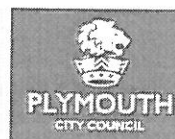


## Localising the Social Fund in Plymouth



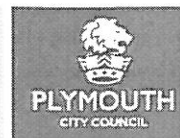
**SOCIAL  
FUND  
CONSULTATION**



### **Social Fund background**

- Social Fund will be abolished in April 2013
- Funding previously used for Community Care Grants and Crisis Loans is being localised
- DWP hands reduced funding to local councils to design and deliver a 'welfare assistance scheme'
- The Fund currently helps vulnerable people who are in extreme financial difficulty, for example have lost or had their money stolen, experienced a disaster such as a fire or flood or who need extra support when moving out of care

## Community Care Grants

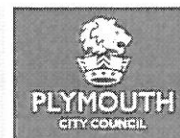


- Non repayable grants to support vulnerable people to return to or, to remain in, the community and to ease exceptional pressure on families
- Average award in Plymouth £458.57 (2010/11)
- Reasons for applications (Apr – Sept 2011):
 

families under exceptional pressure	45% (250)	£166,100
helping people to stay in the community	28% (150)	£91,470
moving out of residential/institutional care	15% (90)	£25,600
other	12% (70)	£34,650
- Awarded items (nationally):
 

Beds bedding	471,500 (38%)	Clothing	185,600 (14%)
Kitchen utensils	162,800 (13%)	Cooker	103,400 (8%)
Carpet/curtains	108,400 (8%)	Other	107,072 (8%)
Seating	67,100 (5%)	Washing machine	43,000 (3%)
Fridges	22,000 (2%)	Moving	11,700 (1%)

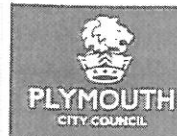
## Crisis Loans



- Loan repayable from benefits – taken by DWP
- To meet short term needs (14 days) in an emergency or as a consequence of a disaster
- Average award in Plymouth £67.51(2010/11)
- Used to meet short term needs around food, utilities, essential furniture/white goods
- Reasons for application (Apr-Sept 2011):
 

benefit spent – living expenses	50% (1490)	£71,300
lost or stolen money/giro	23% (630)	£37,100
capital not realisable	14% (460)	£24,200
JSA sanctions imposed on customer	7% (130)	£19,900
other	5% (140)	£21,400
- We don't know what goods/items fund was awarded for

## Impact

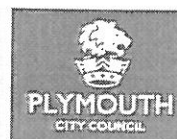


We have very little information from DWP about who applies and is awarded money under the Social Fund...

	CL*	CCG*	Plymouth
Lone parents	21%	24%	7625 h/holds (7.4%)
Children	24%	29%	37,666 h/holds (37%)
Children under 5	18%	21%	15,300 children (6%)
Under 24 years	27%	23%	88,000 people (35%)
25 – 54 years	69%	63%	97,000 people (38%)
55+ years	5%	11%	70,000 people (28%)
Single female	43%	48%	39,505 people (21%)
Single male	45%	35%	36,467 people (19%)

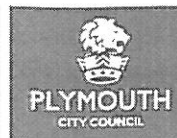
\* National figures

## Where are we up to?



- Soft market test completed
- Public consultation on principles underway (finishes 26 Oct)
- Stakeholder focus groups held (Sept)
- Scrutiny Task and Finish underway
- Need to agree principles and scope scheme to inform proposals and potential commissioning activity - decision by Cabinet (15 Jan 2013)

## Delivery requirements

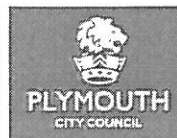


No ring fencing of budget or any duty to provide a particular type of service although guidance makes strong suggestions...

“it is the intention of the Government that the funding is to be used to provide the new provision...we expect the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need”

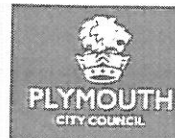
Funding confirmation letter to LA chief executives from DWP dated 6<sup>th</sup> August

## Principles



1. limited to Plymouth residents only
2. delivering the support from wherever is most appropriate
3. spending the same amount of funding that we are handed from Government
4. broadly maintaining current eligibility criteria
5. provision of support for those who are experiencing a crisis and for those moving into or out of long term care
6. spending as little as we can on administration of the scheme so we get as much of the Government funding as possible to people in need
7. limiting the type of support to goods and services
8. applying a limit to awards

## Funding



### Funding for Plymouth:

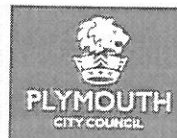
- 2013/14 - £878,428 + £185,618 (administration)
- 2014/15 - £878,428 + £170,139 (administration)

### DWP spend in 2010/11 £1.2million -

- 6,770 Crisis Loans (CL) approved in 2010/11 to the value of £581,700
- 1,400 Community Care Grants (CCG) approved in 2010/11 to the value of £642,000

Deficit of £322,000 (27%)

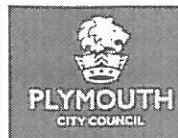
## Managing a fixed, needs-led budget



### Challenges

- Budget reduced, but
- Demand likely to rise
- Financial information on current Fund is scant
- Commissioning / allocating all or part of scheme from day 1 reduces control and increases risk

## Options for budget management



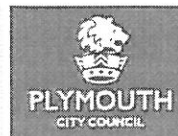
### Assumptions

- Principle (number 3) of allocating government funding is endorsed
- 27% cut is applied consistently across all aspects of our scheme
- Working on 2010/11 figures

### Broad options

- Maintain number of awards and reduce payment levels
- Maintain payment levels and reduce number of awards
- Apply limits via targeting

## Model One: maintain number of awards and reduce payment levels



Maintain number of awards as in 2010/11:

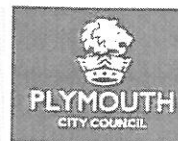
CL 6,770 awards +  
CCG 1,400 awards = 8,170

Reduce average amount awarded when compared to 2010/11:

CL £67.51 – 27% = £49.28 (£18.23 less)  
CCG £458.57 – 27% = £334.76 (£123.81 less)

If we reduce the amount of the award will it cover the basic cost of a particular item/goods/services?

### Model Two: maintain payment levels and reduce number of awards



Maintain amount awarded as 2010/11:

CL £67.51 average

CCG £458.57 average

Deliver less awards than in 2010/11:

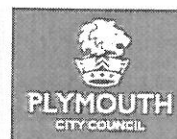
CL 6,770 – 27% = 4,942 awards

CCG 1,400 – 27% = 1,022 awards

Total = 5,964 awards (2,206 less awards)

Will we be able to meet potentially increasing demand with fewer awards?

### Model three: apply limits via targeting

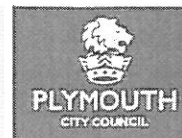


For example prioritise awards to

- the most deprived neighbourhoods
- customers in existing schemes (e.g. Families With a Future, Family Intervention Project)

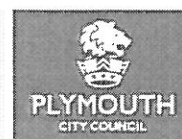
Welfare reform will impact many people outside our most deprived neighbourhoods and customers in existing schemes already receive targeted support. So this model could mean turning away some people with significant unmet needs

## How might we apply limits to the scheme?



- Financial limit - straight forward but would it meet need e.g. food, heating, white goods?
- Number of awards limit more complex - if demand increases by e.g. 30% will we turn people in need away?
- No repeat CCG awards within one year - is it reasonable to expect people to move no more than once a year? We don't know current number of repeat claims so unclear what it would save. Could impact on crisis claims.
- Limit crisis awards to two a year. The current Fund allows three, so this would roughly equate to the 27% cut required. But would need similar % cut applied to CCG. Would such a limit work in current climate?
- Cap resources each month - good for managing financial risk but ignores peaks and troughs over the year, could turn away people in greatest need, and lead to a scramble at month start. We don't have a spend profile for current fund.
- Provide a limited or no, appeals process - whatever option is pursued this could help reduce costs; although it could mean some need is not correctly identified; a focus on getting it right first time would help avoid this.

## Consultation: feedback so far

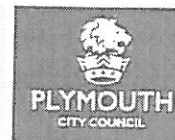


Broad agreement with 8 principles - 94 responses (18 Sept)...

Principle	Agree (%)
1) limited to Plymouth residents only	88%
2) delivering the support from wherever is most appropriate	79%
3) spending the same amount of funding that we are handed from Government	80%
4) broadly maintaining current eligibility criteria	81%
5) provision of support for those who are experiencing a crisis and for those moving into or out of long term care	81%
6) spending as little as we can on administration of the scheme so we get as much of the Government funding as possible to people in need	92%
7) limiting the type of support to goods and services	87%
8) applying a limit to awards	79%



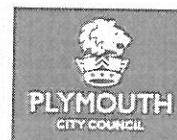
## Consultation: some emerging issues



Key areas for development:

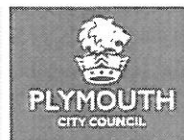
- Defining residency and associated evidence?
- Access for homeless people?
- Liaising with partner agencies to prevent abuse?
- Creating consistency in awards whilst managing a reduced needs-led budget?
- Use of the fund for rent in advance and social care needs?
- Use of self-help conditions?
- Out of hours service?
- PCC administration?
- Links with credit unions?
- How we implement any limits and the consequences?
- Communicating with customers who have been unsuccessful?
- Decision reviews?
- The case for loans?

## Would you pay for?...



Washing machine	Sky/Virgin box
Sofa/chair	PC/laptop
Food	Clothing (school uniforms)
Electricity/gas	Shoes
Bed/bedding	Emergency travel
TV	Carpets/Curtains
Stereo	Cigarettes
Mobile phone	Emergency cash
Dishwasher	Alcohol
Pet care/funeral	Rent in advance
Kettle	Children's activities
Gym membership	House deposits

## So, what do we need to decide?



1. Should we adopt the principles consulted on? If not, what changes?  
...and assuming the principles are broadly unchanged:-
2. How should we manage the budget?
3. How realistic would it be to commission and deliver significant elements of the scheme from outside the council (credit unions, food banks, charities, shops etc)?
4. Are there any in principle views on use of food banks - an essential and sustainable source of charitable food support OR an inadequate sticking plaster for the underlying causes of poverty?
5. What's our view on providing second hand goods - someone else's used goods that won't last OR a cheap and accessible alternative to brand new goods?
6. What is most likely to minimise admin costs?
7. What sort of appeal process should we establish, if any?