

**Report To:** Policy & Resources Committee      **Date:** 11 August 2015  
**Report By:** Chief Financial Officer      **Report No:** FIN/61/15/AP/FB  
**Contact Officer:** Alan Puckrin      **Contact No:** 01475 712223  
**Subject:** Scottish Welfare Funds - Consultation

---

## 1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval for the Council's response to the Welfare Funds (Scotland) Act 2015.

## 2.0 SUMMARY

- 2.1 The Scottish Government is progressing legislation to make Councils responsible for the administration of the Scottish Welfare Fund from 1<sup>st</sup> April, 2016. Councils have been carrying out this duty on a temporary basis since April, 2013.
- 2.2 The Consultation document is attached and contains standard questions with draft responses prepared by officers. The main areas covered are:
- Assessment of Claims
  - Limitations on Eligibility
  - Nature of Supports Available
  - Timescales for Dealing with Applications
- 2.3 One of the fundamental concerns shared by many Councils is the level of funding for both Grants paid to applicants but also the Administration of the Fund. At present the Council spends approximately £70,000 per year more administrating the scheme than is received from the Government. Cosla have raised this matter on a number of occasions with the Scottish Government and it is proposed that a supplementary response is sent on this matter as part of the Council's response to the Consultation. In addition, demand for Grants is out stripping the core level of Government Funding.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee consider the draft response to the Welfare Funds (Scotland) Act 2015 consultation and after making any changes agree to it being submitted by the deadline of 21 August.
- 3.2 That a separate response be sent to the Minister for Welfare & Housing highlighting concerns over the level of funding required to meet demand and administer the scheme to fully meet the aims of the legislation.

## 4.0 BACKGROUND

- 4.1 Following the cessation of the Social Fund operated by DWP, funding was given to the Scottish Government who created the Scottish Welfare Fund (SWF) which Councils took temporary responsibility for administering from April 2013.
- 4.2 The Scottish Welfare Fund has two forms of support, Crisis Grants and Community Care Grants. The former is there for short term, emergency funding whilst the latter is there to support larger funding requests many of which relate to claimants moving into accommodation.
- 4.3 The Grants are administered within the Benefits Section by the Discretionary Payments Team (DPT) which consists of 7 posts which is due to reduce to 6 in April 2016 as the result of a budget saving. The team received over 3,800 applications in 2014/15 and received over 11,000 calls
- 4.4 The Government is progressing legislation to give Councils the responsibility to deliver the SWF on a permanent basis. The implementation date is April 2016. As part of the passage of the bill a consultation was issued with a return date of the 21<sup>st</sup> August, 2016.

## 5.0 CONSULTATION

- 5.1 The draft response to the Consultation is attached as Appendix 1. It should be noted that the questions are set by the consultation process and there is no scope to add other responses within the document. The main matters are indicated below:
- Assessment of Claims
  - Limitations on eligibility
  - Nature of supports available
  - Timescales for dealing with Applications
- 5.2 The main issue that officers would want the Committee to be aware of is not covered in the Consultation and this relates to funding. Since the inception of the SWF it has been clear that based on the number of claims, the amount of Administration Grant has been insufficient. For the last 2 financial years the Council has subsidised the funding of the DPT by over £70,000 with this coming from the Welfare Reforms budget created by the Council in 2013. Given the expected increasing demand arising from the further Welfare Reforms cuts then this situation is not going to improve.
- 5.3 The other funding issue relates to the funding of grants. In 2013/14 there was an underspend in SWF grants due to the slow initial take up of the scheme. This underspend was carried forward and some of this was used to offset a £42,000 overspend last year. Indications are that in 2015/16 spend is ahead of last year and there will come a point when there is insufficient grant funding to meet demand. This will lead to the Council having to fund grants from its own resources or, within the parameters of the overall scheme, rationing payments.

## 6.0 FINANCIAL IMPLICATIONS

### 6.1 One-Off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Other Comments

## Recurring Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Other Comments
SWF	Administration	2015/16	£201,000	As indicated in Section 5 £70,000 of this cost is funded by the Council as grant is insufficient.
	Grants		£732,000	

### **Legal**

6.2 None.

### **Human Resources**

6.3 Once the Legislation is passed it would be proposed to make the posts and, where appropriate, the employees currently carrying out these duties permanent.

### **Equalities**

6.4 None.

### **Repopulation**

6.5 None.

## **7.0 BACKGROUND PAPERS**

7.1 None.

# Consultation on Regulations and Guidance under the Welfare Funds (Scotland) Act 2015.



## RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

### 1. Name/Organisation

Organisation Name

Inverclyde Council

Title Mr  Ms  Mrs  Miss  Dr  *Please tick as appropriate*

Surname

Forename

### 2. Postal Address

Municipal Buildings

Clyde Square

Greenock

Postcode PA15 1LZ

Phone

Email

### 3. Permissions - I am responding as...

Individual

/

Group/Organisation

*Please tick as appropriate*

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

*Please tick as appropriate*  Yes  No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

*Please tick ONE of the following boxes*

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

*Please tick as appropriate*  Yes  No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

*Please tick as appropriate*  Yes  No

## CONSULTATION QUESTIONS

### 1) VIEWS ON POLICY ISSUES AND EQUALITY IMPACTS

**1. Is it a problem that Local Authorities (LAs) use different ways to decide whether or not a Scottish Welfare Fund (SWF) applicant is on a low income to check that they are eligible for an award?**

Yes  No

**Please explain your answer :**

For awards to be fair for applicants across Scotland it is important for consistency across all Local Authorities. Firmer guidelines should be introduced however the opportunity for discretion should still be considered.

It is noted that the most recent SWF Guidance from April 2015 has provided further detail on 'low income' which has improved upon previous guidance and should result in increased consistency across LA's.

**2. What is the best way for an LA to decide that a SWF applicant is on a low income? Please tick one.**

Continue to use the same method as for the interim SWF – LA decision makers make a judgement on whether the applicant is on a low income based on the information given by the applicant and information they already have in their other benefit systems. This will mean that LAs use slightly different methods, as they do now.	
We could make a list of different "approved" ways that LA decision makers could use to decide whether the applicant is on a low income. For example, if you are entitled to certain welfare benefits or levels of tax credits, council tax reduction or housing benefit. The LA could use the best way for their systems. This would still mean some variation but less than under the current system.	✓
We could decide a set level of income and ask decision makers not to make grants to anyone whose income is higher. The level of income could be different according to what sort of household the applicant is in. This would reduce variation between LAs but would also mean that LAs cannot make their own judgements to make an award when someone is above the income level. This is not as flexible as the current arrangement where special circumstances can be taken in to account so that a grant can be made when income is higher.	
Other – please give details.	

Please tell us why you have chosen this option and explain the advantages and disadvantages.

A list of 'low income' criteria will provide some rigidity to eligibility resulting in increased consistency but still allows scope for discretion to be used when necessary. The introduction of a set income threshold removes any flexibility to take into account any extreme or unusual circumstances.

**3. What do you think the consequences would be if we limited crisis grant (CG) awards to three per household per year?**

Limiting the number of awards to 3 per household will align the maximum number of grants with that of single applicants and will reduce the risk of exploiting the scheme from multiple applications. If any change was well publicised then applicants and support services can prepare.

This may have a negative impact on families; especially those with vulnerabilities who may need to apply more regularly and in cases where one adult controls the finances and/or partners who may be unaware of applications.

A caveat should be considered to allow the consideration of further awards in certain circumstances such as where there has been a breakdown in relationships.

**4. What do you think the consequences would be if we limited community care grant (CCG) awards to three per household per year?**

The number of applicants who require 3 or more applications in a year are rare however do happen on occasion.

A limit should be considered but again recognising the need for additional awards in exceptional circumstances such as family breakdown resulting in the need for a family/ individual to move home. Rigid absolute limits could prevent an award that would support an applicant exacerbating their circumstances at a most vulnerable time.

**5. Do you think that there should be a limit on the number of times that a CCG can be given for the same item in a set period?**

Yes  No

**If so, what should the limits be?**

In most cases the purchased goods would be brand new and should be expected to last a number of years, especially white goods such as

cookers/fridge freezers/etc.

White goods could be expected to last 3 years and a minimum of 1 year for any other item awarded.

Applicants should be informed of these expectations.

Again, exceptions could be considered for exceptional pressures/circumstances such as where a family may be awarded a grant for household items and then have to reapply for further items at a later date due to breakdown of relationships or domestic violence, etc.

**6. Do you agree that families facing exceptional pressure should be given priority in decisions on CG applications as well as CCGs?**

Yes  No

**Please explain your answer:**

Each application should be judged on its own merits and prioritisation should be due to the circumstances of the application itself, the immediate need & urgency of the award and the resilience of the applicant/family. For example a family with support from a third sector service may have further assistance to cope longer than a single person without any support network and vice versa.

**7. Which sorts of payment do you think are a cash equivalent that LAs should be able to use to pay SWF grants. You can choose as many as you like:**

Paypoint or alternative electronic transfer	<input checked="" type="checkbox"/>
Allpay (without restrictions) or other loaded store card	<input checked="" type="checkbox"/>
Fuel Cards	<input checked="" type="checkbox"/>
High street vouchers accepted at a number of outlets e.g. for clothing.	<input type="checkbox"/>
Travel tickets, bought on behalf of the applicant.	<input type="checkbox"/>

**If there are other forms of payments that you think would be suitable cash equivalents for LAs to use, please tell us what they are.**

N/A

**8. How can LAs make sure that the way they are making the award ie in cash or by paying a cash equivalent, is the best one for the applicant?**

The range of available payment mechanisms could be discussed with the

applicant to agree the most suitable arrangement for them.

Awareness of the applicant's circumstances and application history helps ensure that payment is not issued by a method that could cause problems or misuse.

Information from support providers and external partners could be gathered to inform the most appropriate means of award or if supervised spend alongside the support network would be beneficial.

**9. Do you agree with the draft statutory guidance on timescales for processing CGs. i.e. that:**

- **LAs must consider a case and make a decision immediately they receive all the information they need to make the decision.**
- **A working day is between 9am and 4.45pm. If an application is received after 4.45pm it should be treated as being received on the next working day.**
- **Even if the LA is still waiting for a piece of information that they think is relevant to the decision, a decision must be made by close of business on the day after the application has been received. This means that a decision is made at the end of the day after the application is received, on the balance of probability, based on the information held at the time.**

Yes  No

**If not, please explain why:**

Disagree with use of 'immediately' instead would recommend that LAs must make a decision 'as soon as reasonably possible' after all information to make a decision is received. Some LA Scottish Welfare Fund teams answer telephone calls and process the applications and may not be able to consider application 'immediately' due to other calls and applications being received.

**10. Do you agree that substantial improvements to private property should be added to the list of excluded items at Annex A of the draft statutory guidance?**

Yes  No

**If not, please explain why:**

N/A

**11. Do you agree that repatriation costs should be added to the list of excluded items at Annex A of the draft statutory guidance?**

Yes  No

**If not, please explain why:**



N/A

**12. Do you think there should be any other items added to the list of excluded items in Annex A of the draft statutory guidance?**

Yes  No

**If yes, please tell us which items and explain why:**

N/A

**13. Do you think there should be any other items taken off the list of excluded items in Annex A of the draft statutory guidance?**

Yes  No

**If yes, please tell us which items and explain why:**

N/A

**14. Is there anything on the list of vulnerabilities at Annex C to the draft statutory guidance that you don't think should be there?**

Yes  No

**If yes, please tell us what and explain why:**

**'Setting up an independent home for the first time'** should be removed as this is not a vulnerability in itself. The circumstances behind why someone may be setting up home would be the important factor e.g. a young person leaving LA care setting up home for the first time would be vulnerable while a young person in secure full time employment from a settled family environment setting up home for the first time would not.

**'A history of seasonal temporary or insecure work'** should also be removed. Oil Rig workers, groundskeepers/gardeners and some teaching staff can be classed as seasonal or temporary workers however in most cases would not be deemed to be vulnerable. Again, the individual circumstances behind the application would deem if an applicant is vulnerable.

**15. Is there anything that you think should be added to the list of vulnerabilities at Annex C to the draft statutory guidance?**

Yes  No

**If yes, please tell us what situation, condition or circumstance should be added to the list of vulnerabilities and explain why:**

N/A

**16. What equalities impacts have you identified from the draft regulations and guidance attached at Annexes B and C to the consultation paper?**

A number of the proposals positively discriminate towards families under exceptional pressures over the other qualifying groups and individuals with protected characteristics.

The current guidance discriminates against single applicants by limiting their Crisis Grant applications to 3 in any 12 month period while couples can receive a total of 6 at this time. The proposal to limit applications to 3 per household but to allow discretion in exceptional circumstances goes some way to remove this inequality.

## 2) VIEWS ON DRAFT REGULATIONS

17. Do you think that the draft regulations will have the effects that we have listed at section 2 of the consultation paper?

Yes  No

18. If you do not think that they will have these effects, please tell us about any gaps in the draft regulations at Annex B to the consultation paper or unintended consequences you would expect from these regulations:

N/A

## 3) VIEWS ON DRAFT STATUTORY GUIDANCE

19. Please tell us about any concerns, comments or suggestions you have on the draft statutory guidance at Annex C to the consultation paper that are not already covered by the questions in Section 1 of the consultation paper:

N/A

## 3) VIEWS ON THE APPLICATION FORM

20. Should the application form for the permanent SWF be:

A combined CG and CCG application form	<input checked="" type="checkbox"/>
2 separate application forms	<input type="checkbox"/>

Please tick your chosen option.

Please explain your answer:

In a number of cases the applicant may require to apply for both a Crisis & Community Care Grant therefore a single form is the best option rather than two separate forms. A single form also allows the decision maker the ability to decide which grant is more suitable from the information provided. Separate application forms could confuse customers who are not clear about which grant meets their needs. Completion of the wrong form would result in avoidable administration, refused applications and delayed awards.

**21. What information is collected on the application form for the interim SWF, at Annex D to the consultation paper, that you do not think is needed to assess an application?**

n/a

**22. How can the application form which is at Annex D to the consultation paper for the interim SWF be improved for the permanent SWF?**

The application is considerably lengthy and intimidating to vulnerable customers.

The layout of form should be more consistent - Page 9 is in landscape where rest of application is portrait orientation.

Blank Page for additional information should be towards end of application after 'other information'

Page 6 'About your home' has space for a response for both claimant and partner. Partner response not required as would be expected to be the same as claimant.

Page 12 'What type of grant are you applying for and why' could be simplified to 'are you applying for a Crisis Grant' and 'Are you applying for a Community Care Grant' and the further question regarding disaster/emergency or which qualifying criteria for CCG could then be included at the relevant section.

Responses to 'what type of grant' details which section to fill in depending on their answer. These responses could be emphasised or in bold and also note which page to go to rather than just state section 3A or 3C etc.

Part 4 'other information that will help us make a decision' has separate questions for chronic/terminal illness, mental health issues, learning difficulties, addictions, etc. Applicants regularly repeat their responses in a number of sections. This could be simplified to one single text box rather than separate questions.