Consultation

Did you take part in any consultation exercise preceding the Bill and, if so, did you comment on the financial assumptions made?

1. Dundee City Council submitted a response to the draft Welfare Funds (Scotland) Bill however no comment was requested or provided in relation to any financial assumptions relating to the Bill.

If applicable, do you believe your comments on the financial assumptions have been accurately reflected in the FM?

2. Not applicable

Did you have sufficient time to contribute to the consultation exercise?

3. Yes

Costs

If the Bill has any financial implications for your organisation, do you believe that they have been accurately reflected in the FM? If not, please provide details.

4. While the level of administration grant to administer the scheme for 2015/16 and beyond has still to be confirmed we note that provision has been made within the Scottish Government’s budget plans for this to remain at the same level. Should this remain at the historical level, Scottish Welfare Fund running costs within Dundee City Council will continue to far exceed the grant funding provided despite significant efficiencies in service delivery being achieved over the last 12 months. We believe that in Dundee we are providing a good, holistic service in line with the Scottish Government’s aspirations and through the use of local suppliers and social enterprise we are delivering local community benefits. However there must be recognition that to deliver this type of service, there needs to be appropriate and sustainable investment in the administrative infrastructure to support the SWF.

Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?

5. As noted in question 4 the administration costs continue to be significantly underfunded therefore we do not consider the costs to be reasonable and accurate. We would disagree with the suggestion that local authorities may make savings through no longer having to undertake second tier reviews. The current “cost” of undertaking second tier reviews relates to staff being released from other duties to participate in the review therefore this is a displacement of staff costs already being incurred by Dundee City Council and would not result in any direct financial saving. What hasn’t been acknowledged in the Financial Memorandum is the cost in staff time which will be incurred by local authorities in preparing papers to be lodged with the SPSO and any subsequent representation at second tier review if required.
We are not in a position to comment on the reasonableness of the potential cost range of setting up and running the SPSO second tier review function given there is no detail behind the constitution of the salary costs.

**If applicable, are you content that your organisation can meet any financial costs that it might incur as a result of the Bill? If not, how do you think these costs should be met?**

6. As per above, Dundee City Council cannot continue to meet the administrative running costs of the Scottish Welfare Fund within the current level of funding provided.

**Does the FM accurately reflect the margins of uncertainty associated with the Bill’s estimated costs and with the timescales over which they would be expected to arise?**

7. No. It is difficult to predict at this stage what the future demand and spend for Crisis and Community Care Grants will be given the relatively low, (but rising) initial expenditure baseline position in 2013/14. This is dependent on a number of factors including inflation on the price of goods and services offered as fulfilment options but more significantly will be driven by individuals' needs, particularly as other Welfare Reform changes such as Universal Credit and the move to PIP start to make an impact. It would be helpful that some estimate was made of the potential increased demand for Crisis and Community Care Grants over the medium term.

**Wider Issues**

**Do you believe that the FM reasonably captures any costs associated with the Bill? If not, which other costs might be incurred and by whom?**

8. As noted in the response to Q5 it is reasonable to expect that local authorities will continue to incur a cost in staff time in providing the SPSO with information to assist with second tier reviews.

**Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?**

9. It is unclear what potential further subordinate legislation would be required to be introduced in relation to the provision of Welfare Funds at this stage.