

### **Social Fund: An overview of the changes:**

- The Welfare Reform Act (2012) abolishes the discretionary elements of the Social Fund. From April 2013, Crisis Loans and Community Care Grants will no longer be available.
- In future, the Government will be signposting local residents who need emergency financial assistance to local authorities – for *Local Welfare Assistance*.

### **Current Local Use:**

Crisis Loans: Provide financial support to meet immediate short-term need in an emergency or as a consequence of a disaster: for example, providing daily living expenses, rent in advance, board and lodgings, pre-paid meter fuel debts, and furniture and clothing in a disaster.

Community Care Grants: Provide support for vulnerable people to return to, or remain in the community, or to ease exceptional pressures on families.

### **Southampton Statistics:**

<b>CCG</b>	<b>Applications</b>	<b>Number of Awards</b>	<b>Total Spend</b>
2009/10	2040	960	£343,900
2010/11	2120	1020	£349,100
2011/12	1820	820	£333,800
<b>Crisis Loans</b>	<b>Applications</b>	<b>Number of Awards</b>	<b>Total Spend</b>
2009/10	9300	6990	£366,300
2010/11	6760	5420	£297,600
2011/12	5600	4430	£227,500

**Funding transfer details:** Funding for Social Fund ‘successor’ schemes will be provided to local authorities (at least until 2014/15). Southampton will receive around £650k each year – as an un-ringfenced grant - the final figure will be based on discretionary Social Fund spend in Southampton area for the 2012 – 2013 year.

**Potential Impacts:** The cumulative impacts are difficult to predict and need to link with the wider agenda of welfare reforms but some of the direct impacts of the changes to Social Fund may include; more households with no electricity/food/furniture, increased pressure on Adult/Children’s Social Care and homelessness services, increased demands for support from other discretionary pots of money, and not achieving move on from expensive residential/supported accommodation.

**Options:** It will be important to develop a holistic and sustainable way forward, bearing in mind the potential impacts of Welfare Reforms and reduction in public services. A mixed model would provide a flexible and sustainable approach:

- investing in building local anti-poverty capacity
- aligning funding within key services (i.e Homelessness/ benefit Services)
- commissioning elements to local/national providers.