

BROMSGROVE DISTRICT COUNCIL

CABINET

9th JANUARY 2013

COMMUNITY CARE GRANTS AND CRISIS LOANS

Relevant Portfolio Holder	Cllr Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To enable Members to consider the proposed new arrangements for the administration of Community Care Grants and Crisis Loans.

2. RECOMMENDATIONS

- 2.1 **Cabinet is asked to RECOMMEND approval of the request for delegation of this scheme from the County Council to the District.**
- 2.2 **Cabinet is asked to RESOLVE that officers develop a detailed scheme for individuals to access the scheme and that this be reported to be Members in March.**
- 2.3 **Cabinet is asked to RESOLVE that officers report the level of funding available to Members once the final allocation is made available.**

3. KEY ISSUES

Financial Implications

- 3.1 As part of the Welfare Reform Act 2012 the Government have replaced elements of the discretionary Social Fund with "local assistance schemes".
- 3.2 The Social Fund is a scheme currently administered by the Department of Works and Pensions (DWP) to help people with needs that are difficult to meet from regular income. It is made up of two distinct parts:
- a **Regulated** scheme which provides entitlement to maternity, funeral, cold weather and winter fuel payments for people who satisfy certain qualifying conditions.
 - a **Discretionary** scheme under which people may be eligible in certain circumstances for a budgeting loan, a community care grant or a crisis loan to meet, or help to meet an immediate short term need.

- 3.3 The Act abolishes community care grants and crisis loans for living expenses from 1 April 2013. Instead a non-ringfenced grant is to be paid to unitary and upper-tier local authorities in England to enable them (under existing powers in the Local Government Act 2000) to provide new locally-administered assistance to vulnerable groups.
- 3.4 The expectation is that local authorities will be able to manage the funds available and "take into account local knowledge and target the most vulnerable individuals". The grant for administering the scheme will be paid to County Councils.
- 3.5 It is proposed that the District requests delegation from the County Council for the provision of this service to be undertaken by District officers and that the funding be allocated to meet the requirements for those accessing the grants and loans. It is understood that the North Worcestershire Councils are requesting this delegation to provide a local service. The benefits of a local provision are :
- The District defines local policy on how the money is spent, within the broad principles
 - All decision making on spend taken by the District
 - The District manage the budget
 - Application, decision making/assessment, payment and monitoring carried out by the District
 - Gives the District total independence and flexibility on how any support is provided, in line with the policy principles
 - Allows the District to reflect local needs and integrate with existing current local arrangements such as hardship funds, housing support, Care & Repair agencies, food voucher schemes, furniture schemes etc
 - Allows the District to consider flexible use of resources

3.6 Purpose of Community Care Grants and Crisis Loans for Living Expenses

Community Care Grants

- 3.6.1 Community Care Grants (CCGs) were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means tested benefits.

Crisis Loans

- 3.6.2 Crisis Loans (CLs) were intended for applicants who are unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living

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expenses in order to avoid serious damage or serious risk to the health or safety of the applicant or a member of the family.

3.7 Funding for Scheme

- 3.7.1. It is anticipated that the exact level of funding to be allocated from the DWP for the scheme will be available in late December 2012. The funding is to be available for 2 years (ending March 2015) and therefore any delegation to the District will be on the basis of this period. An indicative allocation has been advised to the County Council and this represents a 11% reduction on the levels of expenditure in 2011/12. It is anticipated that the final allocation will reflect a similar reduction.
- 3.7.2. To obtain an estimate of the funding that could be passed to the District for the scheme the levels of expenditure have been analysed for 2011/12.

2011/12 ACTIVITY FOR WORCESTERSHIRE

Crisis Loans (Items & Living Expenses)	Number of applications	Successful applications	Expenditure 2011/12
Bromsgrove	720	540	£30,800
Redditch	2,020	1,540	£100,800
Malvern Hills	600	490	£31,100
Worcester City	2,270	1,780	£95,500
Wychavon	770	590	£35,200
Wyre Forest	1,980	1,490	£86,300
TOTAL	8,360	6,430	£379,700
Community Care Grants	Number of applications	Successful applications	Expenditure 2011/12
Bromsgrove	370	180	£82,500
Redditch	570	270	£127,300
Malvern Hills	320	150	£68,500
Worcester City	840	390	£175,000
Wychavon	460	190	£95,000
Wyre Forest	730	300	£137,000
TOTAL	3,290	1,480	£685,300

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TOTAL	Number of applications	Successful applications	Expenditure 2011/12
Bromsgrove	1,090	720	£113,300
Redditch	2,590	1,810	£228,100
Malvern Hills	920	640	£99,600
Worcester City	3,110	2,170	£270,500
Wychavon	1,230	780	£130,200
Wyre Forest	2,710	1,790	£223,300
TOTAL	11,650	7,910	£1,065,000

3.7.3. It is proposed that the scheme funding be allocated pro-rata to the 2011/12 expenditure, and that it is all allocated to the District Councils (ie none is left with the County Council). This is on the basis that the Districts would be incurring all the programme expenditure and that there would be no additional costs to the County Council. The indicative funding allocation, based on the 2011/12 expenditure levels, would be as follows:

ALLOCATION OF REDUCED FUNDING BASED ON 11/12 ACTIVITY

2013/14 Indicative Funding Allocation	% based on expenditure 2011/12	Programme Funding Allocation
Bromsgrove	10.64%	£100,786
Redditch	21.42%	£202,906
Malvern Hills	9.35%	£88,599
Worcester City	25.40%	£240,624
Wychavon	12.23%	£115,820
Wyre Forest	20.96%	£198,637
TOTAL	100.00%	£947,372

3.7.4. In addition to the scheme funding as detailed above there is an element of Administrative Funding which will be made available. It is proposed that this grant will be allocated to the Districts to enable them to administer the scheme using internal resources funded by the grant available. The final details of this grant will be available in late December and will be for 2 years.

3.7.5. It is proposed that the administrative grant be allocated to the Districts on the basis of the number of applications less £5,000 to be retained by the County.

ALLOCATION OF INDICATIVE ADMINISTRATIVE FUNDING

2013/14 Indicative Funding Allocation	% based on number of applications	Administrative Funding Allocation
Bromsgrove	9.36%	£18,260
Redditch	22.23%	£43,390
Malvern Hills	7.90%	£15,420
Worcester City	26.70%	£52,107
Wychavon	10.56%	£20,610
Wyre Forest	23.25%	£45,400
TOTAL	100.00%	£195,187

- 3.7.6. Officers will ensure that the maximum resource can be funded from the allocation in accessing support within the shared service across Redditch and Bromsgrove Councils.

Legal Implications

- 3.8 As referred to at para 3.1 above changes are being introduced through the 2012 Welfare Reform Act to end the previous practice of crisis loans administered through the DWP and replace them with a locally administered system of Community Care Grants and Crisis Loans. From a governance point of view, as Worcestershire is a two tier authority the starting point would be for the new scheme to be administered by the County Council. However, it is being proposed that this function be delegated by the County Council to the District. This will be a decision for Full Council as set out in recommendation 2.1.

Service / Operational Implications

3.9 Localised Support Scheme

- 3.9.1. The purpose of the scheme is to assist vulnerable people in meeting their needs for subsistence or financial support where they are unable to meet their immediate short term needs or where they require assistance to maintain their independence or re-integrate within the community. The scheme will replace those elements of the Social Fund which will no longer be administered by the DWP.
- 3.9.2. The formal notification from the DWP states that Local Authorities "*need to be able to flex the provision in a way that is suitable and appropriate to meet the needs of your local communities... we expect funding to be concentrated on those facing greatest difficulty in managing their income, to enable a more flexible response to unavoidable need, perhaps through a mixture of cash or goods and aligning with the wider*

range of local support local authorities/devolved administrations already offer. In short, the funding is to allow you to give flexible help to those in genuine need." This will be taken into account when considering potential options for localised support.

- 3.9.3. Officers within the Housing and Benefits Services are working together to ensure that the final scheme will meet the needs and requirements of our community. It is anticipated that this be presented to Cabinet in March 2013.
- 3.9.4. There is a risk that the grant will not be enough to manage the demand. This will be a challenge given that the indicative level of grant available is lower than expenditure under the current scheme. However, it is clear that the budget needs to be managed to a limit of the grant available to avoid impacting on other areas of Councils' budgets. Given that the funding is only clear for the first two years, it is proposed that any scheme only covers this period.
- 3.9.5. It is proposed that broad principles be adopted when considering a local scheme to include:
- Be Clear
 - Be Responsive
 - Target the most vulnerable and those in need of immediate support
 - Issue vouchers rather than cash, where appropriate
 - Minimise cost of administration (Avoids loans)
 - Separate application/decision making from face to face customer contact, subject to local requirements
 - Have one single route of appeal/review
 - Have a system for Monitoring and Review use of the grant
 - Have effective budgetary control
 - Be resilient
- 3.9.6. Officers will continue to work together and with the community to develop a scheme that suits local needs with local knowledge and support.

Customer / Equalities and Diversity Implications

- 3.10 It is proposed that by receiving delegation to provide the scheme locally the community will benefit from the internal officers support and knowledge. Any proposed scheme will be subject to a period of consultation with the community.

4. RISK MANAGEMENT

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- 4.1 There is a risk that funding levels will not meet demand however officers will work to ensure that the resource available is maximised to support those in need whilst managing the prescribed level of budget.

5. APPENDICES

N/A

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