



## **Discretionary welfare payments**

### **SUMMARY**

- 1.1 The Welfare Reform Act 2012 legislated for the biggest change to the welfare system in over 60 years, with the Government stating its commitment to deliver a total saving of £18 billion over five years. A number of these reforms – abolition of Council Tax Benefit; changes to Local Housing Allowance; Local Authority local assistance scheme and the bedroom size criteria – came into force on 1 April 2013. A further change – the benefit cap – will be implemented from 15 July 2013. Universal Credit will roll out nationally from October 2013 and is expected to be completed in 2017.
- 1.2 The cumulative financial impact of these welfare reforms is a £5.1m reduction in the benefits previously paid to Derby residents to help with rent and council tax liabilities:
- 1) £2.7m - abolition of council tax benefit
  - 2) £1.9m - reduced housing benefit as a result of the bedroom size criteria
  - 3) £0.5m - reduced housing benefit as a result of Local Housing Allowance changes and the Housing Benefit cap.

The weekly financial impact for households, by ward, is set out in appendix 2.

- 1.3 These changes to benefits have significant impacts on affected Derby residents and discretionary funds have been made available to ease those impacts:
- Discretionary Housing Payments – DHP
  - Discretionary Council Tax Hardship - CTH
  - Local Assistance Scheme – LAS
- 1.4 The discretionary funds are cash limited and it is important that monies are used in the most appropriate manner. In particular, the Council must ensure that decisions around discretionary fund allocations meet the needs of the most vulnerable.

## **RECOMMENDATIONS**

- 2.1 To note the applications received and spend to date from the Discretionary Housing Payment fund as detailed in appendix 3.
- 2.2 To note the applications received and spend to date from the Discretionary Council Tax Hardship fund as detailed in appendix 4.
- 2.3 To note the applications received and spend to date from the Local Assistance fund as detailed in appendix 5.

## **REASONS FOR RECOMMENDATIONS**

- 3.1 To enable retrospective scrutiny of these discretionary funds, as requested by action 47/12 from the Resources and Governance Board on 18 March 2013.

## **SUPPORTING INFORMATION**

### **Discretionary Housing Payments – DHP**

- 4.1 The Discretionary Financial Assistance Regulations 2001 provide a statutory duty to the Council to operate the DHP scheme. These regulations were amended for 1 April 2013 to provide increased support for households impacted by the reductions in Housing Benefit as a result of the Welfare Reform Act. In addition, Government increased the amount of funding for DHP in 2013/14 to help people manage the transitional period of welfare reform. Cabinet agreed a revised DHP policy, see appendix 6, on 20 March 2013.
- 4.2 The Government sets a limit on how much Councils can spend on DHP and makes a partial contribution to that limit, Derby's allocation being £560,754. Although the Government intention is that the majority of this is used to help those affected by the Housing Benefit related welfare reforms ultimately we have discretion to decide when awards will be made. Clearly there is a huge difference between the volumes of customers who have had/ will have their Housing Benefit reduced by the welfare reforms, and the amount of financial support we can provide via DHP.
- 4.3 The significant tensions arising from the limited funding available, both nationally and locally, to address the impacts of welfare reform, are now in play. In the 6 weeks following the implementation of the first round of reforms, 1 April 2013, the Council received over 400 applications for DHP. The current volume of applications is 536. In 2012/13 the Council received a total of 531 applications. To help Housing Benefit assessors prioritise the limited DHP funding to those most in need a priority hierarchy assessment tool has been developed, set out in appendix 3. Even with that priority assessment tool if all impacted households apply for DHP the level of funding will be insufficient.

- 4.4 Applicants meeting all the eligibility criteria will, depending on which priority group they are in, be awarded DHP based on a percentage of their shortfall in Housing Benefit. For foster carers and those with substantial disabled adaptations awards will be for 6 months. All other awards will be for maximum of 3 months. All applicants will be required to undergo an income and expenditure check.

### **Discretionary Council Tax Hardship - CTH**

- 4.5 The Government prescribed that from 1 April 2013 DHPs cannot be used to support customers who require help with their council tax liability. In response to this Cabinet agreed a Discretionary CTH policy on 20 March 2013, see appendix 7, and set aside £200,000 for 2013/14. This funding is to be used to help those citizens affected by the following council tax changes:
- Abolition of council tax benefit and replacement with local council tax support scheme
  - Changes to the amount of council tax charged on empty properties
- 4.6 As with DHP, there is a huge difference between the support we can provide via CTH and those impacted. To prioritise this limited funding to those most in need priority groups will mirror those for DHPs. All applicants will be required to undergo an income and expenditure check. To date we have had 117 hardship applications. Pending decisions on those applications the residents' council tax accounts are on hold to avoid reminder letters being sent.

### **Local Assistance Scheme – LAS**

- 4.7 A new Local Assistance Scheme – LAS – administered by the Council from 1 April 2013 replaced the discretionary elements of the Department for Work and Pensions' Social Fund.
- 4.8 The LAS is a cashless scheme providing support for vulnerable residents who cannot meet their immediate short-term financial needs in an emergency. It also offers home start vouchers to help vulnerable people return to, or remain in, the community. It aligns with existing services in Derby to make better use of funding. Cabinet agreed a LAS policy, see appendix 8, on 20 March 2013.
- 4.9 The LAS funding must be carefully managed to balance budget and demand and the Council must react to learning as the scheme develops and matures. To facilitate this Cabinet delegated authority to make necessary amendments to the scheme to the Director of Customer Management in conjunction with the Cabinet Member for Business, Finance and Democracy.

4.10 A review began within the first few weeks of delivering the scheme as insight about the applicants and their circumstances became clearer. This highlighted a number of areas that could enhance the scheme:

- Providing clothes and furniture through the third sector.
- Providing support for utilities through top-up repayment cards.
- Providing mandatory budgeting advice to break the cycle of crisis and support applicants in making different spend choices.
- Amending the local connection eligibility criteria to ensure those fleeing domestic violence, hate crime and those being released from long prison sentences can access support.
- Increasing partnership working to control spend and ensure the LAS is sustainable should DWP withdraw funding from 1 April 2015.
- Consideration of transferring LAS funds to bolster DHP should it prove necessary to increase that discretionary fund and give more priority to residents at risk of losing their home.

## OTHER OPTIONS CONSIDERED

5.1 Not applicable

This report has been approved by the following officers:

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Toni Nash  Bernard Fenton – Head of Customer Management Dawn Hallsworth – Benefits Transition Manager Neil Sheard – Service Transition Manager
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Kath Gruber 01332 643777 kath.gruber@derby.gov.uk None Appendix 1 – Implications Appendix 2 - Weekly Financial Impact by Ward Appendix 3 – Applications/Spend DHP fund Appendix 4 - Applications/Spend CTH fund Appendix 5 – Applications/Spend LAS Appendix 6 – DHP Policy Appendix 7 – CTH Policy Appendix 8 – LAS Policy

## IMPLICATIONS

### Financial and Value for Money

- 1.1 The level of vulnerability within the customer base means that the discretionary funds must be carefully managed to ensure that the most vulnerable are prioritised for support and also to ensure requests later in the financial year can still be covered and that budget has not run out.
- 1.2 The Government contribution for the Housing Benefit Discretionary Housing Payment Fund for 2013/14 is £560,754.
- 1.3 The Council has set aside £200,000 from its own reserves for the Council Tax Discretionary Hardship Payment Fund for 2013/14.

- 1.4 Local Assistance Scheme - Derby City Council allocation:

Year	Programme Funding	Administration Funding
2012/13	Nil	£9,866
2013/14	£986,595	£208,475
2014/15	£986,595	£191,090

### Legal

- 2.1 The provision of Housing Benefit Discretionary Housing Payments is legislated for under the Discretionary Financial Assistance Regulations 2001. The Council Tax Discretionary Hardship Payment Fund is legislated for section 13A (1) (c) of the Local Government Finance Act 1992.
- 2.2 Local Assistance has been developed in response to the Welfare Reform Act 2012.

### Personnel

- 3.1 The discretionary funds outlined in this report are all delivered by the Customer Management department with an increased resource provided by limited new burdens funding.

### Equalities Impact

- 4.1 Equality impact assessments have been conducted.

### Health and Safety

- 5.1 Staff in Customer Management Department responsible for implementing these discretionary funds are being trained in "delivering difficult messages".

## **Environmental Sustainability**

6.1     None

## **Property and Asset Management**

7.1     None

## **Risk Management**

8.1     None

## **Corporate objectives and priorities for change**

9.1     Changes arising from the Welfare Reform Act are linked to the Council's priority of delivering good quality services that meet local needs.

Household Financial Impacts

<b>Ward</b>	<b>Total number of affected households</b>	<b>Total collective amount of weekly hardship incurred by households across the ward £</b>	<b>Average weekly amount of hardship per household in the ward £</b>
Abbey	1,062	6,345.94	5.98
Allestree	95	599.73	6.31
Alvaston	1,359	9,509.36	7.00
Arboretum	2,066	12,578.35	6.09
Blagreaves	407	2,764.82	6.79
Boulton	953	7,871.40	8.26
Chaddesden	633	4,974.57	7.86
Chellaston	535	4,026.21	7.53
Darley	931	5,770.35	6.20
Derwent	1,206	9,887.65	8.20
Littleover	322	2,749.48	8.54
Mackworth	969	7,321.76	7.56
Mickleover	202	1,655.03	8.19
Normanton	1,476	10,924.64	7.40
Oakwood	290	1,880.90	6.49
Sinfin	1,520	11,996.62	7.89
Spondon	407	3,108.92	7.64
<b>Total</b>	<b>14,433</b>	<b>£103,965.73</b>	<b>7.20</b>

## DHP – Priority hierarchy, applications and spend

Priority number	Customer profile	Estimated potential applicants and spend	Applications received and value of awards made to date*
1	<ul style="list-style-type: none"> <li>Foster carers</li> <li>Those with a child placed prior to an adoption order being made</li> <li>Those going through the approval process to be a either a foster carer or adoptive parent</li> </ul>	Applicants: 70 Spend: £51,870.00	1 £0.00
2	Disabled, where substantial adaptations have been made to their home	Applicants: 398 Spend: £295,122.88	142 £983.23
3	Affected by 3 changes: Council Tax Support, under occupancy and Benefits Cap Note: single pregnant women having their Housing Benefit restricted prior to birth of baby due to having more than one bedroom to receive equal support, regardless of tenancy type	Applicants: 4 Spend: £5,668.00	0 £0.00
4	Those affected by 2 changes: (either Council Tax Support, under occupancy or Benefits Cap). Note: single pregnant women having their Housing Benefit restricted prior to birth of baby due to having more than one bedroom to receive equal support, regardless of tenancy type	Applicants: 2,472 Spend: £706,992.00	289 £0.00
5	Council tenant; willing to move but no suitable accommodation available	Applicants: 299 Spend: £55,415.36	0 £0.00
6	Those wanting to use DHP to facilitate a house move (rent in advance/rent deposit)	Applicants: 80 Spend: £97,760.00	0 £0.00
7	Aged under 35 and subject to Local Housing Allowance restriction	Applicants: 359 Spend: £118,111.24	26 £0.00
8	Other disabilities (on Disability Living Allowance)	Applicants: 13,554 Spend: £1,666,870.92	0 £0.00
9	Disabled adults unable to share a bedroom	Applicants: 208 Spend: £38,455.17	0 £0.00
10	Subject to under occupancy restriction	Applicants: 349 Spend: £64,549.81	12 £0.00
11	Subject to Local Housing Allowance restriction	Applicants: 483 Spend: £158,921.49	38 £0.00
12	Subject to Rent Officer Valuation restriction	Applicants: 561 Spend: £70,012.80	16 £0.00
13	Subject to income taper	Applicants: 443 Spend: £54,480.14	12 £0.00
14	Subject to Benefits Cap only	Applicants: 20 Spend: £19,565.00	0 £0.00
<b>Totals</b>		<b>Applicants: 19,300 Spend: £3,403,794.81</b>	<b>536 £983.23</b>

\* The Housing Benefit assessment team are working through the applications. The spend shown in this table relates to those applications where a decision has been made, this is up to and including 7 June 2013.



**CTH – Priority hierarchy, applications and spend**

Priority number	Customer profile	Applications received	Value of awards Note 1
1	<ul style="list-style-type: none"> <li>Bereaved*</li> <li>Foster carers</li> <li>Those with a child placed prior to an adoption order being made</li> <li>Those going through the approval process to be a either a foster carer or adoptive parent</li> </ul>	1	£0.00
2	Disabled, where substantial adaptations have been made to their home	3	£0.00
3	Affected by 3 changes: Council Tax Support, under occupancy and Benefits Cap Note: single pregnant women having their Housing Benefit restricted prior to birth of baby due to having more than one bedroom to receive equal support, regardless of tenancy type	6	£0.00
4	Those affected by 2 changes: (either Council Tax Support, under occupancy or Benefits Cap). Note: single pregnant women having their Housing Benefit restricted prior to birth of baby due to having more than one bedroom to receive equal support, regardless of tenancy type	97	£0.00
5	Council tenant; willing to move but no suitable accommodation available		
6	Those wanting to use DHP to facilitate a house move (rent in advance/rent deposit)		
7	Aged under 35 and subject to Local Housing Allowance restriction		
8	Other disabilities (on Disability Living Allowance)	10	£0.00
9	Disabled adults unable to share a bedroom		
10	Subject to under occupancy restriction		
11	Subject to Local Housing Allowance restriction		
12	Subject to Rent Officer Valuation restriction		
13	Subject to income taper		
14	Subject to Benefits Cap only		
<b>Totals</b>			

\* The bereaved category is for residents impacted by the changes to the amount of council tax charged on empty properties.

Note 1 – For all the discretionary funds support is only available through one discretionary provision. DHP applications have been given priority and therefore CTH applications are being cross referenced with DHP decisions before applications can

be assessed.

## Applications/Spend Analysis – LAS

Month	Applications	Awarded	%	Awards			
				Food	Home	Utility	Cost
Apr-13	178	26	15%	25	4	0	£2,281.00
May-13	237	25	11%	19	6	4	£2,806.50
June 13*	44	3	7%	3	0	1	£ 160.00
<b>Total</b>	<b>459</b>	<b>43</b>	<b>11%</b>	<b>38</b>	<b>8</b>	<b>2</b>	<b>£5,247.50</b>

\*As at 07 June 2013

Month	Applications	Alternative Help	%	Reason				
				No Qualifying benefit	No Local connection	Not in crisis	Other Council support req	DWP sanctions
Apr-13	178	152	85%	34	32	70	12	4
May-13	237	212	89%	64	37	110	0	1
June 13*	44	41	93%	13	4	21	3	0
<b>Total</b>	<b>459</b>	<b>405</b>	<b>89%</b>	<b>111</b>	<b>73</b>	<b>201</b>	<b>15</b>	<b>5</b>

\*As at 07 June 2013

Customer Signposted to...	Percent of total referred
Probation Trust/Unlock	1%
Money Advice Service	14%
National Energy Action	8%
Home Heat Helpline	8%
Derby Job Centre Plus (DWP)	11%
Sure Start Maternity Help	3%
Erewash Credit Union	14%
Midland Community Finance	8%
Family Justice Centre	1%
New 2 U - YMCA furniture	1%
Derby RELATE	1%
Food Banks	9%
British Red Cross/Derby Refugee Advice Centr	3%
MIND	11%
Other Local Authorities	2%
DCC Housing Options	1%
DCC Personal Budgets (AHH)	5%

### Discretionary Housing Payments Policy

#### 1. Introduction

The Discretionary Financial Assistance Regulations 2001 provide a statutory duty to Derby City Council (hereafter referred to as “the Council”) to operate the Discretionary Housing Payment - DHP - scheme.

The Welfare Reform Act will reduce the national welfare bill by £18bn over 5 years. Reductions in the level of Housing Benefit awarded will contribute to this overall savings program. In recognising the potential impacts that this may yield broadly for all affected households, that is, with short-term money management and for some tenancy sustainment, Government has earmarked an additional £100m nationally per annum for Councils to provide increased support via its DHP arrangements. Principally this new funding is aimed to support families in exceptional need due to:

- Household benefit income cap
- Local Housing Allowance Reforms
- Under-occupancy cap

The Discretionary Housing Payment Regulations will be amended for 1 April 2013.

The Government has advised local authorities that DHP awards should be prioritised for two groups of claimants who could be adversely affected by the under-occupancy cap, and who it would not be reasonable to expect to move from their homes into smaller accommodation. These are:

- Foster Carers
- Households where substantial disabled adaptations have been undertaken to meet the disability needs for a household member.

There are clear significant tensions likely to arise given the limited funding provided both nationally and locally to address the impacts of Welfare Reform.

#### 2. Purpose and Aim

To prescribe Derby’s arrangements for Discretionary Housing Payments for the provisions of short term support for households impacted by the Housing Benefit changes described above and to:

- Ensure that discretionary housing payments assist those Derby residents who demonstrate an exceptional and financial need for support
- Manage payments within the allocated budget.

### **3. When a payment may be made by the Council**

To be considered under this policy the shortfall in Housing Benefit to rent payable must have arisen due to any of the following:

- (a) a reduction in Housing Benefit as a result of the under occupancy bedroom cap legislation
- (b) a reduction in Housing Benefit as a result of the household benefit cap
- (c) a shortfall in Housing Benefit as a result of Local Housing Allowance limitations
- (d) a shortfall in rent faced by a private sector tenant where the rent is restricted to the Rent Officer's valuation
- (e) a shortfall in Housing Benefit where the claimant's income is higher than their applicable amount and there is a taper deduction made
- (f) a shortfall is created by a non-dependant deduction.

### **4. Eligibility Criteria**

To be eligible for a Discretionary Housing Payment all the following conditions must be satisfied for an award to be considered.

Applicants must:

- (a) Be in receipt of Housing Benefit;
- (b) Be able to prove demonstrable financial hardship or have experienced personal exceptional circumstances, for example the bereavement of a close relative. Demonstrating financial hardship will normally be through the completion of an income and expenditure form.
- (c) Be able to demonstrate steps taken to achieve financial independence, for example requesting and acting on advice from the Money Advice service.
- (d) Make an application on an approved e-form.

Any payment granted under this policy will be for a maximum period of up to six months. In circumstances where longer term support, covered by the relevant guidance is possible, for example for foster carers or households where substantial alterations have been made to meet the disability needs of a household member, applicants' circumstances and on-going need will be reviewed prior to any extended award being made.

The Council will determine the level of payment to be awarded; this will be considered on a case by case basis and may be subject to variation as any Housing Benefit changes are applied.

The Council will consider the household's overall financial capacity when determining an award for DHP.

A DHP may be awarded to support a move to cheaper alternative accommodation where the applicant is unable to access this support from other Council or partner organisation's home-move support schemes. This type of award will be limited to either a rent deposit or rent in advance in lieu of an on-going DHP award.

## **5. When the Council may not make a Discretionary Housing Payment**

Applications may be declined if one or more of the following apply:

- a. Other support/provision has been granted for this need/situation
- b. Eligibility criteria not met
- c. The shortfall in Housing Benefit is because of
  - deductions made from Housing Benefit to recover a prior Housing Benefit overpayment or
  - service charges that are ineligible for Housing Benefit
- d. Exceptional need not evidenced
- e. Exceptional financial circumstances not evidenced
- f. Applicant has received support for 6 month maximum
- g. Applicant has accessible capital/savings
- h. Applicant can/has access(ed) support from another Council discretionary fund or has access to short-term funding from the Department of Work and Pensions (DWP) and other organisations
- i. Applicant has already received DHP either as:
  - short-term financial support by way of on-going DHP
  - rent in advance in lieu of an on-going DHP or;
  - rent deposit in lieu of an on-going DHP
- j. Applicant is a "person from abroad" who does not have entitlement to public funds

- k. Applicant is subject to a disallowance or sanction to one of the qualifying benefits

The scheme does not support cash payments; all payments made under this policy will be made in conjunction with on-going Housing Benefit and this may include direct payment to the applicant's landlord or by direct payment to a prospective landlord for payments in respect of a rent deposit or rent in advance.

Consideration will be given to previous fraud prosecutions and sanctions when determining entitlement to an award.

## **6. Disputed decisions**

Discretionary Housing Payments are not subject to a formal appeals process by virtue that any decision to make a payment is of a discretionary nature.

Where an application is declined and a decision is disputed for a reason other than one relating to exclusions from the Scheme, an applicant or their representative may request a review.

All requests for reviews must:

- Be made by the applicant or their representative
- Be submitted as a written e-request
- Set out the reasons why they believe the decision should be reviewed
- Be made within **7 calendar days** of the original decision being notified.

The request will be reviewed by another officer who has delegated authority to make the decision. This reviewing officer's decision is final and binding and completes the internal review process.

## **7. Data Access and Sharing**

The Council is allowed to collect data to support, evidence and to determine DHP Awards.

The scheme will operate to support principles for fair, reasonable and confidential data access and sharing at all times. This is to ensure that people receive the correct benefits at the right time and that the wider interests of Council Tax payers are safeguarded.

The Council is committed to meeting its obligations under the relevant legislation and requirements to safeguard public funds.

## **8. Evaluation and review**

This Policy will be controlled by Customer Management and be reviewed by 1st March 2014.



## **Discretionary Hardship Policy – Council Tax**

### **1. Introduction and Scope**

The provisions contained within the Local Government Finance Act 2012 and the Welfare Reform Act 2012 will mean significant increases in Council Tax bills for many households in Derby.

The Welfare Reform Act abolishes the national Council Tax Benefit scheme from 1<sup>st</sup> April 2013 and it is replaced with Council Tax Support (CTS) schemes. As a result Council Tax payments are no longer eligible for support under the Discretionary Housing Payments scheme.

Section 13 of The Local Government Finance Act (LGFA) 1992, gives Billing Authorities a general discretionary power to reduce the amount of Council Tax payable on a particular case or class of case to nil. This policy sets out the principles and criteria to be considered when determining applications for reductions of Council Tax made under S13 LGFA 1992.

There is no Government funding provided for making discretionary Council Tax awards. In the 2013/14 financial year the Council has set aside local funding of £200,000. The amount of budget allocated will be determined annually as part of the budget setting process.

### **2. Purpose and Aim**

To prescribe Derby's arrangements for **Discretionary** Hardship awards for the provision of short term support for households impacted by the Council Tax changes introduced from April 2013, to:

- Ensure that the discretionary fund is targeted to assist those Derby residents who demonstrate an exceptional and financial need for support
- Manage awards within the allocated budget.

### **3. When a payment may be made by the Council**

To be considered under this Discretionary Hardship Policy the Council Tax liability for which help is sought must have arisen due to either:

1. A person or household with more Council Tax to pay as a result of the change from Council Tax Benefit to Council Tax Support and who can demonstrate financial hardship or exceptional personal circumstances; or

2. A person or household with more Council Tax to pay as a result of a reduced Council Tax discount or exemption arising from the Council Tax technical reforms and who can demonstrate financial hardship or exceptional personal circumstances.

#### **4. Eligibility Criteria**

To be eligible for consideration for a Discretionary Hardship Payment all the following conditions must be satisfied:

Applicants must:

- (a) Have lived in the area covered by Derby City Council for at least six of the last 12 months, **OR** for at least three of the last five years.
- (b) Be able to prove demonstrable financial hardship or have experienced personal exceptional circumstances, for example the bereavement of a close relative. Demonstrating financial hardship will normally be through the completion of an income and expenditure form.
- (c) Be the liable person on the relevant Council Tax bill.
- (d) Be able to demonstrate steps taken to achieve financial independence, for example requesting and acting on advice from the Money Advice service or taking active steps to sell an empty property.
- (e) Make an application on an approved e-form.

Any payment granted under this policy will be for a maximum period of six months.

The Council will determine the level of payment to be awarded; this will be considered on a case by case basis and may be subject to variation as any Council Tax Support changes are applied.

#### **5. When the Council may not make a Discretionary Hardship Payment.**

Applications may be declined if one or more of the following apply:

- a. Other support/provision has been granted for this need/situation
- b. Eligibility criteria not met
- c. Exceptional need not evidenced
- d. Exceptional financial circumstances not evidenced
- e. Applicant has received support for 6 month maximum
- f. Applicant has accessible capital/savings
- g. Applicant can/has access(ed) support from another Council discretionary fund or have access to short-term funding from the Department of Work and Pensions (DWP)
- h. Applicant is a "person from abroad" who does not have entitlement to public funds

- i. Applicant is subject to a disallowance or sanction to one of the qualifying benefits

The scheme does not support cash or bank transfer payments; all payments made under this policy are made by direct credit to the relevant Council Tax account.

Consideration will be given to previous fraud prosecutions and sanctions when determining entitlement to an award.

## **6. Disputed decisions**

Discretionary Hardship Payments are not subject to a formal appeals process by virtue that any decision to make a payment is of a discretionary nature.

Where an application is declined and a decision is disputed for a reason other than one relating to exclusions from the Scheme, an applicant or their representative may request a review.

All requests for reviews must:

- Be made by the applicant or their representative
- Be submitted as a written e-request
- Set out the reasons why they believe the decision should be reviewed
- Be made within **7 calendar days** of the original decision being notified.

The request will be reviewed by another officer who has delegated authority to make the decision. This reviewing officer's decision is final and binding and completes the internal review process.

## **7. Data Access and Sharing**

The Council is allowed to collect data to support, evidence and to determine Local Assistance Awards.

The scheme will operate to support principles for fair, reasonable and confidential data access and sharing at all times. This is to ensure that people receive the correct benefits at the right time and that the wider interests of Council Tax payers are safeguarded.

The Council is committed to meeting its obligations under the relevant legislation and requirements to safeguard public funds.

## **8. Evaluation and review**

This Policy will be controlled by Customer Management and be reviewed by 1st March 2014.



## Resources

### Customer Management

# Local Assistance Policy

Document owner	Kath Gruber
Document author	Gaynor Valente
Document manager	John Massey
Approved by and when	
Date of document	1 March 2013
Version	V3.0
Document classification	Internal
Document distribution	Internal
Document retention period	Until date of next review
Location	
Review date of document	1 July 2013

**If you require this document in large print, on audio tape, computer disc or in Braille please contact the document manager.**

Date Issued	Version	Status	Reason for change
January 2013	0.1	Draft	New policy for comments
November 2012	0.2	Draft	Comments & update
December 2012	0.3	Draft	Further comments and update
February 2013	2.0	Final Draft	Comments & update
March 2013	3.0	Final	

Equality impact assessment record	
Date of assessment	To be conducted.
Summary of actions from EIA	

<b>Contents</b>	<b>Page</b>
Introduction	4
Purpose and aim of the policy	4
Scope	4-6
Legislation, guidance and standards	7
Disputed Decisions	7
Evaluation and review	7
Appendix 1 – Existing Funding Streams	8-14

## **Introduction**

The Welfare Reform Act 2012 abolished some of the discretionary elements of the Department of Work and Pensions Social Fund which met a range of urgent needs for vulnerable individuals. The Social Fund will cease at the end of March 2013 and the Government has allocated upper tier and unitary authorities a grant to deliver a local scheme to meet the specific circumstances of local residents. This funding is not ring-fenced and the decision to operate a scheme is discretionary.

Derby City Council has full discretion to determine locally how best to support the needs of residents and to establish the criteria for the provision of discretionary assistance to residents. Government funding for Local Assistance Awards in 2013/14 is £986,595.

## **Purpose and aim**

- To prescribe Derby City Council's arrangements for a Local Assistance Scheme.
- To ensure that the discretionary fund is targeted for those vulnerable Derby residents who demonstrate an exceptional need for support.
- To manage the awards of support within the cash limited provision.
- To control duplicate payments from a range of funding streams for which the Council and other key partners have delegated responsibility to administer, appendix 1 refers.

## **Scope**

Derby's local assistance scheme is targeted to support vulnerable people, resident in Derby, who present an immediate need that cannot be met from another source. Support may be provided if that immediate need indicates that:

- The situation presents a severe risk to the health and safety of the applicant or an immediate family member or dependent.
- The situation prevents an intended return to, or the continuation of, independent living in the community.

## 1. What and when the Council may make an award from Local Assistance

- Assistance awards will be made by issue of goods or vouchers.
- There will be a maximum of two assistance awards in a rolling 12 month period. The principle being that the need is exceptional rather than routine or frequent.
- The Council will set the value of the award that will be paid.
- Applications must be made on an approved e-form.
- Applications may be submitted up to 4 weeks prior to discharge from hospital or a scheduled date for leaving residential place of care, including prison.
- Assistance awards meeting the criteria will be supported provided the scheme has sufficient funds.

## 2. Eligibility criteria

To be eligible for a local assistance award all of the following conditions must be satisfied.

Applicants must:

- Have lived in the area covered by Derby City Council for at least six of the last 12 months, **OR** for at least three of the last five years,
- Be aged 18 or over
- Be in receipt of one of the following qualifying benefits:
  - Income Support
  - Job Seekers Allowance (Income Based)
  - Pension Credit
  - Employment Support Allowance (Income Related)
- Be without sufficient resources to meet their immediate short-term needs or those of their family.

Applicants who are aged 16 or 17 who are not entitled to a Leaving Care Grant and who can demonstrate an exceptional need for support may apply for local assistance.

Assessments on vulnerability will be based on individual circumstances which can include consideration of the following factors:

- At risk of or affected by domestic abuse or hate crime
- A mental health problem for which treatment or support is being received
- A serious risk to the health and safety of the applicant

Applicants must be willing to take up the most appropriate support available to them, which will include money advice, to break the cycle of crisis and hardship need.



### **3. What and when the Council may not make an award from Local Assistance**

Applications for Local Assistance may be declined if one or more of the following apply:

- a. Support available through other statutory or discretionary provision (see appendix 1).
- b. Other support has been granted for this need or situation.
- c. Eligibility criteria not met.
- d. Exceptional need not evidenced.
- e. Exceptional financial circumstances not evidenced.
- f. Applicant/circumstances/items are excluded.
- g. Applicant has received support from Local Assistance in a 12 month rolling period.
- h. Council unable to support application within allocated funds.
- i. Applicant is a “person from abroad” who does not have entitlement to public funds.
- j. Applicant is subject to a disallowance or sanction to one of the qualifying benefits.

The scheme will not support cash or bank transfer payments.

### **4. Internal Administration**

All services engaged with vulnerable applicants have a responsibility to ensure the principles of the Local Assistance Policy are fully supported; that demands on the fund are genuine and are sought as a last resort.

Where the Council holds a duty to fulfil the support needs under its range of statutory functions the applicant is required to explore these support services at the earliest opportunity.

All departments work collaboratively to ensure that the scheme is run in the most economical and effective manner for applicants and wider Derby residents.

A duty social worker will have responsibility for an out of hours claim process. This will ensure the continued arrangements of support for urgent needs outside normal office hours.

### **Legislation, guidance and standards**

There is no statutory obligation to run a Local Assistance Scheme and there is no requirement for the Council to set up the scheme in a particular way. Local Authorities are, however, encouraged to:

- Work in partnership with the local Third Sector to develop schemes.
- Explore a range of in-kind support, and to link to advice, information and advocacy.

- Explore a full range of models for delivery.

### **Disputed decisions**

Local Assistance is not subject to a formal appeals process by virtue that any decision to make a payment is of a discretionary nature.

Where an application is declined and a decision is disputed for a reason other than one relating to exclusions from the Local Assistance Scheme, an officer independent of the original decision maker will review the decision. Matters relating to exclusions are not open to review.

The reviewing officer's decision is final and binding.

The applicant, or their representative, must submit an e-form request for the decision to be reviewed. They must set out the reasons why they believe the decision should be reviewed. All requests, with supporting information, must be made within 7 days of the decision being notified.

### **Data Access and Sharing**

The Council is allowed to collect data to support, evidence and to determine Local Assistance Awards.

The scheme will operate to support principles for fair, reasonable and confidential data access and sharing at all times. This is to ensure that people receive the correct benefits at the right time and that the wider interests of Council taxpayers are safeguarded.

The Council is committed to meeting its obligations under the relevant legislation and requirements to safeguard public funds.

### **Evaluation and review**

The Council will review the scheme arrangements and amend as necessary based on emerging needs and demands.

## **Appendix 1**

The Council has a wide range of statutory duties to address exceptional vulnerable needs and to support independent living. In addition Government Departments and the Third Sector provide support for vulnerable citizens. The Local Assistance Scheme will compliment these duties and will avoid duplication or replication of existing support.

The following lists alternate support for guidance purposes. It is not intended to be exhaustive.

### **DWP**

The DWP retains responsibility for administration of a series of one off grants and loans to assist people on benefits who are experiencing short-term financial pressures or difficulties. These include:

- a. Maternity Expenses
- b. Funeral Expenses
- c. Daily Living Expenses
- d. Cold weather payments
- e. Winter Fuel Payments
- f. Budgeting or alignment loans to bridge short-term financial pressures.

### **Prison Service**

People leaving prison are provided with a discharge grant of £50.

### **Midland Community Finance**

People at threat of eviction/mortgage arrears can claim an interest free loan repayable over 2 years.

## Derby City Council

Customer Group	Payment Name	Fulfilled by the Council	Amount if fixed	Team Responsible	Notes	Assessment Criteria
Preventing Homelessness	No payment - facilities provided (£250k pot)	Yes	Not money but accommodation	Housing Options	Part of Homeless provision.	Officer determines. Homeless and Derby Connection*
Preventing Homelessness (overnight)	Travel payment (refuge etc.) - Homelessness Prevention Fund	Yes	Not defined	Housing Options		Officer determines. Homeless and Derby Connection*
Payments for leaving care/hospital	Indicative Budget - to meet needs for support (Personalisation)	Yes	Not defined	Care Team (Jo Moody)	Fairer Access to Care Services	RAS determines
Payment for carers	Carers' Scheme	Yes	Up to £500	Care Team (Jo Moody)	Need of carer to help in carer's role	Derbyshire Carers - Scorecard/Non-means tested
Funding accommodation via Social Care. <i>Could be conceivably used for Asylum seekers (NRPF)</i>	Section 21 - National Assistance Act	Yes	Not defined	Housing Options and AHH in general	*Duty to protect, emergency house and provide services to those with a link to the local area. Can be used by NRPF if their Human Rights are about to be breached...	Local Connection
Leaving Care (21 or 25yr olds) - set-up costs	Leaving Care payments	Yes	Up to £2000	Leaving Care Team	Previously in residential care.	Officer determines.
To assist parents in reasonable standard of living	CYP Section 17 - Children's Act	Yes	Not defined	CYP	This can be fulfilled by several areas within CYP. A specific fund/account has not been identified.	Officer determines.

Customer Group	Payment Name	Fulfilled by the Council	Amount if fixed	Team Responsible	Notes	Assessment Criteria
Modifications for disabled customers	Disabled Facilities Grant	Yes	£30,000	Enablement service		RAS and Officer assessment
Families of NRPF (Asylum etc.)	No specific payment name - falls under Section 17	Yes	Not defined	CYP	Fund available if the families with NRPF have children.	Normally requires ARC certificate.
Handyman Services	Smallest Scale Works - replacing light bulbs, tap washers, door locks etc.)	Yes	Not defined - labour costs	Healthy Housing - Denise Blyde	Low level support dependant upon the department's budget	Officer determines.
Minor Works Grant	Small Scale Works for elderly and vulnerable (replacing rotted windows, leaking guttering, roof repair and electrical upgrade)	Yes	Not defined - labour costs	Healthy Housing - Denise Blyde	Low level support dependant upon the department's budget	Officer determines.
Winter Insulation/Heating Repairs	Current supplements to Minor Works Grant	Yes		Healthy Housing - Denise Blyde	Winter Only	Officer determines.
REIP Healthy Homes Grants	Current supplements to Minor Works Grant	Yes		Healthy Housing - Denise Blyde	Limited Budget - could be satisfied by Green Initiatives going forward	Officer determines.
Housebound (Disabled/Sick)	CSDP Payments - to pay for connection and line rental for telephones	Yes	As assessed/required	Adult Social Care	Currently under review	Part of Initial Contact and First Response team

Customer Group	Payment Name	Fulfilled by the Council	Amount if fixed	Team Responsible	Notes	Assessment Criteria
Troubled Families Team	Flexible Needs Budget	Yes	£200 (maximum)	CYP	Key worker - flexible needs budget (£200 per family). For incentives etc. not always about crisis	Down to multi-agency assessment
Aiming High				CYP - Jacqui Costello	Offering respite for families of disabled children	Assessed by need - provision rather than goods
ESF Program			Not defined	Working Links	Getting Families back into work	Down to multi-agency assessment

## The Third Sector

Type of provision	Organisation's name	Contact	Opening Hours
<b>Food</b>	British Red Cross 7 Liversgate Street, Derby DE12LD	Guy Freeman - 01332 525423 gfreeman@redcross.org.uk	6 Days a week in the mornings.
<b>Food</b>	Padley Day Centre 3 Becket Street, Derby DE11HT	Helen Repton - 01332331280 helenrepton@padleygroup.com	Monday - Friday: 8am - 3pm Wednesday: 8am - 2pm Saturday: 10.30am - 2pm Sunday: 12.30pm - 4pm
<b>Food</b>	Derby City Mission 25 Charnwood Street, Derby DE12GU	John Gatt - 01332 460347 operations@Derbycitymission.org.uk	Monday - Friday: 9am - 5pm
<b>Food</b>	Osmaston Road Baptist Church Charnwood Street Derby, DE12GU	Jackie and John Newbury 01332 516955 jackie.newbury@btinternet.com	Everyday 10pm - 11pm
<b>Food</b>	St Peters Church St Peters Street, Derby DE1 1NN	Lesley Kitson - 01332 360790 office@stpetersDerby.org.uk	
<b>Food</b>	The Riverside Centre 7 Liversage Street, Derby DE12LD	Phil Morton - 01332332044 phil@theriversidecentre.co.uk	Wednesday: 2pm - 4pm
<b>Food</b>	Derby Refuge Advice Centre The Gallery, 35 Queen Street, Derby DE13DS	Joan Stannard - 01332 460347 drac2@hotmail.co.uk	Tuesday and Thursday :10am - 4pm
<b>Food</b>	Hope Centre City Church Derby, Curzon Street, Derby DE1 1LH	Sarah John - 01332341189 office@Derbycitychurch.co.uk	Tuesday and Friday
<b>Food</b>	New Life Christian Centre Normanton Road, Derby DE236UU	Sonia Robinson - 01332 349056 office@newlifeDerby.org.uk	Monday: 6.30pm - 8.30pm Friday: 6.30pm - 8.30pm
<b>Food</b>	Long Eaton and Sawley food bank c/o St Johns Church, Canal Street, Long Eaton NG10 4NE	Phillip Wallider - 07950 547671 info@longeatonsawley.foodbank.org.uk	Tuesday and Friday: 10am - 12pm
<b>Food</b>	Mobile Food van	Fes Alakbar - 07875 758092 fesalakbar@live.com	
<b>Food</b>	NC fusion 182 Peartree Road, Derby DE23 8NQ	ShameemMalooq - 01332 344582 info@ncfusion.co.uk	Monday - Friday: 10am - 4pm

Type of provision	Organisation's name	Contact	Opening Hours
<b>Food</b>	Peoples Kitchen Boyer Street Community Rooms off Abbey Street, Derby DE23 3UE	Lisa Bonnet - 07562 727306 Derbypeopleskitchen@gmail.com	
<b>Food</b>	Persian Cultural Association 119 Osmaston Road, Derby DE12GD	SaloomahGhavami - pca_Derby02@yahoo.co.uk	
<b>Food</b>	Prophets Pot All Nations for Christ Church, Walbrook Road, Normanton, Derby DE238RY	France Cooper- 01332 768043 admin@anfc.org.uk	
<b>Food</b>	Storehouse St Alukmunds Church, Kedelston Road, Derby DE221GU	John Prestwich - 01332 223800 office@stalkmunds.org.uk	Friday: 10-12
<b>Furniture</b>	YMCA 770 London Road Willmorton, Derby DE24 8UT The Old Maltings, Forman Street, Derby DE11JQ	Willmorton - 01332579550 Forman Street - 01332364128	
<b>Furniture</b>	Derby Freecycle	Derbyfreecycle@mods.freecycle.org	
<b>Homeware</b>	Derby Free Cycle	Derbyfreecycle@mods.freecycle.org	
<b>Homeware</b>	British Red Cross 7 Liversgate Street, Derby DE12LD	Guy Freeman - 01332 525423 gfreeman@redcross.org.uk	6 Days a week in the mornings.
<b>Homeware</b>	Royal British Legion RBL County Offices, Saxon House, Heritage Gate, Derby DE11NL	01332 299792 rdodge@britishlegion.org.uk	
<b>Interest Free Loans/Credit Help</b>	Derby Credit Union Derby Homes, Council House, Corporation Street, Derby DE12FT	01332888777, 01332888555	
<b>Interest Free Loans/Credit Help</b>	MCF Loans 227 Normanton Road, Derby DE236UT	0845 3883998	
<b>Charities/Clothing</b>	Spondon Relief in Need PO Box 5073, Spondon, Derby DE217ZJ	01332 669879 info@spondonreliefinneedcharity.org	

Type of provision	Organisation's name	Contact	Opening Hours
-------------------	---------------------	---------	---------------



<b>Charities/Clothing</b>	Royal British Legion RBL County Offices, Saxon House, Heritage Gate, Derby DE11NL	01332299792 rdodge@brittishlegion.org.uk	
<b>Charities/Clothing</b>	British Red Cross 7 Liversgate Street, Derby DE12LD	Guy Freeman - 01332525423 gfreeman@redcross.org.uk	6 Days a week in the mornings.
<b>Charities/Clothing</b>	Derby Cathedral Derby Cathedral Centre, 18-19 Irongate, DE13GP	01332 341201	Monday - Friday: 8am - 6pm (ends 7.30pm on Thursdays) Saturday: 9am - 6pm Sunday: 7.30am - 7.30pm
<b>Charities/Clothing</b>	Liversage Trust The Boardroom, 6B Liversage Almshouses, London Road, Derby DE12QW	01332 348155, 01332 349674 - kim.mannion@liversage.trust.org	
<b>Charities/Clothing</b>	Children First Derby 13 Leopard Street, Derby DE12HE	01332 341516	