

RESTRICTED

AGENDA ITEM:

DERBYSHIRE COUNTY COUNCIL

CABINET

2 JUNE 2014

REPORT OF THE STRATEGIC DIRECTOR – ADULT CARE

DERBYSHIRE DISCRETIONARY FUND (DDF) BUDGET

ADULT SOCIAL CARE

1. Purpose of the Report

To seek approval to for the setting up of a revenue reserve from the remaining balance of the 2013/14 Derbyshire Discretionary Fund budget, to support and strengthen the continued operation of the Fund during 2014/15 and to assist the Council manage the budget for 2015/16, when as recently announced the Coalition Government funding for this important welfare scheme will cease.

2. Information and Analysis

Since 1948 and until The Welfare Reform Act 2012 ended the Social Fund and transferred responsibility for “local welfare assistance” with reduced funding to upper tier councils, responsibility for the provision of one off payments for people facing exceptional pressures was the responsibility of central Government. The County Council became responsible for this function from April 2013 and established the Derbyshire Discretionary Fund (DDF).

The Department for Work and Pensions confirmed the funding and details for the transfer of the function on 6th August 2012. As a result the DDF had to be set up with very limited time for planning and publicity of this significant change to the long-established arrangements for essential welfare support. The scheme approved by Cabinet in November 2012 aimed to replicate the scope of the Community Care Grant and Crisis Loan schemes, which were part of the Department of Work and Pensions (DWP) administered discretionary Social Fund.

In common with other upper tier councils, it was decided that a scheme involving loans would be difficult to implement and would not be cost effective in the local government context. The costs of debt recovery were considered to be very likely to outweigh the gains in the context of seeking to recover loans from local people obviously struggling to meet everyday living expenses.

It was therefore proposed to make grants only, with the majority of awards being made through payments in kind and limited provision of cash payments in emergencies.

The DDF that has operated from April 2013 is administered for the Council by the Adult Care department. It provides limited Emergency Cash Payments of up to £43 for the applicant, plus £10 per qualifying family member, to help people at times of crisis and where there is no alternative source of help. These payments can only be used to pay for food, heating, or emergency travel, (e.g. leaving care, emergency travelling expenses, lost or stolen money, reconnection of fuel supply, imposed Jobseekers Allowance disallowance). The DDF also provides Exceptional Pressure Grants where people are under exceptional pressure, to allow them to buy essential household equipment. They also support vulnerable people to return to or remain in the community, or to ease exceptional pressure on families (where they have no other means to do so themselves), to help secure a permanent tenancy, and assist people leaving institutional care.

The DDF is the ultimate safety for Derbyshire's poorest citizens and an important contribution to the Council's priority to tackle poverty affecting Derbyshire communities. Many families are struggling to cope with changes to the welfare system and the cost of living crisis. The DDF is the 'back-stop' for some of the most vulnerable people in Derbyshire, providing essential practical help when no other source of assistance is available.

The cost of the DDF is currently met by a Government grant of £1.53 million for both 2013/14 and 2014/15. This figure was the Derbyshire proportion of the amount distributed to upper tier councils and determined by the Department for Work and Pensions based on 2010/11 and 2011/12 expenditure. It is worth noting that this was a reduction of 34% on the DWP expenditure for 2011/12. In addition each council received a grant for administration costs. The DWP determined this simply as a pro-rata amount of the grant fund and for Derbyshire this was circa £324,000.

Prior to the transfer of responsibility for local welfare provision in April 2013, there was no central government guidance about the way local schemes should operate. The DDF was therefore developed working with other upper tier councils, Derbyshire district and borough councils, local advice agencies and community groups. The DDF has been widely promoted and the basic information leaflet produced by the Council was widely distributed throughout Derbyshire is **Appendix 1**.

The administration of the DDF is through a team of Customer Care Assistants (6 FTE) at Call Derbyshire, who deal with calls through a dedicated DDF phone number, or via an on-line application form. The CCA's collect initial

information from applicants and then pass this onto the DDF Team for processing and decision making. The DDF Team is a sub-team of the Welfare Rights Service and comprises a Team Manager, Assistant Finance Officer, Finance Assistants (5.8 FTE), and a Business Services Assistant.

Since 1st April 2013 to 28th March 2014, a total of 30,435 calls have been made to the DDF, averaging at 590 calls per week. The average number of calls for the first six months of the DDF was 546 calls per week and for the second six months of the year it was 625 calls per week. This indicates that need for the assistance provided by the DDF has increased steadily since it was set up.

13,744 applications for assistance have been made; 11,080 applications for and Emergency Cash Payment and 3,191 for an Exceptional Pressure Grant. (N.B. Figures include dual applications.) This is similar to the number of claims processed by the DWP in 2011/12 prior to the transfer of responsibility for local welfare provision to the Council.

The modelling done prior to implementation anticipated on average 376 applications per week – the demand on the DDF has matched or exceeded this number every week for the last three months of 2013/14, following a steady building of demand over the previous months. What was not known in any detail prior to implementation, was the volume of calls that would give rise to this number of applications (many applicants make more than one call), and the amount of staff time needed to respond fairly and consistently to applicants, with many facing complex difficulties.

As stated earlier, Emergency Cash Payments are paid to help with food, heating or emergency travel and Exceptional Pressure Grants cover a wider set of needs. The table set out in **Appendix 2** shows the type of help given through Exceptional Pressure Grants.

The DDF has assisted a significant number of local people. The age profile of applicants is shown at **Appendix 3**. The evidence from the past year shows that 98.6% of applicants seeking DDF assistance are aged between 18 and 64 years. 72% of applicants do not have children noted in their applications.

Monitoring of DDF application decisions made during the first six months of the Fund confirms that the ratio of awards made to applications received is very similar to the DWP Social Fund scheme. Details are shown at **Appendix 4**. This is provisional data and it is likely that the final figure will confirm that the DDF has awarded assistance at a higher rate than the DWP scheme it replaced.

Whilst the aim of the DDF has been to provide support on an equivalent basis to the old DWP scheme, during this first year and following a review completed in November, the assistance available through the DDF was increased and the scope extended to households that would have been ineligible under DWP Social Fund criteria but who none-the-less face challenging financial circumstances. The adjustments made to the DDF were as follows:

1. Increase the Exceptional Pressure Grant capital limit from £500 to £1000.
2. Increase the maximum number of Emergency Cash Payments that can be awarded in a twelve month period from 2 to 3. On occasion the DDF team have already used discretion to allow this, usually when there is another professional/support worker involved and trying to resolve the underlying financial situation for the client. Another reason to allow a third payment is as a result of the recently introduced 'mandatory reconsideration' rules, brought in as part of the Welfare Reform programme. These are anticipated to cause an increase in demand for Emergency Cash Payments – particularly from those who have been refused Employment and Support Allowance.
3. Enable those on the contributory benefits of Jobseekers Allowance and Employment and Support Allowance, where the amount they receive is the same as those on the income based (means tested) versions to access the Exceptional Pressure Grants.
4. Extend the Qualifying Benefits for Exceptional Pressure Grant to include Savings Pension Credit, in addition to Guarantee Pension Credit. This would create a situation where people over pension age could have up to an additional £15 of income and still qualify for funding.

These changes were made in the light of the level of expenditure committed during the first six months and were consistent with the balance of the approved budget available to support the increase to the level of assistance and the extension of the scope of the scheme. The performance of the scheme will continue to be closely monitored to ensure it delivers the assistance local people need and the budget is properly managed.

Expenditure per month is now at the level equivalent to an annual expenditure of just over £1m and is forecast to continue to increase. The current forecast is that as central Government continues to restrict welfare assistance and DWP tightens decision making for individual claimants, the number of people needing Emergency Cash Payments and Exceptional Pressure Grants will increase.

Despite this fact the Government has announced that the grant funding provided to the Council to support the transfer of responsibility for local

welfare provision will cease after 2014/15. The Council has resolved to work with other councils and community groups and to lobby Derbyshire MP's as part of a campaign to seek to reverse this decision.

It is therefore proposed that a reserve should be created of £790,164 which will support the continuation of the scheme during 2014/15. This reserve will also contribute to contingency funding for 2015/16 in the event that the Government refuses to change the decision to withdraw funding for local welfare provision that supports those Derbyshire people and communities most vulnerable to the cost of living crisis and the impact of cuts to welfare benefits.

3. Financial Considerations

The total budget (including the administration element) was £1,854,561. Of this, £129,385 was transferred to Call Derbyshire to fund the Customer Care Assistants, leaving a balance of £1,725,176. The outturn expenditure for 2013/14 was £935,012 leaving a balance of £790,164.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality of opportunity; and environmental, health, human resources, property and transport considerations.

5. Key Decision

No

6. Call-in

Is it required that call-in be waived for any decision on this report? No.

7. Background Papers

Derbyshire County Council Cabinet, 27th November 2012: Report of the Strategic Director Adult Care: Proposal for the local administration of the Social Fund in Derbyshire – to be known as the Derbyshire Discretionary Fund.

7. OFFICER'S RECOMMENDATION/S

That Cabinet approves the establishment of a revenue reserve from the remaining balance of the 2013/14 Derbyshire Discretionary Fund budget as referred to in this report, to support and strengthen the continued operation of the Fund during 2014/15 and to assist the Council manage the budget for 2015/16, when it is expected that Coalition Government funding for this important welfare scheme will cease.

Mary McElvaney
Acting Strategic Director – Adult Care
County Hall
MATLOCK



Derbyshire County Council



Derbyshire Discretionary Fund



What you need to know



With effect from December 2013

Derbyshire County Council has a fund to help people in emergency or crisis situations, or who need help to continue to live independent lives or cope with exceptional pressure and they have no money of their own to help the situation.

This kind of support was previously available from the Department for Work and Pensions as Crisis Loans and Community Care Grants.

The Derbyshire Discretionary Fund aims to assist applicants to resolve their immediate difficulty, but also to put them in touch with other appropriate support/services, so that crises or difficulties are less likely to happen again.

What are the payments?

There are two types of payment potentially available from the Derbyshire Discretionary Fund, called:

- Exceptional Pressure Grant
- Emergency Cash Payment

Exceptional Pressure Grant

An Exceptional Pressure Grant can help people who are on one of the following means-tested benefits:

- Income Support
- Income-related Employment and Support Allowance
- Income-based Jobseeker's Allowance
- Guarantee or Savings Pension Credit
- Contributory Employment and Support Allowance or Contributory Jobseeker's Allowance where household income is the same as income based benefit level

An Exceptional Pressure Grant can help people who have particular difficulties because they need help to:

- Return to living in the community after a time in care
- Remain living at home or in the community rather than going into care
- Ease the exceptional pressure that they and their family are facing
- Settle in the community as part of a re-settlement programme
- Meet certain travelling expenses.



If an Exceptional Pressure Grant is awarded, it will usually be paid to the applicant in the form of a pre-loaded payment card, which can be taken to a specified shop to purchase the item/s that the grant has been awarded for.

Emergency Cash Payment

An Emergency Cash Payment can help people when they are not able to meet an urgent need for food, heating or emergency travel that means there is clear, immediate and serious risk to the health and safety of the person or their family. This could be because of a disaster or crisis.

If an Emergency Cash Payment is awarded, it will be paid to the applicant via a voucher, which they will need to take to a Post Office with proof of ID.

How are applications made?

All applications are made via the telephone to the Derbyshire Discretionary Fund team. Their phone number is 01629 533399 and they can be contacted Monday – Friday 10am – 4pm.

The team will take some personal information during this phone call and then a financial assessor will phone the applicant back to discuss their application in more detail.

What information will the assessor need?

- What DDF payment is being applied for?
- If the application is for an Emergency Cash Payment for food, heating, or emergency travel – how a person/family is in crisis and what will happen if help is not quickly made available.
- If the application is for an Exceptional Pressure Grant, which of the particular difficulties listed previously applies to the situation.
- For both types of payments the assessor will ask about what money and/or savings might be available.



Other things to bear in mind

- The Derbyshire Discretionary Fund can only make a payment to someone who is over 16, and who is resident in Derbyshire.
- We cannot accept a second application for an Exceptional Pressure Grant for the same item within a 12 month period – whether or not the first application was successful.
- We cannot make more than three awards for Emergency Cash Payments to the same person within a 12 month period.
- We have a limited amount of money and all applications will be assessed on the basis of need, urgency and risk.
- We will seek to share information with applicants about other forms of help and support that are available, which could improve their situation still further.

Derbyshire Discretionary Fund

Application Line

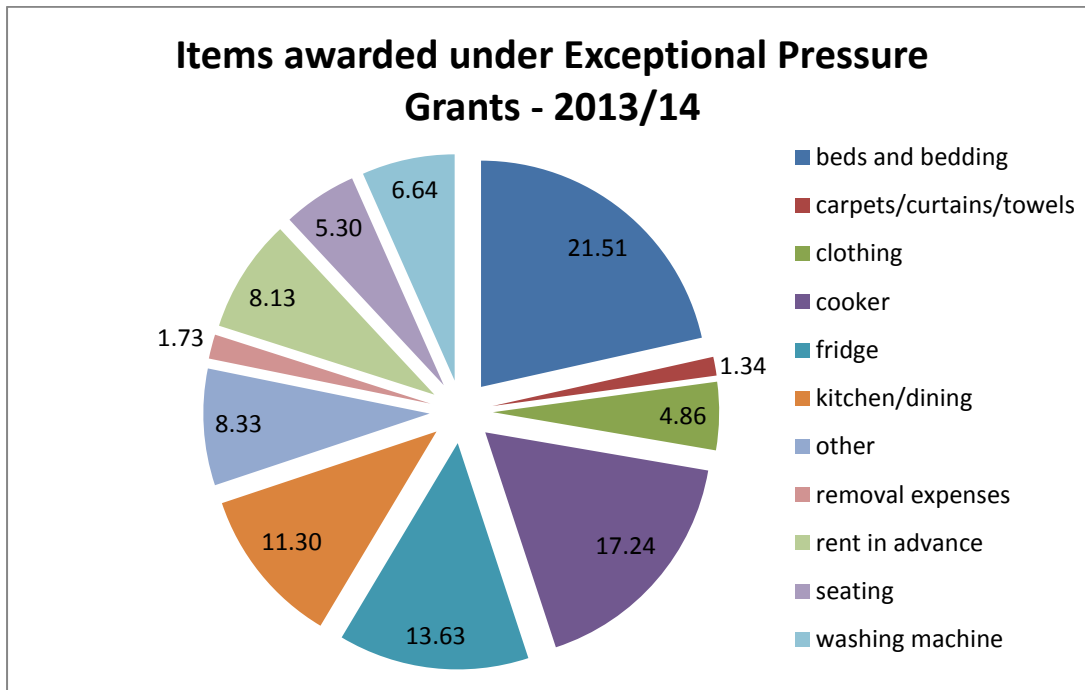
01629 533399

Monday – Friday 10am – 4pm

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APPENDIX 2



APPENDIX 3 - DDF Applicant Age Profile

Age profile and family profile, of ECP applicants:

Age of applicant/number of children	0	1	2	3	4	5	6	7	8	Total	as %
Under 18	86	10								96	0.85
18 to 24	2306	402	166	36	10	1				2921	25.91
25 to 34	2315	447	413	179	66	13	8	1		3442	30.54
35 to 44	1530	291	288	149	57	13	1	1	2	2332	20.69
45 to 54	1364	267	108	39	7	2		1		1788	15.86
55 to 64	556	50	23	4						633	5.62
65 to 69	31	2								33	0.29
70 to 79	14									14	0.12
80 to 89	6	1								7	0.06
No age known	2	2	2							6	0.05
Total	8210	1472	1000	407	140	29	9	3	2	11272	
as %	72.84	13.06	8.87	3.61	1.24	0.26	0.08	0.03	0.02		

Age profile and family profile, of EPG applicants:

age of applicant/number of children	0	1	2	3	4	5	6	7	Total	as %
Under 18	9	8							17	0.57
18 to 24	420	190	69	13	2	1			695	23.38

25 to 34	405	161	148	76	27	11	5	4	837	28.16
35 to 44	324	105	98	56	26	2	4		615	20.69
45 to 54	347	89	48	12	2	2	1		501	16.86
55 to 64	182	23	8						213	7.17
65 to 69	51	2							53	1.78
70 to 79	32	1							33	1.11
80 to 89	4	1							5	0.17
No age known	1	1	1						3	0.10
Total	1775	581	372	157	57	16	10	4	2972	
as %	59.72	19.55	12.52	5.28	1.92	0.54	0.34	0.13		

APPENDIX 4

Emergency Cash Payment – Award Rate

Award rate on ECP decisions over 2013/14 is as follows:

	Total	Not awarded	%	Awarded	%
Apr-13	675	181	26.81	494	73.19
May-13	807	185	22.92	622	77.08
Jun-13	838	193	23.03	645	76.97
Jul-13	843	214	25.39	629	74.61
Aug-13	886	223	25.17	663	74.83
Sep-13	872	234	26.83	638	73.17
Oct-13	946	278	29.39	668	70.61
Nov-13	975	256	26.26	719	73.74
Dec-13	877	182	20.75	695	79.25
Jan-14	1221	240	19.66	981	80.34
Feb-14	1167	251	21.51	916	78.49
Mar-14	1165	285	24.46	880	75.54
	11272	2722	24.15	8550	75.85