

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 24TH JANUARY 2013

EXECUTIVE – 28TH JANUARY 2013

Report by the Director of Finance on proposals for establishing a Wandsworth
Discretionary Social Fund Scheme

SUMMARY

As part of the Welfare Reform Act 2012 the Government has abolished the Community Care Grant and Crisis Loan part of the Social Fund (operated by the DWP). From April 2013 local authorities will be provided with funding to set up their own local provisions. How each council chooses to do this is at their own discretion as there is no imposed statutory duty to provide a service.

The DWP have stated “Whilst we do not want you to replicate the current scheme in either whole or part, it is incumbent upon me to say it is the intention of the Government that the funding is used to provide the new provision.”

This report outlines proposals for a localised discretionary Social Fund Scheme for Wandsworth residents. The purpose of this proposed scheme is to provide emergency support for the most vulnerable residents in Wandsworth at a time of crisis, where they have no access to any other form of support. Awards will only be made only where the discretionary scheme is the only means by which serious hardship or risk might be avoided.

The report outlines the details for the administration of the proposed scheme including the need for a procurement framework for the settlement of awards. It is proposed that the scheme be administered in the Finance Department by the Head of Benefits and Customer Services as an additional function of the Benefits Finance Team.

It is further proposed that the Scheme is reviewed after one year’s operational experience, and thereafter as necessary, to ensure that the criteria and administration is providing the most effective use of funds for the vulnerable Wandsworth residents.

GLOSSARY

CCG	-	Community Care Grant
CL	-	Crisis Loan
CP	-	Crisis Payment
DWP	-	Department for Work and Pensions

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 2. If they approve any views, comments or additional recommendations in this report, these will be submitted to the Executive for consideration.
2. The Executive is recommended -
 - (a) to agree that a Wandsworth Discretionary Social Fund (WDSF) Scheme be established with effect from 1st April 2013, following abolition of the Department for Work and Pensions' Community Care Grant and Crisis Loans Schemes on 31st March 2013;
 - (b) to agree that the WDSF Scheme be comprised of a Community Care Grant (CCG) Scheme, as described in paragraphs 15-20 and a Crisis Payments (CP) Scheme as described in paragraphs 21 -39;
 - (c) to approve the Primary Criteria for the CCG and the CP Scheme as set out in paragraphs 11 and 22 and agree that the Director of Finance be authorised to determine the in-depth criteria for, and all other contents of the officers' Decision Makers Manual, as described in paragraph 13;
 - (d) that the Director of Finance be authorised –
 - (i) to deal with all matters relating to the administration of the WDSF Scheme, as described in this report;
 - (ii) to exercise discretion in making awards to applicants under the Scheme, in accordance with the approved Primary Criteria and such in-depth criteria as shall be laid down in the Decision Maker's Manual provided that, in respect of Crisis Payments, this discretion shall also authorise him to determine any applications involving claims of exceptional hardship (paragraph 39);
 - (iii) to establish controls, in consultation with the Director of Public Health, as shall appear to be reasonably required in order to prevent Crisis Payments being used for items such as tobacco and alcohol (paragraph 39);

- (e) to approve the proposals for the staffing and financial arrangements for managing the DWP Social Fund grant (paragraphs 40 and 41 and 50 to 52);.
- (f) to approve the proposed procurement arrangements both for the IT solution and purchase of goods to be used for the scheme (paragraphs 43 to 49); and
- (g) to instruct the officers to report back to the Finance and Corporate Resources Overview and Scrutiny Committee after approximately a year to 18 months' operational experience of the new scheme, as described in paragraph 55.

BACKGROUND

3. The Welfare Reform Act 2012 provides for the reform of the Social Fund which helps people with needs that are difficult to meet from their regular income or who are facing additional expenditure due to an emergency or a disaster. The Social Fund currently consists of three discretionary elements which are paid from an annual cash limited budget.
4. The reforms will see two of these discretionary areas, Community Care Grant and Crisis Loan, abolished from April 2013. The DWP will provide funding to local authorities from 2013/14 to provide a replacement locally based provision. There is no statutory requirement for the Council to provide a scheme but the DWP clearly expects this funding to be used on a new provision. As stated in the Secretary of State's grant settlement letter to all local authority chief executives: *'Whilst we do not want you to replicate the current scheme in either whole or part, it is incumbent upon me to say it is the intention of the Government that the funding is used to provide the new provision.'*
5. The third discretionary element of the current Social Fund scheme, Budgeting Loans, will continue to be administered by the DWP. These awards are made to customer awaiting the first payment of a new benefit entitlement such as Income Support or Job Seekers Allowance.
6. **Community Care Grants** (CCG) were primarily intended to help vulnerable people live as independently as possible in the community. They were awarded (by the DWP) to households receiving out of work means tested benefit such as Income Support and Job Seekers Allowance. Their prime objectives were to:
 - (a) help people to establish themselves in the community following a stay in institutional or residential care;
 - (b) help people remain in the community rather than enter institutional or residential care;

Proposed Localised Social Fund Scheme

- (c) help with the care of a prisoner or young offender on release on temporary licence;
 - (d) ease exceptional pressures on families, e.g. the breakdown of a relationship (especially if involving domestic violence) or onset of a disability, or a calamity such as fire or flooding;
 - (e) help people setting up home as a part of a resettlement programme following, e.g. time in a homeless hostel or temporary accommodation; or
 - (f) assist with certain travelling expenses, e.g. for funerals of a family member or hospital visiting.
7. The majority of the CCG awards (92% in 2010/11) were made for the provision of white goods, household items or clothing. With an average annual spend in the Wandsworth area of £775,000, based on DWP records for the 18 month period 1st April 2010 to 30th September 2011 for awards, the success rate for applications for CCG was 45%. The reasons given for 77% of the awards of CCGs were either 'to help people to stay in the community' or 'families under exceptional pressure'. The claiming process CCGs was via an application form.
8. **Crisis Loans** 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 expenses in order to avoid serious damage or risk to the health or safety of the applicant or a member of the family.
9. Awards of crisis loans could be for items similar to CCG awards but in general were low-value single cash awards paid via giro cheques cashable at the Post Office. The average spend on crisis loans is harder to calculate due to changes in the DWP process which have seen a significant drop in the number of applications received since April 2011. Based on DWP data for the period 1st April 2011 to 30th September 2011, an estimated total annual spend for crisis loan awards in the Wandsworth area would be £240,000.
10. Based on applications over the same period, the success rate for applications was 76%. The main reason for awarding benefit is 'benefit spent – living expenses required' and the main recipient are single men aged between 18–45. CLs are claimed via a Freephone 0800 number available between 8:00am – 6:00pm.

PROPOSALS FOR LOCALISED DISCRETIONARY SCHEME

11. In view of the abolition of the CCG and CL schemes on 31st March 2013, it is proposed that the Council should introduce its own localised discretionary social fund scheme to take effect on the next day, 1st April 2013. The scheme would have two types of award: Community Care Grant (CCG) and Crisis Payments (CP). The purpose of the proposed scheme would be to

provide emergency support for the most vulnerable residents in Wandsworth at a time of crisis, where they have no access to any other form of support. Awards would only be made where the proposed discretionary scheme is the only means by which serious hardship or risk might be avoided - effectively as a last line of resort. Applicants would be expected to have attempted all other avenues of support available, including both personal (e.g. family and friends) and voluntary sector (e.g. food banks), before approaching the discretionary fund. A key part of Wandsworth's promotion of the scheme would be advertising the additional help that is available to vulnerable households within the Borough.

12. **'Primary Criteria' for both types of award.** Under the proposed local scheme there would be differing qualifying criteria for the two types of award (CCG and CP) but both sets of criteria would be based upon two Primary Criteria which must be met and evidenced before any other eligibility requirements are considered. These two key conditions would be based on a claimant's income and residency, as follows:-

TWO PRIMARY CRITERIA

In order to qualify for consideration for any award under the Council's Social Fund Scheme, a claimant must -:

- (a) be in receipt of a qualifying out of work or disability benefit; (consideration could be given in exceptional circumstances to low income working households); **and**
 - (b) be ordinarily resident in the Borough of Wandsworth (and have lived in the Borough for six weeks prior to applying and is expected to be resident in the Borough after receipt of the award) or have been placed by Wandsworth Council (under its homelessness duty) in temporary housing outside the Borough or, in the case of someone leaving prison or residential care, be about to move into the Borough of Wandsworth.
13. The following proposals in paragraphs 15 - 49 are broad outlines and principles for the administration of the scheme. A detailed Decision Makers' Manual with in-depth criteria for deciding on awards is being prepared which officers would apply alongside these proposals.
14. The scheme would also require the setting up of a procurement framework for the settlement of awards which would require the Council to invite tenders from approved suppliers. It is proposed that, where possible, the Council should procure re-conditioned white goods sourced from local voluntary sector agencies.

Community Care Grant Proposals

15. The DWP Community Care Grant scheme (ending on 31st March 2013) is well established and has detailed qualifying criteria. Owing to the very limited amount of information available from the DWP it may be difficult in the interim for the Council to establish a localised scheme that is significantly different to the DWP's CCG. The use of CCG is also key to policies adopted in the Adult Social Services and Children's Services Departments which use awards to make possible the movement of clients from residential care to independent living. It is proposed that the Council should operate a similar CCG scheme to that already operated by the DWP until the Council has a more thorough understanding of the client; once this is achieved the scheme could then be further refined to meet the aims and aspirations of both the Council and its residents.
16. The level of success for DWP CCG applications is currently 45%. The main reasons given by the DWP for their refusals are:
 - (a) Applicant not in receipt of qualifying benefit;
 - (b) Insufficient budget;
 - (c) Applicant has insufficient priority for the award;
 - (d) Applicant has capital available to them to meet need; and
 - (e) Requests are for excluded items or services.
17. The Council would use better targeted advice to the agencies that support applicants through the CCG process to ensure that applications received have a better than 50/50 chance of success; over time this could be expected to result in less administration for the Benefits Finance Team and a more efficient process whilst deterring those potential applicants who are not entitled to assistance.
18. Once decisions on claims have been made, awards would be secure and auditable. The key concern in making these awards is that they are used for the purpose for which they were made, i.e. if it is decided that a household needs a fridge that they receive a fridge. The current DWP model generally makes awards into the customer bank account and the award recipient then purchases the necessary item but no checks are made. This methodology is not considered secure or an appropriate way of ensuring that the customer obtains the items they most need.
19. It is therefore proposed to establish a procurement framework which would require that the items that it is decided a household requires shall be purchased by the Council and delivered to the applicant. Alternatively, a link would be set up with a supplier advising that a customer has been given a certain level of award with which to purchase listed goods and the customer

can then approach the retailer direct. In considering the suppliers of items, the officers would first consider the availability of locally sourced re-conditioned 'white goods'.

20. If items are to be purchased from a high street retailer, the Council would procure the item from a specific list of identified suitable items. The applicant would not be able to choose their item or shop for themselves for general white goods. It would be necessary for other awards, for items such as clothing and bedding, that the successful applicant is supplied with vouchers or a pre-paid card up to the approved amount of the award which is useable only at a specific retailer. It is proposed that the detailed arrangements, including maximum awards to be authorised, be delegated to the Director of Finance.
21. The following table summarises the main difference between Wandsworth's proposed scheme and the current DWP administered Community Care Grant:-.

DWP – Community Care Grant	Wandsworth Scheme – community Care Grant
National scheme so no requirement to be a local resident	Wandsworth scheme will require the applicant to be a Wandsworth resident.
DWP generally give cash grants and do not check what the applicant spends the money on.	Wandsworth will provide the applicant with goods based on their need – ensuring awards from the fund are used for the reason that the decision was made.
DWP provided very little advice on either conditions of entitlement or alternative local assistance. Encouraging applications with little chance of success or alternative to a negative decision.	Wandsworth website will clearly set out the qualifying criteria and will advise the customer that alternative local provision must have been sought before claims are made.
DWP do not limit the number of Community Care Grants you can get in a year.	Wandsworth will restrict the number of grants to one per year.

Crisis Payment Proposals

22. It is proposed that the Council should introduce Crisis Payments (CP) – to replace the DWP’s Crisis Loans (CL). Currently the DWP recovers CLs through deductions from future benefit payments. This facility will not be available to the Council and, with awards averaging £60, it would be uneconomical to attempt to recover such loans. Also, the DWP’s CL scheme does not fit simply into the Council’s ways of working because the DWP loans are often based on unverifiable situations. To replicate this locally would fall short of the Council’s high standards for prevention of fraud. This is further addressed in paragraphs 25-28 below.
23. It is proposed that, in addition to the two Primary Criteria for the Council’s Social Fund, as set out in paragraph 11 above, there should be additional Primary Criteria for CPs, as follows (see paragraph 31 below):-
 - (c) The Council is satisfied that the award of a Crisis Payment is the only means by which serious damage or serious risk might be prevented; and
 - (d) applicants must provide documents verifying, to the satisfaction of the Council, their identity and residency within the Borough of Wandsworth.
24. When looking at the current operation of the DWP’s CL, the information provided by the DWP indicates that in a number of cases the decision is made based on financial considerations rather than the actual crisis situation; the main reasons awards are made to people are for necessary living expenses (food and fuel); and the decision for the award in 55% claims is stated as ‘benefit spent – living expenses required’. The data provided does not elaborate on the reasons the benefit has been spent; and it does not confirm whether this was because of an unexpected expense incurred or just bad budgeting.
25. Under the local CP Scheme, it is proposed that the expectation should be that, subject to there being some other exceptional situation, the officers should be satisfied that there is an identifiable emergency or crisis before deciding to authorise a Crisis Payment. Where it appears to the officers that an application is based on a need through bad budgeting, they would normally advise the applicant to seek appropriate money management advice, suggesting organisations to them as appropriate.
26. The DWP has a facility to recoup CLs from on-going benefit. Consequently crisis loan decision making can be more generous as the reason for a person’s benefit spent is not as important in the decision as the ability to recover the money. The DWP state that the one of the reasons for negative decisions is a customer’s inability to repay.

27. As the Council will not be able to implement a cost-effective means to recover CPs it is unlikely that it would be able to recover any of these payments and, on the basis used by the DWP for their loans, it is questionable whether the Council would make any CP awards.
28. The repayment of the CLs in some way protects the DWP in their decision making, as applications based on unverifiable facts can still be approved with the safety net of the money being paid back. The Council would be very unlikely to be able to recover these payments and could potentially be open to significant level of fraud by operating a scheme which is based more on trust than verified fact.
29. Crisis Payment would have a specific role in helping to support vulnerable people in times of crisis or emergency. The proposed scheme therefore recognises that awards would be payments - not loans - and would ensure that safeguards are in place at the decision making stage to ensure that awards are made based on criteria that are reasonable and verifiable.
30. The Council already has a statutory duty under the Children Act 1989 to safeguard the welfare of households with children and currently officers would direct a number of those households to the DWP's CL scheme before making decisions on a payment under Section 17 of the Children Act 1989. Although DWP data indicates that 21% of all CL applications are from households with children, it is reasonable that the Council should have a scheme whose provision extends to all vulnerable residents regardless of whether they have children.
31. No awards would be made unless the customer can evidence the need, i.e. why they are currently without funds, that they have no other possible access to food, funds, etc. and they have documents to support their identity and residency within Wandsworth. If they cannot provide this information then a Crisis Payment will not be awarded (see Primary Criteria for CPs at paragraph 22 above).
32. There would be restrictions on the number of CPs that applicants can be allowed in a rolling 6 and 12 month period. Currently the DWP do not allow any more than three CLs for the same reason in that period. For the local CP scheme, it is proposed that a person be allowed a maximum of two CPs in a rolling 12 month period.
33. If a person is making repeated requests for CPs due to their benefit being spent, then this would indicate another underlying issue with money management and the officers would seek to refer these people to more appropriate assistance depending on their circumstances.

Proposed Localised Social Fund Scheme

34. CPs would not be paid through cash/giro payments but through a method that meets the need of the immediate crisis, e.g. food vouchers or pre-paid cards.
35. It is proposed that there should be maximum levels of award dependant on the household make-up and the time until their next benefit payment is due; the awards would be based on a percentage of their normal benefit payments, as determined by the Head of Benefits and Customer Services.
36. The DWP set the maximum CL currently available at 60% of the benefit allowances. For the local CP scheme, it is proposed that the maximum award should be 50%.
37. The following table gives indicative daily amounts of CPs:-

	DWP Weekly Benefit	DWP Daily	60% of daily Amount	50% of Daily Amount
Single person aged 18 – 25	£56.25	£8.04	£4.82	£4.02
Single Person Aged 24+	£71.00	£10.14	£6.08	£5.07
Couple	£111.45	£15.92	£9.55	£7.96
Per dependant child	£64.99	£9.28	£5.57	£4.64

38. It is also proposed that the maximum level of award should be set at the equivalent of 7 days CP, rounded to the level of the nearest denomination of payment card or voucher dependant on the payment scheme adopted.
39. CPs would be paid to the applicant via a scheme of vouchers or pre-payment cards. The method of payment would restrict the customer to shopping at particular retails and it is proposed that the Director of Finance be authorised, to establish controls in order to prevent the funds from being used for items such as tobacco and alcohol. It is possible that, due to the nature of the scheme, some cases may fall outside of the above Criteria and accordingly it is proposed that the Director of Finance be authorised to determine any applications involving claims of exceptional hardship cases.
40. The following table summarises the main difference between the DWP administered Crisis Loan and Wandsworth's proposed Crisis Payment Scheme:

DWP – Crisis Loans	Wandsworth Scheme – Crisis Payments
An applicant does not have to be in receipt of a qualifying benefit.	Applicant must be in receipt of a qualifying benefit.
National scheme so no requirement to be a local resident	Wandsworth scheme will require the applicant to be a Wandsworth resident.
DWP awards are Loans	Wandsworth awards will be no-recoverable payments
DWP will make 3 crisis loan awards within a year.	Wandsworth will restrict awards to 2 payments in a rolling 12 month period.
DWP awards are made as cash payments	Wandsworth will make awards via vouchers/payment card scheme acceptable at name store for specific goods.
DWP decisions were made based on the persons ability to repay rather than the a verifiable need.	Wandsworth decision will be based on verifiable need and after a customer has tried to access all other avenues of financial assistance.

Administration of a Localised Discretionary Social Fund

41. Departmental location. It is proposed that the Social Fund be administered within the Finance Department's Benefits Finance Team, managed by the Head of Benefits and Customer Services. This Team is currently responsible for awards of Discretionary Housing Payments and, by linking the two payments administratively, a more holistic discretionary awards service would be able to be provided.
42. Placing the responsibility for decisions within the Benefit Service would allow for efficiencies in the verification process - the requirement for most recipients to be on a welfare benefit could be confirmed at the application stage by cross-checking with Benefit records.
43. Consideration was given to administration of the Fund being wholly located in the Adult Social Services Department or shared between that Department and the Children's Specialist Services Department. However, on examining the overlap between the Social Fund clients and clients of these two Departments, there is little overlap so it has been concluded that it is not

appropriate for this service to be located in those Departments but close liaison would continue in order to ensure that potential duplication is eliminated.

44. Applications and decisions. It is proposed that applications should normally be made by using an on-line application and decision-making solution. This would be accessible from the applicant's home or any Council office that has access to the Wandsworth website. In addition a Freephone claim number would be available where an officer could complete an on-line form on behalf of an applicant.
45. The on-line application would sit within the Council website and a detailed outline of the scheme would precede the application process, giving details of other avenues of support which the Council would expect applicants to have explored.
46. The officers are currently appraising a number of different Discretionary Award IT solutions which would provide the required level of on-line accessibility and flexibility to manage the Council's criteria and would also automate where possible the decision-making process. Authorisation would be sought, under the provisions of Standing Order No. 83(A) if necessary, for the most economically advantageous scheme including due allowance for operating costs. It is anticipated that the cost of any solution would not exceed £25,000.
47. DWP data shows that 3,130 applications for CCG/CL were made in the 6 month period 1st April 2011 to 30th September 2011. Using this as a baseline, the Council could expect to receive up to 25 applications per day, of which 50% would be for CPs.
48. The Council would aim to publish clear details of the Scheme with the aim of ensuring that most applications are made with an expectation of succeeding, and thus minimising the number of actual claims received. In addition, the sophistication of the IT solutions available should allow for a number of the claims, particularly the refusals, to be automated.
49. Staffing. Due to the uncertainty regarding the future workloads and the need to review the staffing establishment of the Benefits Service owing to the Government's introduction of Universal Credit in the coming financial years, no additional posts are proposed in this report. However, it is proposed to utilise agency staff sufficient to manage the day-to-day workload. This situation would be reviewed on a regular basis.
50. Many of the awards would not require face-to-face contact with the Council, such as Community Care Grants where the award takes the form of an item such as white goods these will be delivered directly to the applicants home. However, where it is necessary for awards to be collected, this would be arranged at the Finance Reception at specified times.

51. The following table summarises the main difference in the administration of the Wandsworth scheme compared to the DWP system:

DWP – Social Fund Administration	Wandsworth Discretionary Scheme Administration
DWP social fund application are made by either paper forms or telephone.	Wandsworth discretionary scheme will be web based with applicants required to complete an online application. There will be scope for telephone claiming where a person cannot claim online.
DWP provided no signposting for alternative local provision.	Wandsworth will actively encourage to use alternative provision before applying for the discretionary fund.

FINANCIAL IMPLICATIONS

52. The DWP have provided the Council with details of the grant allocation for the next two financial years, 2013/14 and 2014/15, summarised as follows:

	2013/14 £	2014/15 £
Social Fund Grant	930,923	930,923
Administration Funding	196,711	180,307

53. In 2011/12, the DWP received over 6,000 claims and spent £975,000 on CLs and CCGs in Wandsworth. The Council's budget for the Wandsworth Discretionary Social Fund scheme has been limited to £ 930,923 for 2013/14 and an additional £ 930,923 for 2014/15 .
54. The allocations of awards from the localised Social Fund would be based on the fact that they come from a cash limited pot equivalent to the grant provided. Consequently, no aggregate budget variation is proposed. However, both expenditure and income budgets would be adjusted to reflect both grant and likely costs. All administrative costs, including staffing and the IT solution, would be met within the existing grant proposal.

EQUALITIES IMPACT ASSESSMENT

55. The Equality Act 2010 requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, ,to advance equality of opportunity between persons who share a relevant protected

characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact Assessment (EIA) has been undertaken on the proposals for the transfer of the social fund to the Council. This EIA is attached as Appendix 1 to this report. This EIA has found that the changes may impact more on BME residents and residents aged 18-40 as they potentially access the Scheme more than other groups of residents. However, as DWP do not collect this data the impact is potential rather than actual. In order to mitigate any impact after six months of the Council operating the scheme an evaluation of usage will be undertaken in relation to the protected characteristics to ensure no adverse impact has taken place. Any variations in usage will be investigated and action plans developed. It should also be noted that the Council's Scheme and alternative sources of support will be publicised, which will benefit applicants to the Scheme, who currently received limited information from DWP.

CONCLUSIONS

56. It is proposed that the Council initially adopt a scheme that is broadly similar to the current DWP Social Fund Scheme. Although the Secretary of State has stated that 'we do not want or expect you to replicate the current scheme' the information provided on the current DWP scheme makes it difficult to establish where within the community the current awards impact.
57. It is proposed that, although broadly similar to the current DWP arrangement, the proposed Primary Criteria for entitlement fully reflect this Council's requirement for good financial management and duty to protect public funds while still ensuring that it safeguards the needs of vulnerable households.
58. It is intended that to report back to the Finance and Corporate Resources Overview and Scrutiny Committee and the Executive on a full review after some 12 to 18 months operational experience of the new Scheme, based on data gathered during this time. By then, the Council should be well placed to assess the effectiveness of the arrangement and consider whether there is a more appropriate grant allocation model.

The Town Hall
Wandsworth
SW18 2PU
16th January 2013

CHRIS BUSS
Director of Finance

Background Papers

The following background papers were used in the preparation of this report.

1. Secretary of State's grant settlement letter; and
2. Data provided by DWP on Social Fund expenditure in Wandsworth for the period April 2011 -0 September 2011.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary (Mr. G.S. Collins - 020 8871 6021; email: gcollins@wandsworth.gov.uk) can supply it if required.

Equalities Impact Assessment

Initial Equality Impact Assessment – New Service.

Department	Finance
Service	Wandsworth Discretionary Social Fund
People involved	Peter Forde, Clare O'Connor

1. What are the aims of the new service?

As part of the Welfare Reform Act 2012 the Government has abolished the Community Care Grant and Crisis Loan part of the Social Fund (which is currently operated by the Department for Work & Pensions (DWP)). From April 2013 local authorities will be provided with funding to set up their own local provisions. How each Council chooses to do this is at their own discretion as there is no imposed statutory duty to provide a service.

The aim of the local service is to use the funding provided to set up a Wandsworth Discretionary Payments Scheme that broadly replicates the provisions of the abolished Community Care Grant and Crisis Loans. The main changes from the national scheme that operated previously are:

DWP – Community Care Grant	Wandsworth Scheme – community Care Grant
National scheme so no requirement to be a local resident	Wandsworth scheme will require the applicant to be a Wandsworth resident.
DWP generally give cash grants and do not check what the applicant spends the money on.	Wandsworth will provide the applicant with goods based on their need – ensuring awards from the fund are used for the reason that the decision was made.
DWP provided very little advice on either conditions of entitlement or alternative local assistance. Encouraging applications with little chance of success or alternative to a	Wandsworth website will clearly set out the qualifying criteria and will advise the customer that alternative local provision must have been sought before claims are made.

	negative decision.	
	DWP do not limit the number of Community Care Grants you can get in a year.	Wandsworth will restrict the number of grants to one per year.
	DWP – Crisis Loans	Wandsworth Scheme – Crisis Payments
	An applicant does not have to be in receipt of a qualifying benefit.	Applicant must be in receipt of a qualifying benefit.
	National scheme so no requirement to be a local resident	Wandsworth scheme will require the applicant to be a Wandsworth resident.
	DWP will make 3 crisis loan awards within a year.	Wandsworth will restrict awards to 2 payments in a rolling 12 month period.
	DWP awards are loans	Wandsworth awards will be non-recoverable payments
	DWP awards are made as cash payments	Wandsworth will make awards via vouchers/payment card scheme acceptable at name store for specific goods.
	DWP decisions were made based on the person's ability to repay rather than a verifiable need.	Wandsworth decision will be based on verifiable need and after a customer has tried to access all other avenues of financial assistance.

2. What is the rationale behind the new service?

As part of the Welfare Reform Act 2012 the Government has abolished the Community Care Grant and Crisis Loan part of the Social Fund (operated by the DWP).. From April 2013 local authorities will be provided with funding to set up their own local provisions.

The Welfare Reform Act provides no statutory duty to provide a replacement scheme but the DWP have stated "Whilst we do not want you to replicate the current scheme in either whole or part, it is incumbent upon me to say it is the intention of the Government that the funding is used to provide the new provision."

3. What information do you have on the new service and the potential impact of the new service in relation to the following?

	Information
Race	DWP provide no information in terms of ethnicity. However claimant data for

Proposed Localised Social Fund Scheme

	Wandsworth has been accessed to provide a picture of individuals who maybe affected. This data shows that 50.68% of claimants are BME residents. This is above the Borough average.		
Gender	<p>Based on data provide by the DWP on awards in the Wandsworth area for the period April – Sept 2011:</p> <p>Crisis Loans – 52 % of awards were to single male</p> <p>CCG – 55% of awards were made to Females</p> <p>This is in line with the Borough average.</p>		
Disability	DWP provide no information, however given the nature of CCG a proportion is likely to be from disabled residents.		
Age	Age of recipient	Crisis Loan	Community Care Grant
	Under 18	1%	0%
	18 to 24	30%	17%
	25 to 34	27%	21%
	35 to 44	22%	25%
	45 to 54	15%	20%
	55 to 64	5%	10%
	65 to 69	0%	2%
	70 to 79	0%	3%
	80 to 89	0%	1%
	90 and over	0%	0%
	Unknown	0%	0%
	The DWP data shows that the majority of claimants for crisis loans are aged 18-34 and for community care grants are 25-44.		
Faith	No data provided by DWP		
Sexual Orientation	No data provided by DWP.		

4. Thinking about each group below please list the impact that the new service will have.

Proposed Localised Social Fund Scheme

	<u>Positive</u> impacts of service	Possible <u>negative</u> impacts of service
Race	<p>A key part of Wandsworth's promotion of the scheme will be the advertising of sources of additional help. The DWP scheme does not currently do this.</p> <p>The Wandsworth scheme will clearly set out the qualifying criteria and alternative provision to ensure residents are clear on the support they can access and if they qualify for a grant. The DWP scheme does not currently do this.</p> <p>Changes to the Payments of award from cash payments to goods or vouchers will be applied across all applicants so will not be disproportional across the service profile.</p> <p>Although the application process will be an online one a Freephone number will be available where an officer can complete an online form on behalf of a claimant.</p>	<p>As the DWP have not provided a breakdown of users of either scheme by ethnicity the impact can not clearly be identified, however as the proportion of claimants from BME backgrounds is higher than the borough average it could be inferred that the BME profile of users of both schemes is likely to be above the borough average. Therefore any changes, such as limiting the number of grants or awards, are more likely to impact on BME residents than none BME residents. After 6 months of the Council operating the scheme an evaluation of usage will undertaken in relation to the protected characteristics to ensure no adverse impact has taken place. Any variations in usage will be investigated and action plans developed.</p> <p>It should also be noted that there is no statutory duty to provide a replacement scheme</p>
Gender	<p>CCG – Data shows that any changes to the current arrangements will impact more on single females than single males. Advocating that we continue with the DWP assessment criteria means that there should be no impact on single females.</p> <p>Changes to the Payments of award from cash payments to goods or</p>	<p>CL – Data shows that any changes to current arrangements will impact more on single males than single females. Advocating the tightening of the qualification criteria, it be more difficult for applicants to access a crisis loan, will mean that single men maybe proportionally affected more by this change. After 6 months of the Council operating the scheme an evaluation of usage will undertaken in relation to the</p>

Proposed Localised Social Fund Scheme

	<p>vouchers will be applied across all applicants so will not be disproportional across the service profile.</p> <p>Although the application process will be an online one a Freephone number will be available where an officer can complete an online form on behalf of a claimant.</p>	<p>protected characteristics to ensure no adverse impact has taken place. Any variations in usage will be investigated and action plans developed.</p>
Disability	<p>CCG - Although no data breakdown is provided the type of support funded by CCG indicates a significant number will be allocated to disabled residents therefore any changes would impact more on disabled residents. Advocating that we continue with the DWP assessment criteria means that there should be no impact on disabled residents.</p> <p>CL – No data breakdown is provided for the level of disabled recipients of crisis loans. The changes to the scheme will be applied across all applicants so will not be disproportional to disabled applicants.</p> <p>After 6 months of the Council operating the scheme an evaluation of usage will be undertaken in relation to the protected characteristics to ensure no adverse impact has taken place. Any variations in usage will be investigated and action plans developed.</p>	

	<p>Changes to the Payments of award from cash payments to goods or vouchers will be applied across all applicants so will not be disproportional across the service profile.</p> <p>Although the application process will be an online one a Freephone number will be available where an officer can complete an online form on behalf of a claimant.</p>	
Age	<p>Data shows that in the majority of cases applicants have no children 16 or Under. However it should be noted that any impact on families with children would be mitigated due to the statutory requirement under Sc 17 of the Children Act.</p> <p>Changes to the Payments of award from cash payments to goods or vouchers will be applied across all applicants so will not be disproportional across the service profile.</p> <p>Although the application process will be an online one a Freephone number will be available where an officer can complete an online form on behalf of a claimant.</p>	<p>Most recipients of both CCG & CL are within the 18 -40 age range so any changes to the scheme are more likely to affect people within this category.</p> <p>After 6 months of the Council operating the scheme an evaluation of usage will be undertaken in relation to the protected characteristics to ensure no adverse impact has taken place. Any variations in usage will be investigated and action plans developed.</p>
Faith	Data not provided by DWP	
Sexual orientation	Data not provided by DWP	

5. Is a full EIA required? No.

- Is this a frontline service? Yes

Proposed Localised Social Fund Scheme

- Is it clear what impact the new service will have on all the equality groups? Yes
- Overall will the change have a negative impact on any of the equality groups? No. This will be reviewed after 6 months.

Comments - Please give the rationale here for not undertaking a full EIA
Lack of DWP data on ethnicity means exact impact can not be identified, however the changes proposed to the scheme will be applied across all applicants and there is a commitment to review usage of the scheme after 6 months in order to identify any impacts in relation to individuals with protected characteristics.

6. Through the initial EIA have you identified any actions that needed to be implemented to improve access or monitoring of the policy? (please list)
Ethnicity and disability data will be collected on applicants to both schemes After 6 months of the Council operating the scheme an evaluation of usage will be undertaken in relation to the protected characteristics to ensure no adverse impact has taken place. Any variations in usage will be investigated and action plans developed

Signed Peter Forde

Date 16 January 2013

Approved by: Clare O'Connor