
FINANCIAL WELLBEING - SOCIAL FUND

**Responsible Cabinet Member - Councillor Andy Scott,
Health and Partnerships Portfolio**

Responsible Director - Catherine Whitehead, Assistant Chief Executive

SUMMARY REPORT

Purpose of the Report

1. To seek the approval of Cabinet for the Social Fund Policy 2015-16 that has been reviewed to increase efficiency and increase the focus on prevention.

Summary

2. The Social Fund Policy outlines the Council's approach to supporting people through delivery of the local welfare fund. There are two strands to the policy, Crisis Support and Community Care Support.

Government changed the way in which funding for the Local Welfare Fund (The Social Fund) is provided. From April 2015 the specific grant ceased and was rolled into the Council's overall Revenue Grant settlement which was subsequently reduced. In February 2015, Cabinet approved funding of £465k as a growth item in the Council's budget to offset the removal of the grant funding. This will enable the Council to continue to provide crisis support and community care support whilst developing preventative services for financial wellbeing through a range of advice agencies.

3. The review of the Social Fund Policy focused on a number of key factors:-
 - (a) the eligibility criteria;
 - (b) the items provided;
 - (c) the process for accessing the Social Fund;
 - (d) ways to reduce demand and use subsequent savings to improve the financial wellbeing and resilience of Darlington residents;
 - (e) the provision of support to reduce the risk of tenancy failure and demands on Adult Social Care.
4. The savings anticipated from the changes to the Social Fund are £125k against the current MTFP and the proposal is that these will be allocated to support preventative work across the borough including the provision of advice in

conjunction with Darlington Partnership through the Financial Inclusion Action Group. This will incorporate advice given at the Contact Centre and through Help Hubs across the borough. This work will contribute to reducing indebtedness of resident and potentially increasing revenue to the Council as people are better able to manage their budgets.

Recommendations

5. It is recommended that Cabinet approve the amended Social Fund Policy 2015-16.

Reasons

6. The recommendation is supported as the Social Fund provides the mechanism to ensure support is available for residents in crisis situations or to prevent increased demand on other services such as social care and/or housing through the provision of Community Care Support.

Catherine Whitehead
Assistant Chief Executive

Background Papers

Cabinet Report (6 January 2105 – Strategic Grant)

Janet Walke : Extension 6085

S17 Crime and Disorder	There are no direct benefits for crime and disorder but many of the issues of this report are of secondary benefit in reducing crime and disorder.
Health and Well Being	The provision of Social Fund support available to residents supports improved health and well-being.
Carbon Impact	There are no carbon impacts
Diversity	The provision in the Social Fund scheme is available to all residents of the Borough based on need.
Wards Affected	All wards may have residents who may access support from the Social Fund
Groups Affected	The whole population may be impacted upon by the Social Fund.
Budget and Policy Framework	Cabinet agreed growth funding allocation on 17 February 2015 for the provision of Social Fund as part of the Medium Term Financial Plan. There are no changes to the Budget or Policy Framework
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	Social Fund supports a number of vulnerable people in Darlington and will help to reduce inequalities.
Efficiency	This report aims to identify value for money and demand reduction.

MAIN REPORT

Background

7. The Local Welfare Provision grant was introduced in April 2013 to replace the Community Care Grant and Crisis Loan scheme that had previously been administered by the Department of Work and Pensions.
8. Darlington's initial allocation provided funding for £407k for crisis payments and community care support. Through demand management and tighter decision making the 2014/15 outturn is anticipated to be £312k providing savings of £95k). In addition savings of £20k have been made for the year 2015-16 from the administration costs.
9. The review of the Social Fund Policy provides an opportunity to further improve efficiency whilst ensuring assistance for the most vulnerable is maintained.

Information and Analysis

10. A review of the Social Fund Policy has been carried out which sought to formalise existing custom and practice, clarify the processes within the Social Fund scheme and achieve savings of £125k.
11. A copy of the revised policy is attached as **Appendix 1**. The following changes have been made to the policy:-

(a) Decision making and appeals [p5]

Appeals against a decision have two stages. Stage 2 of the review process is now the responsibility of the Welfare Rights Manager rather than a Head of Service. It is felt that the Welfare Rights Manager is a more appropriate person to review at Stage 2. So far, there have not been any Stage 2 reviews.

(b) Factors used to decide the financial need for support [p7]

Several factors are used to decide an application for support including income received, support from family and external funding. This section has been revised and simplified to make it clear to an applicant or advisor what the Council considers when deciding an application.

(c) Exclusions [p8/9]

Exclusions under the scheme have been revised to clarify the rules for both administrators of the scheme, advisors and applicants. There is now specific reference to items for which a landlord has responsibility under a tenancy agreement and for people living in licensed accommodation. This will reduce expenditure on items such as curtains and floor coverings.

(d) Forms of Support [p11/p16]

Awards are made when there is an identified need. The Crisis payment procedures have been amended to require applicants making a second or subsequent request for assistance to be referred by an organisation listed Appendix A of the Social Fund Policy. This ensures that the individual is able to access appropriate advice and guidance aimed at improving their individual financial wellbeing and therefore reducing any longer term need for Social Fund assistance.

For community care support the list of items that may be awarded has been reviewed and clarified to ensure that assistance is relevant and appropriate to the needs of an applicant e.g. a double bed will be awarded for a couple living in the same property, floor coverings will be restricted to one living room and any occupied bedrooms, cookers will only be awarded to families, and microwaves to single people without additional needs. This enables appropriate awards to be made for applicants. The use of discretion remains where need may be affected by health issues for example.

There is potential for significant savings to be secured from this change. For example, replacing standard electric cookers with microwave ovens for single people could realise a saving of £100 per award: Using a crude comparison of the percentage of enquiries/applications from single people currently 62% and the numbers of cookers awarded to single people (99) in 2014-15, this change would have saved at least £9,900.

Similarly savings are deliverable through the restriction on floorcoverings to one living room and any occupied bedrooms. Locally the cost of a fully carpeted three bedroomed property is in the region of £750 including underlay and fitting; savings could be as much as £500 per application using the revised criterion. Using a basic analysis of the awards made in 2014-15, 446 applications were approved of which less than 10% were full house awards for carpets. Applying the new policy to 45 people deemed to have received a full house award of £750 (£33,750) the saving would be £22,500 assuming revised awards of £250 (one living area and two occupied bedrooms totalling £11,250).

(e) Award Values [p11/p16]

Award values are determined at the discretion of the Council in relation to the needs presented and the financial situation of the applicant. This applies to both crisis payments and community care support. However, crisis payments will not usually last longer than seven days.

(f) Counter-fraud [p18]

This section confirms that action will be taken to recover from the applicant any award resulting from an application found to be fraudulent.

Efficiency Savings

12. To support an improved prevention agenda savings of £125k were targeted against the 2015-16 budget. The majority of savings required are already secured for 2015-16 through the early work and demand management in 2014-15 and the subsequent underspend of £95k, along with the revised administrative arrangements of £20k, totalling £115k. It is anticipated that the remaining £10k will be secured through the revisions made to the Social Fund Policy during 2015-16.

Risks

13. The changes made to the Social Fund Policy have minimal risk associated with them as primarily the changes formalise arrangements which have become custom and practice in the administration of the Social Fund. The clarifications made within the policy improve and clarify the application process; and will result in the correct assistance being given to those in need of help.
14. The greatest risks are from external factors which may impact on the savings to be delivered which are outside the Council's control: Namely, the Interim Budget (8 July) and the roll out of Universal Credit in Darlington from November 2015. Either or both of these could result in changes to the welfare system that impact on residents in Darlington and in particular single people who form the majority of applicants to the Social Fund and are the first group subject to Universal Credit implementation.

Equalities Considerations

15. When making its decision, Members will be aware of the requirement to have 'due regard' to the Public Sector Equality Duty under section 149 Equality Act 2010. This duty requires the Council, when exercising its functions to have 'due regard' to the need to:-
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Act;
 - (b) Advance equality of opportunity between those who share a 'protected characteristic' and those who do not share that protected characteristic, and
 - (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it (this involves having due regard, in particular, to the need to (a) tackle prejudice, and (b) promote understanding).
16. Section 149(3) of the Act states in general terms that having 'due regard' to advancing equality of opportunity involves having due regard to:-
 - (a) The need to remove or minimise disadvantages;

- (b) Taking steps to meet the needs of people from protected groups;
 - (c) Encouraging people from protected groups to participate in public life or other activities where their participation is disproportionately low.
17. Section 149 (4) meeting the needs of disabled people involves taking account of disabled people's disabilities.
 18. The initial impact analysis carried out highlighted a highly negative impact of introducing a 'three strikes' rule limiting crisis support to three awards in a rolling 12 month period. Further analysis of the Social Fund data showed that the savings could be achieved without introducing this limitation. The completion of the Equality Impact Assessment (EIA) highlighted the issue and the negative impacts mitigated by removing the clause from the Policy.
 19. The revised Policy formalises the use of discretion when administering the system which enables the Social Fund to operate without detriment to any particular protected characteristic. This provides a continuing mitigation to any negative impacts on a case by case basis.
 20. The full Equalities Impact Assessment is attached as **Appendix 2** to this report. It should be noted that members are required to read the EIA attached before making any decision.

Consultation

21. Discussions have taken place with the organisations directly involved in the delivery of the Social Fund to inform the Equality Impact Assessment.