

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: For pre-decision scrutiny by Executive and Resources PDS Committee on 27 March 2013

Decision Type: Non-Urgent Executive Non-Key

Title: LOCAL WELFARE PROVISION (BROMLEY WELFARE FUND)

Contact Officer: John Nightingale, Head of Revenues and Benefits
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Chief Officer: Peter Turner, Finance Director

Ward: All

1. Reason for report

This report advises as to the transfer of the above provision from the Department of Work and Pensions to Local Authorities. It also details the action taken in anticipation of this transfer in responsibility.

2. RECOMMENDATION

Members note the transfer of responsibility for Local Welfare Provision to the London Borough of Bromley

Members agree the content of the proposed Local Welfare Provision (Bromley Welfare Fund) scheme (Appendix 1)

Members agree the scheme be known as Bromley Welfare Fund

Members agree the Equality Impact Assessment (Appendix 2)

Members approve the 2 year fixed-term appointment of a System Administrator/ Review Officer

Members agree that performance in this area be reported as part of the Benefits Monitoring Report

Corporate Policy

1. Policy Status: New policy.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: Estimated cost £340k + programme funding
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: 400002
 4. Total current budget for this head: £
 5. Source of funding: Government Funding (announced for 2013/14 and 2014/15)
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Staff

1. Number of staff (current and additional): 1
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6000 (4000 beneficiaries)
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Community Care Grants and Crisis Loans for general living expenses will be abolished from April 2013. It will be replaced by a new scheme of Local Welfare Provision which will be administered by local authorities.

The Social Fund has been in place since 1988 and was designed to help people meet exceptional costs that were difficult to budget for out of mainstream benefits. However, the government believes the Social Fund has failed to keep pace with wider welfare reform which has led to complex administration and parts of the scheme being poorly targeted and open to abuse. The reform proposed is in two parts:-

- the government will devolve those elements of the Fund that require more intensive scrutiny to local authorities;
- those elements of the Social Fund that lend themselves to simple automated delivery will be incorporated into Universal Credit which will be administered by the Department for Work and Pensions (DWP).

The current system of Community Care Grants and Crisis Loans will be devolved to local authorities from April 2013. Further details about the Council's grant allocation are covered under the Financial Implications section.

Given the limited data that is available regarding past recipients of awards and potential claimants, the scheme being proposed closely resembles that currently operated by the DWP. Once established the scheme will be reviewed and if deemed appropriate amended to better reflect the particular needs and pressures experienced by our residents. A further report will be submitted to this meeting before any significant changes are made to the scheme.

A draft of the proposed scheme is attached as Appendix 1 to this report, with the corresponding Impact Assessment attached as Appendix 2.

Current DWP Provision

3.2 For those without resources, or on a low income and finding it difficult to budget for emergency expenses – there is currently limited funding available in the form of the Social Fund. It includes funeral payments, maternity grants, crisis loans, budgeting loans, community care grants and cold weather payments. Any resident who currently approaches the Council for this form of support is usually directed to Jobcentre Plus who administers this scheme. Jobcentre Plus currently makes available a telephone facility for residents wishing to claim help through the Social Fund and there is no existing face to face provision to deal with queries.

Crisis Loans are interest-free loans available to anyone, regardless of whether they receive benefit, who cannot meet their immediate short-term needs in an emergency. There is a limit of 3 loans to an applicant within a 12 month period. Repayments for loans are recovered direct from benefit, where possible. The majority of Crisis Loans are awarded to single people in receipt of Jobseekers Allowance below the age of 35. Crisis Loan awards fall into three broad areas:

- general living expenses;
- items following a disaster, including white goods and furniture;
- alignment payments, meeting an urgent need pending an initial payment of benefit or wages being put in place.

Community Care Grants are non-repayable grants awarded for a range of expenses including household equipment. They are primarily intended to support vulnerable people to return to or to remain in the community, to promote independent living, or to ease exceptional pressure on families.

The following are the number of applications, awards and value of total grants and loans administered by the Jobcentre Plus within Bromley for the first 6 months of 2011/12.

Bromley	2011/12			
	No. Apps	Total Spend	No. Awards	Avg Award
Community Care Grants	1050	£330,800	460	£719
Crisis Loan Items	310	£33,600	150	£224
Crisis Loan Living Expenses	1,580	£66,900	1300	£51
Total	2,940	£431,300	1,910	-

As these are half yearly figures, this would imply that the Council is likely to receive in the region of around 6,000 applications per annum to the new scheme of Local Welfare Provision, with an annualised spend in the region of £860k. Most local authorities are also of the opinion that Council services are more readily accessible than those at Government offices. Given this, and the significant budgetary pressures which many benefit applicants are faced with, it is anticipated that there could be extra demand on the scheme in future years.

The Government's intention is that Crisis Loans and Community Care Grants will end in April 2013, although Crisis Loan Alignment Payments and other Crisis Loans paid due to issues with benefit (for example Tax Credit delays) will be replaced by a new national scheme of Short Term Advances. This will be administered by the DWP. For all other types of Crisis Loan such as general living expenses and items following a disaster, responsibility will pass to local authorities.

Government Funding

3.3 Government funding details are tabled below. The grant is not ring-fenced; however a reduced level of assistance would produce hardship and likely result in an increased demand for service/assistance being received by other sections of the Authority.

The level of programme funding is lower than the projected annual expenditure when compared to the figures contained in the above table and allowing for this only being 6 months expenditure. The expected demand is also likely to be greatly affected by the April 2013 changes in respect of Housing and Council Tax Benefit and the wider reform agenda.

Funding	2012/13	2013/14	2014/15
Set-up funding	£8,195	0	0
Programme funding	0	£819,535	£819,535
Administrative funding	0	£173,174	£158,732
Total	£8,195	£992,709	£978,267

Administration

3.4 Administration of the fund will be by means of a Northgate solution with applications being made on-line, or via a freephone service also operated by Northgate. The provision of goods/payment will be made by the Family Fund, a registered charity working in partnership with Northgate. Procurement of the Northgate solution was sourced through the "Software Applications Solutions" Framework.

The decision making process will be by means of marks attributed to responses to questions contained on the electronic form. As advised earlier the scheme will strongly resemble that currently operated by the DWP, taking into account the reduced level of funds available. As in the current scheme individuals will be limited to 3 awards in a 12 month period.

However, there are 2 major differences to the current DWP scheme, these being:

- Wherever possible payment will be made by a purchase card limiting the recipient to the item for which the award was made.
- Expenditure will be monitored and where required minor revisions will be made to the points scheme to reflect the budgetary position.

Where an individual's application for an award is declined, they can request that the claim be reconsidered by another officer, this task will also be undertaken by Northgate. There is no external right of appeal, if the individual remains dissatisfied with the decision, his/her only recourse would be via complaint to the Ombudsman. It is therefore intended that where the original decision is upheld on review and no award made, the case would then be checked by a member of Bromley's monitoring team.

4. FINANCIAL IMPLICATIONS

4.1 The level of assistance provided under the scheme will be restricted to the programme funding received from the DWP. However, limiting the awards in this way will result in a reduced level of provision, which in turn may result in increased demands being made on other Council services.

The administrative funding, covers the cost of the Northgate solution and allows for the employment of an officer whose role would include contract monitoring, independent review of decisions and revisions to the scheme necessitated by the budgetary position. The employment would initially be for a period of 2 years to reflect the period of advised funding. However, should funding be available after two years, the position of the administrative officer will be reviewed.

Non-Applicable Sections:	Policy, Legal, Personnel
Background Documents: (Access via Contact Officer)	[Title of document and date]