

Supporting information about Derbyshire Discretionary Fund (DDF) proposals under consultation

This document provides supporting information on each of the proposals under consideration for the Derbyshire Discretionary Fund (DDF) review. It provides data and background information in order for people responding to the consultation to make informed and thoughtful responses.

Background to the DDF

The Derbyshire Discretionary Fund was set up in 2013 to provide financial support and help to Derbyshire residents following the transfer of elements of the “Social Fund” previously provided by the Department of Work and Pensions (DWP). This type of help is known as “Local Welfare Assistance”.

The DDF currently provides two types of payments:

- **Emergency Cash Payments (ECPs)** are cash payments which people can apply for when they are unable to meet an urgent need for food, heating or emergency travel due to a disaster or crisis; and/or where there is immediate and serious risk to the health and safety of the applicant or their family.
- **Exceptional Pressure Grants (EPGs)** are for people who are in receipt of means tested benefits, and who need help with certain situations, such as setting up home after an unsettled way of life. EPGs are usually awarded in the form of goods delivered to the home or a payment made directly to a supplier.

All applications are assessed financially and rules around income and savings are taken into account.

Neither type of payment needs to be paid back. The DDF also works with people to access loans through the Affordable Credit Project.

Financial position of the DDF

The core budget of the DDF is £1.315 million per year. Since October 2021, the DDF has received additional funding from the Government’s Household Support Fund (HSF) to support people with the Cost of Living. This funding is due to end in March 2024. In 2023/24 the DDF is expected to spend £2.25 million of HSF funding in addition to the DDF budget.

Awareness of, and demand for, the DDF has grown. When HSF ends, the DDF will not be able to meet demand from the core budget. This would mean

that the DDF budget would run out in months, rather than supporting residents over a year.

Information on Emergency Cash Payments

32,756 awards for ECPs were made in 2022/23 totalling £2.83m. This was considerably higher than previous years due to the extra funding from HSF.

People applying for ECPs are mostly working age (18 – 65 years). The most frequent groups to apply are single men and single parents with children. Around 30% of ECP applicants have a disability or a health condition.

The most common reason for applying for an ECP is due to a new benefit claim or a problem with a benefit claim. The second most common reason for applying for an ECP is due to increased costs and the rising cost of living.

Information on Exceptional Pressure Grants

658 Exceptional Pressure Grants (EPGs) were awarded in 2022/23 totalling £0.54m. Application numbers for EPGs have stayed fairly steady over a number of years although the average amount awarded has increased.

People who apply for EPGs are more likely than ECP applicants to be single parents or to have a health condition or disability.

Alternatives to DDF

There are limited alternatives to ECPs in Derbyshire, other than direct supply of food through food banks. However, the foodbank network in Derbyshire varies by area. The DDF works with local foodbanks where appropriate.

There are more alternative provisions to EPGs, such as Budgeting Loans and Advances through the Department of Work and Pensions, credit union loans, furniture re-use projects and charity funding. These vary from area to area and may require someone to have a support worker or social worker supporting them in order to apply.

Proposals to change the DDF policy

Four proposals have been developed to change the DDF policy and make it easier for the DDF to operate within budget.

- **Proposal 1: Develop criteria for a “budget brake” to enable prioritisation of applications.**
- **Proposal 2: Reduce the maximum number of Emergency Cash Payments to two in any twelve month period.**
- **Proposal 3: Increase the amount payable in an Emergency Cash Payment in line with either inflation or increases in benefit rates.**
- **Proposal 4: Reduce the scope of items that can be awarded.**

A detailed description of each proposal is provided below.

All of the proposals are being consulted on so that residents and professionals can have a say on them, before a decision is made on which (if any) proposals to implement.

Other suggestions made during the consultation process will be considered and responded to, so as not to limit the scope of possible ways forward.

Proposal 1: Develop criteria for a “budget brake” to enable prioritisation of applications.

Possible criteria for prioritising DDF applications if needed to address budget pressures could be ‘vulnerability’ and ‘reason for application / items being requested’.

Vulnerability

Analysis has shown that 45% of applicants have one of a number of factors that could mean they could be regarded as vulnerable, including for example people experiencing domestic abuse; residents with mental health issues; families impacted by the benefit cap; and those recently released from prison (not an exhaustive list).

Reason for application

ECPs support residents in range of challenging circumstances. Applications can cite a number of challenging circumstances, including lack of income during a new benefit claim; fleeing a violent or abusive situation; cost of living pressures; a domestic fire or flood; and taking in an additional family member (not exhaustive list).

EPGs are awarded for specific items. In 2022-23 these items were as follows:

Table1: Exceptional Pressure Grant awards 2022-23

Item	Number awarded 2022/23	% of awarded items
Cookers	785	18.4%
Fridges/freezers	736	17.2%
Beds and Bedding	648	15.2%
Washing Machine	479	11.2%
Carpeting or Curtains	419	9.8%
Seating	363	8.5%
Kitchen and Dining Utensils	322	7.5%
Rent in Advance	209	4.9%
Clothing	120	2.8%
Other	119	2.8%
Removal Expenses	69	1.6%

Exceptional Pressure Grant awards 2022-23 table full text

Table 1 provides counts and percentages of the Exceptional Pressure Grants awards by item type for 2022/23. There are 3 columns. Item, describes the type of item or expense. Number Awarded 2022/23, this is the total number of each item awarded in the year 2022/23. % of Awarded Items, the percentage that each item type constitutes of the total awarded items.

The top item awarded was cookers with 785 units (18.4%), followed by Fridges/freezers at 736 units (17.2%), Beds and Bedding with 648 units (15.2%), Washing Machines at 479 units (11.2%), Carpeting or Curtains with 419 units (9.8%), Seating at 363 units (8.5%), Kitchen and Dining Utensils with 322 units (7.5%), Rent in Advance at 209 (4.9%), Clothing with 120 units (2.8%), Other items also at 119 units (2.8%), and Removal Expenses with 69 units (1.6%).

Prioritisation Framework

There may be scope within a prioritisation framework to recognise that some of the items (EPG) or circumstances (ECP) may be more crucial when funds are limited, and that differing levels of vulnerability of the applicant may be considered.

Proposal 2: Reduce the maximum number of Emergency Cash Payments to two in any twelve month period.

Emergency Cash Payments are limited to three in a twelve month period. When the DDF originally started, ECPs were limited to two, but this was extended in November 2013.

Current data analysis indicates that a proposal to reduce payments, back to two from three in a twelve month period, would affect 38.6% of ECP applicants. Any reduction in support is inevitably likely to cause difficulties for applicants facing a crisis or emergency situation. All applicants are currently advised and signposted towards alternative sources of support and ways of preventing future issues when they speak with a decision maker. This has been identified as an area which could be improved, which could mitigate some of the negative effect of reducing ECPs to two awards.

Applicants claiming Universal Credit are potentially disadvantaged by this proposal to reduce the number of ECP awards that can be made, as Universal Credit has longer waiting times to receive benefit payments built into it than previous 'legacy benefits' and is paid monthly, whilst the benefits it replaces are paid fortnightly or weekly.

A proposal to reduce ECP awards to two in any twelve-month period would overlap with some of the other proposals in this document, in particular proposal P1 to prioritise applications within a budget-brake framework.

Proposal 3: Increase the amount payable in an Emergency Cash Payment in line with either inflation or increases in benefit rates.

The ECP amount was originally set in 2013 at 60% of an individual's standard out-of-work benefit entitlement (£43) and this was increased to 75% (£54) in 2014. This has not been updated since.

The same calculation of 75% of the current (2023/24) rate for basic out of work benefit entitlement would increase an ECP to £63.60. However, benefit rates have not risen in line with inflation. If the ECP amount had risen with inflation, it would have been £80 in April 2023.

Utilising HSF monies the basic value of an ECP has been £64 per person since October 2021 – this is due to go back down to £54 when HSF ends at the end of March 2024.

Additional household members (partner and dependent children) are reflected in an ECP award by an additional £10 per person. This has increased to £20 per person with HSF monies and will go back down to £10 at the end of March 2024.

If adopted, this option would be funded from the savings made under other proposals and would potentially work in conjunction with a move to a scaled back, more focussed offer in terms of the *number* of awards an applicant could receive, and the work to increase and promote the wider prevention offer.

Proposal 4: Reduce the scope of items that can be awarded

This proposal includes three ways to reduce the scope of the items that can be awarded.

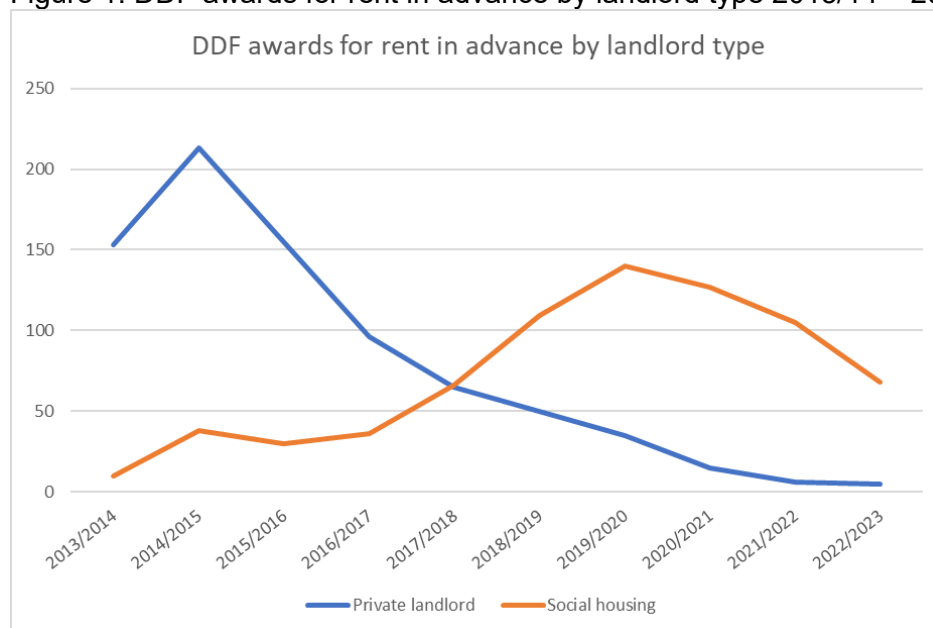
Rent in Advance (EPG)

Rent in advance used to be paid by DWP as Crisis Loans. The DDF pays these as EPGs if applicants meet the criteria in terms of benefit eligibility, residency and being under exceptional pressure.

Around 20% of EPG applications include rent in advance (this data is not routinely captured but has been sampled at different times). Awards that include rent in advance awards accounted for 11.1% of awarded EPGs in 2021/22 and 11% of awarded EPGs in 2022/23.

The profile of applications for rent in advance has shifted throughout the operation of DDF in terms of who the landlords are, with a move away from awards for private tenancies towards awards that help in securing a social tenancy.

Figure 1: DDF awards for rent in advance by landlord type 2013/14 – 2022/23



Rent in advance by landlord type chart full text

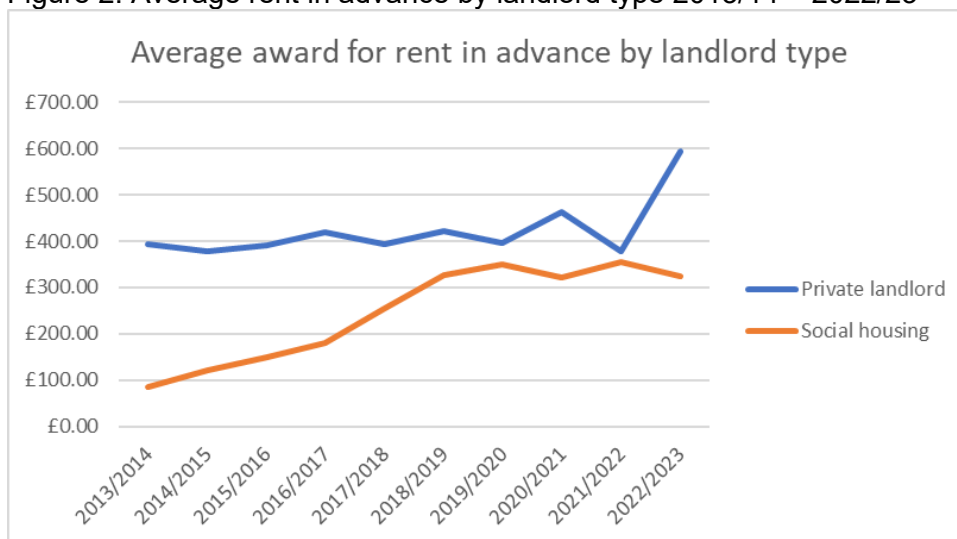
Figure 1 is a trend chart showing the number of DDF rent in advance awards by landlord type from 2013/14 to 2022/23. For each year, there are two coloured lines representing the number of Discretionary Domestic Fund (DDF) awards given for rent in advance. The orange line represent social housing, while the blue line represent private landlords.

The chart shows over time a decline in the number of awards for rent in advance awards for private landlords and an increase in the number of social housing rent in advance awards.

In 2013/14 there were 10 awards for social housing and 153 awards for private landlord. This increased to 68 awards for social housing and decreased to 5 awards for private landlord in 2022/23.

There has also been a shift in social landlords requiring four weeks' rent in advance rather than one week, leading to an increase in the average amount spent on rent in advance for social tenancies (average has increased from under £100 for social landlords to approximately £350). This reflects policy changes by social landlords in response to the roll out of Universal Credit.

Figure 2: Average rent in advance by landlord type 2013/14 – 2022/23



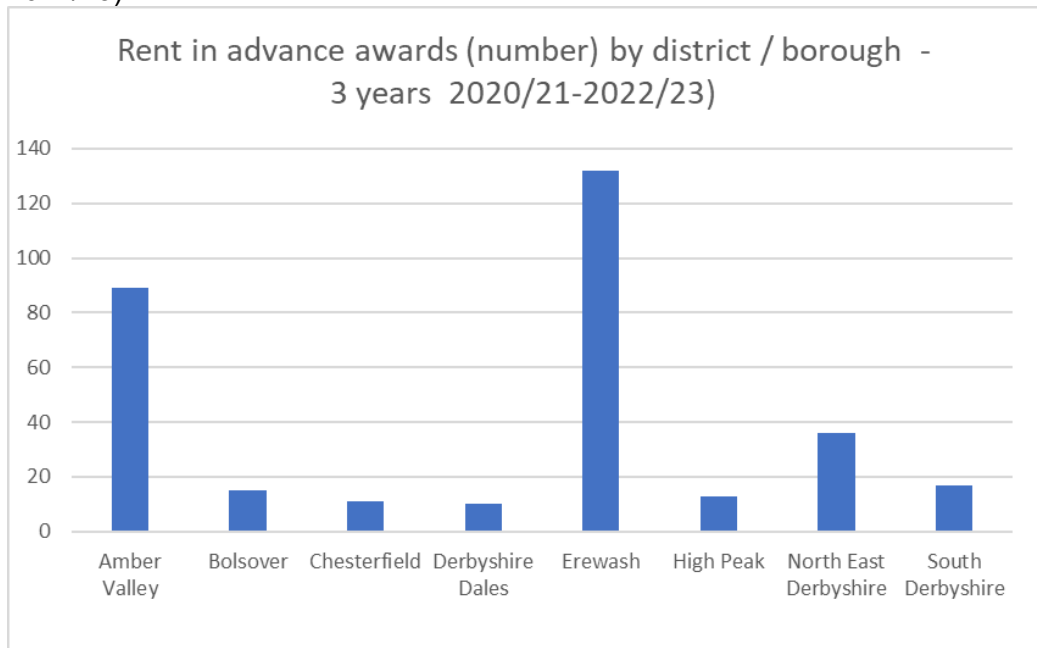
Average award amount for rent in advance by landlord type chart full text

Figure 2 is a trend chart showing the average award amount in pounds for rent in advance by landlord type from 2013/14 to 2022/23, it presents two lines, one for private landlords (in blue) and one for social housing (in orange).

The chart shows that the average award provided in pounds for private landlords maintained a similar rate of around £400 between 2013/15 to 2021/22 and then increased in 2022/23 to £600. Social housing average awards for rent in advance increased from 2013/14 to 2018/19 and has since maintained a similar rate, the 2022/23 rate is just over £300.

Analysis of awards for assistance with rent in advance by area of the county shows that these awards are particularly concentrated in Erewash and Amber Valley boroughs.

Figure 3: Rent in Advance awards (number) by district / borough for 3 years (2020/21 – 2022/23)



Rent in advance awards (number) by district / borough chart full text

Figure 3 is a bar chart showing the number of rent in advance awards for the district and boroughs for 3 years of data (2020/21, 2021/22, 2022/23) within Derbyshire. Amber Valley has 89 rent in advance awards, Bolsover 15, Chesterfield 11, Derbyshire Dales 10, Erewash has the highest with 132, High Peak has 13, North East Derbyshire 36, and South Derbyshire has been awarded 17.

The chart highlights that Erewash and Amber Valley boroughs have in recent years had a higher number of rent in advance awards compared to other district and boroughs.

Rent in advance support from DDF is uneven across the county, with Erewash and Amber Valley taking up most of the support, but to a low number of people. This suggests that other areas are finding alternative solutions

Work will take place with housing partners during the consultation process to understand the alternative provision in place, and better understand the discrepancies across the county.

Travel (EPG and ECP)

Travel is referred to in the current policy in relation to emergency circumstances (ECP) and a specific reasons list (EPG).

18% of ECP applications reference travel concerns but all of these also reference needing help with food and heating. Less than 1% of ECP awards mention travel – because these residents were awarded on food and heating need.

A representative sample of EPG applications were reviewed, and these contained no requests for assistance with travel, and no EPG awards were made for travel in 2022/23.

The type of support with travel referenced in the original DDF policy is now covered by assistance in other places, for example hospital travel costs and travel to interview expenses. The DDF team signpost to these sources of support.

The language of the 2013 policy is therefore out of date and risks confusing applicants about where to obtain assistance from.

Removing this item from the policy would create no cost saving as no awards are made for this reason.

Furniture and Flooring in Social Housing contexts.

56.4% of the DDF spend on EPGs was for furniture and flooring into social housing settings. Whilst this covered a range of items, specifically, in 2022/23 £212,432 (or 43.7% of all EPG award spend) was for fridges; cookers; washing machines and floor coverings.

Research shows that around 2% of social tenancies are let furnished compared to 30% of private lettings¹. Typically, socially let properties do not include carpets or flooring other than in kitchens and bathrooms, and whilst some landlords clean flooring and gift this to incoming tenants, this is not standard practice and even adequate flooring and items can be removed from a property².

There are options available for social landlords to support tenants by providing flooring and basic household items, including via Eligible Service Charges which can be claimed back through Housing Benefit and Universal Credit where residents are in receipt of these benefits.

Support is available from third sector organisations to assist social landlords to establish furnished tenancy solutions based on best practice and scheme sustainability.

¹ End Furniture Poverty, (2021) A Blueprint for Furniture Provision in Social Housing) [EFP-Blueprint-vr2.pdf \(endfurniturepoverty.org\)](https://endfurniturepoverty.org/)

²Hill, K., Padley, M. and Stone, J. Hill, K., Padley, M. and Stone, J. Exploring Affordability: what can housing associations do to better support their tenants? (2020) [Exploring affordability \(lboro.ac.uk\)](https://www.lboro.ac.uk/research/centres-and-groups/affordability/)