

REPORT TO: Corporate Services Policy and Performance Board
DATE: 11 December 2012
REPORTING OFFICER: Strategic Director – Policy and Resources
PORTFOLIO: Resources
TITLE: Abolition of the Discretionary Social Fund
WARDS: Borough Wide

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to seek Board Members' views and to make recommendations to the Executive Board in relation to the abolition of the Discretionary Social Fund. These changes have been brought about by the Welfare Reform Act 2012 and the transfer of certain grants to local authorities.

2.0 RECOMMENDED: That

- (1) the Executive Board agree that the Council develops its own scheme to replace the current Crisis Loan and Community Care grant schemes, utilising the grant provided by the Government for this purpose;**
- (2) the draft scheme criteria outlined in Appendix 2 to this report be used as the basis for the Halton Scheme;**
- (3) given the tight timescales available to get the scheme in place by 1 April 2013, that delegated authority be granted to the Strategic Director Policy and Resources, in consultation with the Resources Portfolio Holder, to make minor adjustments to the scheme in the light of experience or further information; and**
- (4) the Corporate Policy and Performance Board be requested to review the scheme after the first 3 months of its operation.**

3.0 BACKGROUND/SUPPORTING INFORMATION

3.1 The Executive Board, at its meeting on 18 October 2012, considered a report which outlined that the Government, through the Welfare Reform Act 2012, had abolished Crisis Loans and Community Care Grants and suggested that local schemes be developed by each local authority. Local authorities were to be provided with a grant from Government to

do this but had a discretion as to whether they used the grant for that purpose. A copy of the report considered by the Executive Board can be found at this Link

(18 Oct 2011)

<http://members/documents/s27093/Exec%20Board%20Social%20Fund%2018102012.pdf>

- 3.2 At its meeting on 18 October 2012 the Executive Board resolved as follows:

“That this item be deferred and referred to the Corporate Policy and Performance Board and they be asked to consider the issue and make recommendations to the Executive Board”.

- 3.3 Following that meeting an informal briefing took place for Corporate Policy and Performance Board Members on 30 October 2012 (before the last meeting of the Board). That briefing provided background to the issue and Members provided guidance to Officers on how the Council’s approach might be developed.
- 3.4 Following that meeting Officers have done further work on this, consulting with the Department for Work and Pensions (DWP) [the current provider] and liaising with other local authorities about their approach to this issue. It is clear that, given the essential nature of the support these schemes give to the most vulnerable of individuals, all local authorities appear to be developing their own schemes. Most also appear to be using as the starting point the current schemes and criteria used by the DWP. Again, given the timescales involved this seems a sensible approach.
- 3.5 Following these discussions a draft scheme for both Crisis Loans and Community Care Grants has been produced for consideration and Members’ views are sought on that scheme. Appendix 1 shows a comparison between the current DWP scheme and the proposed new scheme. Appendix 2 shows the proposed criteria for the new scheme without the comparison.
- 3.6 A presentation will be made to Board Members at the meeting that will draw out some of the practical issues of the Council running such a scheme and the risks involved.
- 3.7 Assuming the Council chooses to run such a scheme, then staff will need to be appointed and trained in the scheme before it goes live in April 2013. The Council has been given a grant to cover the administration costs of running the scheme.
- 3.8 Having received the presentation and considered the draft scheme, making amendments where necessary, the Board is asked to approve the recommendations at paragraph 2 to the Executive Board.

4.0 POLICY IMPLICATIONS

- 4.1 The Council has a discretion whether to operate its own version of the schemes but, given the importance of this type of support to the most vulnerable members of the community, it is considered important to provide such schemes.

5.0 OTHER IMPLICATIONS

- 5.1 Control of this expenditure will be extremely challenging. In developing the scheme close involvement will take place with the Internal Audit Team.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 **Children and Young People in Halton**
- 6.2 **Employment Learning and Skills in Halton**
- 6.3 **A Healthy Halton**
- 6.4 **A Safer Halton**
- 6.5 **Halton's Urban Renewal**

As there were over 7,000 applications made in Halton to the DWP last year the scheme will have major implications for many individuals and households in the Borough. It has the potential to affect all Council priorities.

7.0 RISK ANALYSIS

- 7.1 The timescale for introducing a new scheme by 1 April 2013 is very tight. Failure to deliver a working scheme in time would have a detrimental effect on individuals and households who will be most in need.
- 7.2 Any new fund would be cash limited. It is anticipated that demand will exceed the funds available. The risk is for people who access the new service and are not successful, as to what other sources of assistance would be available to them.
- 7.3 An application process and eligibility criteria needs to be established, which meets the requirement of those most in need without exceeding the funds available for distribution.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 The eligibility criteria and application process would have to ensure that no particular groups or individuals were excluded. An Equality Impact Assessment will need to take place once the scheme is agreed.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 There are no background papers under the meaning of the Act.