

# REPORT FOR DECISION



<b>DECISION OF:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>8<sup>TH</sup> APRIL 2015</b>
<b>SUBJECT:</b>	<b>BURY SUPPORT FUND</b>
<b>REPORT FROM:</b>	<b>CABINET MEMBER FOR RESOURCES &amp; REGULATION</b>
<b>CONTACT OFFICER:</b>	<b>Claire Jenkins, Head of Customer Support &amp; Collections</b>
<b>TYPE OF DECISION:</b>	<b>KEY DECISION</b>
<b>FREEDOM OF INFORMATION/STATUS :</b>	This report is for publication
<b>SUMMARY:</b>	The report outlines the future of the localised Social Fund which now operates as the Bury Support Fund in the light of the withdrawal of Government funding and it makes proposals for the shape of the scheme for the coming 3 years.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	Cabinet is asked to approve the proposed revisions to the Fund
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework?      Yes                      No

<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	Government Funding for the Local Welfare Provision ceased with effect from 1 <sup>st</sup> April 2015; a loss of over £0.5 million.  This report outlines how the scheme can be continued locally using the balance of existing funds, and an ongoing provision as agreed at Budget Council.
<b>Statement by Executive Director of Resources &amp; Regulation</b>	
<b>Equality/Diversity implications:</b>	The Council will have to comply with its` equality duties. The proposed scheme is subject to a full equality assessment.
<b>Considered by Monitoring Officer:</b>	Yes The Council has a general power of competence to continue the scheme; and as the fund is a discretionary scheme it will be administered fairly, impartially and according to the general principles relevant to the exercise of discretion.
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny

## TRACKING/PROCESS

**DIRECTOR: Mike Owen**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
Yes	Yes		
Scrutiny Committee	Cabinet/Committee	Council	
	8/4/15		

## 1. BACKGROUND

- 1.1. The original Social Fund was established in 1986 and was administered on a national basis via the Department for Work and Pensions (DWP). It provided interest free loans, grants and payments through both a regulated scheme and a cash limited discretionary scheme. The discretionary scheme was designed

to help people on low incomes manage large items of expenditure and cope with emergencies through a combination of loans and grants.

- 1.2. Central Government announced in 2010, as part of the wider welfare reforms, that the Social Fund would be reviewed and as a result the Welfare Reform Act abolished the discretionary element of Social Fund and replaced it with a form of discretionary local provision to be administered by local authorities. Local authorities were free to design an appropriate scheme individual to their local needs and in Bury we developed the Bury Support Fund.
- 1.3. At the same time, the Government announced that the level of funding that would be transferred to local authorities would represent a 50% cut in the anticipated costs of this element of the Social Fund.
- 1.4. However to compound this, it also became apparent that DWP were unable to say how much they spent in individual local authority areas leading to great uncertainty around the level of resources that the localised schemes would require.
- 1.5. The Government continued to review the funding of local support schemes and as a result it announced last year that it would cut completely the funding it provides, leaving local authorities to bear all potential costs with effect from April 2015. Following representations from authorities, including Bury, there was an 11<sup>th</sup> hour amendment to the finance Settlement that put back a small proportion of funding to assist with pressures around Local Welfare Provision and Health & Social Care. This was reflected in the amendment approved at Budget Council.
- 1.6. This report looks at options for continuing to help people who rely on the Bury Support Fund despite the Government's funding cut.

## **2. THE LOCAL SCHEME**

- 2.1 The Bury Support Fund was developed by the Council's Customer Support and Collections Service to provide local welfare support. This was done on a grant basis as a loan scheme would have been very difficult to administer: DWP had an advantage in this respect in that repayments were deducted directly from on-going benefit, an option not available to local authorities. The scheme was implemented in April 2013 and has been successfully administered for the financial years 2013-14 and 2014-15.
- 2.2 The original key aim was to design and develop a local scheme that would be easily accessible to all those who have a genuine need for short term help. However the Council was very clear from the outset that the scheme should not only address the short-term need of the customer; it should help promote both financial and social inclusion by addressing long term needs and long term challenges with referral being made to appropriate services where additional or alternative support was needed.

- 2.3 In each case, consideration is given to the nature, extent and urgency of the need in every case that is considered. The scheme seeks to utilise alternative avenues of funding where practical and possible in order to help protect the remaining funds for customers in need.
- 2.4 The scheme was developed to address two specific needs:
1. Certain specified groups who require basic household items as part of a new tenancy or improving conditions to stay in the household/community following significant lifetime events:
    - Leaving residential care
    - Leaving institutional care
    - Remaining in the community rather than going to residential or institutional care
    - Housing someone fleeing domestic violence
    - Housing a homeless person who is currently sleeping rough, in a hostel or a tenant in a Bury Council defined temporary accommodation
    - Housing someone from prison
  2. Helping with elements of immediate crisis linked to a serious risk to someone's health and safety.
- 2.5 The scheme is administered with the key aims of helping customers change behaviour by providing financial advice and debt counselling. This will help address long term problems of repeat applications to the fund and help customers address their financial issues in a substantive way.
- 2.6 As part of providing a holistic approach and aiming to assist customers to deal with their debt issues, the Council has funded a Citizen Advice Bureau caseworker to work within the team. This has proved very successful and funding this post will continue through to the end of 2015-16 when we will review the position.

The service provided by CAB includes the following:

- Drop-ins (Gateway gathering information)
  - Booked appointments (queries will/can be dealt with in more detail)
  - Completing DHP's
  - Benefit Checks (via CAB system – accurate and up-to-date)
  - Assisting with Housing Benefit Appeals
  - Negotiating debts with Council Tax, NNDR, HB overpayments etc
  - Dealing with Bailiffs
  - Queries relating to Tax Credits, Sanctions, Work Capability Assessments
  - Assist with Mandatory Reconsiderations
  - Budgeting /Financial statements
  - PIP – form filling (occasional)
- 2.7 Support has also been provided to Porchbox and the scheme has allowed the Council to take the lead in looking at food parcel provision working in partnership with the Community Food Group.

- 2.8 One particular trend of application which has emerged in administering the fund is that of customers who have made applications to the Fund who have been sanctioned by DWP. Often, such customers have received support from CAB in appealing their sanction as well as a short term grant from the support Fund, if appropriate and a food parcel, again if appropriate. This number has increased over the 2 years the scheme has been in operation.

### **3. FINANCIAL POSITION**

- 3.1 From the implementation of the scheme, it was evident that funding by DWP would only be guaranteed for 2 years up to April 2015 and the Government announced that funding for local schemes would cease wef 1 April 2015.
- 3.2 As a result, the Council planned its budget provision in such a way that it would safeguard resources to allow the scheme to continue despite the Government's funding cut. Taken together with the late allocation provided in the Settlement this means that we anticipate to be able to make available funding of £295,000 pa for the coming three years.
- 3.3 However this is considerably less than the funding that was received during the first two years of the scheme's operation.

### **4. CHANGES TO THE EXISTING SCHEME**

- 4.1 It is clear that, due to the cut in funding the scheme cannot carry on as before and so various options were considered in terms of restricting the scope of the scheme.
- 4.2 As a matter of principle, it is strongly recommended that the current approach of providing support for both crisis and re-settlement continue as this will provide support for the most vulnerable in the community without removing the existing safety nets.
- 4.3 However, it is evident that the scheme will have to be further restricted. Various options were considered and following detailed analysis it is recommended that:
- Payments to those fleeing domestic violence will be safeguarded due to sensitivities and the vulnerability of persons affected.
  - To remove awards from asylum seekers who are granted refugee status.
  - To remove awards from `sofa surfers`
  - To restrict items provided further: see Appendix B which outlines future provision.
- 4.5 Experience of administering the scheme has highlighted a small, but concerning number of cases where expert intervention may be required. Development of a corporate debt policy has helped customers who have several debts owed to Bury Council and Six Town Housing. To extend this further, it is proposed that a sum of £10,000 be set aside to provide intensive support to customers in terms of specialist debt advice, back to work initiatives and development of lifeskills in order to improve their financial position with the aim of helping them become economically active. We are currently sourcing appropriate

specialist advice and the outcomes of any such signposted referrals will be monitored to ensure positive and financially beneficial outcomes.

## **5.0 CONCLUSIONS**

- 5.1 The scheme has been drafted to those customers most in need and administration includes signposting to alternative providers for those customers who fall outside the scope of the scheme.
- 5.2 Bury's approach will incorporate addressing the need to provide financial advice to customers in order to maximise their incomes and provide a better solution to debt/financial problems and thereby reduce reliance on such short-term awards.
- 5.3 It includes a very real partnership approach: the first 2 years have firmly embedded a partnership approach with CAB and Porchbox and the Council will continue to source agencies who can offer very real and life-changing solutions to customers in need.
- 5.4 The Council will continue to monitor awards and outcomes of such awards closely.

**COUNCILLOR SANDRA WALMSLEY  
CABINET MEMBER FOR RESOURCES & REGULATION**

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