
**Manchester City Council
Report for Resolution**

Report To: Health Scrutiny Committee – 13 December 2012
Executive - 16 January 2013

Subject: Local Welfare Provision for 2013/14 – 2014/15

Report Of: Liz Bruce, Strategic Director, Adults, and:
Richard Paver, City Treasurer

Summary

This report asks Executive to consider the proposed management and delivery of the Local Welfare Provision grant from the Department for Work and Pensions (DWP) for 2013/4 and 2014/15. These changes are part of the widespread reform of benefits and financial support as part of the Government's Welfare Reform bill.

The grant for local welfare provision will replace the Community Care Grants and Crisis Loan scheme currently administered by DWP which is being abolished and devolved to local authorities from 1st April 2013.

This report outlines the delivery model options considered, the resources required to administer the funding and makes recommendation on how the grant should be allocated to meet the needs of vulnerable residents in Manchester.

Recommendations

Executive are asked to review the proposal for the delivery of Local Welfare Provision for 2013/4 and 2014/15 and are recommended to

- Approve the recommended approach, in that the Council will have a scheme for Local Welfare Provision from 1st April 2013, and provide both grants and loans based on an agreed eligibility criteria;
 - Approve the proposed eligibility criteria and exclusions;
 - Agree that the scheme is subject to a review following a period of 12 months.
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Wards Affected:

All.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The set up, programme and administrative funding that Manchester City Council will receive as a non-ringfenced grant from the Department for Work and Pensions is outlined in the table below:

Manchester Funding:				
Funding / Year	2012/13	2013/14	2014/15 (Indicative)	Total
Set Up Funding	£27,219			£27,219
Programme Funding		£2,721,885	£2,721,885	£5,443,770
Administrative Funding		£575,155	£527,191	£1,102,346
Total	£27,219	£3,297,040	£3,249,076	£6,573,335

The funding for 2014/15 is indicative and the final figure will be based upon discretionary Social Fund spend in Manchester for the 2012-2013 year. This data will not be available to the Department for Work and Pensions until after April 2013 and DWP will notify the Council of the final figure in Autumn 2013.

Funding beyond 2014/15 has not yet been determined by DWP.

Financial Consequences – Capital

None.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Local Welfare Provision for 2013/14 – 2014/15 – Equality Impact Assessment

1. Introduction

The Government is introducing a wide range of changes to the social security benefits system under the Welfare Reform Act 2012 and the Pensions Act 2011. A key change will be to the discretionary elements of the Social Fund which currently seeks to meet a range of needs that are not met by regular benefit or tax credit payments and is administered by Department for Work and Pensions (DWP)/Jobcentre Plus (JCP).

From 31st March 2013, Community Care Grants (CCG) which meet, or help meet a need for community care; and Crisis Loans (CL) (for general living expenses) which meet, or help meet an immediate short term financial need, will be abolished and replaced with a non-ring fenced grant paid to local authorities in England to provide new local welfare provision starting 1st April 2013.

Appendix One provides details of the current social fund set up and the changes from 1st April 2013. It should be noted that a large proportion of the social fund remains and it is only the discretionary areas of the Social Fund that are being abolished.

It is also important to note that 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.

This report outlines the options considered and recommendations for provision from 1st April 2013.

2. Background – The Current Scheme

2.1 Eligibility and Entitlement

The current DWP CCG/CL scheme meets a range of needs that are not met by regular benefit or tax credit payments. Typically residents receiving support are on low incomes, suffering financial hardship, have been subject to an emergency or disaster situation (e.g. fire or flood), and are at the point of crisis. Examples of customers include:

- Families under exceptional pressure;
- Homeless people or rough sleepers;
- Vulnerable older people;
- People fleeing domestic violence;
- Young people leaving care;
- People moving out of institutional or residential care;
- Ex offenders leaving prison or detention centres;
- Chronically or terminally ill people;
- People with alcohol or drug issues;
- People with learning difficulties;
- People who have been subject to a civil contingency / major incident.

Customers currently receive housing related support including the provision of white

goods and furniture to set up home or help remain in home, or support around immediate general living expenses such as the provision of food or payment of utilities. DWP also provide residents with cash grants for the furniture/white goods and loans for living expenses which are then clawed back direct from their benefits. Examples of real case studies of how the (soon to be abolished) DWP scheme supports residents are shown in Appendix Three.

The examples are provided for information only and it is clear that it is not necessary, nor would it be appropriate, to replicate the current scheme as there is general acceptance that this is not working as effectively as it could do.

Whilst the current scheme has supported some residents to achieve positive outcomes, it has also suffered from increasing reactive demand, poor targeting of support including low uptake by some customer groups (for example over 65s), anecdotal issues with the quality of decision making, a lack of monitoring of customer outcomes as well as being at risk of the misuse of cash funds and in some cases creating and perpetuating dependency and negative behaviours (for example spending all the benefit award inappropriately and then requesting a crisis loan).

The vast majority of claims are made by phone or by post and this has resulted in, until recently, escalating demand and spend. Spend for 2013/14 is expected to reduce nationally and this is due to the DWP changing the entitlement criteria to reject increasing numbers of claims and reduce spend in this area.

The single biggest users of crisis loans within the DWP have always been in the age group 25-34, and there is a dramatic reduction in the number of awards after the age of 54. Appendix four provides a breakdown of awards based on claimant demographics, including age, disability, and single parents.

There is also a perceived duplication of payment between other statutory and non-statutory and discretionary payments.

Finally, the process of providing crisis loans to people in receipt of Income Support up to a maximum of £1,500 which is ultimately deducted from future benefit awards until clear could be seen as short sighted. Although there is no interest, £1,500 of debt to a person in receipt of Income Support is a substantial amount of money that reduces ongoing benefit by several pounds per week and has to be repaid should a person start work. There is also no holistic support to ascertain if the customer owes other people /agencies and no supported budgeting or financial advice offered even though customers may have presented many times over many years.

2.2 Volumes and Claimant Details

The table below shows the number of claims and subsequent successful awards for Manchester residents. It shows individual payments and grants only and does not show how many people these were from.

Trends in applications and awards highlight a number of important factors for consideration; firstly that the number of residents accessing the discretionary Social Fund is considerable - possibly due to the current economic crisis and changes to

welfare payments, and secondly that the current system is not tackling the cycle of dependency due to the high number of repeat applications.

Community Care Grants (CCG) and Crisis Loans (CL): Trend Analysis

Year	Applications			Awards			Expenditure (£000)		
	CL	CCG	Total	CL	CCG	Total	CL	CCG	Total
2005/06	15,800	9,520	25,320	10,550	5,380	15,930	£1,001	£2,273	£3,275
2009/10	41,270	9,780	51,050	31,060	4,640	35,700	£3,196	£2,437	£5,634
2010/11	35,100	9,580	44,680	27,040	4,820	31,860	£2,787	£2,386	£5,174
2011/12	23,480	8,100	31,580	17,820	4,230	22,050	£1,067	£2,119	£3,186

Manchester: Source DWP: <http://www.dwp.gov.uk/local-authority-staff/social-fund-reform/localisation-data/>

3. The 2013/14 Scheme

3.1 Funding Provision

The Government have confirmed the final amount that will be paid to the Council to administer and deliver the scheme in 2013/14 as £2.72m, with the monies paid as a non-ring fenced grant to the Council by the end of March 2013.

This figure reflects the DWP's current 'spend' on both administration and grant/loan awards, including the funding for 1st tier reviews, however the funding associated with the Independent Review Service (2nd tier reviews) will not be made available to Local Authorities on the basis that there is no legal requirement to provide an independent review for Local Welfare Provision.

The funding for 2014/15 is still indicative and the final figure will be based upon discretionary Social Fund spend in Manchester for the 2012-2013 year. This data will not be available to the Department for Work and Pensions until after April 2013 and DWP will notify the Council of the final figure in Autumn 2013.

The set up, programme and administrative funding is outlined in the table below. This highlights a potential shortfall of £0.46m when compared to 2011/12 demand and spend. The concern is that welfare reform changes which are yet to impact may add to this pressure.

Funding / Year	2012/13	2013/14	2014/15 (Indicative)
Set Up Funding	£27,219		
Programme Funding		£2,721,885	£2,721,885
Administrative Funding		£575,155	£527,191
Total	£27,219	£3,297,040	£3,249,076

3.2 Government Expectations

The Government has not placed any duty on Local Authorities on what the replacement provision should look like, but has indicated that support will be provided that:

- in order to avoid a gap in support for vulnerable people must be in place from 1st April 2013.
- will be concentrated on those facing greatest difficulty in managing their income;
- should reflect the needs of the local area and communities;
- will enable a more flexible response to unavoidable need (e.g. perhaps through a mix of cash or goods and aligning with the wider range of local support which local authorities already offer);
- will enable a more joined-up delivery i.e. is flexible in a way that is suitable and appropriate to meet the needs of local communities and will build upon existing local programmes and services already in place.

3.3 Meeting Strategic Priorities

The flexibility provided by government in the design and implementation of the new Local Welfare Provision from 2013 means that the Council has the opportunity to both utilise the lessons learned from the current scheme as well as to align future delivery to Manchester's key strategic priorities for 2011-15.

The new scheme will support the delivery of our strategic priorities through delivering positive outcomes for residents including:

Strategic Priority for 2011-15	Outcomes which the new Local Welfare Provision will support to achieve
Promoting private sector growth	<ul style="list-style-type: none"> • Create desirable neighbourhoods, through reducing crime, anti-social behaviour and reoffending rates;
Reducing worklessness	<ul style="list-style-type: none"> • Tackling barriers to employment such as accommodation, health, family circumstances; • Supporting recovery from crisis and the promotion of equality; • Promoting independence and reducing dependency upon welfare and services;
Raising aspiration	<ul style="list-style-type: none"> • Reducing instances of child poverty through improving early-life experiences and family support to help break intergenerational cycles of poverty; • supporting families in crisis; • Improving residents physical and emotional health and wellbeing; • Supporting residents to return to or remain in the community, and take full part in community life; • Supporting residents' independence by 'breaking the cycle of dependency' upon welfare support and long term services. • Making communities safe and feel safer through reducing crime, anti-social behaviour and re-offending rates; • Improving residents' financial wellbeing and the reduction of debt.

The new scheme will focus on prevention and early intervention, addressing customer needs before they escalate and require more costly intervention from targeted and specialist services such as social services, or from our partners in Health, Police and Probation.

Where grants are provided they will be replaced with the provision of goods or services. It is also acknowledged that cash loans administered correctly can provide a flexible solution to meet a range of needs and when linked to the provision of financial advice can support residents with positive financial management and budgeting.

The Council will work with delivery partners such as the voluntary and community sector, registered providers and the advice sector to identify residents that require support and will manage a referral process into the service. Support will be prioritised to the most vulnerable customers/priority groups. Residents who do not meet eligibility criteria will be signposted to the wider offer of universal services and support available from the third/community and voluntary sector.

It is intended that as the scheme develops the grants and loans are linked in with the work that the Council is doing with complex families and other community budget cohorts. The Council may in the future determine that additional financial support in the form of a loan or grants is conditional on people engaging with other services or programmes, as it may be an indicator of other underlying issues e.g. families with chaotic lifestyles or frail elderly residents who need a wrap around service. The advice and support that is provided should also include a pointer to employment support and skills as well as a challenge to people to access them.

The Manchester scheme will also consider and avoid duplication with the range of other mandatory and discretionary support offered by the Council and support, grants and donations from other government agencies and third sector organisations. A full list of financial support offered by the Council is attached as Appendix Five.

A full Equality Impact Assessment (EIA) for the new Local Welfare Provision scheme has been undertaken with consideration to the protected groups and the public sector equality duty. As the scheme is developed in more detail then equality issues will be addressed at each stage of the design with the EIA form updated.

4. Proposed Offer for 2013/14

4.1 Consideration and Rationale

There are a range of options available to the Council. For financial, strategic and operational reasons it would not be appropriate for the Council to simply recreate the current system as it is recognised that it is not fit for purpose, does not improve outcomes for residents and without any other support and intervention has the potential to perpetuate dependency by failing to promote financial independence and positive personal behaviour and responsibility.

Although there is no duty on the Council to provide a scheme and if it so determined

could choose not to do anything other than offer services within the range existing discretionary schemes, including section 17 payments (Children's Services), Discretionary Housing Payments (Benefits), etc the thinking to date has been to develop a service to meet local priorities for year one administration separate to such schemes.

In the longer term it is expected that such discretionary awards will be reviewed and the Council will look at mapping support that has been provided across households in the City to ensure that there is a holistic approach to financial support and intervention and that these discretionary budgets are managed appropriately.

Other than headline statistics provided by the DWP the Council will not have details of previous claimants or outstanding loans. Budgets will also have to be carefully managed for both administration and grants/loans. The planned rollout of Universal Credit in Manchester from October 2013 is likely to increase the number of residents looking to local welfare provision for financial support due to the introduction of the household benefits cap, changes to Council Tax Benefit and under-occupation in the social sector which all mean that a large number of families will be worse off next year. It should be noted that the limited funds available means that this fund will not be able to mitigate the impacts of the wider welfare reform changes on Manchester residents.

The biggest challenge within the scheme will be to manage customer demand (some of which will not be realistic or supported based on the DWP's abolished scheme) and manage the limited and finite budget throughout the year. The level of vulnerability within the client base means that money must be carefully managed to ensure that requests later in the financial year can still be covered and that budget has not run out.

It is therefore essential that the Council's year one scheme is limited in provision to allow us to manage budget and demand and be able to react to learning as the scheme develops and matures.

In order to support residents to become more independent, it is proposed that some of the grant allocation should be used to link residents accessing loans and grants to wider preventative services such as advice and signposting to increase independence and reduce dependency upon the limited support available.

4.2 Proposed Offer

It is proposed that the Council's scheme offers grants, loans and basic budgeting/ financial advice to support residents accessing the scheme.

Typically, we will categorise these groups/scenarios into 3 areas of need:

1. Residents being re-housed/resettled into new accommodation due to either fear of violence, significant health/care needs or a disaster or emergency;
2. Residents requiring support to stay within their home and maintain independent living, with significant and enduring medical/care/support needs;
3. Residents requiring immediate financial assistance.

For areas 1 and 2 above, providing eligibility is then met, the Council will consider a

grant award in which goods/items will be provided. Residents requiring immediate financial assistance the Council will look to consider a repayable loan up to a maximum level.

4.3 Grants

4.3.1 Eligibility Criteria and Exclusions

Eligibility criteria will be used to ensure that the funds are targeted at the most vulnerable residents and those with greatest need.

The proposed criteria are that funds will only be provided to residents who:

- (i) Live within the Manchester area¹;
- (ii) Are on a low income and with no savings (level yet to be determined but will link into benefit levels)
- (iii) Are aged 16 or over;
- (iv) Have needs/circumstances in which without support would have a negative impact on their health and safety and wellbeing.

It is proposed that the following exclusions to support will be made in circumstances where residents:

- (i) are already receiving support from other areas (we will not duplicate funds);
- (ii) have no recourse to public funds (NRPF) status (will be considered as part of the Section 21 funding arrangements with Adults' Directorate);
- (iii) have exceeded the maximum number of funding awards over a 12-month period (see section 4.3.2).

In future years the Council would like to consider linking support to wider conditionality in respect of expected behaviours and actions, particularly where the household is classed as a complex family.

Decisions on eligibility and exclusion will be reasonable and rational and subject to a certain degree of flexibility and discretion in order to meet exceptional cases as and when necessary.

4.3.2 Awards

1) Re-homing and Resettlement

For people requiring a grant due to re-homing/resettlement into a new home, as a general rule the Council will consider the following 'minimum essential requirements' to assist in the set up of a new home. The limited funding and high level of expected claims means that this has been limited to life and limb support.

This will include ensuring that:

- Each member of the household has a bed;

¹ Residents will require a 'connection to Manchester', which will be defined as where a person:

- Has a tenancy agreement or is ordinarily resident within the area covered by Manchester City Council, or
- Are homeless or with no fixed address but are in receipt of benefits within Manchester.

- Families are provided with a fridge;
- Households have access to cooking facilities - a microwave for single claimants and a cooker for couples and families.

It should be noted that the Council's grant is intended to provide immediate essential support only and will not provide any cash support. Items will only be provided where they do not have them already. There will be a limit of 1 award per household or individual, over a rolling 3 year period (to tie in with the lifespan of the items), unless there are exceptional circumstances otherwise.

For other financial or practical support residents will be referred on for a financial loan, basic money advice and support via the voluntary community (see section 4.4).

Residents will also still be able to access the range of statutory and discretionary schemes administered by the Council (see Appendix Five).

2) Residents requiring support to stay within their home, with significant and enduring medical/care/support needs

This section is more complex and it would be appropriate to take a holistic view of the resident and their wider support package, including liaising with colleagues in the Adult's and Children's Directorates to ensure that appropriate support is provided.

This area is not limited to 'minimal essential requirements' as described above and will be considered based on the individual needs of the household.

Providing that there are evidenced, significant and enduring medical, care or support needs the Council will consider a grant to support and maintain independent living.

Support could include:

- Essential household items, furniture, specialist beds, bedding and household equipment, floor covering, washing machines, dryers and heaters.
- Items needed because of disability not covered by the Aids and Adaptations Budget (including special clothing, an orthopaedic mattress or an upright armchair).

Items will only be provided where they do not have them already. There will be a limit of 1 award per household or individual, over a rolling 3 year period (to tie in with the lifespan of the items), unless there are exceptional circumstances otherwise.

3) Residents requiring immediate financial assistance

Residents who require immediate financial assistance because they are suffering financial hardship due to an emergency or disaster situation and are at the point of crisis, will be supported through the provision of low interest loans and where appropriate the provision of welfare advice and information services (see sections 4.4 and 4.5).

4.4 Low Interest Loans

The Council proposes to offer a low interest loan scheme for residents who are in crisis in order to avert a serious risk to health or safety following an emergency or disaster, where no other means are available to the resident or their family.

The types of customers seeking loans from the Local Welfare Provision are typically those residents who have been turned down for mainstream finance from high street banks. Whilst there is increasing availability of 'crisis' type loans provision both locally and nationally, these are typically from payday lender companies charging high levels of interest which the Council would want to avoid pushing residents towards. The market place for socially responsible lending in Manchester is underdeveloped and there is an opportunity for this funding to develop capacity within the market place, testing new models of loans provision alongside additional support and advice.

Due to the high risk factors around non-collection of loans, all loans would need to be underwritten using the grant funding provided to minimise the risk involved. Money recovered via the loan would be returned to 'the pot' creating greater sustainability of funds.

The model for loans will need to be developed, however it is proposed that a maximum limit of £200 in any 12-month period would be set to ensure that residents do not go into significant amounts of debt beyond their means. To put this in context the average award for a crisis loan under the previous DWP scheme was £60. A maximum of three loans could be awarded per 12-month period, although decisions on further loan awards will be based on engagement with support and repayment of loans.

Further restrictions to the eligibility criteria for this area may need to be applied in order to manage expected demand and ensure that the funding is not overspent. This will be undertaken in accordance to the principles of the scheme and with consideration to the protected characteristic groups and the public sector equality duty.

4.5 Provision of Welfare Advice and Information Services

The provision of welfare advice and information services would enable residents to be supported through advice on areas such as basic financial wellbeing advice, budgeting and money management, debt management, income maximisation as well as being signposted to appropriate support within their area/communities. Residents will be signposted to this support along side furniture/white goods or loans provision when a need has been identified to support in the prevention of further needs arising or escalating.

5. Recommended Approach

The recommended delivery approach is for a mixed economy approach. This would require the Council to:

- Recruit a Client Manager to manage the Local Welfare Provision Scheme and any 3rd party contracts on behalf of the Council,
- Set up an in-house team to manage a grants scheme;
- Commission a loans service from a third party organisation;
- agree a communications plan ready for the new financial year ready to manage customer demand and expectations and mitigate impact on frontline services.

6. Delivery of the New Scheme

The new Local Welfare Provision service will sit strategically within the Directorate for Adults, Health and Wellbeing (setting the future policy/strategy/outcomes). The day to day administration and management of the scheme will be part of the Revenues and Benefits Unit.

6.1 Administration of the New Scheme

Operational delivery will include the management of a small and new back office team who will process the customer applications, including using the data/evidence collected via web application to make any eligibility and award assessments, to record any decisions, to inform customers, arrange any payments/referrals to delivery partners, and to monitor the performance of the service and financial management of funds.

6.2 Loan Administration

The Council has no viable facility to provide this in-house and the recommendation is to source this support externally from a provider or providers that:

- 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;
- has a city wide reach, with branches/offices across the city;
- has a track record of administration and recovery of loans given the challenging financial situation of many of the recipients; and
- has the ability to provide loans from 1st April 2013.

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.

6.3 Budget Allocation

Set Up Costs

In 2012/13 the City Council has been allocated just over £27,000 to support the set up costs related to the new scheme. In the main this will be to fund the cost of establishing an appropriate ICT system. The actual costs of the system are yet to be confirmed and conversations are ongoing with potential suppliers.

Programme Funding

At this stage detailed financial planning and budgeting can only be estimated. The new Council scheme, as yet, has no history of demand or spend. On this basis the budget requirement and resources have been established based on best estimates and expected spend using past demand of the previous DWP scheme, adjusted where possible for activity/cost assumptions against the Council's new scheme proposals. This is not without risk and delivery will have to be carefully monitored and managed. A contingency of £250,000 of programme funding has been set aside to support potential fluctuations against assumptions.

It must be made clear at this point that the Council has not been funded to the level of DWP activity in 2011/12 which was intended to provide the basis for the national allocation of grant to all Local Authorities. DWP spend in 2011/12 was circa £3.18 million, whereas the programme funding to be made available to the Council to run its scheme is £2.72 million. This is a potential shortfall of £0.46 million which will necessitate strict control on eligibility and clear signposting to alternative providers as required, to ensure these scarce resources are targeted appropriately.

Initial assumptions include an allocation of £1.462 million to support the existing furniture scheme within the Council and £850,000 to underwrite a loan scheme through a third party supplier. The allocation to support both loans and furniture provision is lower than that of 2011/12 payments, with a reduction of £0.23 million for loans and reduction of £0.657 million for furniture; to address this the Council will utilise more targeted eligibility criteria, lower unit costs for furniture/white good items, and a more a restrictive offer in only funding residents essential needs. Furthermore, the activity and spend against the programme funding will be considered alongside other discretionary budgets held by the Council to ascertain whether there has been any impact as a result of the implementation of new scheme.

If the programme and subsequent repayment of loans proves successful then the recycling of resources will enable the available funding to support those in temporary urgent need to grow.

Welfare advice will be made available as part of the proposed scheme, however, where individuals/families show continuing reliance on emergency support this must result in signposting to the relevant professionals and agencies to ensure that a family is not on the edge of crisis.

Administration Funding

The Council is expected to receive £575,000 in administrative funding. This does not include any assumed funding to deal with appeals. Resourcing requirements are yet to be established along with operational processes and arrangements. However, in addition to the overall Scheme Client manager, it is expected that a new team of approximately 10 staff will be required to deliver the new service based on current demand trends at a cost of around £305,000. The remaining funding will be set aside to support the delivery of a commissioned loan and basic advice service and the procurement of a simple grant management system.

Summary of Proposed Funding Allocation

The table below shows a summary of the proposed funding allocation over 2012/13 and 2013/14. It is recommended that in 2013/14 the activity should be monitored and reported on a monthly basis including the repayment of loans to identify trends and potential pressures.

Proposed Cost Area	Allocation 2012/13	Allocation 2013/14	Assumed Awards	Average	Memo: 2011/12 (DWP Scheme)		
					Costs £	Awards	Average
Set Up	£	£	(2011 data)	£	£	£	
ICT/Systems	£15,000						
Communications	£2,000						
Misc. Set Up Costs (potential capacity for ICT development as costs/spec not yet confirmed and further comms)	£10,219						
	£27,219						
Programme							
Furniture/White Goods		£1,461,885	4,230	£346	£2,119,300	4,230	£501
Loans		£850,000	17,820	£48	£1,067,200	17,820	£60
Welfare Advice Services (estimated at equivalent of 5 FTE x Grade 5 plus on costs)		£160,000					
Contingency Fund to be reviewed after Year 1		£250,000					

		£2,721,885			£3,186,500		
Administration							
In-house Back Office Team		£305,000					
External Delivery (to be negotiated through contract)		£250,000					
Contingency Fund to be reviewed after Year 1		£20,155					
		£575,155					
Total Funding Per Annum	£27,219	£3,297,040					

7. Future Delivery

In the long term, the Council should look to join up the delivery of Local Welfare Provision with the wider delivery of discretionary benefits administered by the Council see appendix five (e.g. Section 17 payments in Children's, Secondary School Clothing Grants, Discretionary Housing Payments, and Section 21 payments in Adults). It would be possible to develop a centralised gateway for the management, award and administration of all benefits/grants/payments to deliver a more streamlined service as well as financial benefits from reduced duplication and smarter targeting of available support. This will need to be considered as a later phase of project delivery due to the short delivery timescales for 1st April 2013.

A further delivery phase could also work towards the AGMA-wide delivery of discretionary benefits/local welfare provision. This would need some considerable planning in terms of agreeing aligned eligibility criteria and delivery model, but may lead to benefits through centralised commissioning e.g. greater economies of scale, reduced overall administration costs, and gathering customer intelligence on a GM level.

7.1 Future Phases

The new Local Welfare Provision will be delivered in a series of phases:

Phase 1: (Work undertaken to develop scheme – up to 31/03/13, to support funding allocations from 01/04/13 to 31/03/13) – work undertaken prior to commencement of the new scheme will ensure provision is in place from 01/04/13. The first year of delivery will be used to gain a better understanding of the customer base being supported by the local welfare provision, in terms of identifying the triggers for support, customer needs, customer demand and usage data, and analyse it from a Manchester perspective (cross referencing it against take up of other benefits as well as other Council provision/support) allowing us to make decisions for any future phases to be based on evidence rather than anecdote. This may therefore lead to a revised delivery model over time which may be more aligned to local need and circumstances. Any commissioning arrangements will be awarded for a minimum period of 12-months covering 2013/14 (but with option for an additional 12 months

covering 2014/15).

Phase 2: (Work undertaken to further develop scheme during the 12 months to 31/03/14, to support funding allocations from 01/04/14 to 31/03/15) – this will consider the development of a revised delivery model based on evidence and intelligence gathered in phase 1 and the success of the loan arrangements to promote the recycling of funds. It may also look to commission the delivery of internal provision externally within the marketplace.

Phase 3: To be determined and will depend upon future grant funding from central government.

This phase should where possible include the centralisation of discretionary grants and awards across the Council and working with colleagues across AGMA to capture synergies and efficiencies.

8. Contributing to the Community Strategy

(a) Performance of the Economy of the Region and Sub Region

Tackling inequalities and personal debt within Manchester society to reduce dependence on loan sharks, "payday borrowing" and recognise that individuals have significant potential to be a 'resource' rather than just a consumer of services.

(b) Reaching Full Potential in Education and Employment

Support residents in essential requirements e.g. clothing and travel, for attendance to interviews, education centres and help individuals, families and neighbourhoods to sustain health and well-being.

(c) Individual and Collective Self Esteem – Mutual Respect

Ability for residents to support their families or themselves during great or sudden misfortune and building the capacity of individuals, families and communities to manage better in the longer term, "moving from welfare to well-being and from dependency to self determination".

(d) Neighbourhoods of Choice

Reduction in crime and homelessness associated with crisis, ensuring residents build networks, friendships and feelings of personal and collective effectiveness which promote health and well-being and support the ability to stay in the community.

9. Key Policies and Considerations

(a) Equal Opportunities

A full Equality Impact Assessment for the new Local Welfare Provision

scheme has been undertaken with consideration to the protected groups and the public sector equality duty.

Any support provided would need to reflect local needs and circumstances and be relevant to meeting needs from all customer groups.

(b) Risk Management

Any external delivery arrangements will require providers to demonstrate arrangements for regular monitoring of data and regular reporting on progress against agreed outcomes. All agreed contracts will be outcome based and continued funding during the contract period will be dependent on achievement of the agreed outcomes. It would also be possible to establish some robust KPIs both operational and outcome, which would help inform future decision making via the Councils' Integrated Commissioning Hub.

(c) Legal Considerations

A full Equality Impact Assessment for the new Local Welfare Provision scheme has been undertaken with consideration to the protected groups and the public sector equality duty.

Any commissioning arrangements will be carried out with full regard to City Council legal and financial rules and regulations.

Appendix One

Summary of current awards administered by DWP, description, their eligibility and amount and details of award

<u>Regulated Social Fund</u>		
	Description	Amount and detail of award
Sure Start Maternity Grants	One-off payment to help with the costs of a new baby	£500 per baby
Funeral Payments	Contribution towards the cost of a basic, low-cost funeral	Necessary costs of specified expenses (mainly burial or cremation) + up to £700 for non-specified funeral expenses
Cold Weather Payments	Help with fuel costs during particularly cold spells	£25 for each week of cold weather (rate applies to 2009-10 only)
<u>Discretionary Social Fund (cash limited)</u>		
<u>Community Care Grants</u>		
Current eligibility criteria	Description	Amount and detail of award
In receipt of: <ul style="list-style-type: none"> Income Support Income based Jobseekers Allowance Employment and Support Allowance (ir) Any type of pension credit 	Grant award Intended to promote care in the community and are for people who have to cope with special difficulties* It can also be used to help with travel expenses in the UK for serious domestic, health or family issues *specific guidance <ul style="list-style-type: none"> leaving institutionalised care If not provided support could end up in institutionalised care Family under exceptional pressure 	Discretionary grant (does not have to be paid back) Decision Makers must take account of all the circumstances of the individual case and decide the priority for payment based on nature, extent and urgency of need Generally only high priority needs are met – many exclusions apply eg health needs, clothing grants Minimum award £30 (except for daily living expenses or travelling expenses) and there is no maximum
<u>Budgeting Loans</u>		
In receipt of one the following benefits for at least 26 weeks: <ul style="list-style-type: none"> Income Support Income based Jobseekers Allowance Employment and Support Allowance (ir) Any type of pension credit <p>Savings are considered - £1000 for working age and £2000 for people over 60</p>	An interest free loan if help needed: To buy or pay or repay the following: <ul style="list-style-type: none"> Furniture or household equipment Clothing and footwear Rent in advance or removal expenses Home improvements or security Travelling expenses starting or looking for work expenses HP or other loans 	Minimum loan £100 The maximum an applicant can be awarded is dependent on the budget position and the applicant's personal circumstances, which includes existing budgeting loan debt Repaid automatically as a deduction from ongoing benefit where possible

Crisis Loans		
<p>Claimant aged over 16 to:</p> <ul style="list-style-type: none"> • avert a serious risk to health or safety following an emergency or disaster*, where no other means available to the customer or • moving out of care home or institutional care, and • the tenancy is not Council, and • the person has a community care grant <p>* specific guidance applies as to what constitutes an emergency or disaster</p>	<p>Interest-free loans where there is an emergency or disaster</p> <p>To pay for rent in advance, board and lodging or hostel charges</p> <p>Or for the immediate needs of claimant and family*</p> <p>* reference to restrictions to 3 payments in a year</p>	<p>Discretionary</p> <p>No minimum award.</p> <p>Amount awarded takes into account the customer's circumstances, any savings and the overall individual social fund debt limit of £1,500</p> <p>Repaid automatically as a deduction from ongoing benefit where possible</p>

Appendix Two

Welfare Reform bill proposed changes to delivery of grants and loans currently administered by DWP

Existing Provision	
Current	To Be
Funeral payments	Continuing (DWP)
Sure start maternity Grants	Continuing (DWP)
Cold Weather Payments	Continuing (DWP)
Winter Fuel Payments	Continuing (DWP)
Budgeting Loans	Continuing for legacy claimants – Budgeting Advances will be available for Universal Credit claimants
Community Care Grants	Abolished
Crisis Loans for Living Expenses	Abolished
Interim Payments	Abolished
Crisis Loans for alignment to benefit	Abolished
Independent Review Service	Abolished
New Provision introduced from 1st April 2013	
Current	To Be
Not applicable	Short Term Benefit Advances – introduced from 1 st April 2013 (DWP)
Not applicable	Local Welfare Provision – introduced from 1 st April 2013 (Local Authorities)

Appendix Three

Examples of residents accessing the 'current' DWP scheme

- *Miss B is 20, has a baby daughter living with her and another daughter who is living with a relative. The daughter visits every weekend as part of a Social Services plan for the child to move back in with Miss B permanently. Miss B wants a grant for a cooker, washing machine, fridge, pans, seating, bed, child's bed, bedroom curtains and carpet.*
- *Ms D is 37 years old. As a result of domestic violence, she had until recently lived in a Women's Aid refuge, where she received daily support and attended counselling sessions. She has depression and panic attacks. Her English is limited and she relies on her representative to translate for her. Ms D is staying with a relative while she awaits the outcome of her grant application for items to equip her new flat.*
- *Ms C is a single parent with three children she is in receipt of Income Support. The day after she received her benefit payment she had her purse stolen and has no money to live on until she receives her next benefit payment. She asks for a crisis loan.*
- *Mr K recently split from his partner who has care responsibility for their children. The eldest child has ADHD and Mr K has been advised by several professionals, including the child's GP, his head teacher and health advisor that would help the child if Mr K had more contact with his son. Mr K applied for a grant to furnish a new tenancy so that he could have his children to stay on a regular basis.*
- *Ms B is 62 years old and she shares her home with her son, daughter-in-law and grandchildren. Ms B has mental health problems and incontinence. Her daughter-in-law is her full time carer and was recently diagnosed with anaemia. The application for a grant is to replace worn household items.*
- *Mr V is illiterate, deaf and has learning difficulties. He has been homeless for a year and a local housing association has helped him secure a new tenancy. His grant application is for items to furnish it.*

Appendix Four

Claimant information for claims of Crisis Loans and Community Care Grants

Customer Groups

There is a wide range of residents accessing the current CCG/CL schemes. Current eligibility criteria for CCG and CL vary slightly with CCG requiring residents to be in receipt of means-tested benefits (IS, JSA, ESA, PC) while CL are available to anyone over the age of 16. The table below shows national data for the different client groups accessing CCG/CL:

National Data on Client Groups Accessing Funds	% of CCG Awards	% of CL Awards
Pensioners	10	1
Unemployed	17	63
Disabled	32	16
Lone Parents	26	12
Other	15	8

National Data: Source DWP Policy Budget Management Information System

The data highlights that different client groups typically access different funds, with high numbers of disabled and lone parents requiring CCG support, whereas unemployed residents tend to access CL support. It also shows that pensioners typically don't tend to access either of the current funds. A breakdown by of awards age group is provided below:

Age of Recipient	% of CCG Awards	% of CL Awards
Under 18	1	1
18 to 24	19	29
25 to 34	24	30
35 to 44	23	22
45 to 54	17	14
55 to 64	9	4
65 to 69	3	1
70 to 79	4	0
80 to 89	1	0
90 and over	0	0
Total	101	100

* % figures due to rounding.

Both CCG and CL show similar trends in customer awards with a peak in the age group 25-34, and a dramatic reduction in the number of awards after the age of 54.

Appendix Five

Grants / Payments / Awards administered by the Council and provided to Individuals and Households in Manchester

Directorate	Grant / Payment / Award / Support Scheme Name	Statutory or Discretionary?	What the scheme is for?	Funding Award
Adults	Individual Budgets	Statutory	Support for Adults with substantial or critical social care needs.	Cash, Services or Mixture of two
Adults	Carers Individual Budgets	Statutory	A non-means-tested grant to support carers to take a break and to help alleviate some of the stresses that can arise when caring for someone.	Cash grant
Adults	Funeral Payments	Statutory	MCC has a statutory duty to undertake funeral arrangements for people who have died in Manchester, where no other suitable arrangements can be made.	Cash grant
Adults	Single Adults (Section 21) (NRPF)	Discretionary	Residents who have unresolved immigration status and are destitute receive a maintenance payment where failure to support would be a breach of the Human Rights, under section of National Assistance Act 1948.	Cash grant
Children's	Section 17	Statutory	Financial assistance to promote the welfare of 'children in need' under Section 17 of the Children's Act 1989.	Cash grant
Children's	Foster Carer Discretionary Allowances	Discretionary	Payments to MCC Foster Carers in addition to the weekly Fostering Allowances for Clothing, Uniforms, Travel and Expenses	Cash grant
Children's	Secondary School Clothing Grant	Discretionary	Help with the cost of items of school clothing for children at secondary school	Cash grant
Children's	Sure Start Grants	Discretionary	Temporary help with childcare costs for people on low incomes	Cash grant
Children's	Free School Meals	Statutory	Free school meals for families who get certain qualifying incomes and live in Manchester	Food (School Meals)

Revenues and Benefits	Housing Benefit	Statutory	A national welfare benefit scheme that helps people on low incomes pay rent for the home they live in.	Cash grant
Revenues and Benefits	Discretionary Housing Payments	Discretionary	Discretionary payments residents with unusual or extreme circumstances which are suffering hardship at risk of becoming homeless.	Cash grant
Chief Executives	We Love MCR Charity (formally Lord Mayors Charity)	Discretionary	Funding to support local charities, orgs and groups. Grant	Cash grant
Chief Executives	Home Energy Loan Plan	Discretionary	Energy Efficiency Assistance for the purpose of improving living conditions in Manchester	Payment to contractor/supplier
Chief Executives	Home Repairs Assistance Grant	Discretionary	Home Improvement Assistance for the purpose of improving living conditions in Manchester.	Payment to contractor/supplier
Chief Executives	Property Essential Renovation Loan	Discretionary	Home Improvement Assistance for the purpose of improving living conditions in Manchester	Payment to contractor/supplier