

CAMBRIDGESHIRE LOCAL ASSISTANCE SCHEME (CLAS)

To: Adults Committee

Meeting Date: 9th September 2013

From: Adrian Loades, Executive Director: Children, Families and Adults Services

Electoral division(s): All

Forward Plan ref: 2014/033 **Key decision:** Yes

Purpose: To seek the Committee's preferred option for controlling the Cambridgeshire Local Assistance Scheme (CLAS) expenditure for 2014/5 and to initiate the consideration of future options for the scheme in anticipation of the current grant funding ending in April 2015.

Recommendation: The Committee is asked to:

- a) Agree the preferred option (namely, Option 2a) for controlling spend for the remainder of 2014-15 to be implemented from 1 October 2014;
- b) Agree that officers begin discussions with key partners and stakeholders about how, collectively, Cambridgeshire might respond to a withdrawal of government funding for local welfare schemes with a view to bringing a further paper to the Committee setting out future options for discussion and approval

Officer contact:	
Name:	Simon Willson
Post:	Head of PMQA, CFA
Email:	Simon.willson@cambridgeshire.gov.uk
Tel:	01223 699162

1.0 BACKGROUND

- 1.1 The Cambridgeshire Local Assistance Scheme (CLAS) was introduced in April 2013 to replace elements of the Department of Work & Pensions (DWP) social fund which were abolished as part of the Welfare Reform Act. Each local authority area was allocated funds to underwrite the costs of local schemes – but only for two years. The scheme provides crisis support to those suddenly finding themselves having to set up a new home or re-establish themselves back into the community. This includes those fleeing domestic violence and those leaving institutional settings (care homes, prisons, etc.) and the armed services. The scheme also provides crisis assistance for those in need of food, clothing and heating.
- 1.2 The CLAS scheme in Cambridgeshire was initially established with very strict eligibility criteria in order to manage demand on a limited budget (which was significantly less than that previously available to the DWP Social Fund). Since June 2014 the eligibility criteria have been relaxed following decisions made by Cabinet in April 2014 to allow a wider range of support to families in difficulties.
- 1.3 The scheme is run for the County Council by Charis Grants, appointed after a competitive procurement process. Applicants cannot apply directly but instead apply through their case officer or an authorised agent (e.g. housing officer, women's aid worker, social worker) who can confirm the circumstances of the applicant.

2.0 The Current Overspend

- 2.1 During 2013-14 there was a sizable underspend of £450,000 on the CLAS budget for awards, which was not carried forward into the 2014-15 budget. This underspend was due to the tighter eligibility criteria applied by the County Council (compared to the DWP scheme) and the slow take up of the new scheme in the first 6 months of 2013-14. The budget for CLAS for 2014-15 was reduced by £294,000 and set at £117,000k for administration and £631,382 for awards.
- 2.2 In April 2014 a decision was taken by the Cabinet to make emergency fuel payments eligible for funding, to relax the residency requirements for eligibility for the scheme from 12 to 6 months and to allow those on low incomes to access the scheme.
- 2.3 Since April, the budget has started to come under pressure due to a steady increase in the number of successful applications and the reduction in the total budget for 2014/15:
 - In 2013-14 there was an average of 60 successful applications per month receiving an average £562 per award
 - So far, for the first five months of 2014-15, there has been an average of 111 successful applications per month receiving £525 per award.
- 2.4 Whilst it is difficult to predict future demand for the scheme, assuming the current rate of approximately 111 successful applications a month continues, by 31 March 2015 the fund for awards would total £701,307 which constitutes an overspend of £69,925 on the budget for awards of £631,382.

- 2.5 Within this spend the single greatest demand continues to be for white goods which currently (2014-15) accounts for 59% of the budget. There has also been a steep rise in the spend on bedding.
- 2.6 Reversing the changes made by Cabinet in April will not bring spend under control as these are not the main reasons why the fund is coming under pressure. Some action has already been taken to control spend e.g. encouraging authorised agents to seek assistance from other sources of help first and reducing the specification of white goods (i.e. for smaller families providing a fridge with a freezer compartment as opposed to a fridge-freezer). However, these are not considered sufficient to control spend so range of further options have been developed for the committee's consideration.
- 2.7 Alongside implementing one of the options set out below, it should be noted officers are continuing to explore other ways of making the scheme more cost effective. These include:
- Negotiating the best possible deals for the supply and delivery of current goods e.g. food, white goods, clothing etc.,
 - Making greater use of charities such as Cambridge Re-Use, Emmaus and other local charities to provide white goods, furniture and other household goods;
 - Reusing white goods from the Council's household recycling centres which, under the current contract, is not possible but will be considered as part of the current review of the Council's recycling centres; and
 - Continuing to support and encourage authorised agents (where possible) to access other forms of assistance prior to accessing CLAS.
- 2.8 It should be noted that whilst the options for maximising the use of second hand white goods will continue to be pursued, the use of recycled white goods remains problematical due to insufficient supply, logistics and health and safety issues. In the coming months officer will continue to explore whether a more strategic approach to the procurement and recycling of white goods involving Charis Grants and local charities might support a more efficient and sustainable way of providing white goods to households in need and/or crisis.
- 2.9 Four options have been considered to bring spend under control.

Option 1: Do nothing - continue the current scheme until the money runs out. This could either be done on a monthly basis (i.e. set a maximum spend per month) or on a cumulative basis i.e. continue the scheme until the point at which all the funding has been spent.

<i>Pros</i>	<i>Cons</i>
<ul style="list-style-type: none"> • Easy to administer • Clear control of spend • No overspend guaranteed 	<ul style="list-style-type: none"> • An element of 'first come first serve' • Applications towards the end of the month could be refused • Applications would be re-submitted when funds come available (at the beginning of each month)

Option 2 Limit the amount of spend per award either by:

- (a) Reducing the upper award limit from the current £1,000 per application to £530 per application; or
- (b) Reducing the number of items available per award from 5 to 3.

<i>Pros (Options 2a)</i>	<i>Cons (Option 2a)</i>
<ul style="list-style-type: none"> • Limiting spend per award is easy to administer • Limiting spend per award should impact quickly on reducing spend • Sourcing 'alternative' white goods is easy • Limiting spend per award is more transparent, and potentially 'fairer' than limiting number of goods per award 	<ul style="list-style-type: none"> • Reducing upper limit of awards may still put pressure on the budget if number of applications continues to rise • Reducing upper limit will give authorised agents less discretion where help is required for large families with severe need
<i>Pros (Options 2b)</i>	<i>Cons (Option 2b)</i>
<ul style="list-style-type: none"> • Reducing the number of items per application is easy to administer 	<ul style="list-style-type: none"> • Under Option 2b, a reduction in spend would not necessarily be guaranteed. For example, a claim of three white goods could push the £1,000 upper limit. Also, a blanket reduction in the number of items per claim would mean that if someone were seeking five items that totalled considerably less than £1000, they would be turned down for some items just because of the number of goods they were seeking rather than their overall value, thereby disadvantaging them in a way that could be seen as arbitrary and inequitable • Reducing the number of items per application may still put pressure on the budget if number of applications continues to rise and these are for the more expensive items • Would disadvantage those needing five lower value items

Option 3 Being more prescriptive about what the money can be spent on by moving the focus of the scheme from re-settlement and to meeting 'basic requirements' i.e. clothes, heating, food and beds/bedding. This would mean some restricting on white goods to possibly one or two items per applicant at most and offering a lower specification.

Pros	Cons
<ul style="list-style-type: none"> • The scheme would be targeted more at people at 'immediate' risk and would potentially provide more assistance for people without food, clothing and shelter • There is a possibility more people could be helped as 'basic requirement' awards tend to cost less lower overall 	<ul style="list-style-type: none"> • In some instances offering no white goods may push some clients further into crisis e.g. single parent at home unable to feed/cook for their children and might require an intervention from statutory services which might in turn prove more costly in the longer term • The Re-settlement' element of the

<ul style="list-style-type: none"> • The administration and shift in focus could be implemented quickly subject to a formal decision being made • Limiting spend per award should impact quickly on reducing spend • Could be argued that the council has chosen to target the scheme more effectively in light of experience 	<p>scheme is highly valued and any changes would be actively resisted</p> <ul style="list-style-type: none"> • 'Holding' people in temporary accommodation e.g. hostels, temporary housing may put pressure on those services • If people are not able to fully re-settle they may fall back into crisis
--	--

3.0 FUTURE OF THE SCHEME

- 3.1 The Government's most recent Local Government Finance Settlement revealed that the grant funding for CLAS would not be renewed from April 2015. There has been widespread concern about this withdrawal of Government funding for local emergency support schemes amid fear that many authorities will be unable to afford to support families in crisis which could lead to short-term problems escalating.
- 3.2 The Local Government Association has been leading a campaign asking the Government to work more closely with local government before making a final decision about the future of the fund.
- 3.3 The leaders of a number of councils and the County Council Network have also pressed the Government to review its decision. At the time of writing this report, there is no indication of any change in the position to withdraw funding and it may well be that nothing will be heard until next year's financial settlement is finally announced in December.
- 3.4 In the light of this and in conjunction with a first year review of the scheme, consideration is now being given to what the future options might be for the provision of a further local welfare assistance scheme. At this stage, six broad options have been identified. The first three based on a scenario of no funding, the second three based on the scenario that funding is continued at some level.

Without Funding

Option 1: County Council withdraws completely from leading on CLAS as there is no longer any government funding

Option 2: The County Council funds CLAS from its own resources

Option 3: County Council facilitates the local funding of a cross agency successor to CLAS

With Funding

Option 5: Maintain the scheme as is

Option 6: Move Away from Re-settlement and Focus More on Meeting 'Basic Needs'

Option 7: Use the resources as part of the County Council's wider preventative strategy

- 3.5 At this stage it is recommended that the Council does not rule out any option until the funding situation has become clearer. However, officers are asking for the Committee's endorsement to start a discussion with key partners and stakeholders about how, collectively, Cambridgeshire might respond to a withdrawal of government funding for local welfare schemes. The intention would be to develop this response by November and the outcomes of which could be factored into any final decisions about the future of the scheme depending on the funding situation.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

- 4.1.1 Securing and retaining employment can be greatly assisted by people being in settled accommodation and this is an area that CLAS has been able to contribute to with some success.

4.2 Helping people live healthy and independent lives

- 4.2.1 CLAS has an important contribution to make to helping people in moments of crisis either remain healthy and independent or regain their health and independence with the injection of short term crisis support that CLAS can give. Of all the people who have been assisted so far a significant number have been able to return to more settled lives and as result have regained their independence.

4.3 Supporting and protecting vulnerable people

- 4.3.1 CLAS is a scheme targeted at the most vulnerable and by definition those seeking assistance from the scheme have found themselves in a vulnerable situations e.g. fleeing domestic violence, without shelter, food or heating.

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

- 5.1.1 The report above sets out details of significant implications in paragraphs 2.1-2.8 and 3.1-3.4.

5.2 Statutory, Risk and Legal Implications

- 5.2.1 Statutory: The provision of a local welfare assistance scheme is not a statutory obligation so the council is under no legal duty to provide this service.
- 5.2.2 Risk: The risk associated with local welfare assistance are considered high from two perspectives – reputational and by not having a crisis assistance scheme are vulnerable people more at risk when they find themselves in a moment of crisis?

Reputational

Over the years certain organisations have come to rely on the social fund/CLAS as an invaluable source of help to assist people re-settling back into the community. There is a growing realisation that this assistance may not be available from April next year and the Council's reduction in spend is already having a negative impact in this area and is causing some organisations to raise concerns directly with members and senior officers.

Restricting spend on awards will prove unpopular. The potential loss of Government funding from 2015 has already seen increased lobbying of the Council from certain organisations despite the fact that this will not be the Council's decision.

The Council's decision not to roll forward last year's under spend (as some other Councils have chosen to do) and, in addition, to reduce the fund by £294,000, has left the Council vulnerable to criticism already. Further actions to restrict access to the scheme or reduce the value of awards are likely to prove contentious.

Increased Risk to People in Crisis

It is hard to quantify whether those that have been supported by CLAS so far would have been more at risk if the scheme hadn't provided them with the assistance it did, in the way it did. Certainly, the scheme has been beneficial to helping many people recover from their crisis situations.

5.3 Equality and Diversity Implications

- 5.3.1 A community impact assessment (CIA) was produced when the scheme was designed and careful consideration was given to ensuring certain groups were not denied access to the scheme by the way the eligibility criteria was set out. The CIA has been revisited in the light of officers recommendations contained in this report. CLAS provides important assistance for woman and disabled people (including mental health). If the scheme were not to continue these groups would be affected.

5.4 Engagement and Consultation Implications

- 5.4.1 In developing the original scheme there was both formal and informal engagement with key stakeholders groups and this has continued largely through the Financial Capability Forum. The proposal about the future of the scheme contains a clear commitment to engage all relevant stakeholders before any final option is agreed. Formal consultation about the future of the scheme from April 2015 will be undertaken at the appropriate time, probably early in the New Year. This would also include an updated CIA.
- 5.4.2 With regard to the options for controlling spend this year, no formal consultation has been undertaken but some informal soundings have been taken. As highlighted in paragraph 5.2 reducing spend on CLAS will be unpopular but there is a recognition that resources are limited and all those involved need to make good and better use of what is available. Following a decision being made by committee authorised agents will be contacted to explain the changes and the reasons why.

5.5 Public Health Implications

- 5.5.1 As CLAS provides emergency food and heating it can have a direct impact on people's health. Sometimes these people already suffer and/or are recovering from a period of ill-health.

5.6 Localism and Local Member Involvement

- 5.6.1 The development of future options for the scheme has the scope of involving local communities more e.g. the provision of food to food banks, charitable collections of clothes and furniture and recycling of white goods. These will be considered alongside the options for the scheme moving forward.

Source Documents	Location
CLAS Eligibility Criteria	Room C013,Cattle Court, Cambridge http://www.cambridgeshire.gov.uk/info/20075/parenting_and_family_support/379/cambridgeshire_local_assistance_scheme_clas