

Report to: Cabinet

Date: 11th March 2013

Report of: Deputy Chief Executive

Report No:

Contact Officer: J Rowlands Assistant Director

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Report Title: **Implementation of a Local Welfare Provision Scheme**

Non Confidential: This report does **not** contain information which warrants its consideration in the absence of the press or members of the public.

Purpose: To seek approval for the implementation of a Local Welfare Provision Scheme in Bolton with effect from 1st April 2013.

Recommendations:

- To approve the proposed criteria for a Local Welfare Provision Scheme.
- To approve the proposed delivery methods for the goods, services and financial support outlined in this report.
- To approve the proposal to administer the scheme within the Council's Benefits Service including the creation of 5 full time posts on 2 year fixed term contracts
- To approve an Executive Committee exemption to normal procurement rules with regard to the provision of food packages via Storehouse.

1. Summary

- 1.1** The Welfare Reform Act 2012 abolishes the discretionary elements of the Social Fund, currently administered by the Department for Work and Pension (DWP) via their Job Centre Plus offices.
- 1.2** With effect from 1st April 2013 Local Authorities will receive funding to provide local welfare provision to replace the provision currently provided by those discretionary elements of the Social fund, specifically Crisis Loans and Community Care Grants (CCG's).
- 1.3** The Government considers that the localisation of this provision will enable LA's to provide a more holistic approach to financial support by utilising expertise both within the Council and through various partner organisations.
- 1.4** The DWP will be replacing interim payments and crisis loans, which are required due to realignment of benefit, with short term benefit advances. This means that the Council's scheme will not be expected to deal with the change to Universal Credit being based on a 4 week in arrears payment cycle for new or existing benefit claims.

2. Overview of the current discretionary elements of the Social Fund

- 2.1** Current DWP policy states that Crisis Loans are to meet the immediate needs of the customer with regard to general living expenses or financial support required following an emergency or disaster.
- 2.2** Examples of instances where a Crisis Loan may be awarded are as follows:
- Fire damage
 - Flood damage
 - Loss of money through theft
 - Essential food items
 - Emergency travel costs
 - Provision for heating and lighting
- 2.3** Current DWP policy states that Community Care Grants (CCG's) are non-payable grants to enable vulnerable customers to live in the community. CCG awards are conditional upon receipt of income-related welfare benefits.
- 2.4** Examples of instances where a CCG may be awarded are as follows:
- Assisting someone leaving residential care
 - Assisting someone leaving institutional care
 - Assisting someone to remain in the community rather than moving into either residential or institutionalised care
 - Assisting someone to secure housing when fleeing domestic violence
 - Assisting someone to secure housing who is currently homeless and sleeping rough, residing in a hostel or temporary accommodation
 - Assisting someone to secure housing after leaving prison
- 2.5** The majority of claims are made by phone or by post and this has resulted in increased demand and spend. Although, spend for 2013/14 is expected to reduce nationally due to the DWP changing the entitlement criteria to reject increasing numbers of claims and reduce spend in this area.
- 2.6** The single biggest users of crisis loans within the DWP have traditionally been the age group 25-34, and there is a dramatic reduction in the number of awards after the age of 54
- 2.7** The DWP generally award cash payments and in the case of Crisis Loans the loan is repayable, usually from ongoing welfare benefit entitlement. The DWP will not provide this facility for LA's and consequently the use of a loan as part of the delivery of LWP would be administratively expensive.

- 2.8** The DWP places a restriction on the number of Crisis Loans a customer can claim. Generally, no more than 2 claims in the previous 12 months with a few exceptions. The DWP also caps Crisis Loan awards to £1,500 minus any outstanding Crisis Loan following a previous award.
- 2.9** There is a perceived duplication of payment between other statutory, non-statutory and discretionary payments.
- 2.10** The DWP attach no conditionality to awards, other than the fact that Crisis Loans are repayable, and so there is a lack of support to enable the customer to resolve long term problems in relation to budgeting and debt advice. This has encouraged a culture of multiple claims over a protracted number of years.
- 2.11** **Appendix 1** provides a breakdown of the number of Crisis Loans and Community Care Grant applications received and awarded in Bolton in 2011/12, including total spend.
- 2.12** **Appendix 2** details national claimant data in relation to Crisis Loans and Community Care Grants

3. Bolton's Local Welfare Provision Policy

- 3.1** There is no duty on Local Authorities regarding the exact nature of local provision however, the Government has indicated that support should be provided to:
- Avoid gaps in support for vulnerable customers;
 - Concentrate on those facing the greatest difficulty managing their income;
 - Reflect the needs of the local community;
 - Provide a flexible response to unavoidable need;
 - Enable more joined up delivery
- 3.2** On this basis the purpose of a local welfare provision scheme in Bolton would be to assist vulnerable people in the Bolton community in meeting their needs for subsistence or financial support where they have a short term immediate need. Support would also be provided where the customer required assistance to maintain their independence in the community.
- 3.3** The funding provided by the Government is not ring-fenced and consequently there is no requirement to replicate current Crisis Loans and CCG's administered by the DWP. This would provide a clear opportunity to improve on the current system whilst ensuring that those in the greatest need receive the appropriate support.
- 3.4** Although it is the intention that the scheme will be administered by Bolton Council's benefit service, it is anticipated that all relevant services both within the Council and independent of the Council will be able to support and refer clients through the scheme.
- 3.5** It is recommended that in order to ensure the money is awarded to those in the greatest need an element of means testing will remain. This will mean that those customers who have sufficient income, savings or access to suitable credit will not be eligible.
- 3.6** In addition to the funding provided for local welfare provision, Bolton Council will also be administering other discretionary funds such as Discretionary Housing Payments and a Discretionary Reduction scheme for Local Council Tax Support. Local Welfare Provision will not be used where it is felt a customer's needs will be more appropriately addressed through one of the other schemes available.
- 3.7** The LWP scheme will treat all customers fairly and consistently giving full consideration to their circumstances taking into account the nature, extent and urgency of their need.

- 3.8** Cash payments will be avoided where possible although it is accepted there may be some specific circumstances where small cash payment may be required – it should be emphasised that this would be the exception to the rule.
- 3.9** Bolton Council will endeavour to be proactive in targeting support to those most in need and recognises the need to work closely with a range of partner organisations in ensuring this is achieved.
- 3.10** Bolton Council will actively develop partnership arrangements that will enable the right services and goods to be provided at the most efficient cost. This will include the use of food banks and furniture recycling centres.
- 3.11** Bolton Council is particularly keen to ensure that the support provided to those in need is sustainable with the aim of preventing the need for further applications through the scheme. Customers submitting both initial and repeat claims will be expected to engage with the wider advice services that form part of the Council's Financial Inclusion Partnership. .
- 3.12** An Equality Impact Assessment (EIA) can be found at **Appendix 3**. This considers the relevant protected groups taking into account the public sector's equality duty. As the scheme evolves equality issues will continue to be addressed where appropriate.

4. Bolton's Local Welfare Provision Scheme

- 4.1 The DWP are unable to provide details of previous claimants or outstanding loans and consequently at this stage it is impossible to accurately map demand for LWP with effect from April 2013.
- 4.2 Starting in April 2013, there will be a range of welfare reforms that are likely to increase the number of customers that will be seeking financial support, including the introduction of the bedroom tax, the benefit cap, the introduction of a local council tax support scheme and Universal Credit. It is not intended that LWP in Bolton will not be aimed at these customers as additional funds such as Discretionary Housing Payments and a Council Tax Reduction Scheme will be used to mitigate the impact of these reforms.
- 4.3 With regard to LWP, Bolton Council will administer two different types of award to meet customer needs: a **Local Emergency Support Award** for those customers who require short term emergency financial support and a **Local Community Support Award** for those customers who need financial support to maintain a home independently in the community.
- 4.4 The following list, although not exhaustive, highlights those customers that are likely to require these type of awards:
- Families under exceptional pressure
 - Older people who may be at risk of harm
 - People fleeing domestic violence
 - Young people leaving care in exceptional circumstances where the Leaving Care Grant is insufficient
 - People moving out of institutional or residential care
 - Ex- offenders leaving prison or detention centres
 - Chronically or terminally ill people
 - People with learning disabilities
 - People with mental health issues
 - People moving from temporary homeless or hostel accommodation into mainstream housing
 - Rough sleepers
- 4.5 The two distinct support schemes will provide specific types of award dependant on the customer's circumstances.
- 4.6 Applications for a **Local Emergency Support Awards** may include people who:
- Have no essential food

- Need essential goods associated with infants/children
- Have no provision for heat or light
- Require help with emergency travel costs
- Have suffered a major upheaval or disaster

4.7 Awards could take the form of:

- Food
- Baby Milk
- Nappies
- Energy costs to cover heating and lighting
- Travel costs

4.8 Awards will not be cash based although there may be some exceptions.

4.9 There will normally be a limit on applications for Emergency Support of one claim in any rolling 6 month period, although exceptions will apply based on customer circumstances.

4.10 In return for the award, and where appropriate, the customer will be expected to agree to work with the Council to resolve any major financial issues by engaging with relevant agencies. Examples would be debt advice, welfare benefits advice and savings advice via external providers such as Bolton's Credit Union.

4.11 Failure to engage with the Council may result in the refusal of any further application for support.

4.12 The customer will not be required to repay an Emergency Support award.

4.13 It should be noted that customers suffering hardship as a consequence of a decision by the DWP to sanction their benefit entitlement will be directed to the DWP to claim a Hardship Payment. Refusal of a Hardship Payment by the DWP will more than likely lead to the refusal of an LWP award as the DWP will have taken into account relevant factors when making their decision.

4.14 Applications for a **Local Community Support Awards** may include people who:

- Have been in long term care
- Have left prison
- Have fled domestic violence
- Have moved from supported accommodation into independent living

4.15 Awards could take the form of:

- Beds
- Bedding
- Provision of heating appliances
- Essential domestic appliances including fridges and cookers
- Washing machine if responsibility for children or health related issues
- Essential domestic furniture
- Redecoration following a disaster or due to health related needs

4.16 Awards would not normally be given for the following:

- A television
- Satellite cost or repair
- Non-essential appliances
- Installation of a telephone or telephone line (exceptions may be considered in cases where customers require a careline service)
- Housing costs or arrears of rent
- Costs normally met through state support or benefits including Universal Credit
- Debts
- Motor vehicle expenses
- TV licence
- Costs associated with care provision
- *Shortfalls in Council Tax Support awards or reductions in Housing Benefit including those associated with the social sector size criteria (bedroom tax)

*Customers may be able to receive support with these costs via the Council's Council Tax Support Reduction Scheme or Discretionary Housing Payment Scheme

4.17 This is not an exhaustive set of circumstances and consultation will be carried out with relevant stakeholders to identify additional circumstances where either Emergency Support awards or Community Care awards may be appropriate.

5. Eligibility Criteria

5.1 At this time these are proposals and will be subject to consultation.

Local Emergency Support Award eligibility criteria
It is proposed that the all of the following criteria must be met for CSA to be awarded:
<ul style="list-style-type: none">• Aged 16+• Local connection• No previous award in the last 6 months• Compliance with conditions of any previous award
The following people would not be considered eligible for a CSA:
<ul style="list-style-type: none">• Residents in care facilities or foster care• Members of a religious order where they are being maintained• Prisoners released on temporary licence• Anyone living at home as a dependant
Local Community Support Award eligibility criteria
It is proposed that both the following criteria must be met for a CCSA to be awarded:
<ul style="list-style-type: none">• Aged 16+• Local connection
At least one of the following criteria must also be satisfied:
<ul style="list-style-type: none">• Require support to remain in the community• Require support to become established in the community• Require help to ease exceptional family pressure
Finally, the person making the application must receive a qualifying means tested benefit:
<ul style="list-style-type: none">• Income Support• Income Based Job Seekers allowance• Pension Credit• Income Related Employment Support Allowance

- 5.2** Under new data sharing powers it is anticipated that those staff administering the scheme will have access to DWP data and consequently income and savings will be verified before an award is agreed.
- 5.3** It is proposed that where a person has available savings or income that would be adequate to meet their needs the application is refused.
- 5.4** Each application will be considered on its own merit taking into account the specific circumstances of the individual making the application.

6. The Application Process

- 6.1** The application process will be clear, transparent and accessible and will be designed to provide consistent and fair decision making.
- 6.2** Applications for both Community Care Support Awards and Crisis Support Awards will primarily be made over the internet using an online claim form that will intelligently take the customer through the claim process.
- 6.3** The online claim form will be easily accessed across a range of technology including personal computers, laptops and smart phones
- 6.4** Those customers who are unable to make an application online will be able to make an assisted telephone claim.
- 6.5** Applications from appointees or representatives (providing there is customer consent) will be considered.
- 6.6** It is anticipated that due to the nature of the online claim process, Local Authority support services including Children's and Adult Services, Housing Advice and Welfare Benefits will be able to assist customers to make applications. We also anticipate that customers will be able to access support via Bolton Council's many partner organisations such as the Citizens Advice Bureau, Age UK and social housing providers.
- 6.7** Applications for emergency assistance will be prioritised with service levels in place so customers will know when to expect decisions and outcomes of any appeals.
- 6.8** Repeat applications will only be accepted in exceptional circumstances and will be subject to criteria including the date the last application was made and any failure on the part of the applicant to accept reasonable support and advice as a condition of any previous award.

7. Payment Method

- 7.1** The scheme will be designed to provide appropriate methods of awarding support dependant on the specific needs of the customer.
- 7.2** It is proposed that wherever possible cash payments will be avoided, although it is accepted there may be some circumstances when a small cash payment may be necessary, for example to cover travel costs.
- 7.3** The Council will decide who the award should be made to including:
- The applicant
 - The partner
 - An appointee or representative
 - Directly to a service or good provider
- 7.4** The Council will seek consultation with relevant partners regarding the appropriate methods of payment which may include:
- The applicant
 - The partner
 - An appointee or representative
 - Directly to a service or goods provider
- 7.5** Bolton Council will be consulting on the different methods of payment that could be made including:
- Payments made directly to suppliers of goods and services
 - Good and services from non-profit making organisations
 - Via Pay point
 - Travel cards
- 7.6** Bolton Council will endeavour to be as flexible as possible with regard to the delivery of support to customers. This will include partnership working across the Council and with external organisations ensuring there are a range of locations where customers can access the support they require.
- 7.7** Loans will not form part of the standard scheme and consequently customers will not be expected to repay any awards.
- 7.8** Dependant on discussions and consultation, loans may be considered in certain circumstances with an arrangement to repay through the Credit Union service. Typically these may be residents that have been refused mainstream financial support from high street banks. It is also hoped that this will help to combat the increasing trend for payday loans and more worryingly loans via money lenders.

- 7.9** It is accepted that these loans may carry a higher risk of non-collection and consequently it is proposed that these loans would be underwritten using the LWP grant allocation

8. Scheme Administration

- 8.1** The Council is expected to receive £214,909 for 2013/14 and £196,987 for 2014/15 in administrative annual funding.
- 8.2** It is proposed that a new team consisting of 5 full-time staff will be required to deliver the LWP service based on current demands. Both the team and the Manager responsible will be resourced from within the service, although funding will be required to backfill this resource. Second stage appeals will be managed within existing resources.
- 8.3** The administration team will be responsible for processing customer applications using data captured via a web based application form. The online process will enable staff on the team to assess eligibility, agree appropriate awards, inform customers of decisions and inform suppliers of decisions.
- 8.4** In addition to processing LWP applications, it is proposed that the team will also be responsible for processing Discretionary Housing applications (DHP) and Council Tax Support Reductions (CTSR).
- 8.5** Based on DWP data regarding the volume of Social Fund applications in 2011/12 the staff would be required to clear approximately 10 LWP applications per day. Based on our own data regarding DHP application volumes in 2012/13, and the estimated increase in demand in 2013/14, the staff would be required to clear approximately 7 DHP applications per day. The volume of CTSR applications is as yet unknown as this will be a new scheme with effect from 2013/14.
- 8.6** The web based application form can be accessed using desktop computers, laptops, tablets or by smart phone. However, those customers who are unable to access the internet themselves will be able to make a supported telephone claim via Access Bolton.
- 8.7** The online nature of the application process will also enable customers to receive support from various partner organisations, many of which are active members of the Council's Financial Inclusion Forum.
- 8.8** **Local Emergency Support Awards** will take the form of food packages and assistance with travel costs and fuel costs. The aim will be to make these decisions on the day of request.
- 8.9** **Food Banks**
- In Bolton Storehouse operate a centrally located food bank that can provide delivery across the whole of the Borough;

- As this provision is unique in the sense that Storehouse is the only food bank that provides Borough wide coverage in terms of delivery and will also provide various pick up points across Bolton, it is proposed that approval be given for an Executive Committee exemption to normal procurement rules with regard to the provision of food packages via Storehouse (see recommendations).
- The web based application process will allow decisions to be made regarding the appropriate food package, in most cases based on family size, and then allow automatic communication of the decision by e-mail to the appropriate food bank;
- The customer will receive notification by e-mail, text or printed letter;
- In many cases, and certainly in cases where the customer is unable to visit the food Bank, the food package will be delivered. Alternatively the customer will be able to pick up the agreed food package from the Food Bank;
- Although food packages will be based on family size, there will be the ability to tailor packages to reasonable customer requirements including vegetarian and halal;
- Storehouse will also provide other essential items where appropriate including nappies;
- Storehouse food packages are designed to last for 1 week, although it is accepted that in some circumstances it may be necessary to provide repeat packages;
- Dependant on customer circumstances, a referral to a partner agency may be appropriate including debt advice, money skills, housing advice and welfare benefit advice.

8.10 Travel Costs and Fuel Costs

- It is proposed that the Council purchases travel cards that can be used across the whole of Greater Manchester. The travel cards can be provided on the day they are required and, although managed centrally, can be issued by partner organisations across a range of locations in Bolton;
- It is proposed that Pay Point is used to provide financial assistance with fuel costs, avoiding the need to provide cash payments;

8.11 Local Community Support Awards will take the form of basic furniture packages designed to meet customer need. These decisions will be made in line with agreed targets.

8.12 Furniture Packages

- Bolton Council has an established Furnished Tenancy Team (FTT) that currently provides furniture packages to support social furnished housing;
- Bolton Council has contracts in place with two suppliers, awarded through procurement;

- The web based application process will allow decisions to be made regarding the appropriate furniture package and will allow automatic communication of the decision by e-mail to the FTT;
- The FTT will deal directly with the contracted suppliers who will in turn deliver the furniture packages directly to the customer;
- The customer will receive notification by e-mail, text or printed letter;
- Discussions are under way with other furniture providers including Bolton Community Transport and Hoot (Bolton's Credit Union) to explore ways to offer alternative furniture packages that may compliment the scheme
- Dependant on customer circumstances, a referral to a partner agency may be appropriate including debt advice, money skills, housing advice and welfare benefit advice.

8.13 Low Interest Loans

The Council has no viable facility to provide loans in-house and so proposes to source this provision from an external provider who;

- has the ability to administer loans within the regime determined by the Council;
- has an established track record of providing loans;
- has a track record of socially responsible lending to vulnerable residents;
- operates within a regime of ethical lending including charging low interest rates;
- will lend to typically 'high risk' / financially excluded residents e.g. without bank accounts, low credit rating / no credit history;
- Due to the high risk factors around non-collection of loans, all loans would need to be underwritten by the Council using the grant funding provided, in order to minimise the risk involved by the chosen delivery partner.
- Administration costs would need to be determined. The actual mechanism for this will need to be determined together with the potential provider and how this links with the interest and/or management fee charged per loan. Any monies recovered via the loan would be returned to 'the pot' creating greater sustainability of funds.

9. Appeal Rights

9.1 The applicant or their authorised representative will have the right to request a decision is reviewed.

9.2 Reasons for requesting a decision is reviewed could include:

- An award or a repeat award being refused
- Method of payment
- Value of award
- To whom the support is awarded

9.3 When requesting a review of a decision, the applicant will be expected to give reasons why they feel the original decision should be reviewed and where appropriate provide additional information to support their request.

9.4 The appeal process will have 2 stages:

Stage 1: All requests for a review of decision will be considered by a decision maker and notified within agreed timescales

Stage 2: If the applicant is not satisfied with the outcome of the review they may submit an appeal within an agreed timescale of being notified of the review outcome. Stage 2 appeals will be considered by an appeals officer, taking into account all the information and evidence included in the review. The decision will be notified in writing within an agreed timescale.

9.5 There will be no further right of appeal beyond Stage 2; however the right to make a complaint through the Council's complaints procedure will remain.

10. Financial Constraints and Controls

10.1 Funding for LWP awards, administration costs and initial set up costs will be provided by Central Government.

10.2 The funding for LWP awards is cash limited and has been calculated using historical data in relation to previous Social Fund awards in Bolton

10.3 It should be noted that funding levels for 2014/15 are indicative and from 2015/16 will be unknown until a Government Comprehensive Spending Review has been completed.

10.4 Funding levels for Bolton are as follows:

Funding/Year	2012/13	2013/14	2014/15 (indicative)
Set Up Funding	£10,000		
Programme Funding		£1,017,045	£1,017,045
Administrative Funding		£214,909	£196,987
Total	£10,000	£1,231,954	£1,214,032

10.5 ICT systems will be implemented to administer the scheme and will provide management information to allow robust monitoring in the following areas:

- Payment of awards
- Methods of payment
- Current expenditure
- Projected expenditure
- Number of awards made
- Type of awards made
- Equalities data
- Speed of awards

10.6 Management information will be reported monthly and will inform future priorities in relation to LWP

10.7 ICT systems and data sharing will also support fraud prevention and detection with action being taken where appropriate.

11. Consultation

- 11.1** Consultation is underway with relevant partners and stakeholders and will feed into the Equality Impact Assessment as well as helping to inform any amendments to the scheme during 2013/14
- 11.2** Relevant partners have been made aware that the Social Fund will be abolished with effect from 1st April 2013 and that proposals for a Local Welfare Provision Scheme are due to be considered by Cabinet.
- 11.3** A presentation outlining the proposed scheme has been delivered to the Council's Financial Inclusion Partnership and consultation feedback has been captured;
- 11.4** The Council is also working in partnership with the Department for Work and Pensions to ensure that the transition from the Social Fund to Local Welfare Provision is handled appropriately. This includes a presentation of the proposals to local DWP Delivery Centre Managers.
- 11.5** Customer feedback following go live on 1st April 2013 will feed into a 6 month scheme review in September 2013

Appendix 1 - Bolton Crisis Loan and Community Care Grant data for 2011/12.

Community Care Grants

	Applications	Awards	Expenditure
Apr-11	210	100	£44,500
May-11	250	120	£53,500
Jun-11	340	150	£69,100
Jul-11	290	130	£64,000
Aug-11	250	100	£51,400
Sep-11	250	130	£74,300
Oct-11	260	140	£77,100
Nov-11	330	180	£110,000
Dec-11	210	100	£50,200
Jan-12	240	130	£68,100
Feb-12	240	110	£64,700
Mar-12	240	90	£41,400

Crisis Loans (Living Expenses)

	Applications	Awards	Expenditure
Apr-11	830	650	£37,600
May-11	880	700	£39,100
Jun-11	820	650	£35,900
Jul-11	830	680	£36,700
Aug-11	850	680	£37,100
Sep-11	780	630	£35,200
Oct-11	650	530	£27,900
Nov-11	700	560	£31,300
Dec-11	680	530	£32,000
Jan-12	880	710	£41,000
Feb-12	800	590	£32,900
Mar-12	800	560	£30,000

Appendix 2 - Bolton Social Fund claimant data for 2011/12

DWP Data 2011/2012 (Full Year)	Crisis Loan Items	Crisis Loan Living Expenses	Community Care Grants
Summary			
Number of Applications received	640	9,500	3,100
Total expenditure	£43,300	£416,600	£768,400
Number of Awards	360	7,470	1,490
Lone Parent Status			
Lone Parent	17%	20%	30%
Not a Lone Parent	73%	70%	50%
Unknown	10%	10%	20%
Age of youngest child			
0-5	16%	19%	28%
6-8	4%	2%	4%
9-12	3%	2%	5%
13-16	4%	3%	4%
No children 16 or under	74%	74%	58%
Age of recipient			
Under 18	2%	2%	1%
18 to 24	28%	31%	22%
25 to 34	27%	30%	25%
35 to 44	23%	22%	24%
45 to 54	15%	11%	15%
55 to 64	4%	3%	7%
65 to 69	1%	0%	2%
70 to 79	0%	0%	3%
80 to 89	0%	0%	0%
90 and over	0%	0%	0%
Unknown	0%	0%	0%
Household type			
Couple	9%	11%	17%
Single Female	37%	37%	50%
Single Male	53%	52%	34%

Percentages may not sum to 100% due to rounding

**Equality Impact Assessment
Part 1: Screening Form**

Title of report or proposal:

Proposals for Local Welfare Provision in Bolton

Department:	Chief Executive's
Section/SIAP unit:	Revenues and Benefits
Date:	28th February 2013

This report is for decision and is therefore subject to an Equality Impact Assessment. The following questions have been completed to ensure that this proposal, procedure or working practice does not discriminate against any particular social group. Details of the outcome of the Equality Impact Assessment have also been included in the main body of the report.

Equality Impact Assessment Questions

1. Describe in summary the aims, objectives and purpose of the proposal, including desired outcomes:

Currently, the Department for Work and Pensions (DWP) administers the Social Fund via Job Centre Plus offices. This provides financial support to people who are experiencing financial hardship. This includes Crisis Loans, to meet the immediate needs of the customer with regard to general living expenses or financial support required following an emergency or disaster. This also includes Community Care Grants (CCGs), which are non-payable grants to enable vulnerable customers to live in the community.

Under the Welfare Reform Act 2012 the discretionary elements of the Social Fund were abolished. With effect from 1st April 2013 Local Authorities will receive funding to provide local welfare provision to replace the provision currently provided by those discretionary elements of the Social fund, specifically Crisis Loans and CCGs.

The Government considers that the localisation of this provision will enable local authorities to provide a more holistic approach to financial support by utilising expertise both within the

Council and through various partner organisations. It should be noted that the Council's scheme will not be expected to deal with the change to Universal Credit being based on a 4 week in arrears payment cycle for new or existing benefit claims – this will be managed by DWP.

The report sets out proposals for the delivery of Bolton's local welfare provision. It is proposed that Bolton Council will administer two different types of award to meet customer needs: a **Local Emergency Support Award** for those customers who require short term emergency financial support and a **Local Community Support Award** for those customers who need financial support to maintain a home independently in the community. The circumstances under which support may be available, and the proposed type of support which would be offered is set out in section 4 of the report.

2. Who are the main stakeholders in relation to the proposal?

The following stakeholders have been identified:

- *Members of Bolton's communities* who are experiencing financial hardship. In particular:
 - Families under exceptional pressure
 - Older people who may be at risk of harm
 - People fleeing domestic violence
 - Young people leaving care in exceptional circumstances where the Leaving Care Grant is insufficient
 - People moving out of institutional or residential care
 - Ex- offenders leaving prison or detention centres
 - Chronically or terminally ill people
 - People with learning disabilities
 - People with mental health issues
 - People moving from temporary homeless or hostel accommodation into mainstream housing
 - Rough sleepers
- *Agencies* who work with people who may be in financial hardship, including Job Centre Plus; registered social landlords; Bolton Council services; and voluntary and community organisations such as Citizens Advice Bureau. Key agencies sit on Bolton's Financial Inclusion Partnership
- *Bolton Council staff*, who will be responsible for administering the scheme

3. In summary, what are the anticipated (positive or negative) impacts of the proposal?

The council's local welfare provision will have the benefit of providing some continuity of support following the ending of the Social Fund. However, the funding provided by the Government is not ring-fenced and consequently there is no requirement to replicate current Crisis Loans and CCGs administered by the DWP. This provides an opportunity for the council to improve on the current system whilst ensuring that those in the greatest need receive appropriate support. It is therefore important to note that some changes to provision are proposed, which will have an impact on claimants. Key changes are:

Method of application: At present, support from the DWP can be accessed by telephone or post. It is proposed that applications to the council's welfare provision are made online or by telephone. This would have the following impacts:

- The process should be more simple, using an intelligent application form which will only prompt claimants for information which is relevant to their circumstances
- Some claimants may not have access to the internet, or may not be computer literate. In such circumstances, free internet access is available at local libraries; and support in completing the application form could be accessed by telephone, or through local welfare and advice services
- The cost of providing a Freephone line would be prohibitive to the council. A local number has been established. However, it is acknowledged that any costs of making a telephone call may be prohibitive to someone who is in financial difficulty. Claimants could make calls free of charge from council area offices. In exceptional circumstances, face to face support could be provided in the One Stop Shop

Eligibility: Proposed eligibility criteria is set out at section 5 of the report. Key issues are:

- In order to ensure the money is awarded to those in the greatest need, it is recommended that an element of means testing will remain. This will mean that those customers who have sufficient income, savings or access to suitable credit will not be eligible
- Bolton Council will also be administering other discretionary funds such as Discretionary Housing Payments and a Discretionary Reduction scheme for Local Council Tax Support. Local Welfare Provision will not be used where it is felt a customer's needs will be more appropriately addressed through one of the other schemes available

Conditionality: The DWP attaches no conditionality to Crisis Loan awards, other than the fact they are repayable, and so there is a lack of support to enable the customer to resolve long term problems in relation to budgeting and debt advice. This has encouraged a culture of multiple claims over a protracted number of years. Bolton Council is keen to ensure that the support provided to those in need is sustainable, and aims to prevent the need for further applications through the scheme. Key issues are:

- Customers submitting initial and repeat claims will be expected to engage with the wider advice services that form part of the Council's Financial Inclusion Partnership, to help respond to long term problems e.g. in relation to budgeting and debt advice
- Failure to engage with recommended advice services may result in the refusal of any further application for support

Cashless support: At present, the DWP awards cash payments to claimants. However, it is proposed that the council will avoid making cash payments where possible although it is accepted there may be some specific circumstances where a small cash payment may be required. It is anticipated that this approach will be in line with the approach taken by several other local authorities in the region. Key issues are:

- Awards will take the form of items such as food, essential domestic appliances or furniture, baby milk and nappies; services such as redecoration following a disaster or due

to health needs; and support with essential travel or energy costs. It is anticipated that this approach will help to ensure that essential needs are met appropriately

- Where possible, items will be delivered to claimants, in order to avoid travel costs and physical barriers to access. Travel cards may be issued in the event that delivery is not possible
- While the awards make provision for essential need, it is recognised that in the past, some claimants may have used cash awards for alternative purposes e.g. to pay off debt. It is therefore possible that the ceasing of cash awards may cause some people to look for alternative options such as payday loans or money lenders. Clearly, this would have a detrimental financial impact in the medium and longer term. To discourage this, the council will continue to promote services such as Hoot credit union and money advice services
- In certain circumstances where emergency loans are required, the council is exploring the option of underwriting loans with Hoot, using the local welfare provision funding. This would provide access to low cost loans through a socially responsible lender, to claimants who have poor credit and have been refused mainstream support

Repayments: Presently, Crisis Loans must be repaid to DWP and CCGs are provided as grants. Under the council's proposed scheme, no award will need to be repaid. Key issues are:

- This will have a positive financial impact for individual claimants
- However, this approach would mean that the overall value of the fund available for awards will be lower than in previous years, as loans will not be recouped

It should be stressed that delivery of the scheme is set within the context of the council's duties under the Equality Act:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between different groups of people
- Foster good relations between different groups of people

On the whole, it is anticipated that the council's proposed scheme would have a positive impact on these duties as it seeks to provide support to Bolton's most financially vulnerable people, but the scheme will be kept under review in order to identify any unanticipated adverse impacts or barriers to access which may arise.

4. With regard to the stakeholders identified above and the diversity groups set out below:

	Is there any potential for (positive or negative) differential impact?	Could this lead to adverse impact and if so what?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group, or for any other reason?	Please detail what measures or changes you will put in place to remedy any identified adverse impact
Race	DWP claims data does not provide information on ethnicity. The scheme will operate on the basis of people's financial circumstances, rather than a direct link to a person's race or ethnicity.	It is not anticipated that the proposals will have an adverse impact in relation to race.	N/A. The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	Improved monitoring of award take up will be established under the council's scheme. Should issues or barriers to access be identified, appropriate steps will be taken to respond accordingly.
Religion	It is not anticipated that the proposals will have a specific impact in relation to religion.	It is not anticipated that the proposals will have an adverse impact in relation to religion.	N/A. The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	N/A. It is not anticipated that the scheme will have an adverse impact in relation to religion.
Disability	National data shows that at present one third of CCG awards and 16% of crisis loans are made to people who have a disability. It is therefore important to ensure that the application	Failure to ensure that the scheme is accessible could lead to physical or psychological barriers to access. In particular, it will be necessary to ensure that items can be delivered to claimants	The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	The council will work with its partners to ensure that effective support is in place to make an application to the scheme; and that items are delivered to claimants who are unable to travel to minimise barriers to access. In addition,

	process and provision of support are accessible to people who may have a physical or learning disability or mental health condition.	who are unable to travel to collect them, for example because of their financial circumstances or due to a disability or long-term limiting illness.		the council will work with its partners to promote wider benefits and money advice services, to support applicants with long-term financial issues.
Gender (including gender reassignment)	The scheme will operate on the basis of people's financial circumstances, rather than a direct link to a person's gender.	It is not anticipated that the proposals will have an adverse impact in relation to gender.	The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	Improved monitoring of award take up will be established under the council's scheme. Should issues or barriers to access be identified, appropriate steps will be taken to respond accordingly.
Age	<p>Bolton data shows the following considerations in relation to age:</p> <ul style="list-style-type: none"> - Around two thirds of crisis loans are awarded to people aged 18-24 and 25-34 - Around half of CCGs are awarded to people aged 25-34 and 35-44 - 5% of CCGs and 1% of crisis loans are awarded to pensioners 	Data shows that people of all ages have taken up financial support through crisis loans and CCGs. However, crisis loans have tended to be most relevant to people aged under 35; while older people have more commonly taken up CCGs. It will therefore be important to ensure that the application process and the availability of support is accessible for people from across the age spectrum, taking in any particular considerations	The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	The council will work with its partners to ensure that effective support is in place to make an application to the scheme; and that items are delivered to claimants who are unable to travel to minimise barriers to access. In addition, the council will work with its partners to promote wider benefits and money advice services, to support applicants with long-term financial issues.

		which may arise for example as a result of physical or psychological barriers to access.		
Sexuality	It is not anticipated that the proposals will have a specific impact in relation to sexuality.	It is not anticipated that the proposals will have an adverse impact in relation to sexuality.	N/A. The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	N/A. It is not anticipated that the proposals will have an adverse impact in relation to sexuality.
Caring status (including pregnancy & maternity)	It is likely that financial difficulties may be compounded where a person is responsible for providing care for another adult or child, due to the additional financial responsibilities which can be associated with caring. National data shows that 26% of CCGs and 12% of crisis loans have been awarded to lone parents. Data is not available on those who care for another adult(s).	Failure to ensure that the scheme is accessible could lead to physical or psychological barriers to access. In particular, it will be necessary to ensure that items can be delivered to claimants who are unable to travel to collect them, for example because of their financial circumstances or due to caring responsibilities.	The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	The council will work with its partners to ensure that effective support is in place to make an application to the scheme; and that items are delivered to claimants who are unable to travel to minimise barriers to access. In addition, the council will work with its partners to promote wider benefits and money advice services, to support applicants with long-term financial issues. Improved monitoring of award take up will be established under the council's scheme. Should issues or barriers to access be identified, appropriate steps will be taken to respond accordingly.

Marriage and civil partnership	It is not anticipated that the proposals will have a specific impact in relation to marriage and civil partnership. However, it is recognised that the scheme may be of particular relevance to men or women who are in financial hardship due to leaving a relationship, for example an abusive relationship	It is not anticipated that the proposals will have an adverse impact in relation to marriage and civil partnership.	The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	The council will work with its partners to ensure that effective support is in place to make an application to the scheme; and that items are delivered to claimants who are unable to travel to minimise barriers to access. In addition, the council will work with its partners to promote wider benefits and money advice services, to support applicants with long-term financial issues.
Socio-economic	<p>Local welfare provision is designed to support people who are experiencing financial hardship and in need of emergency support. As such, the scheme is directly relevant to socio-economic circumstances.</p> <p>National data shows that 63% of crisis loans and 17% CCGs were awarded to people who were unemployed.</p>	<p>Failure to ensure that the scheme is accessible could lead to physical or psychological barriers to access for Bolton's most vulnerable people. In particular, it will be necessary to ensure that items can be delivered to claimants who are unable to travel to collect them, for example because of their financial circumstances. It is also recognised that there are considerations around access via online and</p>	The scheme is designed to provide emergency support to people who are experiencing financial hardship, many of whom are vulnerable due to their personal circumstances.	<p>The council will work with its partners to ensure that effective support is in place to make an application to the scheme; and that items are delivered to claimants who are unable to travel to minimise barriers to access.</p> <p>Particular consideration will be given to:</p> <ul style="list-style-type: none"> - Overcoming the potential barriers of online applications / if a Freephone number is not in place - The risks of operating a

		telephone channels; and risks around operating a cashless system which may encourage those who are in need of cash e.g. to pay off debt to look for alternatives such as payday loans and money lenders.		<p>cashless award scheme as far as possible e.g. the risk of people turning to payday loans and money lenders. To support this, the council is exploring arrangements to support low interest loans for applicants through Hoot</p> <ul style="list-style-type: none"> - The impact of wider welfare reforms and the support that could be provided e.g. through the council tax discretionary scheme <p>In addition, the council will work with its partners to promote wider benefits and money advice services, to support applicants with long-term financial issues.</p>
Other comments or issues	The scheme makes provision for the costs of administering the scheme. This will have the positive impact of supporting the creation of capacity within the Benefits Service and other key areas e.g. Access Bolton.			
<p>Please provide a list of the evidence used to inform this EIA, such as the results of consultation, service take-up, service monitoring, surveys, stakeholder comments and complaints where appropriate.</p> <p>If you have undertaken consultation as part of the proposal, the consultation manager will upload it on to the corporate database.</p>			<p>Evidence used:</p> <ul style="list-style-type: none"> • Consultation with the Financial Inclusion Partnership • Engagement with staff and Trades Unions 	

	<ul style="list-style-type: none">• Guidance from DWP, including current policy and eligibility relating to the Social Fund• Local and national information on current take up of Crisis Loans and CCGs
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5.a Are there any gaps in your evidence or conclusions that make it difficult for you to quantify the potential adverse impact?

The scheme has been subject to consultation with key stakeholders, through the Financial Inclusion Partnership. This is made up of agencies which have a role to play around local welfare provision, tackling poverty and improving financial inclusion in Bolton.

It will be necessary to keep the scheme under review following its implementation, to ensure that take up and its effectiveness is well understood and any issues responded to accordingly.

5.b If so, please explain how you will explore the proposal in greater depth or please explain why no further action is required at this time.

It is proposed to review the scheme following its implementation, to identify any unanticipated impact or barriers to access which may have arisen. Should this occur, the scheme will be amended accordingly.

In addition, it will be necessary to work with partners to ensure that partners are able to make referrals to the scheme and raise awareness of the scheme with potential applicants. Similarly, it will be important to work with DWP to manage the transition from the current scheme to the new arrangements up to and beyond 1 April 2013.

You may wish to consider undertaking secondary data analysis, further consultation or research or investigating best practice. If you are planning to undertake further consultation or research as a result of this EIA, please contact the Consultation Manager on ext. 1083.

Equality Impact Assessment

Part 2: Consultation Form

(To be completed where consultation has been undertaken)

This report is for decision and is therefore subject to an Equality Impact Assessment. The proposal was also subject to consultation and this Equality Impact Assessment (Consultation Form) provides details of the consultation results.

The following questions have been completed to ensure that this proposal, procedure or working practice does not discriminate against any particular social group. This has been ensured by undertaking consultation. Details of the outcome of the consultation have also been included in the main body of the report.

This form asks you to provide details of all the consultation undertaken specific to the proposal you are making, either prior to the EIA or as part of it and the results of this.

1. Consultation with staff

- a. Please summarise the consultation undertaken with staff and their Trades Unions regarding this proposal.

Informal engagement with staff and their Trade Unions has taken place.

- b. Please summarise the results of this consultation, including key issues arising and any changes being made to the proposal as a result of the consultation

The proposals were accepted and no changes have been made.

2. Consultation with customers and other stakeholders

- a. Please summarise the consultation undertaken with customers and other stakeholders regarding this proposal (refer back to the stakeholders identified in your screening form)

A series of questions were posed regarding the provision of food parcels and help with travel & fuel costs. In response to this Storehouse will be operating a bespoke service for LWP customers that will be targeted at the most vulnerable customers including more responsive deliveries and pick up points for food parcels across the Borough. More recently it has been agreed that travel cards will be the best way to support customers with their travel needs, whilst Pay Point will be used to support people with fuel costs.

- b. Please summarise the results of this consultation, including key issues arising and any changes being made to the proposal as a result of the consultation

See above

This EIA form and report has been checked and countersigned by the Departmental Equalities Officer before proceeding to Executive Member(s)

Please confirm the outcome of this EIA:

No major impact identified, therefore no major changes required – proceed	<input type="checkbox"/>
Adjustments to remove barriers / promote equality (mitigate impact) have been identified – proceed	<input checked="" type="checkbox"/>
Continue despite having identified potential for adverse impact/missed opportunities for promoting equality – this requires a strong justification	<input type="checkbox"/>
Stop and rethink - the EIA identifies actual or potential unlawful discrimination	<input type="checkbox"/>

Report Officer

Name: John Rowlands

Signature: JR

Date and Contact No: Ex. 1506. 28th February 2013

Departmental Equalities Lead Officer

Name: Sarah Griffiths

Signature: SG

Date and Contact No: Ex. 1382. 28th February 2013