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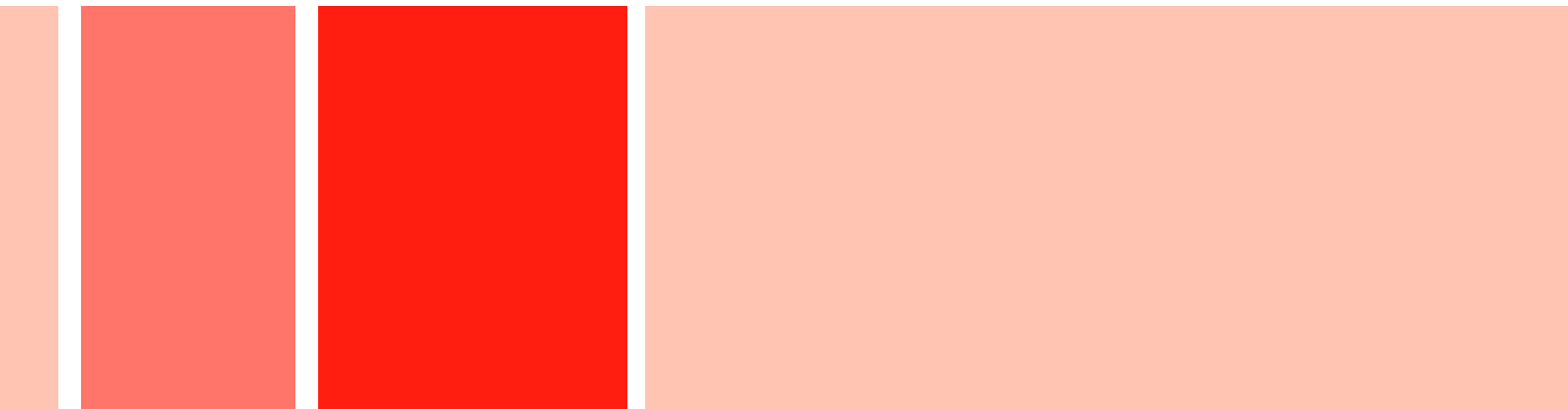
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Evaluation of the Discretionary Assistance Fund

SUMMARY



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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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Summary

Purpose of the report

- 1 This report documents a process evaluation of the Discretionary Assistance Fund (DAF) in Wales. The DAF replaced parts of the Social Fund previously run by the Department for Work and Pensions (DWP) which was sometimes referred to as 'crisis loans' or 'community care grants'.
- 2 In 2013 the Welsh Government appointed Northgate Public Services (NPS) to administer the fund on its behalf. NPS are supported by two lead Partners - Family Fund Trading Limited (FFT) and Wrexham County Borough Council (WCBC) - and a network of Delivery Partners. These Delivery Partners are able to signpost individuals to the DAF and support them in completing applications where appropriate.
- 3 The fund offers grant payments or support for two purposes:
 - (1) Emergency Assistance Payments (EAP) to provide help in an emergency or when there is an immediate threat to an individual, or to their family's health or wellbeing.
 - (2) Individual Assistance Payments (IAP) to help someone to live independently in the community and prevent the need for institutional care.
- 4 NPS were contracted initially for two years - with an option to extend for a further two years - to manage, implement, administer and monitor the grant scheme. The annual grant budget for the DAF is £10.2 million for the first two years. Having operated for over 12 months, Welsh Government wanted to assess how well the processes were working and whether any improvements could be made in efficiency or effectiveness.

Aims

- 5 The specific aims of the evaluation were to:
 - (1) Assess whether the DAF is being implemented as intended including dealing with applications and making awards efficiently and effectively; whether all potential applicants are aware of the DAF and are able to apply easily; whether reporting requirements are being met; and whether data quality is acceptable.
 - (2) Assess whether NPS has established the DAF in accordance with its intended design and mode of operation. This includes consideration of the capacity and range of the network of referral or Delivery Partners; the application, referral, assessment and appeals processes; and capture of appropriate monitoring information.

- (3) Assess whether NPS and its Partner organisation FFT have properly embedded all expected financial processes and are implementing them well. This includes consideration of data sharing arrangements and compliance with data protection legislation.
- (4) Assess the effectiveness of current arrangements for handling of enquiries made by elected representatives of DAF clients.
- (5) Highlight any deficiencies in relation to financial probity; failures to establish the intervention as intended and failures and problems in operation with, where appropriate, recommendations for redressing them or for making other improvements to the scheme.
- (6) Provide an assessment of whether value for money is being provided by the current contractual arrangements.

Findings

- 6 The DAF programme was implemented in a short period of time (circa four months), was fully operational from April 2013 and now has a range of around 300 Delivery Partners addressing a diversity of support needs and engaged in helping citizens to access the fund. In our view the speed of implementation is exceptional for a programme of such complexity and geographic coverage. The Welsh Government, NPS, FFT and WCBC should be commended for this achievement in this timescale.
- 7 In the year from April 2013 to March 2014, out of 40,780 applications to the fund 26,898 were agreed and paid to vulnerable individuals with an award ranging from £5 to £100 for emergencies to a maximum of £4,200 for individuals and families moving into independent living. From the work we have undertaken, these awards have been given for the purposes intended, as set out in Welsh Government Guidance, and the number of Welsh citizens receiving funds is distributed roughly in proportion to the degree of need in each local authority area across Wales. The funds have been given for purposes that range from money for food in emergencies to supplying refrigerators, washing machines, cookers and other household items to support independent living.
- 8 Whilst we were not tasked with collecting evidence on the effect the fund has had on peoples' lives¹ all the Delivery Partners involved in the DAF who we contacted in our survey emphasised the positive impact that the fund has had on vulnerable people in need. These include cases where:
 - (1) Individuals could not obtain budgeting loans for basic living essentials due to them being unable to repay them.

¹ Blue Alumni were tasked with assessing the operation of the fund and the effectiveness of its processes.

- (2) In exceptional circumstances (as travel is not normally eligible for funding) contributing towards a father's travel costs to take his son with leukaemia to hospital while waiting for DWP benefits to be received.
 - (3) Providing beds for a single mother with an 8 month old baby who was sleeping on a blow up mattress and also signposting her to other support agencies for further advice.
 - (4) Helping a woman with four children set up in a new home after fleeing domestic violence.
- 9 The Delivery Partner comments we have received in our survey reinforce these types of positive impacts and how the Welsh Government discretionary awards have really helped vulnerable individuals.
- 10 In our view the programme now forms a good base on which to build. However, as with any programme, improvements can always be made and the DAF is no exception. There are a number of areas where the DAF processes are not fully in line with the original concept set out in Welsh Government's specification. However, this is to be expected as this is the first time a scheme like this has been established in Welsh Government and lessons have been learnt during implementation, in part taking into account feedback from partners. We have identified, with the help of those involved in its management and operation, specific areas where the operational processes can be improved or would benefit from further review. In summary these include:
- (1) More effective use of the Delivery Partner network:

The data suggest² that clients drawing on the support of the Delivery Partner network are around 20% more likely to succeed in obtaining a funding award than unsupported applications. Having a well-trained and appropriately distributed Delivery Partner network across Wales should result in:

 - (a) A reduction in the number of ineligible applications as the Delivery Partners would be able to filter out ineligible applicants and signpost them to other sources of support at an early stage in the process.
 - (b) Higher utilisation of the lower cost on-line application method over the internet.
 - (c) More effective management of eligible applicants' expectations as to the level and types of award that may be available to them.
 - (d) Greater transparency around the funding decisions made and fewer appeals.
 - (e) Greater assurance that all citizens across Wales can be made aware of the DAF and gain access if needed.

² Comparison of the success of Delivery Partner supported online applications with unsupported applications.

In addition, the DAF Delivery Partners potentially could provide valuable and wider support to the Welsh Government's Tackling Poverty Agenda. They are in direct contact with the most vulnerable citizens in Wales and are working to provide support to improve people's lives. While currently acting in a support role to the DAF, 66% of the 100 respondents who indicated a preference are keen to become more involved in the funding award process. The Welsh Government could build on this group, possibly through a separate programme, to help implement a range of related initiatives.

We consider it is important that additional Delivery Partners are only recruited in defined areas of need and that work is undertaken with the Delivery Partners in designing and developing the future operation of the DAF and improvements to their formal registration, training and operational roles in the programme. Of particular importance is the need to build on the training that is now operational for those involved in the Fund.

(2) Improvements to the DAF application processes:

In general the DAF application processing procedures work well. Individuals can make applications through telephone, paper based and internet methods. The advisors in the NPS business centre can converse in Welsh, English, a variety of Middle Eastern and Asian languages and also have access to telephone support for other languages. There are facilities for people with special needs. Successful applications are forwarded onto FFT for fulfilment four times per day during normal business hours. Applicants are informed of the decision on their applications in a timely manner.

We consider there are some areas where improvements could be made. In summary, these include changes to the application forms, encouraging greater use of the internet-based application processes and making the decision making process more transparent by providing more detail on the reasons why applications are refused. All of these suggestions would improve the operation of the scheme and could potentially reduce processing costs through ensuring more applications are eligible and right first time.

(3) NPS Business Centre Advisors.

Feedback we received from partners was that the staff operating the NPS Business Centre could manage and meet Delivery Partner expectations more effectively. However, it has to be recognised that this is quite a sensitive issue as declining a discretionary award is not popular, especially if the applicant or their representative does not fully understand the reasons. In addition, as part of this evaluation, NPS have informed us of instances where partners and applicants have, at times, become abusive over the phone.

In terms of dealing with applications, at present, the Delivery Partners feel the staff could do more to support them. In order to

get to this, we used a slight variation on the 'Net promoter score' (NPS) to assess the Delivery Partners' views³. The NPS is a fairly 'hard' measure and negative scores are common. Based on the Delivery Partner case workers who responded:

- (a) The overall average score of the 88 respondents who felt they could make a firm assessment of the NPS advisors' performance is just over 6 out of 10. If the Net promoter measure is applied the advisors scored minus 47% (88 responses with 10% promoters less 57% detractors and 33% passive ratings.)
- (b) The overall average score of the 87 respondents who made an assessment of the overall performance of the organisations running DAF processes and delivery is 6.4 out of 10. If the net promoter measure is applied, the DAF service scored minus 36% (87 responses with 8% promoters, less 44% detractors and 48% passive ratings).

Again, this evaluation has found that case workers' views are influenced by their lack of knowledge of the policy constraints put on the advisors, the checks the NPS Business centre have to make to prevent fraud and the clarity of the reasons why some applications are turned down.

We believe that greater transparency and communications of these matters to the Delivery Partner network would improve the image of the advisors in what, at times, is a difficult role. We also recommend that NPS use the scores we have obtained as a baseline from which to measure future progress.

(4) Improving the fulfilment processes and delivery of goods, services and cash to applicants:

The fulfilment processes appear to work effectively and efficiently through FFT and their network of suppliers. Awards that the NPS Business Centre communicates to FFT are placed as forward orders on suppliers who deliver to agreed service levels.

84% of the 38 Delivery Partners who responded to this specific question in our telephone interviews felt that the fulfilment approach of providing goods rather than cash is the most appropriate way of fulfilling the award. Their main areas of concern were the accessibility of some of the stores/providers and whether Value for Money might be better served, in some cases, with the provision of used goods from reliable sources.

³ The net promoter score is widely used to assess customer views of a service. It is based on the numbers of respondents likely to recommend the service to their colleagues, friends and family on a scale of 0 to 10 - zero being 'not at all' to ten being 'without hesitation'. The score is then calculated as promoters - those rating their response at 9 or 10 less detractors those rating their response at 6 or less. Those scoring 7 or 8 are considered passives and discounted from the calculation. For this assessment we used a scale of 1 to 10.

Of the 50 Delivery Partners who responded to our question on accessibility of the fulfilment companies, Argos was rated as very or quite accessible (84%), with Euronics, Homebase and Park Clothing rated as 56%, 54% and 12% respectively for accessibility⁴. One of the recurring themes was difficult of access for individuals with special needs and their ability to travel to the various stores some of which might be 20 miles from their home.

Whilst only 41% of 96 Delivery Partners who responded agreed that the current fulfilment system offers good value for money, a further 27% did not feel they could offer an opinion either way. In our view, Value for Money assessments are always 'personal judgements' as respondents are not often aware of the full cost of ownership/delivery of the goods and services.

There may be a case for contracting with well-regarded suppliers of used goods but this would need further investigation and the trade-offs between operating efficiencies, the reduction in costs and the reliability of goods needs to be tested before any change is considered.

(5) Other possible operational improvements to the DAF:

In our survey, the Delivery Partners made some suggestions as to how the scheme could be improved.

- (a) Just over 65% of 98 respondents felt that the application process can be improved. Suggestions included simplification of the application forms, providing more guidance on what can and cannot be funded and placing greater trust in Delivery Partners.
- (b) Extending the range of goods and services that can be routinely included in awards such as carpets in appropriate circumstances.
- (c) Providing further delivery options for applicants with special needs or who have limited budgets to pay for, or challenges in travelling to and carrying back goods from the fulfilment outlets.

We understand that Delivery Partners have put forward similar suggestions to Welsh Government in the regular consultative meetings that take place, hosted by NPS and FFT. We recommend that the Welsh Government convenes a series of process review/design workshops between NPS and the Delivery Partners to identify and implement the improvements that can be made to each step in the application process and act on cost effective, agreed outcomes.

(6) Reporting and audit.

⁴ We did not ask about PayPoint locations as these are available in over 27,000 outlets across Wales.

NPS and Welsh Government jointly agreed a set of periodic reports to monitor activity and expenditure on the DAF. NPS have produced these according to schedule and used them to inform discussions with Welsh Government in regular contract monitoring meetings.

NPS have confirmed that these reports are accurate but contain differences in the data due to the various times at which the data is extracted from the underlying computer systems. Whilst this method of reporting activity may have been adequate in the early stages of the programme, these differences need to be addressed to improve the credibility of what otherwise is a good performance monitoring pack.

The absence of full period processing procedures is the main cause of the timing differences generating these apparent discrepancies. At present, period end processing is implemented only for the fulfilment and Treasury Management aspects of the fund undertaken by FFT but not for the initial application processing stages conducted in the NPS Business Centre. The reports would benefit by the introduction of full period end processing routines and having fully reconciled tables across the various stages in the application, award and fulfilment processes. This would improve consistency in the reports and enable NPS to take copies of the underlying data at the period end which would support any audit of activity levels at the end of each period.

Blue Alumni assessed the strengths and weakness of the financial controls within the processes and found the financial practices to be generally strong. NPS conduct regular reviews of the potential risk of fraudulent applications, review these with the Welsh Government and agree mitigating actions.

We have noted a few areas where the controls could be improved. These are:

- (a) Completing more formal checks on the credentials of Delivery Partners to 'accredit' them. The Welsh Government relaxed this original requirement for the programme to get the Delivery Partner network in place quickly. We recommend that this decision is revisited particularly if more use is to be made of the Delivery Partner network in the future.
- (b) Providing more guidance on the circumstances where discretion can be used in decision making and sharing this with Delivery Partners to improve transparency and consistency.
- (c) Introducing full period end processing as detailed above.
- (d) Subjecting the applications and awards processing in the NPS Business Centre to formal audit - preferably external audit as originally envisaged. At present, only the Fulfilment and Treasury Management aspects of the fund are subject to internal and external audits.

(7) Value for Money.

Processing costs are in the order of £34 per application which we believe is reasonable for a programme that has to balance the accountability of awarding Welsh Government funding, reach across all of Wales and meet tight service levels.

These processing costs compare reasonably to the IAP grants which are in the order of £1,000 or more. However, when considering the emergency payments of around £30, it has to be remembered that all the same checks have to be made to ensure probity. Implementation of several of the suggestions and recommendations we have made could reduce the level of processing effort needed. Welsh Government could consider setting targets for efficiency improvements in processing costs in the next stages of the DAF.

One option could be to make greater use of the Delivery Partner network (see also (1) above). They are face to face with applicants and in the best position to assess clients' needs; filter out ineligible applications; and make more applications on-line. Identity checking, final decision and payments could still be made via the current system. This approach could speed up the application process and reduce costs at the same time and should be investigated further.