

**SOMERSET COUNTY COUNCIL
THE CABINET**

**NOTIFICATION OF A PROPOSED KEY DECISION TO BE TAKEN BY THE CABINET
MEMBER FOR HEALTH AND ADULT SOCIAL CARE AND THE CABINET MEMBER
FOR CHILDREN AND FAMILIES**

Report title: Establishment of a Local Assistance Scheme for Somerset

Cabinet Member(s): Mrs C Lawrence – Cabinet Member for Health and Adult Social Care and Mrs F Nicholson – Cabinet Member for Children and Families

Officer Contact Details: Gareth O'Rourke 01823 258068

Date of Publication of proposed Key Decision: 18 February 2013

Date proposed Key Decision to be made: 26 February 2013

Date Decision comes into force: 4 March 2013

1. Cabinet Member Decision

That the Cabinet Member for Health and Adult Social Care and the Cabinet Member for Children and Families agrees to, and authorises officers to, provide strategic grant funding to the five local advice bureaux in Somerset in order for each of them to operate a Local Assistance Scheme in their District on behalf of the County Council, in accordance with the Scheme Description (attached at Appendix A).

2. Reason for Decision(s)

As set out in the attached report.

3. Reason(s) for Urgency (where applicable)

Not applicable.

4. Details of any alternative options considered and rejected

As set out in the attached report.

5. Any relevant Personal Interest that the Cabinet Member may have under the Council's Code of Conduct for members

None

6. Details of any conflict(s) of interest declared by a Cabinet Member consulted about the proposals and any dispensation from Chief Executive

Not applicable

7. Other background information considered by the Cabinet Member before making this decision

As set out in the attached report.

Officer Report

– 23 January 2013

Establishment of a Local Assistance Scheme for Somerset

Cabinet Members: Mrs C Lawrence – Cabinet Member for Health and Adult Social Care and Mrs F Nicholson – Cabinet Member for Children and Families

Division and Local Member: All

Lead Officers: Clare Steel (Lead Commissioner - Adults and Health)

Author: Gareth O'Rourke (Group Manager – Adults and Health Commissioning Service)

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Report Sign off	Seen by:	Name	Date
	Legal	Honor Clark	23.01.2013
	Corporate Finance	Martin Young	23.01.2013
	Human Resources	N/A	N/A
	Senior Manager	Clare Steel	23.01.2013
	Cabinet Member	Mrs C Lawrence and Mrs F Nicholson	23.01.2013
Forward Plan Reference:	FP/13/01/09		
Summary:	<p>The Welfare Reform Act 2012 includes a provision for the abolition of the discretionary Social Fund, which currently provides Crisis Loans and Community Care Grants. From April 2013, funds will be transferred to upper tier authorities to facilitate the establishment of a Local Assistance Scheme (LAS).</p> <p>Agreement in principle has been reached with the five local advice bureaux in Somerset whereby they will operate a LAS in their District on behalf of SCC, in accordance with the Scheme Description (Appendix A). This requires that SCC provides strategic grant funding to the local advice bureaux to cover the cost of operations.</p> <p>Assuming that the Cabinet Members make the decision to operate the LAS via the local advice bureaux, it is important to note that SCC remains responsible for the scheme and for eligibility decisions made in respect of it.</p>		
Recommendations:	<p>That the Cabinet Member for Health and Adult Social Care and the Cabinet Member for Children and Families agrees to, and authorises officers to, provide strategic grant funding to the five local advice bureaux in Somerset in order for each of them to operate a Local Assistance Scheme in their District on behalf of the County Council, in accordance with the Scheme Description (attached at Appendix A).</p>		

Reasons for Recommendations:	<p>The Welfare Reform Act 2012 includes provision for the abolition of the discretionary Social Fund and a transfer of resources to local authorities to make local arrangements. Whilst the transferred funds are not ring-fenced and there is no statutory obligation for local authorities to make alternative provision, it is felt that a LAS for Somerset is essential to meet needs, particularly at a time when the impacts of wider welfare reform are being felt.</p>
Links to Priorities and Impact on Service Plans:	<p>County Plan and Business Plan:</p> <ul style="list-style-type: none">• Continue to protect and care for the most vulnerable children, adults and families in the community and support their carers.
Financial, Legal and HR Implications:	<p>There is risk associated with unknown levels of demand that call for robust financial management (see below).</p> <p>There is no legal impediment to establishing the LAS as described in this report.</p> <p>There are no HR implications for SCC.</p>
Equalities Implications:	<p>The scheme, by its very nature, is targeted at those who are economically disadvantaged and people with protected characteristics are likely to be over-represented in applications to it. However, the local advice bureaux work to high standards of social inclusion that fully meet the requirements of SCC's equality duties.</p>
Risk Assessment:	<p>It is important to note that SCC remains responsible for the scheme and for eligibility decisions made in respect of it. This presents a degree of risk which will be managed through close dialogue between SCC and the local advice bureaux, and regular monitoring of LAS activity.</p> <p>A further risk arises from the lack of information about needs and the potential level of demand upon the LAS. In order to mitigate this risk a minimum level of programme funding will be carried forward from quarter to quarter to ensure that those presenting with the most immediate needs can be provided with assistance throughout the entire year.</p>
Scrutiny comments / recommendation (if any):	<p>Members of the Scrutiny considered the proposed LAS on 29th Jan 2013 and proposed its establishment in the form set out in the scheme description.</p>

1. Background

1.1. The discretionary Social Fund will cease at the end of March 2013 as part of wider changes to welfare benefits being implemented under the Welfare Reform Act 2012. Resources will be transferred to Somerset County Council in the form of an un-ringfenced amount included within the general Revenue Support Grant. Indicative figures provided by the DWP in August 2012 estimate the value of the transfer at £1.1m in 2013 / 14 (£192k administrative element and £912k programme costs). The estimated transfer in 2014 / 15 is £177k administrative element and £912k programme costs. In addition, £9k will be provided for set up costs in 2012 / 13.

1.2. The Social Fund currently provides Crisis Loans and Community Care Grants.

Crisis Loans are offered to people who, due to exceptional circumstances, find themselves without the means to meet immediate expenses necessary to maintain basic essentials. A common example would be where a delay in paying a welfare benefit has resulted in someone having insufficient funds to purchase food or fuel for cooking / heating. Alternatively, an uninsured low income household may be unable to replace an essential item such as a cooker or fridge if it breaks down un-expectedly or is destroyed by flood, fire etc. Crisis Loans are made at the discretion of the DWP and are usually recovered at source from welfare benefits (although they are not restricted to welfare benefits claimants). Information provided by the DWP suggests that about 5000 crisis loans are made each year to households in Somerset with a total value of £260k (average value = £52)

Community Care Grants are offered to people with some form of physical or mental impairment or frailty. The key aim is to support independent living in the community, as opposed to institutional settings, by providing for essential household items such as furniture and white goods. Community Care Grants are made at the discretion of the DWP as one-off payments and recipients are not required to repay them. Information provided by the DWP suggests that about 1100 community care grants are made each year with a total value of £684k (average value = £622)

2. Options Considered and reasons for rejecting them

2.1. Various options has been considered and rejected:

Not to provide a LAS in Somerset: Whilst there is no statutory obligation for local authorities to make alternative provision, it is felt that a LAS for Somerset is essential to meet needs, particularly at a time when the impacts of wider welfare reform are being felt.

To provide a LAS that is directly administered by SCC: This runs counter to the target operating model for SCC as a commissioning organisation. It is also felt that some people may be unwilling to approach a local government organisation with statutory powers and responsibilities for assistance, despite their being in very considerable need.

To commission a LAS via a competitive tendering process: This would fail

to make best use of the community infrastructure that already exists, particularly the trusted brand of the Citizens Advice Bureaux and West Somerset Advice Bureau and their well established presence on the high street. In this case, a service provided via formal contract is likely to be less flexible to presenting needs and more bureaucratic to manage.

- 2.2.** The favoured option is **to deliver the LAS in Somerset through a strategic partnership with the local advice bureaux**. This will build upon the strong and productive relationships that already exist. As mentioned above, the local advice bureaux have a strong and trusted presence in local communities and it is felt that people in need are more likely to be willing to approach a non-government agency for assistance. Added value will be achieved as people who apply to the LAS will be offered the wider services of the local advice bureau such as help to develop the skills necessary for effective household budgeting.

3. Consultations undertaken

- 3.1.** SCC's approach to the development of the LAS, and the favoured option, has been discussed with partner agencies via the Chief Executive Officers Group and the Strategic Housing Officers Group. There has been an on-going dialogue with the DWP to inform the development of the scheme and transition arrangements.
- 3.2.** Within SCC, ELT and Cabinet / ELT have considered the emerging proposal and agreed to its further development with specific suggestions that have been incorporated into the scheme description. Senior commissioning and operational managers in Adults and Health and Children and Families have been consulted.

The scheme description has been developed by a group comprising SCC Commissioners and Chief Officers of each of the local advice bureau. The Board of Trustees of each of the local advice bureaux have agreed in principle to operate the scheme on behalf of SCC in accordance with the Scheme Description.

4. Implications

- 4.1.** Assuming that the Cabinet Members make the decision to operate the LAS via the local advice bureaux, it is important to note that SCC remains responsible for the scheme and for eligibility decisions made in respect of it. This presents a degree of risk which will be managed through close dialogue between SCC and the local advice bureaux, and regular monitoring of LAS activity. Provision is made in the Scheme Description for the local advice bureau to refer particularly difficult cases to SCC for decision.

A further risk arises from the lack of information about needs and the potential level of demand upon the LAS. It is not the intention to replicate the discretionary Social Fund and the LAS differs significantly from the previous arrangements e.g. no loans are to be offered and assistance will generally be provided in kind rather than cash. There is no way of knowing at this stage if the amount of funding provided will be adequate to meet the needs that present. In order to mitigate this risk a minimum level of programme funding will be carried forward from quarter to quarter to ensure that those presenting with the most immediate needs can be provided with assistance throughout the entire year.

- 4.2.** As discussed above, delivering the LAS through via the local advice bureaux will provide walk-in access through their established networks in local communities. People will also be able to contact the local advice bureau by phone and by email.

The scheme is targeted at those who are economically disadvantaged and people with protected characteristics are likely to be over-represented in applications. However, the local advice bureaux work to high standards of social inclusion that fully meet the requirements of SCC's equality duties.

5. Background papers

- 5.1.** *Local Assistance Scheme for Somerset.* Appendix A. Jan 2013.

January 2013

Local Assistance Scheme for Somerset – Scheme Description

Introduction

The Welfare Reform Act 2012 includes a provision for the abolition of the discretionary Social Fund, which currently provides Crisis Loans and Community Care Grants. From April 2013, funds will be transferred to upper tier and unitary local authorities to facilitate the establishment of a Local Assistance Scheme (LAS).

It is not the intention that the LAS should replicate the Social Fund. Rather, it should provide emergency assistance to those in immediate and acute need in a way considered to be appropriate to local circumstances. Assistance need not be provided in the form of cash payments and may be provided as services 'in kind'.

Discussions between officers of Somerset County Council and the Chief Officers of the five District based local advice bureaux in the county have resulted in the production of this Scheme Description, which has received 'in-principle' agreement from members of SCC's Cabinet / ELT and the Boards of Trustees of each of the local advice bureau.

Ownership and Decision Making Responsibility

A key principle governing the proposed collaboration is that Somerset County Council will retain ownership of the LAS and responsibility for decisions about eligibility and awards (or their refusal). The scheme will be branded to reflect this.

Eligibility

A person will be eligible for the scheme where they;

- Present to the advice bureau in the district of Somerset in which they are normally resident, and;
- Demonstrate that they have a qualifying need (see below).

It will normally be the case that those deemed to be eligible are in receipt of, or have made a claim for, means tested welfare benefits. In order to be deemed eligible, applicants must give a genuine account of their circumstances and make an honest declaration that they do not have financial or other resources available to them that could be used to meet the needs they are presenting with. Appropriate supporting evidence will be requested and considered in the determination of applications.

The LAS will provide emergency assistance only. Awards will normally be restricted to one per six month period. Second or subsequent applications within a six month period will be subject to greater scrutiny, as will second or subsequent applications for the provision of furniture or white goods within a twelve month period.

Retrospective applications will not be considered.

Qualifying Needs

Qualifying needs include:

- Being without sufficient food for the members of the household and lacking any means of obtaining it.
- Being without items of furniture that are essential for the particular needs of the household and lacking any means of obtaining them.
- Being without basic equipment required for cooking or heating essential living accommodation and lacking any means of obtaining it.
- Being without fuel to cook or heat essential living accommodation and lacking any means of obtaining it.
- Being without any means of undertaking a journey that is essential and due to unforeseen circumstances.

Services Provided

Wherever possible and practical, assistance will be provided in the form of services 'in kind' rather than cash payments. Specific arrangements will vary according to circumstances in each of the districts covered by the individual advice bureau, but the general service responses are as set out in the table below:

Presenting need(s)	Type of service response
Being without sufficient food	Referral to local food bank
Being without essential items of furniture or appliances	Referral to furniture recycling charity or second hand furniture retailer. Payment for essential items is facilitated via invoice to local advice bureau or voucher system (n.b. mattresses to be purchased new at the lowest price available).
Being without basic equipment required for cooking or heating	Referral to white goods / electrical recycling charity or second hand retailer (a minimum warranty of six months is required). Alternatively, referral to retailer of new white goods / electricals for supply of basic products. Payment for essential items is facilitated via invoice to local advice bureau or voucher system.
Being without fuel to cook or heat essential living accommodation	Local arrangements to facilitate charging of key for pre-pay electricity meter. Payments directly to energy supplier on behalf of the applicant.
Being without any means of undertaking an essential journey	Local arrangements to facilitate purchase of tickets for travel or pay a mileage rate for the journey.

Collecting information and Checking Applications

It will be the role of the local advice bureau to collect relevant information from applicants and in doing so, to discuss with them how their circumstances match the eligibility criteria described above. Where it becomes apparent to the advisor and to the applicant that they have other means of assistance available to them, the applicant will be signposted appropriately. Otherwise, the bureau will complete a checklist against the criteria set out above.

The local advice bureau will inspect supporting evidence of identity, residency and material circumstances as part of their collection and checking procedures.

Decisions and Complaints

Each advice bureau will check eligibility of clients against the criteria set out above. The outcome of this eligibility check will determine whether an award is made or not. In cases where eligibility is unclear or other factors complicate the process the advice bureau will refer to SCC for a decision.

A short period of delay will be incorporated into the process in between the eligibility check and any award.

SCC will provide each advice bureau with a stock of award and decline letters on SCC headed paper to communicate to applicants that the overall responsibility for decision making lies with SCC.

Complaints regarding the process can be made via SCC's complaints procedure.

Data Sharing, Recording and Use

Applicants' details will be recorded on the checklists, summaries of which will be provided to SCC for future reference. The local advice bureau will explain to applicants that their personal data will be used in this way and gain their written consent to the passage, storage and use of their data.

Administration and Programme Funding

SCC will pay a strategic grant to each of the local advice bureau to fund their role in delivering the LAS. This will include;

- Provision for establishing / maintaining working relationships with local suppliers of assistance (i.e. food banks, furniture / white goods recyclers and retailers, and other charitable or philanthropic organisations)
- Provision for costs associated with direct contact with applicants to the LAS
- Provision for financial transactions and accounting associated with the LAS.

In addition, SCC will provide an agreed percentage of the programme funding in advance to each of the local advice bureaux for them to manage on SCC's behalf. These funds will be used by the local advice bureaux to cover the costs of awards.

The local advice bureaux will be aware that the programme budget contains a fixed and finite amount of funds. They will provide regular information to SCC including a profile of spend against actual and projected activity. If it becomes necessary to restrict eligibility criteria to ensure that the most pressing needs are met with the resources available, the local advice bureaux will work with SCC to adjust policy and practice accordingly.

An element of the programme funding will be paid in advance to local food banks to meet anticipated increased demand associated with the LAS. We anticipate that this allocation will be made directly by SCC.

A minimum level of programme funding will be carried forward from quarter to quarter to ensure that those with the most immediate needs can be provided with assistance throughout the entire year.

Start Up Funding

SCC will provide start up funding to the local advice bureaux prior to the commencement of the LAS to enable them to develop the local networks required for its successful implementation.

‘Added Value’

A key rationale for delivering the LAS for Somerset via the local advice bureaux is the ‘added value’ they can offer by linking applicants to support and assistance that addresses root causes rather than simply responding to the presenting emergency. This could include offering help to applicants to develop their skills of household budgeting; providing brief interventions for (low level) issues of substance misuse; or providing more substantive advice with issues related to debt, welfare benefits, housing, employment etc.

In order to facilitate the delivery of such added value, SCC will not be prescriptive about the particular organisational arrangements used by each local advice bureau to fulfil their part in the delivery of the LAS, so long as they are consistent with the spirit of collaboration inherent in what is written above, and they deliver the essential processes that are set out above.