the Procurement Team if they intend to procure goods or services valued above £100,000.

The Regulations apply if the estimated value of a contract exceeds the thresholds set out in the Regulations. The new EU Procurement Thresholds 2012 are as follows:

- Supplies: £173,934
- Services: £173,934
- Works: £4,348,350

These Regulations are legally binding on the Council and it is illegal to break up contracts to avoid the application of the European Regulations.

The Regulations require the Council to advertise contracts in an electronic publication called the Official Journal of the European Union (OJEU). The Strategic Procurement Unit will arrange for the advertising of contracts.

The Procurement Team had been asked to work with officers in Social Inclusion to engage the market and establish its appetite to provide the types of goods and services required to deliver the Social Fund Replacement Scheme. Between 7,000 and 10,000 organisations were contacted, 4,000 of which were registered on the Council's 'sell to Plymouth' portal, including a number of local charities. Despite this, only nine organisations expressed an initial interest in contracting for this service.

It was difficult to know how much in total the contract would be for so the exercise had been undertaken based on an estimate in excess of £300k over its two year life.

It was acknowledged that many third sector agencies were put off from tendering for goods and services because they viewed the process to be too involved or complicated. As a means of overcoming this, the Council does provide training through Communities and Social Action Plymouth (CASAP) to provide them with the support needed to compete for contracts. In addition, whilst terms and conditions remain the same for every tendering process, simpler contracts are available for smaller orders.

There was no obligation on the Council to accept the lowest tender as other factors can be taken into consideration such as suppliers who use less carbon, local apprentices etc.

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Plymouth Foodbank

We provide emergency food for people in short-term crisis who have fallen through the safety net of public provision or for various reasons are struggling. Reasons for referral include benefit cuts, benefit delay, refused crisis loan, sickness, low income, debt, domestic violence. We shouldn't be needed in this day and age and we have no intention of turning into a massive food distribution centre – as in the American model.

However our safety net is being stretched because of need.

Last year Plymouth Foodbank provided food for 3451 adults and 1425 children.

Nutritionally balanced parcels of food as per list provided by Trussell Trust – national network to which we belong.

133 referring agencies 78 are statutory agencies incl PCC offices – housing education social services
 Max 4 vouchers pa. and we notify referrers if a person is getting vouchers from several agencies.
 Occasionally refuse if we have cause to be suspicious – different names same address etc. We also give out toiletries, crockery, pet food if we have it and if in conversation it is clear people need it. We refer about 15% to other organisations or to groups that happen at the Crown centre – Job club, literacy, healthy cooking, puzzling questions. If appropriate we offer to pray with people. We often spend a lot of time listening to people either then or they return at a later date for help from the centre generally. We help with forms and chasing up benefit problems.

31,500kgs of food donated by
 49 churches,
 48 education centres – nurseries – university
 10 businesses
 32 staff groups
 42 community groups
 Dcfa and 100s of individuals

60 volunteers help in all sorts of ways including 12 collections a year outside supermarkets asking customers for donations

It cost £33,000 to run the foodbank last year. The majority of our money comes from donations from individuals and groups and from fundraising events etc. Grants of £5000 from Drake Foundation and £7000 from Lloyds TSB, £2000 from Virginia House Settlement. This includes several thousands of pounds spent on keeping a balanced stock

We are Sainsbury's Charity of the Year. The Zone have adopted foodbank as the project for two citizenship groups.

We are well supported by the community and do not want to lose that support by being seen to be "doing the state's" job.

We want to work in partnership with the council and other agencies so that people receive the help they need – financial or otherwise. We value our independence to point out when things are going wrong. – when forms make no sense, when people are left without support.

Our concerns

Welfare benefit change will cause hardship. People will not/cannot plan for changes. Many people come to us now because of delays and errors and client lack of understanding/confidence when moved from one benefit to another and changing over from the current system to universal credit is bound to lead to delays – when presumably they will be turning to the social fund. We need to be campaigning for a smooth handover. Also that working people on a low income have access to the fund too.

We are a small community project led by the Methodist Church and I feel that the value of our centre is that we provide more than the foodbank but also the foodbank is a benefit to the centre providing volunteer work and enabling us to identify people who need our other services. It is a two-way street. We have reservations about foodbank getting so big it overwhelms everything else. Unless the council help us with storage space I doubt we could help more than 30 extra food parcels a week and given other activities in the centre, the need for volunteer etc 60 extra food parcels a week is realistic at this stage.

The community aspect - There is a real danger that some of our current donors will cease to support us if they thought the Government were using their donations as an excuse for cutting back on a decent welfare system.

As the trussell trust – our national body says our priority is to remain committed to feeding the hungry. If Local Authorities want to work with us and support us in our work that is good. We have to find ways to do that which do not compromise our core values or cause us to become a contractual arm of the welfare state.

In the last year 156 vouchers have refused crisis loan as reason for referral. 80 of these from Job centre. We presume that whoever is going to administer this system will hold our vouchers to refer some of those refused a crisis loan.

The more tricky situation is this- if the council do not want to give out cash but want to give vouchers (we can see some advantage to this system) and those vouchers include food vouchers should they be supermarket vouchers or our vouchers or vouchers for any other agency that wants to set up a foodbank.

If people are referred to us for food under the new social fund system the things we do not wish to compromise on are these (whether or not we get any funding from the Council for Foodbank activity):-

- The food - everyone who comes gets the same varied list of food – not bigger or smaller list for social fund people or IF funded by council two separate lots of food – we don't have storage space for council's funded tinned fruit and donated tinned fruit
- The admin - We enter on a national server details of referrals and can identify food recipients by referrer, wards etc However we do not identify the specific cost per food parcel per individual.
- The ability to stick to the 4 voucher rule irrespective of where they have been referred from. We not be expected to make an exception for people referred under social fund who had had 4 from elsewhere. - (we do allow some leeway in discussion with referrers but on a case by case basis and in exceptional circumstances).

- The ability to say no if we believe the system is being abused or people are using the food to free up money or sell the food to feed a drug/alcohol habit.
- The ability to pray with people if asked or if it seems appropriate to offer. The ability to support people within our capabilities.
- In order to maintain other donations we would need to handle the publicity regarding the social fund.

Issues

At the moment if people are refused a crisis loan and go to job centre they are sometimes referred to us by the job centre on their own forms which in theory leave us with the discretion of what to do. In practice we treat that as a referral like any other. Would whoever administers the Social Fund take the same approach?? This could lead to possibility of food parcel if you get crisis loan and food parcel if you don't.

If we get funding to provide some food parcels we could be seen as an organ of the state. If we don't get some help from the Council we could be overrun and not be able to keep up with demand.

If the Council are minded to administer (or commission an organisation to administer) the social fund in such a way that involves referring to a foodbank as opposed to cash/supermarket vouchers and another agency sets up a foodbank then there will be real confusion in the minds of donors as to which is Plymouth Foodbank. Given the work we have done to establish community involvement the city would lose out if we couldn't maintain the Foodbank

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Social Fund Replacement Task and Finish Group

Witness Summary: Plymouth Credit Union

Background and History

The City of Plymouth Credit Union is a not for profit, member owned financial organisation providing credit at low rates and offering other forms of financial assistance to its members such as savings plans, budget management and debt advice.

- 1997: The West Plymouth Credit Union was officially registered – common bond limited to Mount Wise, Devonport, Keyham, Ford, Stoke and Pennycomequick
- 1999: Moved into first office and expanded common bond to include North Prospect, Ham, Camels Head, Peverell and Pennycross
- 2001: Moved to current office at 14 Cumberland Street, Devonport
- 2002: Accounts computerised and first paid staff employed and Credit Unions become subject to regulation by the Financial Services Authority
- 2006: Common bond expanded to include the whole of Plymouth
- 2007: Began offering capacity-based Wise Finance Loans
- 2011: Local Housing Allowance Scheme Launched along with new website enabling online account access

The credit union –

- Signposts people onto other agencies if they cannot be of assistance
- has a contract with a supplier to provide goods required and customers can then repay the cost of the goods provided via a low interest rate;
- has an arrangement in place with the DWP for any unpaid debts to be recovered from benefit payments;
- has established a local housing allowance scheme for private landlords and their tenants to address issues which arise with private tenants who are claiming housing benefit getting the money to their landlord. The housing benefit is paid direct to the credit union who can then pay the landlord on the tenant's behalf
- encourages people to save even if assistance in the form of a loan cannot be provided
- has a cap on savings limits current set at £10,000
- can provide financial assistance to its customers in the form of a pre-paid debit card
- operates with the assistance of volunteers and one paid fulltime employee
- has a contract with the young offenders unit to receive benefits on behalf of those who have no facility to access bank accounts
- currently has 1500 active accounts and 600 dormant accounts (not used for more than 12 months)
- usually turned around loan requests within 48 hours irrespective of the amount applied for

- has a good rate of return on its loans – 84% for those that take loans only and 99% for those who take loans and save
- provided loans to the value of £580,000 in 2011
- is confident it could administer delivery of the Social Fund with the creation of an additional 2.5 jobs and welcomes the opportunity to recycle the money in Plymouth

Social Fund Replacement Task and Finish Group

Witness Summary: Salvation Army (SA)

The Salvation Army offer practical help and support to all members of society regardless of race, religion, gender or sexual choices. In Plymouth there are two elements to the services they provide –

- Church and Community
- Devonport House for the Homeless

Church and Community

The SA operate out of three church/community centres in the City; Morice Town in Devonport, Whitleigh and Plymouth Congress Hall. Each provides pastoral and practical support to all sectors of the community including the young, elderly and homeless.

Activities include –

- Clothing recycling service
- Daily soup run to homeless people
- Pastoral care for the bereaved and those in distress
- Advice, information and referral point for people in need
- Coffee mornings

Morice Town has its own annual budget of £5k which is generated by donations from within its membership, the profit from a small charity shop located in Albert Road and its Christmas carol service. The charity shop produces an income of approximately £1,500 per annum and provides items such as cheap clothing, household items, furniture and toys.

The SA often deals with people who have fallen between benefit agencies or who present at a time when other agencies are not open. They raised concerns about the impact of Welfare Reform changes and particularly the establishment of Universal Credits suggesting that people with budgeting problems will spend the money very quickly and then be left with nothing. As a result, the number of people needing assistance from organisations such as the SA and Plymouth Foodbank will increase.

Whilst the small budget does mean that financial assistance can be provided, this is rarely distributed in the form of cash and is never given to those presenting with drug or alcohol problems who are signposted on to other agencies. The SA are pleased to work with both the Plymouth Credit Union and encourage the young mums attending their coffee mornings to save with them.

Devonport House for the Homeless

Devonport House is a 60-bed residential unit providing accommodation for single homeless men. It is more than a hostel or shelter for the night, it is a lifeline where people can get their life back on track. The average length of stay is between 6-9 months but can be for as little as one night or for as long as 2 years. The SA work with residents and other agencies such as Plymouth Access to Housing (PATH), Zion House and Devon and Cornwall

Housing Association, to facilitate planned moves into more permanent accommodation, 93% in the last twelve months. Access is via referral only, the majority of which come through The Ship and The Gate. Residents are charged £28 per week and this provides a fully furnished room with a washbasin, breakfast and evening meal Monday-Friday and full board at weekends.

All residents have to sign up to the house rules and policies and participate in a programme of support. No alcohol or smoking is allowed on the premises.

Many residents have no money for the deposit required by private sector landlords and many apply for crisis loans and community care grants. In addition, some are in a situation where they have not had access to any form of benefit for some time and when they do apply it can take up to three months to come through. Devonport House has two emergency rooms for this very purpose.

This facility works closely with all of the City's churches to provide and co-ordinate a soup run seven days a week and with the Shakina Mission on a Saturday and Sunday evening, feeding up to 90 people per night. In addition to soup, volunteers hand out blankets and clothes and take the opportunity to offer support and advice.

Whilst Devonport House is purely a hostel for men, refurbishment work is shortly to be undertaken to one of the wings in order to provide mixed accommodation. The facility also takes into account that many homeless people have dogs for companionship and safety whilst living on the streets and is happy to accept these pets knowing that many will not enter into the programme without them.

Highlighted need for cross-agency data sharing to ensure people aren't abusing the support that is available.

Identified that there are currently 17 homeless people living on Plymouth's streets but emphasised that there are many more 'sofa-surfers' whose numbers are more difficult to quantify.

Welfare Reform Timeline

Benefit (pre)		Benefit (post)		Timescale	Notes
Name	Administration	Name	Administration		
Housing Benefit/Local Housing Allowance	Local Authorities	Housing Benefit/Local Housing Allowance	Department for Work and Pensions	October 2013 - October 2017	*In line with introduction of Universal Credit *New claims for out of work people Oct 13 - Apr 14 *New claims for working people Apr 14 on *Existing claims transfer Oct 13 - Oct 17 *Pensioners claims transferred to modified Pension Credit (inc. Housing Credit) Oct 14 - Oct 17
Social Fund - CCG's and CL's	Department for Work and Pensions	Welfare Assistance Scheme	Local Authorities	April 2013	*Localisation
Council Tax Benefit	Department for Work and Pensions	Council Tax Support Scheme	Local Authorities	April 2013	*Localisation
Disability Living Allowance	Department for Work and Pensions	Personal Independence Payments	Department for Work and Pensions	April 2013 - March 2016	*No automatic transfer *DLA ends - applicant must contact DWP to make new claim for PIP
Incapacity Benefit	Department for Work and Pensions	Employment and Support Allowance	Department for Work and Pensions	October 2008 - March 2014	*Already underway *Unlikely to be completed in March 2014
n/a	n/a	Benefit Cap	Local Authorities initially then Department of Work and Pensions	April 2013 - March 2017	*Applied through Housing Benefit *Timescale in line with transfer of Housing Benefit
n/a	n/a	Universal Credit	Department for Work and Pensions	October 2013 - March 2017	*New claims for out of work people Oct 13 - Apr 14 *New claims for working people Apr 14 on *Existing claims transfer Oct 13 - Oct 17

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Discretionary housing payments (DHP)

Discretionary housing payments (DHP) may be claimed if you receive housing benefit or council tax benefit, but are having difficulty paying the rest of your rent yourself. Find out more about DHP and how to claim.

What is a discretionary housing payment (DHP)?

Each housing/council tax benefit department is given a pot of money each year to help people who qualify for housing or council tax benefit, but are having trouble paying their rent or council tax. The council decides who should be given the payments. When the money for the year runs out, no more payments can be made.

Discretionary housing payments (DHP) may be paid weekly, or can be a lump sum. They may also be backdated.

What can a discretionary housing payment (DHP) cover?

A discretionary housing payment (DHP) may be used to pay for:

- rent deposits
- rent in advance
- rent arrears (but not if you were receiving enough housing benefit to pay all of your rent at the time the arrears built up)
- a shortfall between housing benefit and rent
- reductions in local housing allowance resulting from changes from April 2011.

A discretionary housing payment (DHP) cannot be paid if the reason for shortfall is that your housing benefit has been reduced to recover an overpayment or because your other benefits have been reduced, for example, because you left your last job voluntarily.

What do the council consider?

The council will usually take into account any special circumstances that contribute to your financial difficulties, for example, if:

- you have to pay child maintenance
- you have to pay legal costs
- your heating costs are high as you spend a lot of time at home because of sickness or disability
- you have additional travel costs because you travel to a doctor or hospital or you care for a relative or friend
- your work-related travel costs have increased because you had to move as a result of cuts to local housing allowance from April 2011
- you are likely to become homeless if a payment is not made.

If I don't get it, can I appeal?

There is no right of appeal to a tribunal, but you can ask the council to have another look at the decision. If that fails, the only way to challenge the decision is in the courts using [judicial review](#), but this is often not possible.

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