

6 August 2012

Dear Chief Executive

Abolition of the discretionary Social Fund and transfer of funding for a new provision

I am writing in respect of earlier correspondence on the provisions in the Welfare Reform Act that abolish the current Community Care Grant and Crisis Loan schemes. As you know these schemes will be abolished in April 2013 and in order to avoid a gap in support for vulnerable people new arrangements will need to be in place from April 2013.

I know from discussions your officials have had with my Department that your planning for a new provision is well under way. This letter is to inform you of the indicative amount of programme funding you will receive for your new provision and the amount of set up and administration funding to enable you to do that. Programme funding is indicative because the final figure will be based on discretionary Social Fund spend in your area for the 2012 – 2013 year.

The programme funding has been calculated by looking at the legitimate demand, for those aspects of the discretionary Social Fund being abolished, for your area. We then applied that as a percentage of the Department's allocated £178.2 million to arrive at your figure. For administration funding we are transferring the amount the Department for Work and Pensions spends on administering them. This works out at approximately twenty per cent of the transferred programme spend. For start up funding, we listened to what authorities have told us. The amount to be transferred therefore allows a degree of flexibility according to your intentions, and is in line with expectations that the programme funding will be, in most cases, aligned with existing provisions.

Community Care Grants were awarded for a range of expenses, including household equipment, and were intended to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families. They were also intended to assist with certain travel expenses. Crisis Loans were made to meet immediate short-term needs in an emergency or as a consequence of a disaster when a person had insufficient resources to prevent a serious risk to the health and safety of themselves or their family.

Although you are not expected to replicate the previous Community Care Grant and Crisis Loan schemes, I attach for information a brief reminder of their purposes at Annex A.

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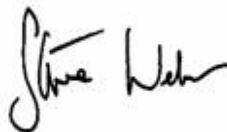
As you are aware, the Government has decided that it would not be appropriate to place a new duty on local authorities/devolved administrations in respect of the new provision you are planning. You need to be able to flex the provision in a way that is suitable and appropriate to meet the needs of your local communities.

However, whilst we do not want or expect you to replicate the current scheme in either whole or part, it is incumbent upon me to say that it is the intention of the Government that the funding is to be used to provide the new provision. Whilst the Government recognises the difficulties relating to the boundary between providing financial support and social services, we expect the funding to be concentrated on those facing greatest difficulty in managing their income, and to enable a more flexible response to unavoidable need, perhaps through a mix of cash or goods and aligning with the wider range of local support local authorities/devolved administrations already offer. In short, the funding is to allow you to give flexible help to those in genuine need.

I would add that spending decisions are, and will continue to be, a matter for local authorities and the Government does not intend to start placing restrictions on any future decisions they may make on funding.

Funding transfer details.

Southampton	
Local Authority:	Southampton
2012/13	
Set-up funding	£5,401
2013/14	
Programme funding	£540,104
Administrative funding	£114,128
2014/15	
Programme funding	£540,104
Administrative funding	£104,611



STEVE WEBB MP
MINISTER OF STATE FOR PENSIONS

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Annex A - Former Purpose of Community Care Grants and Crisis Loans

Community Care Grants were primarily intended to help vulnerable people live as independent a life as possible in the community. They were awarded to households receiving means-tested benefits such as Jobseekers Allowance. The prime objectives were to:

- help people to establish themselves in the community following a stay in institutional or residential care;
- help people remain in the community rather than enter institutional or residential care;
- help with the care of a prisoner or young offender on release on temporary licence;
- ease exceptional pressures on families e.g. the breakdown of a relationship (especially if involving domestic violence) or onset of a disability, or a calamity such as fire or flooding;
- help people setting up home as a part of a resettlement programme following e.g. time in a homeless hostel or temporary accommodation; or
- assist with certain travelling expenses e.g. for funerals of a family member or hospital visiting.

Crisis Loans were intended for applicants who are unable to meet their immediate short term needs in an emergency or as a consequence of a disaster. They were awarded for immediate living expenses in order to avoid serious damage or risk to the health or safety of the applicant or a member of the family.