

EXECUTIVE BOARD COMMISSIONING SUB COMMITTEE
18 DECEMBER 2012

Title of paper:	Key Decision - Emergency Hardship Scheme Household Support Element	
Director(s)/ Corporate Director(s):	Candida Brudenell – Quality and Commissioning Tony Kirkham – Chief Finance Officer (Acting)	Wards affected: All
Portfolio Holder(s):	Cllr Chapman Cllr Collins	Date of consultation with Portfolio Holder:
Report author and contact details:	Antony Dixon – Strategic Commissioning Manager Antony.dixon@nottinghamcity.gov.uk 0115 876 3491	
Other colleagues who have provided input:	Geoff Walker – Head of Departmental Finance Tony Maione – Solicitor Liz Jones – Head of Corporate Policy Lisa Black – Head of Revenues and Benefits	
Key Decision: Yes		
Reasons for Key Decision:		
Revenue expenditure of £1,000,000 or more taking account of the overall impact of the decision	Yes	
Revenue income of £1,000,000 or more taking account of the overall impact of the decision		
Savings of £1,000,000 or more taking account of the overall impact of the decision		
Capital expenditure of £1,000,000 or more taking account of the overall impact of the decision		
Capital income of £1,000,000 or more taking account of the overall impact of the decision		
To be significant in terms of its effects on communities living or working in an area consisting two or more wards in the City	Yes	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		
Work in Nottingham		
Safer Nottingham		
Neighbourhood Nottingham		
Family Nottingham		
Healthy Nottingham	✓	
Leading Nottingham		

Summary of issues (including benefits to citizens/service users):

This report details recommendations for the commissioning of the Household Support element of the Emergency Hardship Scheme. This will enable the provision of specified household items which will either facilitate a planned programme of resettlement or mitigate emergency need, which, if unresolved, may result in the need for a more intensive/institutional service. The service will complement the 'Crisis' and 'Loan' elements of the Emergency Hardship Scheme approved by Executive Board on 20th November 2012.

RECOMMENDATIONS

It is recommended that:

1	The Committee approves the commissioning of a framework of providers to deliver the Household Support element of the Emergency Hardship Scheme as detailed at 2.1 at an estimated cost of approximately £450,000 per annum, and, that Committee agrees to give the Director of Quality & Commissioning delegated authority to award the contract.
2	Committee approves variation to the contracts of existing supported accommodation providers as detailed in Appendix 1 at an estimated cost of £75,000 for a period of six months from 1 st April 2013 in order to secure the essential household item required to aid resettlement into permanent accommodation. Committee gives delegated authority to the Director of Quality and Commissioning to agree the uplift once satisfactory quotes have been received
2	Committee approves the enhanced eligibility criteria for the Household Support element of the Emergency Hardship Scheme as detailed at 2.3

1 BACKGROUND

- 1.1 The Welfare Reform Act 2012 abolishes the Discretionary Social Fund. From April 2013 funding for Crisis Loans (CLs) and Community Care Grants (CCGs) will be devolved to top tier or unitary authorities. There is no new statutory duty on Local Authorities (LAs) to recreate CCGs and CLs but there is a strong expectation from Government that LAs will implement locally appropriate solutions.
- 1.2 The DWP currently administers CCGs and CLs for which people may be eligible in certain circumstances.
- 1.3 CCGs are non repayable grants intended to help vulnerable people live as independent a life as possible in the community and are dependant on receipt of an out of work benefit. CLs are intended for applicants who are unable to meet their immediate short term financial needs either in an emergency or as a consequence of a disaster for a specific item or service. CLs are currently not restricted to people receiving an out of work benefit.
- 1.4 In Nottingham, demand for Discretionary Social Fund assistance has consistently exceeded available funding. In 2009/10 15,980 applications were made with only 67% of those receiving an award, in 2010/11 applications increased to 17,490 receiving an award and in 2011/12 applications there were 15,780 applications with only 77% of CL applications and 45% of CCG applications granted.

- 1.5 In addition, those voluntary organisations in Nottingham that already provide some services to help meet hardship such as a range of food banks and providers of recycled/donated furniture tell us that demand for their help is also oversubscribed. They already provide 'top up' help with hardship to those awarded CCGs/ CLs that are lower than they need as well as helping those unable to access CCGs/CLs.
- 1.6 The Department for Work and Pensions will continue to operate the remaining elements of the Social Fund including Budgeting Loans (intended to help those on benefits spread the cost of intermittent expenses over a longer period) and Alignment Crisis Loans that are needed as a result of delays in the payment of benefits/system failure (for example Tax Credit delays or to cover living expenses up to the first payment of benefits or wages). From April 2013 these will be called Budgeting Advances and Short-Term Advances.
- 1.7 At their meeting on 20th November 2012, NCC Executive Board approved the establishment and implementation of a Local Emergency Hardship Scheme (the Scheme) by April 2013 when current DWP provision is abolished
- 1.8 This report addresses the provision of the Household Support element of the Scheme whereby eligible citizens are supplied free of charge with the essential household items they require.

2 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 There are a number of citizens who are likely to require the direct provision of essential household items in order to facilitate resettlement or prevent the possibility that a more intensive intervention is required and who would previously have received support through the Community Care Grant of the Social Fund
 - 2.1.1 It is proposed to establish a framework of providers that will be able to supply the essential household items listed in 2.3.1 below. This will be called the Household Support Scheme. The provider will be required to state the cost of each item they are able to supply and a delivery charge (for all items to be delivered). Assessment for the framework will be heavily weighted to cost of items to ensure value for money. The provider will be required to deliver all items within 48 hours of the placement of the order (subject to the availability of the citizen) and be able to offer a one year guarantee on all beds, mattresses and electrical items.
 - 2.1.2 Nottingham City Council will undertake the assessment of eligibility for the scheme and set a budget for the individual based on their needs and the average cost of the essential items that the citizen requires. This budget will include a delivery charge based on the average delivery charge from those suppliers who are able to deliver all items. The citizen will then source the essential items that they require from the framework list and advise the assessment team of their requirements. The assessment team will then place the order on their behalf. The provider will be paid for the items delivered on receipt of a signed delivery note. Where the cost of essential

household items comes to less than that of the budget awarded the citizen will also be able to procure items from the 'subsidiary items' list (see 2.3.2) using the process described above up to the level of their budget.

2.2 Citizens who have been homeless require assistance to establish a new home at the point at which they are resettled. An integral duty of supported accommodation providers is to facilitate this resettlement – it is logical, therefore, that the consideration of what essential household items the citizen requires should be embedded in this process. Citizens accommodated in NCC contracted supported accommodation will be supported through the process detailed in 2.2.1 below as opposed to the Household Support Scheme described in 2.1

2.2.1 NCC will award all contracted supported accommodation providers uplift to their existing contract for a period of 6 months from 1st April 2013 in order to obtain essential household items on behalf of those they are assisting to resettle into permanent accommodation. The uplift will be based on a (negotiated) quote for delivering this function by the provider and the number of individuals that were resettled into permanent accommodation from their service over an average 6 month period during 2013/13. The provider will then have responsibility for working with the citizen to obtain the essential household items required as part of the resettlement process.

2.2.2 Where monitoring returns indicate that resettlement into permanent accommodation during the revised contract period was 10% less or more than the 12/13 average baseline, NCC will recover this amount from the provider.

2.2.3 NCC is currently commissioning a new model of supported accommodation provision across a range of sectors and scheduled to be implemented from 1st October 2013. Future contractual arrangements for all new supported accommodation provision will include the requirement for the delivery of the full resettlement function as detailed in 2.2.1 as part of the core function of the service.

2.3 The Local Emergency Hardship Scheme Executive Board report (20th November 2012) established the broad eligibility for the Emergency Hardship Scheme. In **addition** to fulfilling these eligibility criteria it is proposed that eligibility for the Household Support Element of the Scheme be further restricted to the following citizens:

- Care Leavers
- FACS Eligible Citizens requiring resettlement
- Survivors of domestic violence requiring resettlement but not accommodated within supported accommodation
- Refugees resident in the City and granted permanent leave to remain
- Those assessed as being destitute to whom the local authority has a statutory duty
- Statutory Homeless requiring resettlement but not accommodated in supported accommodation.
- Homeless placed in non-NCC contracted supported accommodation through the Homeless Prevention Gateway

- Those deemed at risk of losing their independence or at risk of significant harm by the NCC EHS Assessment Team if not able to access (a) **significant** essential household item(s)
- Those facing extreme hardship following disaster **and** where the loss is uninsured

2.3.1 Essential Household Items are deemed to be as follows:

Individual items

- Single bed frame
- Single bed mattress
- Double bed frame
- Double bed mattress
- Single or double sheet x 2
- Quilt including quilt cover (in accordance with the size of bed provided)
- Pillow and case

Household Items

- Curtains (size small (46x54), medium (66x72) or large (90x90)) – per bedroom
- Electric cooking appliance (appropriate to the size of the household)
- Crockery (plates, cup, bowl) and Cutlery set (appropriate to the size of the household)
- Pot and pan set (appropriate to the size of the household)
- Kettle
- Fridge (for those households with permanently resident dependent children or who are required to store medication)

Additional Items (based on assessed medical need)

- Washing machine
- Orthopaedic mattress

2.3.2 The following subsidiary items may be purchased by the citizen if their budget allows (taking account of all delivery charges):

- Soft furnishings
- Hard furnishings
- Carpets
- Other curtains

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 A number of other options to deliver the Household Support element were considered. These include:

- Commissioning of a single provider to deliver the scheme: whilst this option has administrative advantages it is not recommended as it is felt that it would unduly restrict citizen choice
- Contracting out the whole responsibility for the provision of the Emergency Hardship Scheme: whilst this option has advantages in terms of limiting financial risk to the Authority it is not recommended as it would result in loss of NCC control over the delivery of the scheme and loss of local focus
- Commissioning the 'Crisis' Independent Living Support Service to procure items on behalf of the client: whilst this option has advantages in

maximising citizen choice it is not recommended as it would increase the administrative element of the scheme (given that NCC would still assess eligibility)

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 4.1 The DWP has issued settlement figures to local authorities for the first two years of the scheme. Nottingham City Council will receive £1.8m per annum for 2013/14 and 2014/15. Approval to use the allocation of funding for the Emergency Hardship Scheme was obtained at Executive Board on 20th November 2012.
- 4.2 Recommendation 1 approves the establishment of a framework of providers to deliver the Household Support element of the Emergency Hardship Scheme. This will carry no guarantee of work and therefore no commitment of funding is undertaken in awarding contracts to successful providers.
- 4.3 Recommendation 2 will be implemented through the variation of existing contracts with supported accommodation providers to support the resettlement of citizens by securing essential household items. These contracts were originally procured through a competitive tendering process and have been the subject of subsequent value for money reviews. A new model of supported accommodation provision will be procured from October 2013 and incorporate this element into the core contract.
- 4.4 As demand and eligibility to the service will not be known until this service is commissioned, spend will be monitored on a regular basis so that appropriate action can be taken to manage the service within the resources available.
- 4.5 Should the grant end after two years, the Household Support Scheme will be reviewed and a decision taken on the future of the Scheme.
- 4.6 The Corporate Procurement Unit will provide advice and support to the procurement process.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

- 5.1 It is not possible to accurately predict likely demand for the Scheme. Given that the substantive proportion of Social Fund spend was on CCG's the rigorous eligibility criteria for the Household Support element (the broad NCC response to the ending of CCG's) seeks to limit this exposure.
- 5.2 NCC officers will, during the first year of operation continuously monitor demand for the scheme and the framework approach in order to control budget and ensure value for money.
- 5.3 Following the first year of operation of the local Emergency Hardship Scheme, we anticipate more intelligence and insight will be available to help us understand and manage demand within the funding allocation and to review the longer term effectiveness of the scheme.

- 5.4 Quality and Commissioning will negotiate with supported accommodation providers to ensure that quotes provided for the delivery of the household support as part of the resettlement function are proportionate and appropriate and will work with providers to set parameters for the scheme. Including this element of the scheme in future contracts for supported accommodation provision should serve to reduce cost exposure as a result of the competitive element of the process.
- 5.5 In respect of the establishment of the framework proposed in recommendation 1, there are 3 main legal points. Firstly, the framework should be established in accordance with the Council's Financial Regulations and Contract Procedure Rules and all applicable law and regulations together with being commercially robust. Secondly the terms and conditions through which bidders secure a place on the framework should protect the interests of service users and the Council. Thirdly the terms and conditions through which services are called off from the framework should be equally prudent. Legal services will assist in this regard.
- 5.6 Recommendation 2 is considered supportable in legal terms on a balance of risk and reward. The report author has considered the benefit of approving the recommendations to both service users and the Council and believes that it far outweighs any risks. The extra 6 months requested links in with the outcome of the current work to commissioning a new model of supported accommodation provision across a range of sectors. This provision is expected to be implemented from 1st October 2013. Legal services will assist as required in completing the contract variations.
- 5.7 While the report author notes the difficulty in accurately predicting demand, the recommendations are noted to allow sufficient flexibility to meet the largest amount of demand possible with the available budget. In addition to the welcome conduct of a full EIA for the Household Support Element of the scheme, the report author is advised to continue approaching the subject matters of this report in the context of meaningful consultation.

6 EQUALITY IMPACT ASSESSMENT

- 6.1 Advice from the Equalities and Community Relations team recognises the likely benefits to citizens of the recommendations to put a local Emergency Hardship Scheme into place and highlights the importance of an equality impact assessment of the final eligibility criteria and the need to build in actions on the future monitoring of the scheme to provide data on the levels of demand for the scheme, the type of needs that are presented and the demographic data about applicants and recipients.
- 6.2 A full EIA will be conducted regarding the enhanced eligibility criteria for the Household Support Element of the scheme and the essential items contained within the scheme

7 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

None

8 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

The Welfare Reform Act 2012

Executive Board Report – Local Emergency Hardship Scheme – 20th Nov
2012

Appendix 1 – Supported Accommodation Services

NCHA	Stephanie Lodge
Provider	Service
Rethink Framework	Rethink Nottingham Supported Housing Park & Lake Complex Needs
Framework	Michael Varnham House
Framework	Colville Complex Needs
Framework	STAR Hughendon
Framework	Waterloo Crescent
MHT	Amber House Refuge
NCHA	Umuada Refuge
WAIS	Zola Refuge
New Leaf	Mellors Lodge
Nottingham City Homes	Highwood House
Framework	Aidan House
NCHA	Corporation Oaks
Society Vincent De Paul	Ozanam House
Framework	London Road
Framework	The New Albion
Nacro	Young Peoples' Accommodation Service
Nacro	Offenders Accommodation for Adults
Salvation Army SS	Sneinton House
Advance	Mental Health Accommodation Based
Framework	STAR Wells Road
NCHA	Arboretum Services
NCHA	Dale Street