

<b>1.</b>	<b>Meeting:</b>	<b>Deputy Leader</b>
<b>2.</b>	<b>Date:</b>	<b>11<sup>th</sup> July 2013</b>
<b>3.</b>	<b>Title:</b>	<b>Fund For Change</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

## **5. Summary**

Changes to the discretionary social fund, as part of the Welfare Reform Act 2012, saw community care grants and crisis loans abolished from April 2013. Local authorities have been provided with funding to establish replacement local support schemes for vulnerable groups. For Rotherham funding of £773,437 was received for 2013/14 together with administration funding of £163,431.

The scheme that has been developed in Rotherham is known as Fund for Change and it has been built around existing service provision in the Authority and with external parties. It provides grants and loans to vulnerable people who are in urgent need; or under exceptional pressure; or who need support to remain or resettle in the community. The types of help that are available are:

- Small emergency payments for people whose health or safety is at immediate risk and who have no other means of support;
- Interest free loans provided through Laser Credit Union for people who are in financial difficulty and need additional or less urgent support to meet essential expenses; and
- Provision of goods through the Furniture Solutions Team for those needing help to resettle or stay in the community

This report outlines the progress of Rotherham's scheme in the first quarter of 2013/2014 and gives details of spend so far.

## **6. Recommendations**

**Deputy Leader is asked to:**

- **Note the contents of the report**

## 7. Details of the Scheme

7.1 In order to qualify for Fund for Change support customers must be resident in Rotherham and be in receipt of one of the following qualifying benefits:

- Income Support
- Income based Job Seekers Allowance
- Income based Employment and Support Allowance
- Pension Credit

An initial telephone assessment determines a person's eligibility for support under the scheme and where people are found to be ineligible for help they are signposted to other agencies, including the DWP, who may be able to help.

7.2 **Emergency Payments** – A process is in place whereby small emergency payments can be processed through the Post Office for qualifying claimants whose health or safety is at immediate risk and who have no other means of support. Recipients are not expected to make repayment in these cases.

7.3 Although this was a large area of expenditure for the DWP under the old Crisis Loans scheme this has not been the case under the Fund for Change. So far emergency payments totalling only £100 have been given as we have found that support through the scheme can be provided more successfully in other ways.

7.4 **Laser Credit Loans** – The majority of successful applicants have been referred to Laser Credit and provided with interest free loans. In the case of claimants wanting the loan to pay for goods, Laser Credit will source the goods which will be funded through the loan.

7.5 The provision of loans through Laser Credit offers a further benefit of providing claimants with advice to help vulnerable customers get back on track with their finances which will hopefully prevent future financial crisis for the people concerned. Additional funding has been provided to enable Laser Credit to increase staffing to meet increased demand as a result of the scheme.

7.6 Figures for the first three months of the scheme show 475 loans have been granted totalling £65,807

7.7 Although the scheme is only in its infancy and many loans are relatively new, the initial repayments which so far total £3,974 are promising. There are however already 27% of loan repayments in default although many by small amounts this may be a concern ongoing. Any repayments are returned to the fund for the provision of future support.

7.8 **Furniture Solutions** – Qualifying claimants who need help to re-settle or stay in the community may be provided with essential furniture items by the Furniture Solutions Team. These claimants will not be expected to repay the value of the goods to the fund.

7.9 Figures for the first three months of the scheme show 18 claimants have been assisted through the Furniture Solutions Team with the total value of the goods provided being £6,748.

7.10 **Bridging Support** – Cabinet agreed that £30,000 bridging support would be allocated from the Fund to assist various advice agencies in providing support for people affected by Welfare Reform.

## **8. Finance**

8.1 Funding of £773,437 was provided to Rotherham by the DWP. Any under spend against this funding can be retained by the authority while any over spend must be met by the authority. At present it is anticipated that the scheme will be delivered within budget.

8.2 Additionally the DWP provided administration funding of £163,431 which it is anticipated will be spent in full in delivery of the scheme.

## **9. Risks and Uncertainties**

It is anticipated that we may see a rise in demand for support under the scheme as the effects of Welfare Reform takes further hold. Ongoing spend will be closely monitored and reported to members.

## **10. Policy and Performance Agenda Implications**

None

## **11. Background Papers and Consultation**

None

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