

Local Welfare Reform Offer

Cabinet Date	6 th February 2013
Cabinet Member for Vulnerable Families	Cllr Paul McLain
Key Decision	Yes
Background Documents	<p>'Local Social Fund Reform' DWP web documents</p> <p>Due Regard statement</p> <p>Risk Register</p> <p>Indicative timeline</p>
Location of Documents	<p>http://www.dwp.gov.uk/local-authority-staff/social-fund-reform/</p> <p>http://www.gloucestershire.gov.uk/extra/welfarereformfund</p>
Main Consulters	<ul style="list-style-type: none"> • Six District Council's representatives- Housing or/ and Revenue and Benefits • Stakeholder event • GCC adult delivery units • GCC Children and Families delivery units • Research meetings held with Gloucestershire credit union; Trussell Trust Food Banks; Citizens Advice Bureau (Cheltenham and Stroud) • Meeting with user- voice group – 21st January 2013 • Question sheet asking potential users their views
Planned Dates	<ul style="list-style-type: none"> • Cabinet 6th February 2013 • Open Pro-contract 15th February • Tenders close 6th March • Limited Service operating 1st April • Full Service operating 1st May 2013- end March 2015
Divisional Councillor	All
Officer	<p>Linda Uren, Commissioning Director, Children and Families</p> <p>Linda.uren@gloucestershire.gov.uk</p>
Purpose of Report	To inform Cabinet of the proposed 'Local Welfare Reform Offer' to be made available to support individuals and families in crisis and support a return to independent living in the community. To also agree to initiate a tender for an application, award and tracking system to operate the LWRO and for the Council to run a small grants/ contract scheme to enable local community organisations to participate in delivering the LWRO.
Recommendations	<p>To authorise the Commissioning Director: Children & Families to:</p> <p>(a) conduct a compliant competitive tender process for the award of a contract for the provision of the Local Welfare Reform Offer within Gloucestershire with an estimated value</p>

	<p>over the 2 years of £2.4m with administrative costs in the region of £350k</p> <p>(b) upon conclusion of the competitive tender process to enter into a contract with the preferred provider who is evaluated as offering the Council best value for money for delivery of the service. In the event that the preferred provider for a contract is either unable or unwilling to enter into that contract with the Council then officers are authorised to enter into such contract with the next willing highest placed suitably qualified provider/s</p> <p>(c) in consultation with the Cabinet Member for Vulnerable Families and delivery partners such as District Councils and Housing providers, to develop a small grant funded capacity building programme for community based welfare support organisations over the 2 year period 2013/15, the total value of all combined grants not to exceed £100,000.</p>
Reasons for recommendations	<ul style="list-style-type: none"> • The DWP is transferring responsibility for financial support for individuals and families in crisis to local authorities • The Council needs to implement a new programme to replace current arrangements from 1 April 2013 • The programme needs to offer appropriate support to vulnerable people and their families as well as minimising risks to the council • The programme needs to support existing and new community based organisations to support people and encourage them to maintain independence in the future • These proposals are in line with council priorities to support vulnerable people and encourage people back into work wherever possible
Resource Implications	<p>A non ring fenced grant of totalling £2.5m will be allocated to the council by the Department for Work and Pensions (DWP) between 2013/15. The proposals within this report must operate within this budget; there will be no additional implications for existing council budgets.</p> <p>Contract value is estimated to be in the region of £2.4m, to include the DWP estimated administrative system costs of £350k.</p> <p>One-off third sector, capacity building grants will be made available by the Council from the £2.5m DWP grant; they will not exceed £100k in total.</p> <p>The levels of funding available represent a decrease on DWP spend in previous years and assume councils will more effectively manage the allocation of resources.</p>

MAIN REPORT CONTENTS

1. Background:

From April 2013, the effect of the Welfare reform Act will abolish Community Care Grants and Crisis Loans. All top tier local authorities will receive funding from the Department of Work and Pensions (DWP) with an expectation that they will make arrangements to make an offer of support to those in crisis from April 2013. There is no new legal duty placed on councils and at this stage the government does not intend to place restrictions on any future fund allocation decisions. The government views local councils as appropriate bodies to provide this assistance given existing responsibilities for vulnerable children and adults. Funding is being offered to councils for two years, until March 2015, it is not known what arrangements will be in place after this time.

Crisis Loans are currently awarded to people under exceptional pressure, to help meet immediate short-term needs in an emergency or as a consequence of a disaster. Current **Community Care Grants** are designed to support individuals returning to their communities from institutional care; ease exceptional pressures on families to maintain them in the community; assist with travelling expenses e.g. to family funerals.

Information from the DWP suggests that there are currently in excess of 9,500 awards a year in Gloucestershire, with more than 12,500 applications made to the fund. 85% of Community Care Grants were made to single adults; 63% of recipients of Crisis Loans are young adults between 18-34yrs. The expectation is that new arrangements continue to offer assistance to people in the same categories of need as described above.

2. Consultation

The Council received notification about these changes in August 2012; in the limited time available partner agencies have been involved in discussions about options for discharging these new responsibilities. This has included discussions with:

- Representatives of DWP and six District Council's Housing or/ and Revenue and Benefits.
- Stakeholders including voluntary and community organisations to test principles, challenges and scope
- GCC adult delivery units: to compare overlaps with other crisis funds
- GCC Children and Families delivery units : to compare overlaps with other crisis funds
- Research meetings held with Gloucestershire credit union; Trussell Trust Food Banks; Citizen's Advice Bureau (Cheltenham and Stroud).

Consultation meeting with user voice group 21st January 2013. Questionnaires completed by potential users to inform planning. Feedback from both these exercises will be reported to the Cabinet meeting in February.

3. Proposal for a Local Welfare Reform Offer (LWRO)

A number of options have been considered for developing a local offer with a full options appraisal considered by Commissioning Directors. Within the Councils' overall objective to protect the most vulnerable the aims of the offer are proposed as:

1. To assist individuals and families to live independently in the community
2. To provide a robust response to help those in crisis, as far as possible from within their community, that can be implemented for 1st April 2013

3. To ensure that applicants are responded to in a way, that provides support at the time of crisis and develops their skills to help themselves in the future, to reduce the likelihood of recurring demand

The offer must operate within the DWP budget allocation and be closely monitored to inform future planning and avoid duplication where individuals and/or families are approaching more than one council service. It is proposed to operate cash-less system, as far as practicable; to reduce processing time and the risk of fraudulent applications.

4. Proposed Service Delivery Model

The proposed model is to tender for an organisation to provide an application, award and tracking system and also to grant fund/contract local third sector organisations to enable them to build their capacity to support individuals and families in need.

The administrative system of application, authorisation, and benefit checks, monitoring and tracking would be managed by an organisation with proven experience in this area, with a contractual agreement for them to work largely with local third sector organisations and companies to provide the goods and services; using e-mail, vouchers or smart cards, rather than cash as currently. Eligibility will be well defined with robust processes and tracking in place to tackle fraud.

As part of the process, those applying for an award would be signposted to relevant organisations, to help them resolve the underlying causes of their crisis and to reduce repeat applications. The aim is to secure their ability to live independently; provide better value for money and avoid future health, care and crime costs. Active engagement with appropriate support services, will directly impact on their eligibility to apply for any future support from the LWRO. This approach is expected to stem the rising demand and reduce the number of fraudulent applications found in the current DWP cash payments system. Where there is not sufficient capacity in the third sector the provider will work with mainstream providers to meet the needs of service users, until capacity can be generated. The provider will work with the Council to achieve this.

A small grant programme will be agreed between the Council and partners as part of the offer. They will be one-off third sector capacity building awards to meet the outcomes of the programme. The aim is to enable organisations to be innovative; help to develop more robust county wide provision and deliver Council objectives, to provide the basics; help communities to help themselves; protect vulnerable people and support active communities. The grants will amount to no more than £100k in total, over the two year period of the contract. The emphasis on developing local organisations should expand opportunities for volunteering and work experience as a by- product of the programme. The Council will need to work closely with other local agencies, for example, District Councils to manage this work.

5. Eligibility

It is proposed to provide one-off practical support or other forms of assistance for:

- People moving into or remaining in the community (for example moving out of residential or institutional care to live independently, people being resettled , and people who need help to stay in their own home and not go into residential care or hospital).
- For families and vulnerable individuals facing exceptional pressure

The support that could be provided would be two-fold:

- Support to replace or purchase essential furniture and essential household items, and to pay for rent deposits/bonds (subject to non-availability from other sources).
- Support for people who do not have enough money to meet their or their family's immediate short-term needs in an emergency, where there would be serious damage or risk to a person's or family's health or safety without the support; or as the result of a disaster (fire or flood etc).

6. Other Options considered

Three main alternative options have been considered and discounted:

1. Not to implement an offer
2. To contract out the whole offer
3. Direct Council provision of the service

Not to implement an offer would create an unplanned gap in provision which would leave vulnerable people in difficulty, potentially leading to a higher demand for Council or other statutory services, for example care; crime and health. This could lead people to access money from local illegal loan arrangements or family members; potentially leading to escalating problems.

A totally contracted out model would leave the provider to decide on the source of goods and services; retaining the option to grant fund community-based providers will give the Council the opportunity and the control, to develop the local economy in line with its other community priorities.

The timescale to establish an in house service was considered to be short and this option would increase risks to the Council and services users.

7. Risk assessment

There are 3 main risks:

There is a risk to those in crisis and the reputation of the Council if the new offer is not in place by April 2013. Vulnerable people will suffer deprivation if no provision is available to them. The mitigation is to implement the option proposed; the 'provider' to establish an immediate 'crisis offer' from 1st April 2013 accessible by telephone, being familiar to agencies by resembling the current system. The second stage of implementation, the full offer, to operate from 1st May 2013, being further refined through the contractual period, informed by partners and the Council using locally collected user data.

There is the risk that the demand could exceed the DWP budget allocation, the level of which is substantially lower than the spending in previous years. Strong contract management; close monitoring; avoiding fraud and repeat claims; the provision of goods not cash payments and improving the skills and independence of service users are mitigating factors against this risk.

The numbers of vulnerable people, unable to live independently without support, rises, despite the operation of the LWRO. The mitigations for this risk are, to establish strong links between with adult and children's social care and other services such as floating support and, good partnership working with District Councils, other agencies and third sector organisations to create a joined-up provision for support for service users.

8. Officer advice

Officer advice is to implement a Local Welfare Reform Offer (LWRO) as proposed. This is achievable within budget; avoids the risks associated with not providing an offer; supports those in need to better

help themselves and provides information for the Council to plan for future community based support for vulnerable people. The recommendation is to contract with an experienced organisation to undertake the LWRO application, assessment, award and tracking processes and to support local third sector organisations to provide community-based responses to build on the strengths of communities and vulnerable people.

9. Equalities

It difficult to assess the impact locally of the new LWRO on those groups with protected characteristics. This is because the DWP data on current and past service users includes age and gender, household type, age of youngest child and lone parent status but not on the protected characteristics of disability, race, gender reassignment, pregnancy and maternity, religion or belief or sexual orientation

To help identify and guard against inequality, the new tracking system will be required to provide Gloucestershire data for both applications and awards, mapped by protected characteristics, to quickly respond to those groups who may be shown to be disadvantaged. The provider will be contracted to communicate in plain English, using a variety of methods and to specifically target groups at risk of not applying for fear of prejudice.

We know that 63 % of Crisis awards in Gloucestershire are made to people younger than 35 yrs. This is as expected due to the eligibility criteria and not perceived as an inequality; older people are in receipt of other forms of support and therefore do not make applications to the Social Fund

Using information from national sources and making some assumptions, care will be taken to establish mitigation against disadvantage to potential service users. Data shows that *nationally* people with a disability receive 33% of the Crisis Loans award and 31% of the Community Care Grant awards; of those people known to be living in poverty and therefore potential applicants, approx a third, are assessed as having a learning difficulty.

The specification for the new award system will require it to be accessible for those with a disability. Applicants with learning difficulties and language requirements can be supported by trusted agencies to make their applications. To keep costs to a minimum, applications will be electronic or on a local number call rate and successful applicants will not have to travel to collect cash payments, as in the current system.

10. Monitoring and performance follow up

The contract will include specific and measurable standards and outcomes and be actively managed through the collation and analysis of key performance indicators and via regular meetings with the provider. Monitoring will include feedback from, and case studies of, key stakeholders as part of an evaluation process.