FINANCE COMMITTEE CALL FOR EVIDENCE

WELFARE FUNDS (SCOTLAND) BILL: FINANCIAL MEMORANDUM

SUBMISSION FROM MORAY COUNCIL

I refer to your call for written evidence in relation to the Welfare Funds (Scotland) Bill and attach the submission from Moray Council as agreed by the council’s Policy and Resources Committee on 12 August 2014. If you require any further information in this regard, the lead officer from the council on this matter is Mark Palmer, Corporate Director (Corporate Services).

Welfare Funds (Scotland) Bill – Submission by Moray Council

Moray Council achieved a high rate of success in implementing the interim scheme for the Scottish Welfare Fund during 2013/14, resulting in 99% of the funding allocated by the Scottish Government being paid out to those in need. The Council achieved this outcome through its advance preparations, working with local partners and the hard work of the team involved in assessing and processing claims. Having only paid out valid claims that met the criteria in Scottish Government guidance the Council is concerned about the high risk of claims exceeding the amount allocated by the Government in future years. This is our main concern with the Bill.

There are a number of consequences arising from the risk described above. If the amount of claims exceeds the funding in any one year the Council will need to decide whether to take money from other Council services to cover any shortfall. The Council could alternatively simply cease making payments until the start of the next financial year or, if the difficulty is highlighted part way through the year restrictions could be applied to the criteria. This last option will introduce inconsistencies to payments being made in-year and potentially inconsistencies from one year to the next. It follows that there is also a real risk of inconsistent application of the fund from one local authority area to the next. Put simply, this is a demand led service and, unless there is a commitment from the Government to fund all applications that meet the national criteria, it is unlikely that the scheme will be applied consistently across Scotland.

It would be reasonable to expect the amount of funding required to meet demand to increase over the next few years in light of the Government’s announcement to allow the fund to be used to deal with problems arising directly from financial sanctions imposed by the DWP and also as more people become aware of the existence of the scheme.

Moray Council has been provided with additional funding of £50,000 per annum to deal with the administration costs of the fund. This is about half of the ongoing costs that the Council has had to employ to manage the fund effectively. Therefore, the Financial Memorandum does not capture the reasonable costs associated with the Bill.

Much seems to be being made of second tier reviews being undertaken by the Scottish Public Services Ombudsman. In the first year of operation Moray Council
had **one** such referral. The referral was absorbed by existing senior management. Care should be taken in allocating additional funds to the Ombudsman until a reliable assessment of the volume of referrals can be made. Meantime, any additional funding available in this area should go towards the shortfall in the administration funding referred to above.

Caroline Strong
Corporate Secretary to Mark Palmer