



Scottish Churches Parliamentary Office Briefing Paper

Welfare Funds (Scotland) Bill

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The Welfare Funds (Scotland) Bill

This SCPO briefing looks in detail at the [Welfare Funds \(Scotland\) Bill](#). It outlines the main points of the [Bill](#) and highlights areas that may be of interest to Churches in Scotland.

In April 2013, the UK Coalition Government announced the withdrawal of the discretionary Social Fund, and the transfer of its responsibility and funding to the Scottish Government. The intention of the UK Government was for new assistance to be delivered in England using existing powers in the [Local Government Act 2000](#) and for the Scottish and Welsh Governments to decide on what new assistance should be provided in Scotland and Wales respectively. The Scottish Welfare Fund (SWF) is the interim successor scheme currently in place in Scotland.

Following Scottish Government consultations, Local Authorities have been delivering the SWF on an interim basis, under a voluntary agreement between the Scottish Government and [CoSLA](#) (The Convention of Scottish Local Authorities), since April 2013. It is the successor arrangement to Crisis Loans for Living Expenses and Community Care Grants. The SWF is running for a period of around 2 years.

The scheme aims to achieve the advantages of local delivery while maintaining a national character. The SWF, provides day-to-day living expenses to those on low incomes who are in crisis as well as providing essential household items to those in need. This will be provided through Crisis Grants and Community Care Grants.

The [Crisis Grant](#) aims to help people, who are in crisis because of a disaster (such as a fire or a flood) or an emergency such as when they have lost money or it was stolen. Crisis Grants award decisions will be made within 2 working days.

The [Community Care Grant](#) aims to help people who may have to go into care unless they get some support to stay at home. Or, if they are leaving any form of care and need help to set-up their own home. It can also help families '*facing exceptional pressures*', with one-off items, such as a cooker or a washing machine. Applications for Community Care Grants are processed within 15 working days.

Main Purpose of the Bill

The [Welfare Funds \(Scotland\) Bill](#) was introduced to the Scottish Parliament by the Scottish Government on 10 June 2014 in is currently at Stage One¹. The [Bill](#) intends to establish the SWF permanently in legislation. This would:

- provide a safety net in an emergency when there is an immediate threat to health and safety (Crisis Grants)
- enable independent living or continued independent living, preventing the need for institutional care (Community Care Grants).

¹ Stage 1 - consideration of the general principles of the Bill by Parliamentary Committee(s), followed by a debate and decision on these by the Parliament.

A grant can be awarded in case of crisis to meet expenses that have arisen as a result of an emergency or disaster in order to avoid serious damage or serious risk to the health or safety of the applicant or their family.

Or in support of independent living to:

- help people establish themselves in the community following a period of care where circumstances indicate that there is an identifiable risk of the person not being able to live independently without this help
- help people remain in the community rather than going into care where circumstances indicate that there is an identifiable risk of the person not being able to live independently without this help
- help people set up home in the community, as part of a planned resettlement programme, following an unsettled way of life
- help families facing exceptional pressures and who lack the resources to meet irregular costs to provide a safe and secure home environment
- help people to care for a prisoner or young offender on release on temporary licence.

The Scottish Government say the decision making process for applicants will involve:

- eligibility checks to find out whether the applicant is eligible for a grant. These include identity and residence checks, a check against a savings threshold and the limit for repeat applications.
- checking that the applicant's personal circumstances meet the conditions set out for the grants.
- checking the applicant's needs are of sufficient priority to warrant a payment from limited funds by assessing them as high, medium or low priority.
- whether there is sufficient money available in the budget to pay a grant.

The [draft Bill and accompanying documents](#) have been published on the Scottish Parliament website.

Who will qualify?

Part 2 of the draft Bill refers to those who will be able to receive a grant as "Qualifying individuals." The Bill defines such individuals as "those who have been or, without the assistance, might otherwise be in prison, hospital, a residential care establishment or other institution, homeless or otherwise living an unsettled way of life".

New powers

Part 4 of the Bill also gives additional new powers to the Scottish Public Services Ombudsman (SPSO) which allows them to scrutinise local authority decisions if an applicant is unhappy with the outcome. This will provide an independent review function for individuals who apply for help from the fund. If the Bill is passed, it will provide certainty that local welfare provision will continue in Scotland.

Consultation on draft Welfare Funds (Scotland) Bill

In 2013, the Scottish Government sought views on a draft Bill and on options for challenging decisions made by local authorities on applications to the Scottish Welfare Fund. A number of organisations responded to the consultation in favour of the Bill but wished to raise some concerns.

[The Scottish Council for Voluntary Organisations](#) (SCVO) stressed the importance of protecting the basic human rights of those using the Fund – at a time when they may have very little to support their daily needs, the Fund should not further strip them of dignity and respect and should not add another layer of bureaucracy for families who need support.

They also highlighted that the Community Care Grant currently has a lack of choice in goods – in some cases to the detriment of an individual’s wellbeing. [The Scottish Campaign on Welfare Reform](#) (a coalition of over 40 key third sector organisations, faith groups, unions and charities from across Scotland including Church Action on Poverty and The Iona Community) share this view and stress the importance of ensuring goods meet the applicant’s needs, particularly in the case of disabled or elderly applicants.

People in dire need being deemed as ineligible for the Scottish Welfare Fund when they are caught between appeals, when Department of Work and Pensions (DWP) processes fail the individual and there is a lack of flexibility in interpreting the Scottish Welfare Fund guidelines. In one case, an individual with no heating or food was left with a list of local charities which could potentially help. There was no support from the DWP or from the Fund.

There were further concerns about the length of time (in some cases 5 days) applicants received Crisis Grants. Homeless Action Scotland recommended in [their response](#) that the maximum processing time for Crisis Grants should be reduced to 24 hours and should include out of hours provision.

The Citizen’s Advice Bureau also [highlight](#) that there should be no limit on the number of applications to the SWF.

[The Scottish Campaign on Welfare Reform](#) further stated in [their response](#) they do not believe the [Welfare Fund \(Scotland\) Bill](#) should further limit access to the SWF and highlighted concerned about lack of provision in the bill for families experiencing exceptional pressure. Paragraph 5 of the [Scottish Government’s guidance on the Scottish welfare fund](#) currently states that, “A grant can be awarded in support of independent living...to help families facing exceptional pressures.” The draft legislation does not currently make provision for applicants in this group. They therefore suggest that a third category should be added under section 2(2) to include amongst qualifying persons (currently limited to those facing or leaving prison, hospital, residential care or homelessness) those who might otherwise be ‘*experiencing exceptional pressure*’.

Review of the Scottish Welfare Fund Interim Scheme

Following the initial consultation, [The Institute for Social Policy, Housing, Environment and Real Estate](#) based at Heriot Watt University undertook an [independent review of the SWF](#). Qualitative research based on in-depth interviews and small group discussions with representatives from a broad range of third sector organisations, and in-depth telephone and face-to-face interviews with 77 scheme applicants were carried out.

Following the research, a number of recommendations were made to the Scottish Government:

- SWF teams should consider how best to support staff working with discretion for the first time, including mentoring/secondment from Social Work staff.
- Efforts should be taken to make applicants aware of all options for applying to the SWF and to ensure that they are sign-posted towards advocacy organisations where appropriate.
- Local authorities that do not offer a Freephone or local number or call-backs to SWF applicants might consider this. Local authorities might also wish to monitor call waiting times and staffing and also look at measures to improve efficiency in call-handling.
- Local authorities should be encouraged to consider ways of speeding up the decision process, particularly for Crisis Grants, to ensure that a genuine emergency response is available.

- Where applications are made with assistance from advocacy or support groups, decisions should be shared with those organisations (providing that applicants gave their permission) so that they can facilitate potential reviews.
- Crisis Grant applicants should be signposted to other agencies by telephone as well as by letter, to speed up crisis responses.
- All decision letters sent to unsuccessful and partly successful applicants should detail the right to review, the basis of the decision and that a review cannot lead to the loss of a partial award. The possibility of reviews should also be raised in phone calls informing applicants of decisions.

Scottish Government View

The Scottish Government say that local provision of Crisis Grants and Community Care Grants will allow for a more holistic approach than was possible before, for example linking to services which may build capacity, such as offering budgeting or other money advice, or encouraging saving. Their aim is to support individuals, families and communities to manage better in the longer term and promote resilience.

“Community Care Grants align well with the overall approach of early intervention, through targeting transitions which increase risks of adverse outcomes, such as leaving prison, moving out of care, or taking on a tenancy. They also support specific Scottish Government policies such as care in the community, tackling child poverty and reducing homelessness. Crisis Grants do not fit the early intervention approach but have a role in preventing further harm, reducing the longer term impact on other services. In designing the new scheme, the Scottish Government has had the opportunity to improve the service to applicants and learn lessons from the Department for Work and Pensions (DWP)²”.

The most [recent Scottish Government statistics](#) show that more than 56,000 households have been aided by the Scottish Welfare Fund during its first nine months of operation, providing a safety net to households in a disaster or emergency and helping people set up home or stay in the community rather than being in care³.

In the first nine months of the scheme, 21,100 households received a total of 22,400 awards for Community Care Grants, averaging £640 per award. The awards were typically for white goods, furnishings and floor coverings⁴.

In addition 40,000 households – including 5,000 households who had also received Community Care Grants - received a total of 54,000 Crisis Grant awards, averaging £69 per award. For Crisis Grants, most of the expenditure was on food, essential heating costs and other living expenses⁵.

Looking ahead

The [Welfare Reform Committee](#) is [requesting views](#) on the [Welfare Funds \(Scotland\) Bill](#).

The main areas on which they are seeking views are:

- a general view on whether the draft Welfare Funds (Scotland) Bill includes the key elements you would expect it to contain.
- which elements of the SWF should be set out in regulations and which should be set out in statutory guidance.
- which of three options will be the best way to provide for second tier review of LA decisions.

² <http://www.scotland.gov.uk/Resource/0045/00452180.pdf>

³ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/swf/SWF20132014>

⁴ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/swf/SWF20132014>

⁵ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/swf/SWF20132014>

Setting out the basis of the SWF in legislation provides the opportunity to consider a wider range of options.

The consultation document complete with information about the Bill and consultation questions can be accessed [here](#).

Closing date is Thursday 28 August

Read more:

[The Bill](#)

[Explanatory Notes](#)

[Policy Memorandum](#)

[Delegated Powers Memorandum](#)

[SPICe Briefing](#)

[Heriot Watt Review of the Bill](#)

[Citizen's Advice guide to the Scottish Welfare Fund](#)