

Financial Wellbeing – Social Fund Policy Review

Equality Impact Assessment

Title of activity:	Changes to Local Welfare Provision in 2014/15 and 2015/16 (Social Fund)
Lead Officer responsible for this EIA:	Anthony Sandys
Service Group:	Neighbourhood Services and Resources
Service or Team:	Revenues and Benefits
Assistant Director accountable for this EIA	Catherine Whitehead
Personnel involved in the EIA	Mary Hall, Sarah Andrews, Deena Wallace, Janet Walke

Introduction:

1. This Equality Impact Assessment (EIA) was carried out to assess the potential impacts of changes to how the local welfare provision is delivered through the Social Fund Policy. The proposals affected the delivery of both Crisis Support (CS) and Community Care Support (CCS).
2. The initial impact assessment was a desk top exercise in November and December 2014 building on the work done to support the ANEC response to a Government consultation. A further EIA was undertaken in March 2015 to support the revised Social Fund Policy to be presented to Members in June 2015.
3. The purpose of the review to the Social Fund Policy is to support the delivery of savings of £125k which can be redirected to deliver an enhanced preventative agenda for Financial Wellbeing in Darlington as part of the wider Financial Wellbeing strategy.

Who will be affected?

4. The initial desktop review of the policy proposals identified the potential for all 105,600 residents of the Borough to be affected by the proposals. However, the population can be targeted to the numbers of people who accessed information from, or made an application to, the Social Fund. During 2013-14 this was 2,583 this reduced in 2014-15 to 2,285.
5. It is more appropriate and meaningful to target the assessment at those groups who have already accessed the Social Fund to establish impacts both negative and positive. The operation of the Social Fund is quite data rich in certain areas. There is comprehensive data available about the numbers of enquiries/applications, the age range of the people applying, the family types of applicants and the range of items funded. However, there are data gaps as information is not routinely collected for all protected characteristic groups which may reduce our understanding of equality impacts, both positive and negative, for some groups.

6. Commissioners routinely collate information through contract monitoring e.g. YMCA Food for Thought programme, and the FoodStore Network.
7. The numbers of people accessing the Social Fund reduced from 2013-14 to 2014-15; this was expected as the administration of the fund became more focused and people better understood the qualifying conditions and help available.

The proposed changes:

8. The initial changes proposed to the Social Fund Policy in November 2014 were:-
 - a. *Limit Crisis Support to 3 awards in a rolling 12 month period ("3 strikes rule");*
 - b. Direct signposting to the food store, removing the need for a voucher referral system;
 - c. Move Crisis Support administration to the Food Store;
 - d. *Replace gas and electricity meter top-ups with All-Pay cards. Any misuse identified could result in no further awards being made. Alternative provision can be made to pay for gas and electricity. Discretion applied as to whether misuse would affect any further claims;*
 - e. Use any underspend from 2014/15 in prevention, advisory or support services;
 - f. Restrict Community Care Support expenditure to a £40k emergency pot, with most claims being met by Credit Union white goods loan scheme;
 - g. Review alternative delivery options;
 - h. Retender food store contract;
 - i. Introduce a white goods loan package which would be run by the Credit Union; and
 - j. Refocus Community Care Support to provide financial advice.
9. The majority of these changes formalise custom and practice which has developed during the delivery of the Social Fund and focus on a more preventative approach to Financial Wellbeing. However, the proposal to limit Crisis Support to three awards in a rolling 12 month period ('Three Strikes Rule') was removed as this would have negatively impacted on all people accessing the Social Fund, regardless of protected characteristic especially where they are affected by other Welfare Reform changes e.g. Universal Credit, or PIP.

The Impacts:

10. The assessment of the impacts is outlined by each protected characteristic – age, sex, race, gender reassignment, disability, religion or belief, sexual orientation, pregnancy or maternity, and marriage or civil partnership.

Age:

11. The age distribution of people contacting the social fund between April 2013 and March 2015 is as follows.

Age Distribution	2013-14	2014-15
Under 20	113	91
20-29	552	477
30-39	445	413
40-49	408	363
50-59	225	174
60+	49	48

12. The majority of people are aged between 20 and 50, and are single, whilst the numbers aged over 60 have remained static over the two year period and the numbers aged <20 have reduced slightly.
13. The impact of the changes to the Social Fund (Crisis Support) for **older people** is low but for Community Care Support is high. Older people are less likely to need crisis support as they are not subject to benefit sanctions; tend to have slightly higher incomes than people of working age and are exempt from many of the welfare reforms. A total of 49 Crisis Support and Community Care Support awards made to age 60+ in 2013-14 and 48 in 2014-15.
14. Changes to the Community Care Support requiring individuals to take out a loan could increase reliance on Crisis Support due to the reduction in income over a longer period and increased indebtedness. An additional negative impact for the individual and the Council is the possible early admission to residential or nursing care.
15. **Younger people** including those with families would be negatively impacted upon by changes to both Crisis Support and Community Care Support if access to the Social Fund was restricted. In 2013-14, 449 awards were made to families or lone parents. Children in these families are among the most vulnerable, particularly where they are fleeing domestic abuse.
16. Single young people received 113 awards in 2013-14 with a slight reduction to 91 in 2014-15. However, the YMCA Food for Thought report shows an increasing number of people aged under-20 years accessing food banks. Shoplifting is more prevalent in males between the ages of 18 – 35. Anecdotal evidence suggests that if unable to access Social Fund support, they may increasingly turn to shoplifting. Under-25s get lower benefits so are likely to require crisis support more frequently as this group has been badly hit by the welfare reforms.
17. Single people under 35 are likely to experience higher housing costs due to local housing cost rules reducing the amount of housing benefit they're entitled to. This age group is also more likely to be subject to sanctions. Any changes to Crisis Support and a move to a loan scheme could increase

reliance on Crisis Support due to a reduction in income over a longer period, leading to longer term financial problems.

18. Homeless younger people who are currently housed within YMCA may not be able to afford to move into accommodation without financial support from the Community Care Support, leading to a longer term stay with the YMCA, resulting in reduced capacity to support other homeless young people. This could lead to an increase in rough sleepers and the risk that this poses.
19. In 2014-15 the highest numbers of applications come from single people aged under-50. The proportion of applications and the breakdown by age has not changed by more than 1%.

Family Type	2013-14	2014-15
Single	1,115	971
Couple	129	100
Family	157	124
Lone Parent	342	323
Pensioner	49	48

20. People of working age are also likely to be affected by welfare reform. Recent changes to certain out of work benefits for people under pension age have seen an increase in the number of waiting days without entitlement from three to seven. Changes to the appeal process and significant increased use of sanctions have also left some people without benefit for an unspecified length of time. This may lead to an increased demand for Social Fund support.
21. Darlington has a large number of people on low pay and fluctuating hours. These people may need Crisis Support on more than three occasions. The effect of being refused Crisis Support under the three strikes rule could lead to long term health problems or loss of employment, or drive people to unaffordable high cost credit or doorstep loans. People affected by the bedroom tax may increasingly need to make long term Crisis Support applications. The impact of a proposed 'three strikes' rule is negatively high and would place pressures on other areas of the Council and wider society.
22. Again, changes to Community Care Support and a move to a loan scheme could increase reliance on Crisis Support due to reduction in income over a longer period leading to longer term financial problems and impact negatively on people of working age.
23. In November 2015 Universal Credit will be rolled out in Darlington. The initial claimant group will be those individuals aged over 18 years receiving Job Seekers Allowance. At this stage the revised Social Fund Policy (Appendix 1) provides support to Universal Credit recipients without detriment or favour.

Race

24. There is no specific data around racial take up of Social Fund support but different communities have different needs e.g. Gypsy and Traveller community may need bottled gas and pre-loaded electric cards. The impact has been assessed as negative if these needs cannot be supported. Similarly, national policy changes affecting migrants may increase likelihood of migrants needing to access social fund for support.
25. Section 5 of the policy outlines those people NOT eligible for help from the social fund due to being deemed to be:

A person who is, or would be, treated as a person from abroad for the purpose of Income Support, income based Jobseeker's Allowance, income related Employment and Support Allowance and Pension Credit, and has no entitlement to those benefits, including foreign nationals with limited immigration status, foreign nationals with no recourse to public funds; non-economically active European Union individuals; and UK nationals who are not habitually resident in the United Kingdom.

26. A **positive impact** in the revised policy is that the policy ensures that dependent children of people excluded under Section 5 will be able to access support from the social fund.

Sex

27. Applicants of either sex are treated the same. The only negative impacts due to gender are related to applications which result from domestic abuse, as the majority of cases are women. The consideration of removal costs remains in the policy and is not restricted by the repeat award in a 12 month period rule. This ensures that people needing to move will not be forced to take out expensive loans to enable them to do so. This is a **positive impact** for people of both sexes.

Gender Reassignment – no impacts identified.

Disability

28. Without Social Fund support, disabled people, predominantly those with a learning disability may find they are unable to move out of residential or hospital accommodation into independent living in the community.
29. Changes to Community Care Support and the move to a loan scheme could increase reliance on Crisis Support due to a reduction in income over a longer period, leading to longer term financial problems.
30. Lack of access to removal costs could result in use of unaffordable high cost credit or not being able to move to appropriate accommodation in the community, leading to deterioration in mental or physical health.

31. If unable to move to more suitable accommodation this could have a detrimental effect on physical and mental health and a potential increase in the amount of Crisis Support needed. It is important to ensure venues accepting All Pay cards are accessible.
32. Some vulnerable people may be targeted for items of value e.g. All Pay cards.
33. There is a risk that the health of some disabled people will deteriorate if social fund support is reduced. This will have a particular impact on those with mental health impairments and chaotic lifestyles.
34. The initial impacts for disabled people are negative and high. The impacts of other factors such as benefit sanctions for those found able to work are significant for disabled people. The highly negative impacts of a proposed loan scheme and restricting access to certain items apply across the range of impairments.
35. This has been mitigated by ensuring officer discretion is available at all stages of the process.

Religion or belief

36. A move to a loan scheme would be a barrier to Muslim applicants as they are forbidden to pay interest under Sharia law. At present the religion or belief of an applicant is not collected at the point of application, so it is impossible to assess the impact of any loan scheme on our Muslim community in Darlington.

Pregnancy/Maternity

37. No specific data is held, but the number of baby consumables and cots awarded suggest that pregnant women and infants under 26 weeks old are likely to suffer serious deterioration in health without support. If removal expenses are not paid this could prevent a move to suitable accommodation. The effects of the 'three strikes' rule could affect the health of pregnant women and unborn children and increase the usage of Section 17 payments.
38. The proposed policy only excludes those items listed in Section 7 (6); in addition officer discretion remains to enable a flexible and fair approach to the administration of the social fund.

39. **Marriage/Civil Partnership** - no impacts identified.

Cumulative impacts

40. **Welfare reforms:** This is a new potential impact. The waiting days for Job Seekers Allowance (JSA) and Employment Support Allowance (ESA) have increased from three to seven days and benefit payment is now fortnightly

in arrears after seven days. The effect is that people of working age wait three weeks for benefits and don't receive any benefits for the first week.

41. There is an increase in time taken for mandatory consideration for working age people who are not entitled to benefit during that period.
42. **Introduction of Personal Independence Payment (PIP):** delay associated with the introduction for working age people resulting in increased Crisis Support needs.
43. **Council Tax:** 20 percent council tax contribution now required if you are of working age.
44. **High Impact Users Project:** Likely to impact on many of the same people who currently access financial advice and support services. The impacts are high and have the potential to affect other areas of support provided to High Impact Users e.g. Troubled Families.
45. **Universal Credit:** the impact of the rollout of Universal Credit in Darlington will initially be on single people receiving JSA. The impact on more complex cases will be visible as the benefit is rolled out to more claimant groups who have more complex needs and has the potential to affect some of the most vulnerable people in the borough.

Engagement

46. The initial EIA gathered views from a range of organisations that provide contracted services via the Council's contract monitoring arrangements. At this stage of the policy review no additional consultation work was undertaken as it was felt that a wider consultation involving residents would not gather any more information to inform the EIA. The organisations that contributed their views to the initial EIA have stated how positive an impact the Darlington Social Fund is having on vulnerable people.
47. The need for further consultation will be reviewed as Universal Credit is rolled out. The impact on the Social Fund will be monitored to ensure changes in patterns of applications and the groups of individuals claiming are gathered and understood.

Reporting and recommendations

48. The EIA process identified some high impacts for protected characteristics from the initial proposals as listed in paragraph 8. After consideration of the impacts and further analysis of the service data, it was clear that the policy changes needed to reflect what had become custom and practice in the administration of the Social Fund. Hence, the proposed 'three strikes' rule has been removed and the policy reviewed to reflect how the scheme is administered. This will reduce negative impacts across the protected characteristics.

49. The proposed changes as listed in the Cabinet report for June 16th do not negatively impact on any protected characteristic detrimentally. The ability to use officer discretion with exception of specific exclusions mitigates for impact on vulnerable people on a case by case basis. The changes to the initial policy proposals have resulted from the impacts identified and assessed as part of the EIA process.
50. The EIA will be reviewed at least three monthly following the implementation of Universal Credit to ensure that any issues arising from the new benefit affecting users of the Social Fund will be identified and addressed accordingly.
51. The implementation of the Care Act 2014 may also impact on the Social Fund and again, this EIA will be revisited to address any issues arising as well as the EIA for the Care Act implementation.

Sign off

52. The EIA is signed off as follows:

Officer Completing the EIA report:		
Signed:	Name:	Janet Walke
	Date:	28 April 2015
	Job Title:	Senior Project Manager
Assistant Director:		
Signed	Name:	Catherine H Whitehead
	Date:	
	Service:	Assistant Chief Executive

Performance Management

53. The EIA has a single action to ensure further monitoring of the EIA will be conducted by the Head of Service for Revenues and Benefits (Anthony Sandys) with an annual review set for February 2016; three months after the roll out of Universal Credit begins in Darlington.