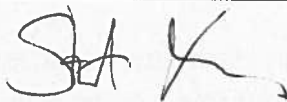


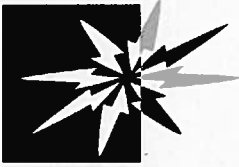


Haringey Council

Report for:	Cabinet – 16/04/13	Item Number:	
Title:	Introduction and Application of the Support Fund		
Report Authorised by:	Stuart Young, Assistant Chief Executive		
Lead Officer:	Paul Ellicott Head of Revenues, Benefits and Customer Services		
Ward(s) affected: All	Report for Key Decision		

1. Describe the issue under consideration

- 1.1 From 01 April 2013, the Government is abolishing the current Community Care Grant and Crisis Loan Schemes. In order to avoid a gap in support for vulnerable people the Government advises that new arrangements will need to be in place from this date.
- 1.2 Responsibility for payments under the “discretionary” category of the Social Fund will become the responsibility of Local Authorities. This covers items such as household equipment, clothing and travel expenses intended to help vulnerable people remain in or return to the community and where immediate short-term need arises following a crisis. In order to avoid confusion with the elements of the Social Fund remaining with Central Government, it is suggested that Haringey’s fund be renamed “Support Fund”.
- 1.3 This report sets out the delivery options and the recommendation for how Haringey Council will deliver the Support Fund going forward.



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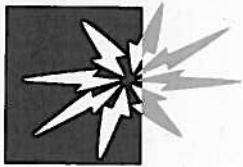
2. Cabinet Member Introduction

- 2.1 This report sets out the how the 15% cut in government funds available to support vulnerable people with discretionary payments will be managed by the council. The government's decision to abolish the Community Care Grant and Crisis Loan Schemes is deeply concerning, particularly when its impact is considered in the wider context of the current welfare reforms which we know will be hitting those vulnerable members of our community who are most in need.
- 2.2 In Haringey we expect to see an increase in demand for support at the same time that this significantly reduced pot of funding has been passed to us to manage. Haringey is a borough with particularly high levels of need and it is imperative that the most vulnerable people in Haringey are supported through the Social Fund. It is, therefore, essential and right to prioritise the allocation of this resource to support those who are suffering most, such as people suffering domestic violence in their lives and children who are leaving care.

3. Recommendations

It is recommended to Cabinet that the following is agreed:

- 3.1 The process commences to procure an external supplier to run the Haringey Support Fund scheme with a proposed contract commencement date after the 1st August 2013. This will be in line with criteria developed by the Council and documented in the specification for the procurement process.
- 3.2 An interim solution will be operational from 1st April until such time as go-live with the new provider, anticipated to be after 1st August 2013. This will be administered in-house to run the delivery of the Haringey Support Fund whilst the procurement process is completed and Cabinet approval on preferred supplier is agreed.
- 3.3 Authority is delegated to the Assistant Chief Executive to make procurement decisions necessary to support the fulfilment of the interim in-house solution. This will be within the allocated financial budget envelope for both administration and awards (value £451,641), as detailed within Section 6 of this report. As part of this, Council also requests delegation of the finalisation of a waiver and award of contract to local supplier ReStore up to a value of £160,000.
- 3.4 That the Support Fund policy set out in *Appendix C* is noted. This will be used during the interim period and to inform the procurement process.



4. Alternative options considered

4.1 The following options were considered, and summarised below:

4.1.1 Absorb the funding to support other Haringey strategies

The funding could be used to support other council aims and objectives in line with current priorities, as follows:

- Work with local businesses to create jobs
- Deliver regeneration to key areas of the borough
- Tackle the housing challenges
- Improve school standards and outcomes for young people
- Deliver responsive, high quality services to residents

This option was not taken forward as it would not fulfil the immediate need of current users of the Social Fund in line with guidance issued by the Department of Works and Pensions (DWP) and as a minimum we would have to signpost those in the community who are most vulnerable to alternative sources of either funding or assistance.

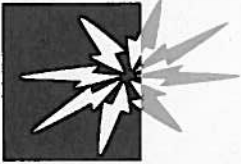
4.1.2 Develop a scheme that replicates the current scheme using additional Council funding

The discretionary arm of the Social Fund will be abolished by the Welfare Reform Act 2012 and local authorities will receive reduced funding to enable them to provide locally-administered assistance to the vulnerable, under existing powers. Given that the funding is restricted annually and applicants may be refused simply on the grounds that the money has run out, Members could approve additional monies being used to support the scheme.

This option is not recommended at this time due to the lack of accurate data to enable the council to establish the efficiency of the current DWP provision and that the objectives of the scheme are fulfilled in targeting the relevant support to those most vulnerable.

4.1.3 Merge with other Hardship schemes within the council

This provision could be linked to other funds available within the authority that support those in need. The option of merging the Support Fund with existing Discretionary Housing Payments, Section 17 payments (for Children's Services) and other Hardship payment related schemes has been considered. Meetings were held with other Directorates to review opportunities for joint working and distribution of funds. However the administrative burden of managing a number of



Haringey Council

varying priorities and the complexity of the Governance and decision making process, made this option not viable within the timeframes.

4.1.4 Set up Scheme In-House

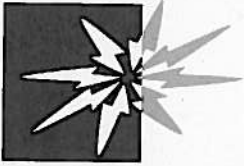
The option of running the scheme in-house as a permanent approach to delivery has been discounted due to the inability to maximise economies of scale that could be achieved by procuring an external provider. For example; the additional cost of purchasing and administering an IT solution to support the scheme. However the interim arrangements for the period up to procurement of a supplier will be delivered in-house.

4.1.5 Partner with other Local Authorities

A significant amount of analysis and liaison with other Local Authorities has assisted in the decision making process. Knowledge and learning has been shared with other Authorities, but there is not the appetite from other Authorities to partner to deliver schemes at this stage.

5. Background Information

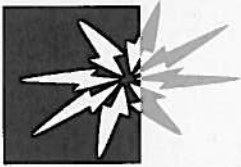
- 5.1 In March 2012 the Welfare Reform Act 2012 provided for some changes to be made to the existing Social Fund scheme. The DWP would retain responsibility for some elements of the scheme including winter fuel payments and budgeting loans. Local Authorities would be responsible for designing a new scheme to cover payments under the "discretionary" element of the Social Fund in order to help vulnerable people remain in or return to the community and provide assistance for those in immediate short-term need.
- 5.2 Community Care Grants were awarded for a range of expenses, including household equipment, and were intended to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families. They were also intended to assist with short-term needs in an emergency or as a consequence of a disaster when a person had insufficient resources to prevent a serious risk to the health and safety of themselves or their family.
- 5.3 It is noted that the funds are not ring fenced and the Council is not obliged to mirror the existing scheme, nevertheless the Government has made it clear that the intention is that the funding is used for the provision of such support services. The DWP advises local authorities that they are not expected to replicate the previous Community Care Grant and Crisis Loan schemes and indeed this would not be possible with the reduced funding allocation. In order to avoid confusion with the



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elements of the Social Fund remaining with Central Government, Haringey's fund is to be renamed "Support Fund".

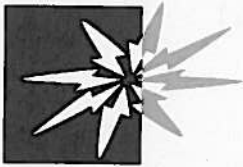
- 5.4 Data provided by the DWP has not been of sufficient quality to enable accurate forecast planning in terms of demand and likely awards. The information for 2009/10 shows an average of 180 claims being made per week; this increases to 370 per week for 2011/12. It is anticipated that demand will continue to rise due to the impacts of other Welfare Reform changes. Please see **Appendix A** for analysis of DWP available data.
- 5.5 On 11th December 2012 the DWP confirmed funding for 2012/13 at £11,186 for administration set up and for 2013/14 £1.355million total scheme (including £236k of administration costs). The 2013/14 funding for awards reflects a 15% reduction on the DWP award expenditure for 2011/12. It should also be noted that there are up to 7% of cases missing within the DWP data when the Social Fund data source was merged with the National Benefit Database to obtain the local authority the person lived in at the time of application. The DWP also confirm that funding information for 2014/15 will not be made available until autumn 2013.
- 5.6 **Research and Analysis Conducted**
- 5.6.1 Discussions with Members, local Voluntary Organisations and other Local Authorities have formed the basis for the following principles of the scheme unless the resident is in exceptional circumstances (such as fleeing domestic violence).
- 5.6.2 For Crisis Support the main purpose is to prevent serious damage to risk of health or safety of a person or family. For Community Care Support it is to assist an individual or family to remain in the community.
- 5.6.3 Unless the claimant is in exceptional circumstances, the main eligibility criteria for awards under either scheme are:
- The claimant has been a resident of Haringey for 3 months
 - The claimant is in receipt of certain means-tested benefits
 - Awards are made in the form of vouchers or goods
 - There is a limit of one award per year
- 5.6.4 Under the current scheme, Crisis Loans awarded to claimants who cannot meet their immediate short-term needs following an emergency are usually recovered direct from the claimant's main welfare benefit. The option to recover loans directly from the claimant's benefit is not available to the Council. As a result it is likely to prove uneconomical for the Council to introduce an arrangement which



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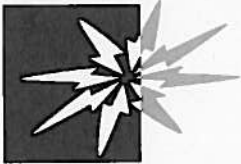
involves the recovery of small value loans. Under the proposed scheme, assistance that would previously have been in the form of a Crisis Loan would be made through a grant or in kind support.

- 5.6.5 Workshops were held with other directorates across the Council that provide payments to people in need across the Borough to understand synergies and current use of Social Fund provision. These included Adults and Community Housing Services and Voluntary Sector Services.
- 5.6.6 The data provided indicates that there is a low volume of direct referrals to the scheme from Haringey's Childrens and Adults and Community Housing Services. Going forward these areas will be informed of the planned changes and discussions will be held about how referrals can be validated to ensure priority is given to vulnerable individuals.
- 5.6.7 The government has not defined a requirement to consult with those affected by the changes and there is no base data available to identify those who have accessed the scheme. To ensure engagement with key stakeholders, we have gathered data and gained views using a number of approaches including contribution to the Housing Department's questionnaire to those in temporary accommodation affected by welfare reform and by issuing a questionnaire to all members of HAVCO.
- 5.6.8 The feedback has informed the principles of the scheme for 2013/14 and the Council will build in requirements for Consultation into the specification for procurement at the end of year one, so that we can ensure the scheme remains responsive to our residents for future delivery.
- 5.6.9 Haringey Council is part of a London Authorities Social Fund group which meets to discuss progress on implementation and share best practice ideas. Havering, Redbridge and Barking & Dagenham Councils are also planning to administer and deliver the fund through a third party supplier. Other Councils are having applications referred to them via trusted partners but assessing the claims themselves. Further discussions have taken place with other Local Authorities including Islington, Bristol, Camden, Hackney and Harrow.
- 5.6.10 The majority of Councils are using All-Pay or the Post Office for direct payments to claimants, supermarket vouchers for food / clothing and a variety of options for the delivery of furniture / white goods including Argos, the Family Fund and local suppliers.



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- 5.6.11 The Council has had discussions with a range of representatives from the local and national voluntary sector including Helen Dent (CBE), Family Action (CPAG), Cripplegate, HAVCO, London Capital Credit Union, Haringey Race & Equality Council, Citizen's Advice Bureau, Family Fund, St Giles' Trust, Quaker Social Action Group, Trussell Trust Food Banks and Re-Store. Views have been captured on how the scheme could be delivered and what their priorities for the local community would be.
- 5.6.12 The Council has also liaised with Together North London Consortium Hub, formed in December 2012 as a third sector bidding consortium which comprises of an interim working group of fourteen organisations of which HAVCO is one of the founding members.
- 5.6.13 There are a number of suppliers who are able to provide quality low cost furniture and appliances e.g. ReStore Community Projects who are already working with Enfield, Waltham Forest and Camden to support the administration of replacement Social Fund schemes. They provide a referral process and recycling service operations at their local depot in Tottenham. This organisation uses local volunteers from the probation service, local schools and colleges to undertake the restoration work. They currently work with Veolia, our waste management supplier on street scene and bulky goods collection.
- 5.6.14 In addition to the delivery of the scheme, signposting arrangements will be in place to give residents alternative options. These include information about local food-banks, the credit union and debt counselling services.
- 5.6.15 When an award is given we will use a signposting directory of relevant organisations, to influence new behaviours as a result of the intervention. For example, we will signpost to the Quaker Social Action Group for general budgetary assistance.
- 5.6.16 A "Meet the Buyer" event was held to inform potential suppliers of the vision and objectives for delivery of the Support Fund when responsibility transfers to Local Authorities in April 2013. It was attended by eleven organisations representing a range of national and local organisations and the feedback from this event supports the development of the specification. Some of the key elements that came out at the event include:
- Contract duration for a period providing longevity – for a minimum of 20 months, with option to extend
 - Agreement to involve local voluntary/third sector organisations to support delivery wherever possible



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- Consider refining approach to Rent in Advance/Prison release
- Strong support for the principle of no cash payments
- Liaison across London Boroughs to ensure cross-boundary protocols.

5.6.17 Research and analysis has led to the recommendation that one lead agency is procured that will undertake administration and fulfilment of the fund. There will be a preference for an organisation who has or who can demonstrate an interest in developing good links with the borough. Performance will be monitored through a set criteria and Key Performance Indicator mechanism.

5.6.18 The procurement process will include an evaluation against set criteria with a range of questions covering timescales, processes and accessibility. A weighting of 70% will be given to service delivery information and 30% for price / commercial information.

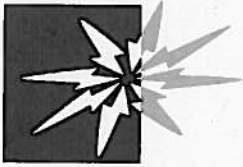
5.6.19 The lead agency will make recommendations and refer the final decision making back to Haringey, who will retain a Client Management role. Notification of the award status and award fulfilment remains the responsibility of the agency.

5.7 Interim Scheme Administered In-House

5.7.1 An interim scheme will be delivered by Revenues, Benefits and Customer Service officers from 1 April 2013 until such time as go-live with the new provider, anticipated to be after 1 August 2013. The process for delivering this scheme is contained within **Appendix B**.

5.7.2 The interim scheme is based on a set of priority criteria and includes those items that we will and will not support within the provision of the scheme. For example, we will support furniture (such as settee, armchair, bed) or household equipment (such as cooker, fridge, washing machine) and we will not support expenses in connection with court (legal proceedings) such as legal fees, court fees, fines, costs, damages, subsistence or travelling expenses. Further information is contained within the policy document set out in **Appendix C**.

5.7.3 The interim scheme will operate as a daily process enabling real-time monitoring of expenditure. However, as the scheme will be operated internally for a limited interim period, the Council will be seeking to limit the complexity and cost of the Council's administration. Therefore the operational process for the procured solution is likely to be different – for example, the supplier is expected to provide economies of scale and IT systems to support delivery for the future.

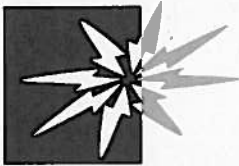


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- 5.7.4 Funding will be pro-rated to cover provision for both the in-house and supplier periods of delivery.
- 5.7.5 There is an expectation that demand for the scheme will increase and management of this demand has been considered as follows:
- The principles for the scheme have been tailored to enable better management of demand.
 - The specification will define the limits to awards of funds with financial profiling across the year.
- 5.7.6 Data gathered during the in-house interim operation will be shared with the external supplier.

6. Comments of the Chief Finance Officer and Financial Implications

- 6.1 Programme funding for 2013/14 has been confirmed by the DWP as £1,118,562 plus £236,361 towards administration costs providing total funding of £1,354,923. An additional amount of £11,186 has been received in 2012-13 towards set-up funding costs.
- 6.2 The funding for 2014-15 will be announced by the DWP in Autumn 2013. The position regarding funding beyond 2014-15 is not known.
- 6.3 It is anticipated that an external provider will be appointed to administer the Support Fund Scheme with effect from 1st August 2013. The Council will incur administration costs until the contract has been let, however, they will be covered by the administration grant. Following the contract award, a portion of the administration grant will be retained by Haringey Council in order to provide a Client Management role.
- 6.4 The Council will operate the scheme in-house for a period of four months commencing 1st April to 31st July 2013. In order to ensure that the Council's "share" of one third of the total programme funding allocation of £1,118,562 i.e. £372,854 is not overspent this will be further allocated on a daily basis.
- 6.5 The Council anticipates running the scheme in-house for a period of four months (85 working days) therefore, £372,854 divided by 85 days, produces an amount of £4,387 available for use as the daily Support Fund Grant. This will be the in-house daily cap that will be monitored on a daily basis to ensure that the Council's share of the programme funding cannot be overspent.

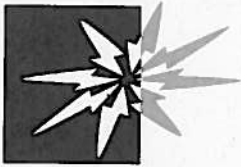


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- 6.6 Similarly the Council's share of the administration grant is one third of the allocation of £236,361 i.e. £78,787 and should cover the Council's administration costs for the period 1st April 2013 to 31st July 2013. However, subject to the actual number of applications received, there remains a risk that actual scheme administration costs may not be fully met by the administration grant.
- 6.7 Should the anticipated date of handover be delayed beyond 1st August 2013 then the amount of funding and administration grant will increase pro-rata.
- 6.8 The costs of the contract (that will include both the value of awards and the cost of administration) will be fully met by the programme funding received from the DWP and, as a result, there should be no Revenue implications for the Council.

7. Comments of the Head of Legal Services and Legal Implications

- 7.1 Section 70 of the Welfare Reform Act 2013 will abolish the discretionary part of the Social Fund from the Social Security Contributions and Benefits Act 1992 (section 138(1)(b)) from 1 April 2013. Local Authorities will receive government funding to provide a locally administered assistance to the vulnerable, and in order to avoid a gap in support the new arrangements will need to be in place from 1 April 2013.
- 7.2 The Government has not introduced a new duty on local authorities to provide this assistance and local authorities will be expected to use existing powers. The Council has the power to administer a Support Fund scheme pursuant to section 1 of the Localism Act 2011 (the general power of competence).
- 7.3 There is no scope under the Deregulation and Contracting Out Act 1994 to allow Local Authorities to delegate the actual decision making to an external body. As such, the external supplier will make recommendations only and the final decision making will remain with Haringey Council.
- 7.4 Subject to Cabinet approval a procurement process will be undertaken to procure an external supplier to administer the Haringey Support Fund scheme with a proposed contract commencement date of 1 August 2013. As these services are Part B services for the purposes of the Public Contracts Regulations 2006 (as amended) it will not be necessary to follow an OJEU tendering procedure. The procurement will need to comply with the Council's contract standing orders. Legal Services will advise on the procurement process.



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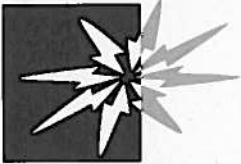
- 7.5 In respect of the recommendation to delegate the interim procurement arrangements to the Assistant Chief Executive, Cabinet has power under Section 15 of the Local Government Act 2000 to delegate its functions to a Council officer.
- 7.6 An EQIA on the proposed Support Fund has been carried out and is attached at Appendix D. The findings of the EQIA, in particular section 3 of the assessment, the impacts identified therein and the proposals made to reduce or mitigate them, have been considered and taken into account in the design of the in-house provision for the Scheme. These factors will also be addressed in the procurement exercise.

8. Equalities and Community Cohesion Comments

- 8.1 It is recognised that there are many areas of the community that use the Social Fund and we need to consider how best to support them through these changes. The Council's public sector equality duty requires that we consider the impact our proposed Support Fund would have on people who possess the characteristics identified and protected by section 4 of the Equality Act 2010. The equalities data provided by the DWP was not borough specific, however we have used the Haringey data we have to complete a full equality impact assessment to identify protected characteristics that could be adversely affected and where possible, what actions we could take to support them through the changes.
- 8.2 A full equalities impact assessment is attached at *Appendix D*.

9. Head of Procurement Comments

- 9.1 A procurement exercise will be undertaken which adheres to the criteria and guidelines set out in agreed policies.
- 9.2 This service provision falls under Part B of the European Procurement Directives, which allows some flexibility in terms of timescale but still needs to adhere to the basic principles of Openness, Transparency, Competition and Fairness.
- 9.3 The timeline for securing a supplier to administer the scheme is as follows:
- February 2013 – Meet the Buyer Event (held)
 - April 2013 – Tender documentation issued
 - May 2013 – Submissions received
 - June 2013 – Evaluation process
 - July 2013 – Contract Award



Haringey Council

- August 2013 – Contract start

10. Policy Implication

- 10.1 A new Support Fund policy has been written which includes application methods, entitlement criteria and ways to appeal. It also covers fulfilment methods in terms of delivery of the award. This is attached as *Appendix C*.

11. Reasons for Decision

- 11.1 Whilst the money is not ring-fenced there is an expectation that support will be given to certain vulnerable groups in a similar way to the DWP's current process.
- 11.2 Following analysis and review, the procurement of an external supplier was seen as the most suitable option for cost and service benefit reasons.
- 11.3 An interim solution is needed to ensure effective support is available for those who need it from 01st April 2013 when the DWP no longer provides this service.

12. Use of Appendices

- Appendix A - DWP Data, Current Provision
- Appendix B – Process for Interim Service Provision
- Appendix C – Support Fund Policy
- Appendix D – EQIA

13. Local Government (Access to Information) Act 1985

- 13.1 Not applicable



Appendix A: Analysis of DWP available data

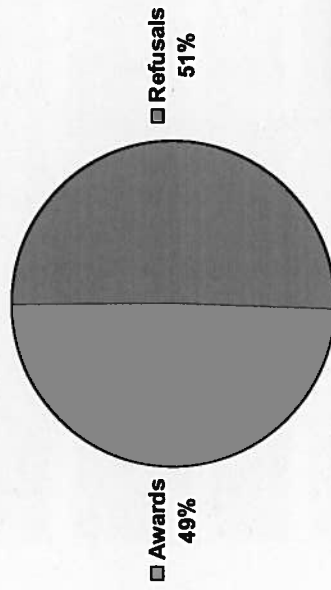
Current Provision – Data

2011/2012 (Full Year) Awards & applications rounded to nearest 10	Crisis Loan Items	Crisis Loan Living Expenses	Crisis Loan Alignments (retained by DWP)	Community Care Grants	Budgeting Loans (retained by DWP)
Summary					
Number of Applications received	1,020	4,550	3,770	2,910	7,210
Total expenditure	£284,800	£188,700	£213,900	£866,300	£2,111,500
Number of Awards	810	3,520	3,410	1,200	4,920
Lone Parent Status					
Lone Parent	8%	13%	8%	23%	38%
Not a Lone Parent	75%	70%	75%	43%	33%
Unknown	17%	17%	17%	34%	29%
Age of youngest child					
0-5	4%	10%	6%	16%	28%
6-8	1%	2%	2%	5%	6%
9-12	1%	2%	1%	5%	4%
13-16	0%	1%	1%	4%	3%
No children 16 or under	92%	85%	80%	70%	58%
Age of recipient					
Under 18	0%	0%	1%	1%	0%
18 to 24	22%	26%	31%	10%	12%
25 to 34	29%	28%	29%	20%	24%
35 to 44	24%	23%	27%	25%	25%
45 to 54	20%	18%	15%	22%	21%
55 to 64	3%	4%	4%	11%	10%
65 to 69	0%	0%	0%	3%	3%
70 to 79	1%	0%	0%	6%	4%
80 to 89	0%	0%	0%	2%	0%
Household type					
Couple	1%	3%	2%	11%	8%
Single Female	23%	34%	29%	52%	60%
Single Male	78%	63%	69%	37%	33%



Current Provision – Data

Number/Type of Community Care Grants (April – Sept 2011)

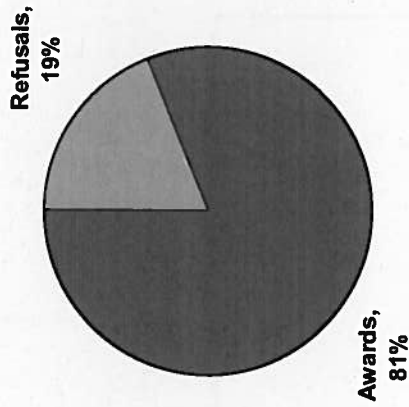


Applications of Community Care Grants	Volumes
Families under exceptional pressure	350
Helping people to stay in the community	280
Moving out of residential/institutional accommodation	90
Planned resettlement	40
Prisoners/offenders on temporary release	-
Travel expenses	-
Awards	760



Current Provision – Data

Number/Type of Crisis Loans (April – Sept 2011)



Crisis Loans	Volumes
Alignment	1,850
Benefit spent - living expenses required	1,370
Capital not realisable	540
Lost or stolen money/giro	450
JSA disallowance imposed on customer	340
Homelessness - securing accommodation	180
Item needs replacement	50
Disaster e.g. fire, flood, explosion etc	30
Leaving care and not entitled to benefit	20
Leaving care - rent in advance	10
Emergency traveling expenses	10
Reconnection of fuel supply	10
JSA sanction imposed on customer	10
Total	4,870

Appendix B: Process Map for Proposed Approach to Delivery

Support fund – Interim in-house daily process

Tuesday, April 02, 2013

