

PLYMOUTH CITY COUNCIL

Subject: Social Fund replacement
Committee: Cabinet
Date: 15 January 2013
Cabinet Member: Councillor Penberthy
CMT Member: Carole Burgoyne (Director for People)
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Ref:

Key Decision: Yes

Part: 1

Purpose of the report:

This report makes recommendations for the introduction of a local Emergency and Welfare Fund to replace the national Social Fund in April 2013. We are expected to run this scheme with a 28% cut (£345,272) in the front line delivery budget imposed by the government, which is equivalent to 5,114 less people being able to get a crisis payment at the average award level.

The Social Fund is a multi-faceted scheme that currently supports people in extreme financial difficulty via grants and loans. People currently accessing the scheme do so for a variety of reasons including lost or stolen money, experiencing a fire or flood, replacement of key household goods or support for moving out of institutional care.

Two parts of the Social Fund will be administered by us from April 2013. Local Authorities will be handed funding to design and develop a localised welfare assistance scheme to replace the current Community Care Grants and Crisis Loans schemes administered by the Department for Work and Pensions (DWP).

We have been planning as far as possible for the changes ahead. This includes extensive consultation on 8 key principles, and market testing in order to develop an effective and workable model for the new scheme. It has also been the subject of a Customer and Communities Overview and Scrutiny Panel task and finish group.

A service model has been developed, based on these 8 key principles. This describes how the scheme will operate and addresses some key delivery and implementation issues arising from the principles including budget management, limiting awards, eligibility criteria, procurement of goods and services, administration arrangements, whether to have a loans or grants system and an appeals process

This report recommends implementation of a scheme which can be reviewed and refined in the light of operational experience and longer term opportunities.

Corporate Plan 2012-2015:

The Corporate Plan sets out some key components of a Co-operative Council. These include devolving power to communities, supporting greater engagement, influence over service design and delivery and the

transfer of ownership of assets and services. In order to achieve this, we will need to support more social enterprises, strengthen the community and voluntary sector, build up community funds and ensure strong staff engagement. The Co-operative approach can be summarised as engaging with customers and other stakeholders over the city's key priorities, enabling the co-design of the most appropriate services to ensure that we can deliver in the way that best meets the needs of our communities. This report contributes to the aims of Plymouth City Council as a Co-operative Council as it supports the aims of:

- Building up community funds
- Enabling the co design of the most appropriate services.

In addition, the new service will support the following priorities within the Corporate Plan 2012-2015.

- Reducing inequality - by providing access to financial support for those who find themselves in situations that lead to crisis or compromises of their health, safety and welfare.
- Providing value for communities - by aligning discretionary financial services to maximise efficiency and ensure the right level of resources go to customers according to need.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

In August 2012, we were informed by the DWP of an indicative amount that we would get for 2013/14. In December 2012, this amount was confirmed as an un-ring fenced grant of £1,064,046. Of this sum DWP guidelines estimate that up to £185,618 (17% of the total budget) is required for administering the scheme. This leaves £878,428 for the scheme itself. This represents a front line delivery budget cut of 28% from the amount DWP spent in Plymouth during 2010/11.

However, we believe we can administer the budget much more efficiently than what is being suggested by the government and anticipate that our administration budget will be approximately £80,000, (7.5% of the total budget). This means that we can put an additional estimated £105,618 into front line service delivery making the total available for this fund £984,046. Minimising our administration budget in this way will ensure that despite a large cut from national government, we will aim to minimise the impact on vulnerable people in Plymouth.

However, if the scheme does not fully meet need, there is a risk of “knock-on” impact in terms of demands on other council budgets e.g. children's social care section 17 and community safety budgets.

In 2014/15 the indicative amount available for the whole scheme including administration will be cut from £1,064,046 to £1,048,567. The DWP recently announced that their Social Fund awards for 2011/12 had reduced by about 21% over the previous year. There is, therefore, a risk that from 2014/15, the amount of funding for the scheme itself will also be further cut by the government, in line with this, forcing us to make difficult decisions on how we meet the needs of vulnerable people. There is no guarantee of any funding after this.

Administration costs include staffing requirements for administration and assessment, ICT demands, accommodation and management of staff, and training.

This is a needs-led service so there is a risk of expenditure outstripping the budget. Receiving a 28% cut in funding from the amount spent in 2010/11 at a time when we can expect an increase in demand, brings additional risks and could cause hardship for the most vulnerable people in Plymouth. This has been carefully considered in relation to the limited information available about previous demands on the Social Fund and recommendations to control expenditure are made including limits on awards, measures to address underlying causes, monitoring, redirection of administration funding, and an ability to amend the scheme if required.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

- Child Poverty – the limited nature of the fund means that we are unlikely to be able to meet the needs of all families living in poverty.
 - Community Safety – if people are unable to access the scheme due to the decreased budget available, this may lead to an increase in crime.
 - Health and Safety – the new scheme is designed to mitigate the potentially escalating health, safety and welfare issues faced by people experiencing unavoidable crisis or situations where they need specific support.
 - Equality, Diversity and Community Cohesion – An Equality Impact Assessment (EIA) has been completed to assess the risk of differential impact on people with protected characteristics. See appendix 4.
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Recommendations and reasons for recommended action:

It is recommended that:-

1. Plymouth City Council establishes a replacement for the Social Fund called the “Emergency and Welfare Fund” (EWF) to support people in extreme financial difficulty.
2. The EWF is based on the following principles. It will:-
 - Be limited to Plymouth residents only.
 - Deliver goods and services from wherever is most appropriate.
 - Spend the same amount of funding that we are handed from Government.
 - Broadly mirror the current Social Fund eligibility criteria (e.g. those on low income and without access to other forms of income).
 - Provide crisis and welfare responses.
 - Minimise the spend on administration of the scheme so we get as much of the Government funding as possible to people in need.
 - Provide goods, services and cash.
 - Apply limits to the number of awards an individual can access.
3. The Customer and Communities Overview and Scrutiny Panel (CCOSP) be asked to review delivery of the EWF after 6 months of implementation and make any relevant recommendations. A further review to be undertaken at the end of the first year of implementation with recommendations made to Cabinet for any improvements in year two.
4. Authority is delegated to the Director for People, in consultation with the Cabinet Member for Cooperatives and Community Development and Director for Corporate Services, to make any changes to the EWF within the first year, which are consistent with the principles agreed, and necessary to ensure effective budget management and / or response to customers’ needs.
5. The Service Model (Please see Appendix I) is adopted for delivery of the EWF.
6. The potential for delivering some elements of the EWF via key partners (e.g. credit unions,) is reviewed on an on-going basis.

These recommendations aim to set clear principles for our scheme, provide a service model for implementation and build flexibility into the scheme to manage risk.

Alternative options considered and reasons for recommended action:

Alternative options and conclusions can be found within the attached report in paragraph 2.2. They include:-

- Sharing a scheme with other local authorities
- Administering the EWF externally
- Procuring second hand white goods and furniture
- Spending more or less than we are given by Government
- Creating new eligibility criteria
- Delivering a voucher based scheme
- Delivering a loan based scheme
- Limiting awards other than by maintaining payment levels and reducing number of awards.

A further option would be to run no scheme at all. This would pose serious risks to vulnerable people at a time of significant and growing need.

Background papers:

Appendix 1 - Service Model (attached)

Appendix 2 - The 8 principles

Appendix 3 - Social Fund Consultation

Appendix 4 – Equalities Impact Assessment

Appendix 5 - Customer and Communities Overview and Scrutiny Panel Task and Finish report

Sign off:

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Originating SMT Member: Stuart Palmer											
Have you consulted the Cabinet Member(s) named on the report? Yes											

Social Fund Replacement scheme – Report

I. Introduction

I.1 The Social Fund is a multi-faceted scheme that currently supports people in extreme financial difficulty via grants and loans. People currently accessing the scheme do so for a variety of reasons including lost or stolen money, experiencing a fire or flood, replacement of key household goods or support for moving of institutional care.

I.2 Two parts of the Social Fund will be administered by us from April 2013. Local Authorities will be handed funding to design and develop a localised welfare assistance scheme to replace the current Community Care Grants and Crisis Loans schemes administered by the Department for Work and Pensions (DWP). In August 2012, we were informed by the DWP of an indicative amount that we would get for 2013/14. In December 2012, this amount was confirmed as an un-ring fenced grant of £1,064,046. Of this sum DWP guidelines estimate that up to £185,618 (17% of the total budget) is required for administering the scheme. This leaves £878,428 for the scheme itself and represents a front line delivery budget cut of 28% (£345,272) from the amount DWP spent in Plymouth during 2010/11. This is equivalent to 5,114 less people being able to get a crisis payment at the average award level.

I.3 However, we believe we can administer the budget much more efficiently than what is being suggested by the government and anticipate that our administration budget will be approximately £80,000, (7.5% of the total budget). This means that we can put an additional estimated £105,618 into front line service delivery making the total available for this fund £984,046. Minimising our administration budget in this way will ensure that despite a large cut from national government, we will aim to minimise the impact on vulnerable people in Plymouth.

I.4 In 2014/15 the indicative amount available for the whole scheme including administration will be cut from £1,064,046 to £1,048,567. The DWP recently announced that their Social Fund awards for 2011/12 had reduced by about 21% over the previous year. There is, therefore, a risk that from 2014/15, the amount of funding for the scheme itself will also be further cut by the government, in line with this, forcing us to make difficult decisions on how we meet the needs of vulnerable people. There is no guarantee of any funding after this.

I.5 We have received very little information from DWP regarding the Social Fund as a whole. A recent request to the Minister has been successful in securing some data. However it is not complete. This has had an impact on our ability to fine tune our service model and it is expected that we will learn more from our experience of delivering the service in the first six to twelve months. The lack of detailed data about the current Social Fund, includes:-

- Full demographics, social situation and needs of applicants and awardees
- The goods/items awarded cash under crisis loans by the DWP
- Administration costs
- Confirmed funding levels for 2013/14
- The number of awards per individual.

This means our proposals have been developed based on limited information.

I.6 During September/October 2012, we undertook extensive public consultation on 8 key principles for the development of an Emergency and Welfare Fund (EWF) and ran focus groups for local professionals (see appendix 3 for the full consultation report). The principles we asked about were,

- Limiting the scheme to Plymouth residents
- Delivering the awarded support from the most appropriate location
- Limiting the amount of spend to the amount of funding we receive from Government
- Eligibility based on benefit entitlement and/or low income
- Providing crisis and welfare responses
- Minimising administration costs and administering from PCC
- Providing goods and services not cash
- Limiting awards.

1.7 The principles were also taken to a Customer and Communities Overview and Scrutiny Panel (CCOSP) task and finish group in October 2012 (see appendix 5 for the full report). Feedback from consultation and scrutiny generally demonstrated a high level of support for these principles (see appendix 2 – The Eight Principles). However there remained some important issues to address with regards to exactly how the EWF should be shaped and implemented, which pose risks to the delivery of an effective scheme from April 2013. The key causes for concern were:-

- How can we effectively manage the budget whilst meeting need? (This is addressed in paragraph 3 in this report).
- What criteria will we use to apply limits to awards? (This is addressed in paragraph 4 in this report).
- How can we procure goods and services within the tight timescales? (This is addressed in paragraph 4 in this report).
- Do we implement a loans system, a grants system or a hybrid? (This is addressed in paragraph 4 in this report)

1.8 Consultation results show 83% of people were in agreement with the 8 key principles proposed to underpin the development of our localised scheme. The CCOSP task and finish group also broadly endorsed these principles and made a number of recommendations to support the effective development of a scheme.

2. Scrutiny

2.1 The Overview and Scrutiny Management Board (OSMB) broadly endorsed the principles and made recommendations (see appendix 5 for full report) including:-

- Plymouth City Council (PCC) to hold the budget
- PCC to administer EWF via our Revenues and Benefits Service
- Rent advances to be excluded from provision
- Cheapest new goods (furniture and white goods) supplied
- PCC develop the capability to offer and charge for utility pre-payment keys/cards
- Limit emergency/crisis payments to one in any 12 month period with subsequent applications to be reviewed on a needs basis
- Application reviews to be carried out by a senior officer within the Revenues and Benefits Service
- Reviewing the capacity of food banks, credit unions and second hand furniture outlets to be key service partners during 2013/14.

2.2 OSMB also recommended that vouchers should be provided for food from a selection of retailers. This has been given careful consideration. However, other cooperative councils are delivering a cash scheme for food (e.g. Lambeth and Liverpool Councils) as there is concern that vouchers removes choice, can cause stigma and restricts the opportunities to shop at different outlets at the same time i.e. the voucher must be spent in the same shop with no change given. Therefore a cash provision is the preferred option.

2.3 The proposals in this report incorporate all these recommendations. In addition, the OSMB considered the following options which it recommended should not be taken forward.

- **Sharing a scheme with other local authorities.** Achieving this would be very challenging due to the time available, and would potentially limit delivery options because of the unique urban nature of financial inclusion in Plymouth as compared with neighbouring authorities.
- **Administering the EWF externally.** This would mean less control over the scheme and budget and would not allow us to minimise the cost of the administration of the scheme.
- **Procuring second hand white goods and furniture.** This was the subject of a “soft market test”. The response was minimal and further investigation as part of the scrutiny process has confirmed that the second hand furniture sector, food banks and the community and voluntary sector are not able to provide appropriate delivery in time for the start of the scheme in April 2013.
- **Spending more than we are given by Government.** In view of the mounting pressure on the Council’s budget, this was not considered viable. Spending less than our allocated fund is also considered inappropriate because of increasing demand for such a scheme arising from the economic climate and welfare reform agenda.
- **Creating new eligibility criteria.** This is felt to be unnecessary and would be a complex process. The current eligibility criteria are understood by stakeholders in the city. Due to the time, cost and capacity of PCC to develop, test and implement new eligibility criteria, with limited data from DWP about current use of the Social Fund, it would be difficult to know whether any new criteria would successfully help prevent escalation of the crisis. This could however, be further considered after experience of implementation.
- **Delivering a cash based scheme.** This would increase the opportunities for potential abuse. By delivering a system offering goods and services, we can respond directly to identified needs of vulnerable people in crisis. e.g. via provision of charging up electricity and gas key meters. A provision for cash as a last resort is however considered sensible.
- **Delivering a loan based scheme.** This would be difficult and costly to administer at the present time. The average amount of a crisis loan in Plymouth is £67.51 and the cost of recovery is likely to outstrip the amount we are recovering. This would also be contrary to the principle of minimising administration costs. However, we will be working closely with voluntary and community sector partners to see if an alternative loan model could be introduced during 2013/14.
- **Limiting awards other than by maintaining payment levels and reducing number of awards.** This would mean one of both of the following.
 - Maintaining the number of awards and reducing payment levels. If this reflected the 28% reduction in funding, this would mean a reduction of a crisis loan payment to an average of £48.60 (£18.91 less than 2010/11). This would be unlikely to meet the full cost of the item/goods required, leaving the applicant unable to resolve their crisis.
 - Apply limits via targeting. This could include limiting awards to the most deprived neighbourhoods in the city and /or prioritising customers already engaged with certain interventions. This is felt to be too risky because welfare reform will impact many people outside of our most deprived neighbourhoods and customers in existing schemes are already receiving targeted support. This would therefore mean turning away some people with significant unmet need.

2.4 With the exception of delivering a cash based scheme, all these recommendations are accepted. As outlined in para 2.2, there are considered to be significant benefits of a cash-based scheme which outweigh disadvantages and vouchers would not guarantee prevention of abuse.

3. Managing the budget

3.1 This is a needs-led service so there is a risk of expenditure outstripping the budget. Receiving a 28% cut in funding from the amount spent in 2010/11 at a time when we can expect an increase in demand, brings additional risks and could cause hardship for the most vulnerable people in Plymouth. This has been carefully considered in relation to the limited information available about previous demands on the Social Fund.

3.2 Information regarding the volume of applications and awards from the DWP indicates that in 2011/12, as part of a planned cuts programme, it received 17% less applications and made 21% less awards than in 2010/11 (see table below). Assuming a similar picture next year, we can expect 9,500 applications and to award 6,410 of those in our first year

	Crisis Loans	Community Care Grants	Total	% awarded
2010/11 applications	8610	2850	11,460	
2010/11 awards	6770	1400	8170	71%
2011/12 applications	6820	2680	9500	
2011/12 awards	5340	1070	6410	67%

3.3 Again, based on last year's figures, we can expect a breakdown of awards as follows:-

Community Care grants: 1,070 awards @ an average of £592.80 = £634,296 for the year (64%)

Crisis payments: 5,340 awards @ average of £67.51 = £360,503 for the year (36%)

Total awards for the year: £994,799

3.4 Despite delivering significant efficiencies in administration, this total just exceeds the estimated front line budget available to us (£984,046) after anticipated administration costs. We are also expecting additional demand due to other government cuts e.g. welfare reform and the impact this will have on our most vulnerable people. In addition, this level reflects a national scheme which provides an unlimited number of Community Care Grants and up to three crisis loans per year. We therefore need to limit the scheme; but this is problematic because we do not have figures for the number of claims awarded per individual.

3.5 Although Community Care grants form 64% of the budget, the implications of limiting these, for example delaying moves out of institutional care, could be counter-productive for wider council priorities, budgets and early intervention. It would mean limiting the actual number or level of awards which could lead to some individuals being turned away altogether or given insufficient funds to support a move. It is therefore proposed that we limit crisis payments to two per individual a year. Although it is not known how much this will reduce projected expenditure by (given that the current limit is three) it provides a measure of budget control. Other controls include: monitoring, redirection of administration funding, measures to address underlying causes, and an ability to amend the scheme if required.

3.6 We have also considered the fact that we will not be operating a loan system when we launch the EWF in April 2013, and this may be seen as more generous and therefore more attractive than a repayable loan. This is another reason why we need to apply limits to the EWF.

3.7 A weekly budget monitoring exercise will be overseen by the manager of the delivery team so that the impact of any limits can be taken into account and if spending shows significant difference from that projected, the issue will be escalated for investigation. Trends from DWP show us when the peaks/troughs are currently experienced. If we convert this data to the amount the DWP expects us to spend on the EWF, our monthly spend trigger points will be as follows (the actual amount available each month will be slightly higher due to administration efficiency savings outlined below).

Month (2011/12)	% of annual spend (2011/12)	Equivalent spend 2013/14 ¹	Month (2011/12)	% of annual spend (2011/12)	Equivalent spend 2013/14
April	7.5	£65,882	October	8	£70,274
May	9.1	£79,936	November	8.6	£75,544
June	8.8	£77,301	December	6.8	£59,740
July	8.7	£76,423	January	8.4	£73,787
August	8.3	£72,909	February	8.6	£75,544
September	8.6	£75,544	March	8.6	£75,544

3.8 We estimate that we can administer the EWF for £80,000 (7.5% of the funding) per annum i.e. much less than the £185,618 (17%) being suggested by the government. This will pay for two FTE officers, administration, ICT demands, accommodation and training. The EWF will be administered within a team of officers (4 officers and a Team Leader) based in the Revenues and Benefits service with wider responsibility for the administration and monitoring of other discretionary funds, such as the Council Tax Support Vulnerability Fund and Discretionary Housing Payment Fund (DHP). They will carry out benefit health checks with customers, and be responsible for signposting customers, where required, to relevant welfare and money advice agencies.

3.9 The estimated £105,000 savings through administration efficiencies will go into the EWF for the benefit of vulnerable customers.

3.10 Information on further measures to help manage the budget i.e. to address underlying causes of problems, and an ability to amend the scheme if required, can be found in 5.4 and the recommendations respectively. It must be stressed however, that there remains risks that in managing the EWF budget, we will not fully meet need, and therefore create a “knock-on” impact in terms of demands on other council budgets and discretionary funds e.g. children’s social care section 17 and community safety budgets.

4. Service Model and the 8 principles

4.1 Given the level of support for the principles and taking into account both the consultation responses and the recommendations from OSMB, a service model has been designed to enable the EWF to operate from 1/4/13 (please see Appendix 1).

4.2 We will meet the requirements of the agreed principles in the following ways.

- **Limiting the scheme to Plymouth residents**

The scheme will be limited to Plymouth residents. Residency will be established using the various systems we already have access to including Council Tax details. Residency for homeless people will be established via contact with professionals in housing and the voluntary and community sector.

- **Delivering the awarded support from the most appropriate location**

The EWF will be administered and assessed by a team of discretionary fund assessors based in the Revenues and Benefits department.

- **Limiting the amount of spend to the amount of funding we receive from Government**

We will spend the same amount of funding as we receive from Government. Because of mounting pressure on the Council's budget, it was not considered viable to increase the fund. However, spending less is also considered inappropriate because of increasing demand arising from the economic climate and welfare reform agenda. We will also ensure that we deliver the scheme on an administration budget that is appreciably less than that anticipated by the DWP (i.e. 7.5% compared to 17.%)

- **Eligibility based on benefit entitlement and/or low income**

Eligibility will be based on the amount of disposable income the applicant has available to them in the given situation. This will require an assessment of incomings and outgoings and will be delivered alongside advice on minimising outgoings and prioritising debts in the short-medium term. When assessing the priority of the application, indicators such as vulnerability (under our statutory duties), the type and cause of the crisis and the potential impact of the intervention to relieve the situation will all be taken into account.

- **Providing crisis and welfare responses**

Where an individual or a family has no availability to other sources of support, the EWF will consider applications for the following items under a crisis response:

- Food – based on number in household and number of days support is required
- Utilities – to include consideration of emergency and debt payments on a meter
- Emergency travel – e.g. if stranded away from home
- Provision of household goods where urgently required.

Other items/services may be considered on application, dependent upon pressing need.

The response will be limited to a *maximum* of 14 days provision and two crisis payments per year. Anyone claiming a second crisis payment during the year will be required to show evidence, as appropriate, of efforts to address their situation.

An assessment will be carried out to define the food/utility needs of a household based on the number of dependants and the number of days for which the support is required. The calculation will be based on the following household sizes and the number of days the food and/or utilities are required. The amounts quoted are based on the Citizens Advice Bureau's Common Financial Statement household expenditure figures less 25%. The Common Financial Statement is the calculation used to establish how much a household can offer to creditors when they are struggling to pay debts. A 25% reduction in this figure would enable us to assist more people, manage the overall budget and reflect the short term nature of a crisis payment.

For food, the calculations are as follows:-

Household type

- Single person - £7.50 per day
- Couple - £12.75 per day
- Family with 1 child - £15.00 per day
- Family with 2/3 children - £19.50
- Family with 4/5 children - £24.00
- Family with 6+ children - £26.25

In the case of utilities, we will consider covering the cost up to and including a maximum of 14 days cover, based on the applicant's daily usage. This will be available in a variety of ways including,

- Requesting the customer to provide their latest amenity bill if they have one
- Calling the appropriate utility company to request the anticipated daily spend
- The team leader making a decision on the amount awarded if the above options are not available.

The EWF will consider applications where an individual requires support to furnish a home or replace white goods/furniture. All items will be considered on application, dependent upon need, vulnerability, urgency and the impact the intervention will have in terms of resolving the situation.

Where the applicant is not in crisis, the EWF will consider applications for the following reasons e.g.

- Someone moving out of institutional care or residential care
- Someone needing help to stay in their own home
- An individual that has had an unsettled way of life and a recognised organisation is resettling them
- Someone needing help because a prisoner or young offender is going to be living with them while they are on release on a temporary license.

These criteria will be used and anything that does not meet them will be deemed to be a crisis payment and subjected to a maximum of two payments per year.

- **Minimising administration costs and administering from PCC**

As previously mentioned, we will also ensure that we deliver the scheme on an administration budget that is appreciably less than that anticipated by the DWP (i.e. 7.5% compared to 17%). In order to minimise costs, administration will be from our own revenues and benefits department, drawing on the experience of our staff who already administer discretionary pots for financial hardship. In this way we can combine administration and assistance of several discretionary pots to provide consistency and value for money. We will transfer any surplus admin budget into EWF front line service delivery. Any case reviews/complaints will be handled internally by the manager of the assessment team to further minimise administration costs.

- **Providing goods and services and cash**

Our EWS will provide cash as a standard response to a crisis. Goods provided under the non-crisis criteria will be new, at most competitive rates available: Cash will be considered only in cases where these goods or services cannot be delivered to the applicant through other routes.

In September 2012, we carried out a soft market test to establish the capability of different providers including those in the Voluntary and Community Sector (VCS) to provide goods and services under the EWF. The response was minimal and further evidence taken at the Customer and Communities Overview and Scrutiny Panel task and finish group raised issues with the VCS becoming involved in the scheme at this stage.

Work will be undertaken with relevant partners, retailers and the VCS between April and September 2013 to identify their capacity and willingness to become involved by year 2. Engagement will include (but not be limited to):

- Credit Unions
- Second hand/furniture re-use
- Food banks
- Charity shops.

Any work undertaken with these partners will have to take into account the fact that the government has only committed to two years funding.

- **Limiting awards**

The OSMB has recommended that awards are limited to one per person/household with additional applications taken on a case by case basis. Taking this into account and given the limitations of the budget, eligibility for crisis payments will be limited to a maximum of two applications per person/household subject to any new and significant factors since the previous application. Applicants who have regular issues e.g. loss/theft of moneys and have not taken recommended action to prevent reoccurrence, should not generally be awarded a second award within a year, unless vulnerability is considered an overriding factor. Applications for non-crisis needs are not limited under the EWF and will be judged on merit.

5. Other key issues

5.1 Information Technology

The IT system for the EWF will be integrated with the system for other discretionary pots, allowing instant access to individuals' record of claims, and allowing comparisons to be made. Installation, testing and staff training can take place in the early part of 2013

5.2 Accessing goods

We will encourage the majority of requests to come via the telephone. Claims will also be possible via the internet and face to face requests at the Civic Centre. Initial details to assess an application will be taken via these methods. Advertising and promotional activities will be designed to target the more vulnerable members of our communities. Individuals and representatives/advocates will be able to support this process with the consent of the applicant. Once all necessary evidence is provided, claims will generally be processed within the following timescales (Monday to Friday except bank holidays 9am - 4.30pm)

- Crisis applications (e.g. food) – processed within one hour and advised via the same route as their claim was made
- Non-crisis applications (e.g. furniture) – processed within 3-10 working days.

See also para 5.5.

5.3 Loans or grants

Applicants who receive goods and services will receive these as a grant. Given the short period of time we have to implement the EWF, we believe it is not cost effective for us to chase repayment. The average crisis loan award in 2010/11 was £67.51 and we estimate it could cost us 5 times this amount to recover the monies.

5.3.1 Work is ongoing to develop the city's credit unions with a view to them becoming partners in our delivery of the EWF. There is potential that we will ask them to deliver parts of the EWF as a loan. This would enable the money to be re-cycled and reused. This will be reviewed quarterly from April 2013 to establish the potential for this partnership work to happen.

5.4 Supporting the customer

A core aspect of the EWF is that it will offer support to the customer through information, signposting and referrals to other organisations. This may include accessing advice on:-

- Debt
- Income maximisation/Budgeting
- Alcohol/drugs
- Healthy eating
- Work skills
- Family intervention/support
- Housing/homelessness support
- Domestic Abuse.

5.4.1 There will be an expectation that the applicant would 'help themselves' where possible in terms of improving their situation in the short to medium term and minimising potential for repeat claims. The recommended course of action will be recorded and evidence that they have made efforts to improve the situation will be requested, as appropriate, if that applicant needs to make a second claim within a year.

5.5 Out of hours service

Currently the DWP runs a Social Fund out of hours service whereby people in need can be referred to a telephone answer service either by the police or a social worker. Assistance is then delivered in the form of cash. Investigations are currently underway with our own out of hours service to establish their capacity to deliver a similar type of service to respond to a crisis need. This response is likely to include only food and utilities and the applicant would be required to attend the Civic Centre during office hours should they require support other than food/utilities. Key areas for investigation into the development of any out of hours service will be staff capacity, cost and some assessment of the volumes we might expect. We anticipate that this piece of work will be completed by the end of January 2013.

5.6 Payments for rent in advance

In line with recommendations from OSMB, payments for rent in advance are not eligible within the EWF, and will be administered through the DHP fund.

5.7 Complaints and case reviews

There is no recourse to judicial review for discretionary decisions made under the localisation of the Social Fund. Customers will have the right to have their case decision reviewed and this will be carried out by a senior officer to the one that has made the initial assessment. Customers will have the right to make complaints to the ombudsman if they are concerned about the way the process has been carried out.

5.8 Monitoring and development

A set of performance indicators will be collected and assessed at regular intervals. Finance and assessment times target will be monitored weekly to ensure control of the needs led budget and throughput of customers. Other monitoring e.g. around customers' characteristics, applications, awards, reviews, goods delivered and support plans delivered will be monitored monthly. A quarterly progress report will be offered to the Customer and Communities Overview and Scrutiny Panel with any urgent issues being escalated as they occur.

5.9 Risk Management

An implementation risk management plan is being developed by staff in Revenues and Benefits. This will identify the largest risks to the successful implementation of the scheme by April 2013 and mitigating factors we will undertake to minimise these.

5.10 Conclusion

The recommendations in this report aim to establish a scheme which can realistically be implemented from April 2013, to meet need, and which can be reviewed and refined in the light of operational experience and longer term opportunities.