

Event report

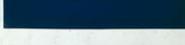
Localisation of the Social Fund: countdown to change

A London Funders meeting in partnership with:

**CHILD
POVERTY
ACTION
GROUP**


the association of
charitable organisations

27.02.2013

WEALTHY	
WELL-TO-DO	
COMFORTABLE	
POOR & COMFORTABLE (MIXED)	
POOR	
VERY POOR	
SEMI-CRIMINAL	

HOSTED BY

CCLA

VENUE

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

This note reports on a meeting to discuss the localisation of the Social Fund held with representatives of benevolent organisations and local authorities on 27 February. The meeting was organised by the Association of Charitable Organisations, Child Poverty Action Group and London Funders, and kindly hosted by CCLA.

Context

From April 2013, the discretionary elements of the Social Fund, Community Care Grants and Crisis Loans, will cease to operate at a national level. Funding to provide a replacement scheme will be devolved to local authority level. No ring fence has been placed around this money, but the [settlement letter](#) that accompanied the devolution of funding states that *'the funding is to allow you to give flexible help to those in genuine need.'*

While the Social Fund represents a small part in financial terms of the challenges faced by local authorities in managing a wide range of welfare reforms, the localisation of the Social Fund contains some of the highest risks for authorities, acting as it does as the 'place of last resort' for those facing an emergency, or unable to meet essential costs. The Social Fund at present acts to help families from falling deeper into crisis, whether through replacing a broken cooker or enabling a person who has left care, or moved due to domestic violence, to re-establish themselves in their home. One third of current claimants have a disability.

Moreover, demand for the replacement schemes will be increased by the other cuts to the social security budget. In London alone,

- 77,000 households are expected to be affected by the benefit cap
- 80,000 households will be affected by under-occupation penalties (the bedroom tax).

These come on top of already implemented reductions in Housing Benefit, many residents being expected to pay Council Tax for the first time, a freeze in the value of some benefits and uprating by just one per cent of others, and the introduction of Universal Credit in October 2013. (For more information see CPAG's November report on the impact of welfare reform in London [Between a rock and a hard place](#)).

We held an event in June last year to discuss the potential design of new schemes, calling for an approach that sought to ensure an integrated approach to both signposting people to the scheme, and ensuring that once they had accessed the scheme they were made aware of other sources of help and support (the report published by CPAG and launched at that event is [here](#)).

The aim of this event was to build links between local authorities and benevolent organisations, developing a shared perspective on how they might work together in order to help people in need.

Local authority perspectives

We heard presentations from two local authorities on their proposed schemes.

Lambeth

Michelle Binfield, from Lambeth Council, explained that setting up a replacement Social Fund scheme had involved significant challenges: Lambeth believed that based on previous patterns of demand, the grant devolved from central government would be worth around 25 per cent less than that which was needed. Moreover, most of the borough's attention was occupied with establishing the Council Tax Benefit replacement

scheme, and there were few providers who were willing or able to take on the task of delivering a scheme. Moreover, the lack of minimum standards for any scheme or a ring fence is causing problems for some local authorities – some local authorities are being given only half of the budget to dispense.

Lambeth's scheme will offer emergency support and community care. It will be accessed either online or by telephone, and will provide access to a cash grant, a credit union loan (with a one per cent interest charge), or vouchers. The Credit Union (which is being supported by the local authority to deliver their element of the scheme) has pledged to get people cash within 24 hours, and there will also be an out of hours service available. They are working with Emmaus to provide furniture and white goods, and with Age UK on providing emergency repairs – and are hoping to avoid dispensing cash where possible.

In order to access the scheme, people will need to show they have lived in Lambeth for at least six weeks. In discussions with 25 London local authorities, 12 have a criterion of six weeks for local connection, while others range from three to six months, or just require an address in the borough. Some local authorities remain worried about the level of demand they may experience that comes from other boroughs. Lambeth will have an exceptional scheme for those who have experienced domestic violence, and for ex-prisoners, and will support with community care grants those whom they place in other boroughs. 25 boroughs have agreed to treat ex-prisoners in the same way, but it was not possible to get wider agreement on local connection.

The Tri-boroughs of Westminster, Kensington and Chelsea and Hammersmith and Fulham are taking a shared approach. Lambeth, Southwark and Lewisham are investigating the possibility of a shared approach in year two of the scheme.

Lambeth has not quite reached its goal of a 'no wrong door' approach, but will be signposting to other sources of help that the council can provide.

Of the 25 boroughs that they are in contact with in London:

- 8 will offer loans
- 6 are using the Family Fund to provide white goods
- 5 are contracting their schemes out altogether
- The majority are using vouchers as an alternative to cash.

Islington

Councillor Richard Greening and Chris Hobbs from Cripplegate Foundation outlined the Islington scheme, which will bring together support from the Local Authority with additional funding from Cripplegate. Islington Council is bringing together funding streams including the money for community care grants and crisis loans, Discretionary Housing Payments, support for Council Tax Benefit and support provided by Cripplegate into one resident support scheme, administered by a joint team between Cripplegate and the Council. This aims to ensure that funding is used effectively, and avoids duplication.

Notional budgets for council departments have been identified to ensure that they can get decisions made quickly about entitlement. Generic access will be provided through advice agencies. They have decided not to go down the loans route, as they do not want credit unions to become an arm of government. They will be providing advice agencies with referral access

to credit unions – it is clear that demand for the scheme will outstrip the resources available.

The scheme has a focus on additionality, and the aim is to use it to help people get into a job, move home, or meet another need. Everyone who applies for help and support will have a benefits check and a referral to other sources of help.

Bringing together funding streams means that the person who applies for help only has one entry point into the local scheme, and that decision making processes will be streamlined.

There will be three types of referral:

- Benefits and money advice – developing financial capability
- Employment and training – helping people to get access to employment and training activities
- Social wellbeing – helping people to be more integrated into their community. The new scheme will bring together a database of projects that can help in this area.

Points from discussion

- Hackney Council will use their third sector as the access point for the scheme, as they feel that they have the best understanding of local levels of need
- There is a need for clear review processes, particularly where the voluntary sector is involved in delivering schemes
- Authorities will have to plan carefully around the distribution of the budget across the year. Some authorities will be categorising applications by level of need, in order to be able to prioritise expenditure.

The perspective from benevolent funds

Bryan Clover, Elizabeth Finn Grants

Elizabeth Finn Care handles some 30,000 applications a year for support from a broad range of people in need and offered a reality check about the real costs of providing a responsive service for grants. As well as the administrative challenge of managing so many diverse applications, they have also explored new ways of offering help (e.g. though using “closed loop” credit cards). Local authorities were encouraged to take advice from organisations like Elizabeth Finn Care in thinking through the logistical issues in their new schemes and especially their expectations of any organisations through which they planned to outsource the grants (or loans) processes.

Jason Tetley, Glasspool Trust, and Gerri McAndrew, Buttle UK

Glasspool Trust and Buttle UK are large national grantmaking organisations. Benevolent charities provide around £573 million per annum of financial assistance to individuals, supplementing rather than replacing the role of the state. The localisation of the Social Fund raises particular challenges for national organisations, in assessing who needs assistance, and providing a consistent service.

In the last full year, Buttle UK made 9,279 grants, totaling £2.135 million for essential items for living: 77% of these were white goods and beds and bedding for children. They cover every London borough, and last year helped 1,411 families with grants totaling £326,407. Key referrers to their scheme are local authorities and advice agencies. When making decisions about who to fund, they take into account family circumstances, including domestic violence, and health problems amongst children and parents.

Glasspool Trust is an unrestricted UK grantmaking charity. Their largest single beneficiary group is single people, with the second largest being single parent families. In 2012 they made 4,418 grants totaling £1.05 million and 20% or more of these were in London. Last year they made a total of £221,000 grants in all but one London borough. Key referrers to their scheme are local authorities and tenancy support, and they also take into account family circumstances, including domestic violence and mental health.

Both charities face key challenges after April 2013, when they will be dealing with potentially 155 different criteria for local assistance schemes. This may mean that funds need to be diverted from grants to administration, at a time of increased demand.

These trusts, along with the great variety of national benevolent funds and others that support individuals and families in need, must work with local authorities in a coordinated way, and promote understanding of how their support is additional to local provision. They have been considering developing a set of minimum standards that local authorities could be encouraged to adopt and that could mean better links between local schemes and national funders, and some avoidance of the postcode lottery that benevolent funders fear the new local schemes might create.

These **minimum standards** are:

- **Clarity** – a designated and identifiable budget
- **Transparency** – criteria and review process
- **Universal access** – qualifying benefit
- **Flexibility** – cash/voucher to replace crisis loans
- **No charges** – no imposition of interest/fees
- **Additionality** – linkage to wider support

Priorities for joint working

We asked participants at the meeting to discuss how they might work together in the future on these schemes. Key points to emerge were:

- We need recognition that benevolent funds are a diverse group of organisations that will want to work with local authorities in different ways, but information sharing between them will be useful.
- Some charities, for example, the Consumer Credit Counselling Service, will welcome referrals, as their income depends on the number of referrals they receive.
- It would be useful if there were the possibility for dialogue between the benevolent sector and local authorities although it is not clear if social fund type schemes will still exist in two years' time.
- There are some anxieties about the blurring of boundaries between the state and voluntary agencies – if the voluntary sector is making decisions about entitlement, where will people go for advice?
- It would be useful to have a shared idea about the kind of data that should be collected around the operation of these schemes. Is there a role for ACO in collecting data about changes in applications to members' schemes?
- This will be a learning period for local authorities; feedback from benevolent funds about changes they are seeing will be valued.
- It would be particularly useful to have a single point of contact within each local authority.
- It is unlikely that all local authorities will be able to agree on single minimum standards. The first year of the scheme should be seen as

the baseline for monitoring future developments – at the moment there is no sensible point of comparison.

Next steps

- CPAG will be developing an online portal to gather details of local social fund schemes, to provide a useful resource for funders as well as advisers. CPAG will also be investigating the potential to use this as a means of monitoring the operation of schemes, and gathering feedback on examples of good practice.
- ACO will be considering how it can use its own surveys to gather information on members' experience of the social fund
- London Funders offers to help plan further meetings as needed to bring funders together about reviewing how the local schemes are running, and encouraging funders to develop ways of working best together and share information on London-based schemes.

Attendance

Tracey	Armston-Harwood	London Borough of Hounslow
Andrew	Bazeley	London Borough of Newham
Kate	Bell	Child Poverty Action Group (CPAG) (speaker)
Michelle	Binfield	London Borough of Lambeth (speaker)
Rona	Blackwood	Save the Children
Stuart	Braley	Auriga Services
Allyson	Broadhurst	Charis
Ann	Buchanan	London Borough of Enfield
Helen	Butler	R.L. Glasspool Charitable Trust
Ben	Campbell	London Borough of Barking and Dagenham
Bryan	Clover	Elizabeth Finn Care (speaker)
Hyacinth	Cooke	Royal Borough of Greenwich
Clemmie	Cowl	Royal Ballet Benevolent Fund
Matthew	Dewhurst	Musicians Benevolent Fund
Anna	Dixie	Migrants Resource Centre
Benjamin	Dixon	London Councils
Fern	Edwards	Save the Children
Gill	Evans	Electrical & Electronic Industries Benevolent Association
Maura	Farrelly	London Borough of Tower Hamlets
Flavia	Gapper	The Charity for Civil Servants
Alison	Garnham	Child Poverty Action Group
Damon	Gibbons	Centre for Responsible Credit
Kristina	Glenn	Cripplegate Foundation
Jon	Graham	London Borough of Tower Hamlets
Richard	Greening	London Borough of Islington (speaker)
Tonia	Haworth	Hospitality Action
Katharina	Herrmann	London Borough of Hammersmith and Fulham
David	Hicks	Book Trade Benevolent Society
Katie	Higginson	BBC Children in Need
Chris	Hobbs	Cripplegate Foundation (speaker)
Dawn	Jackson	Elizabeth Finn Care
Mary	Jeffery	Rowland Hill Fund
Rajbinder	Johal	Independent Age

Ian	Jones	London Borough of Hackney
Rachael	Jones	Buttle Trust
Joanna	Kennedy	Z2K
Robin	Lomas	Supporting Friends, Friends of the Elderly
Mike	Lunn	Foundations UK
Kirsty	Marshall	Independent Age
Gerri	McAndrew	Buttle Trust (speaker)
Cathy	Mercer	GroceryAid
Jaishree	Mistry	Charity Bank
Chloe	Morgan	Refugee Council
Alan	Porter	London Borough of Camden
Dawn	Reeves	Richard Cloudesley's Charity
Andrew	Robinson	CCLA Investment Management
Helen	Simpson	Simpson & Associates
Judith	Smith	The Charity for Civil Servants
Kerry	Standing	London Borough of Brent
Rachael	Takens-Milne	Trust for London
Sheila	Taylor	Hampstead Wells and Campden Trust
Jason	Tetley	R.L. Glasspool Charitable Trust (speaker)
Paul	Treloar	LASA
Mark	Underwood	London Borough of Bexley
Steven	Valens	Skinnners Charity
Sue	Wicks	Comic Relief
Alice	Wilcock	Community Development Foundation
Laura	Wilkes	Local Government Information Unit
Dominic	Fox	Association of Charitable Organisations
Gaynor	Humphreys	London Funders
Catherine	McLoughlin	London Funders

With thanks to CCLA for providing excellent meeting facilities and Kate Bell, Child Poverty Action Group for writing this report.

