

**EXECUTIVE  
COMMITTEE**

**12<sup>th</sup> March 2013**

**LOCAL WELFARE ASSISTANCE**

Relevant Portfolio Holder	Councillor Mould, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All

**1. SUMMARY OF PROPOSALS**

- 1.1 On the 15<sup>th</sup> January 2013 members considered a report on the new arrangements for the administration of Community Care Grants and Crisis Loans. This report considers the operational arrangements for the delivery of this new service.

**2. RECOMMENDATIONS**

**The Executive is requested to RESOLVE that**

**subject to any comments, the proposal for operation of the Scheme set out at Appendix 1 be approved.**

**3. KEY ISSUES**

- 3.1. The Welfare Reform Act 2012 abolishes Community Care Grants and Crisis Loans for living expenses from the 1<sup>st</sup> April 2013. A non-ring fenced grant is to be paid to Worcestershire County Council based on 2011 Community Care Grant expenditure and 2006 Crisis Loan expenditure. The funds have been transferred to local authorities as they are better able to take into account local knowledge and target the most vulnerable individuals. It has been agreed that the Council will receive delegated authority to administer these funds.
- 3.2. Community Care Grants are currently payable to anyone in receipt of certain income-related benefits in certain circumstances. They are non-repayable grants awarded for range of expenses including household equipment and are primarily intended to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families. Average initial award £437.
- 3.3. Crisis Loans are interest-free loans available to anyone (whether on benefit or not) who cannot meet their immediate short-term needs in an emergency or as a consequence of a disaster, where there is an immediate risk to their health or safety. Repayments are deducted from benefit, and suitable recovery arrangements are made for those not on

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benefit. The average award was £82. Applicants may be awarded a Crisis Loan for four separate reasons:

- items or services;
- rent in advance;
- general living expenses; or
- alignment payments to cover living expenses up to the first payment of benefit or wages

**Financial Implications**

**Funding for the scheme**

3.4.1. The funding for the Scheme has been allocated across the County pro-rata to the data for the 2011/12 actual expenditure as follows:

<b>Crisis Loans (Items &amp; Living Expenses)</b>	<b>Number of applications</b>	<b>Successful applications</b>	<b>Expenditure 2011/12</b>
Redditch	2,020	1,540	£100,800
<b>Community Care Grants</b>	<b>Number of applications</b>	<b>Successful applications</b>	<b>Expenditure 2011/12</b>
Redditch	570	270	£127,300
<b>TOTAL</b>	<b>2,290</b>	<b>1,810</b>	<b>£228,100</b>

3.4.2. The actual grant allocation is based on the 2006 expenditure levels which mean that Redditch will receive 10.64% of the total allocation for the County based on 2011/12 demand. The funding for administration has been allocated in the same way. Funding has only been agreed for two years.

<b>2013/14 Funding Allocation</b>	<b>% based on expenditure 2011/12</b>	<b>Programme Funding Allocation</b>
Redditch	21.42%	£202,906
<b>2013/14 Funding Allocation</b>	<b>% based on number of applications</b>	<b>Administrative Funding Allocation</b>
Redditch	22.23%	£43,390

**3.4.3 Existing demand**

3.4.4. It has been difficult to predict demand as DWP demand is only available at local level on number of awards. There is national data on the number and type of awards but there is no certainty that the payment was actually used for the purpose requested.

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**3.4.5. Data available on awards for Redditch:**

**Community Care Grants**

Awards to lone parents	32%
Awards where household included children under 5	29%
Awards where no children under 16	56%
Awards to people less than 54 years of age	87%
Awards to people less than 24 years of age	21%
Awards where household was a single female	44%
Awards where household was a single male	35%

**Crisis Loans Items**

Awards to lone parents	16%
Awards where household included children under 5	16%
Awards where no children under 16	79%
Awards to people less than 54 years of age	99%
Awards to people less than 24 years of age	48%
Awards where household was a single female	30%
Awards where household was a single male	62%

**Crisis Loans Living Expenses**

Awards to lone parents	18%
Awards where household included children under 5	20%
Awards where no children under 16	74%
Awards to people less than 54 years of age	96%
Awards to people less than 24 years of age	38%
Awards where household was a single female	35%
Awards where household was a single male	53%

**Items most commonly requested under CCG**

**Item requested**

Beds and bedding	38%
Clothing	14%
Kitchen/dining utensils	13%
Carpets/Curtains	8%
Other	8%
Cookers	8%
Seating	5%
Washing Machines	3%
Fridges	2%
Removal Expenses	1%

**Main uses of Crisis Loans Living Expenses**

Care Leavers – 16-18 year olds
Disabled
Prisoners and young offenders

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Rent in advance – moving home (families security relevant) and leaving care.

Lost or stolen giro

Capital not realisable

Reconnection of fuel supply

Benefit spent

Benefits disallowed or sanctioned (to remain with DWP as hardship awards)

Disaster

**3.4.6. Budgetary control**

There are two main reasons that close budgetary control will be required. The grant is a fixed amount and there is no provision for extra spend (there may be some flexibility by using Discretionary Housing Payments and Homeless funds). The grant given is less than current demand.

**Legal Implications**

3.5. There are no legal implications.

**Service / Operational Implications**

3.6 This is a new service to be provided by the Council for which there is limited guidance available on customer demand.

**Customer / Equalities and Diversity Implications**

3.7. The proposed scheme provides flexibility for officers to respond to individual demands being placed on the service because the details in terms of customer likely demands are largely unknown.

**4. RISK MANAGEMENT**

There is a risk that the budget will prove to be inadequate because it is based on historic levels of demand.

**5. APPENDICES**

Appendix 1 – Proposed local scheme

**6. BACKGROUND PAPERS**

There are no background papers with this report.

**REDDITCH BOROUGH COUNCIL**

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**AUTHORS OF REPORT**

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**Proposed local scheme**

**Essential Living Fund**

**1. Introduction**

- 1.1. A local scheme, working title Essential Living Fund, is being designed to help local people in financial crisis out of immediate hardship and offer them advice and support to maintain their financial independence.
- 1.2. The scheme will link to the following strategic purposes;
  - Help me live my life independently.
  - Help me back to financial independence.
  - Help me find somewhere to live in my locality.
- 1.3. Delivery will be mainly face to face to understand the customer's needs and provide the appropriate support. The scheme will be delivered by the Housing Options and Benefits Service. It has been agreed to use the administration funding to recruit additional officers to support delivery of the scheme. Other partner organisations will be engaged to access the scheme, such as registered housing providers and organisations supporting resettlement. The scheme will mostly be grant based but will allow, where appropriate for repayable interest free loans. To avoid potential abuse of the system the provision of goods and appliances will be preferable but where the need arises for cash payments this will be provided.

**2. Purpose of the scheme**

- 2.1. The purpose of the Essential Living Fund is to:
  - Provide support to individuals to establish themselves in the community following a transition from care or prison.
  - Prevent serious risk to the health, well-being or safety of financially excluded residents.
  - Help individuals back into financial independence following a crisis.
  - Maximise the use of local discretionary funds, Discretionary Housing Payments, Homelessness Funds.

**3. Eligibility**

- 3.1. Only individuals who are local residents of Redditch will be eligible for the scheme. Additionally the individual must not have moved to the above areas specifically for the purpose of obtaining an award unless the move

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is related to re-settlement or fleeing domestic violence. Priority will be given to individuals who have recourse to public funds.

3.4. One of the main principles of the scheme will be that an award will only be made where other funding streams are not available. This may include:

- Section 17 payments from County Council under the Children's Act to provide welfare for children in need.
- Care leavers grants
- Social service payments
- Department of Work and Pensions (DWP) payments:
- Budgeting loans
- Benefit alignment payments
- Where a state benefit has been sanctioned or disallowed.
- Statutory social fund payments, winter fuel allowance, Sure Start maternity Grants, Funeral payments.
- Fair Access to Care Services (FACS)-statutory duty to provide medical or disability equipment.
- Where the applicant could receive assistance, either through their own resources or where other people could support them.
- Rent in advance, rent deposits or rent top-ups where a Discretionary Housing Payment can be made.
- Where private insurance could cover costs of damage or replacement.
- Where another individual or organisation is obligated to provide recompense i.e. landlord.

Requests for assistance where budgeting issue will not lead to an emergency or crisis.

#### **4. Potential Suppliers**

The scheme will utilise the local voluntary sector to help provide the goods and provisions needed. This will support local providers and employment opportunities.

#### **5. Appeals Process**

Individuals wishing to challenge a decision can request an internal review of the decision where an officer not involved with the original decision will decide if the original decision fits the scheme purpose.