The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector intermediary for a range of health and social care organisations. It brings together over 700 members, including a large network of national and local third sector organisations, associates in the statutory and private sectors and individuals.

**Introduction**

The ALLIANCE welcomes the opportunity to respond to the call for evidence on the Welfare Funds (Scotland) Bill. In principle, we support legislating for the Social Welfare Fund (SWF) to be continued on a statutory basis. However, we are concerned that enshrining the distribution of the fund among the 32 local authorities will perpetuate the discrepancies that exist under the current Social Welfare Fund system.

At the same time, the ALLIANCE is conscious of the welfare reforms yet to be implemented. With Personal Independence Payment (PIP) to replace Disability Living Allowance (DLA) by 2017, we are concerned that local authorities will be faced with increased demand, without the funds or infrastructure to respond effectively.

The ALLIANCE’s response to this call for evidence considers the main challenges of the Welfare Funds (Scotland) Bill, and poses the key principles that should underpin it.

**Social Welfare Fund**

From the outset, the ALLIANCE has welcomed the intent of the SWF to mitigate the detrimental effects of welfare reform upon people who use support and services in Scotland. However, appreciating the financial limitations Scotland has to meet the costs of the reforms, the Scottish Parliament’s Welfare Reform Committee’s analysis that “When the present welfare reforms have come into full effect they will take more than £1.6bn a year out of the Scottish economy” raises concern that the investment put into any on-going fund may not be sufficient to meet the demand.

The ALLIANCE is concerned that the Welfare Funds (Scotland) Bill will not address the widespread variation in the grants being awarded by local authorities. It is alarming that while there has been a 12 per cent underspend across the whole of the Fund, in some areas, where the percentage of accepted applications for grants is below the national average, local authorities report an overspend.

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This suggests there is not only a lack of consistency across local authorities in the awarding of applications to the fund, but within areas themselves, applications are being awarded disproportionately to those being made. Therefore, the criteria being used are failing to meet the demands of the populations attempting to access the fund. The Bill should therefore more strongly specify eligibility criteria that local authorities should employ to make decisions about the Fund’s application.

We support the call within Scottish Campaign on Welfare Reform (SCoWR)’s response relating to the mode in which Community Care Grants are being distributed, with Scottish Government statistics showing 80 per cent of grants being offered as ‘in-kind’ payments2 rather than cash-payments. This increases concerns that local authorities are restricting people’s right to independent living and self-determination. In line with Scottish Government policy, specifically that on self-directed support, local authorities should implement the SWF in a way which promotes the independence and dignity of disabled people.

Clear direction of the reporting mechanisms being incorporated into local authority processes for allocating awards is also required. It is concerning that people with protected characteristics may be being denied access to the fund without the knowledge that their applications outweigh those applicants who are being recorded. That is, in solely recording the characteristics of those being awarded grants, there may be a misrepresentation of the demographic attempting to access it.

Similarly, we agree with the proposals to introduce a second tier review to the Scottish Public Services Ombudsman (SPSO) to ensure that people have a right to redress where they feel their applications have been unlawfully denied. However, acknowledging the concerns raised in the policy memorandum that the SPSO’s ability to respond to cases brought to them may be limited, the ALLIANCE would seek assurance that individuals would not be unfairly impacted during this time, and that any support required in the intervening period would be offered irrespective of the final decision. At the point where it was decided that financial support should not be offered by the SWF, then funding should cease, but not be reclaimed. Accessible information about the role and nature of the SPSO’s involvement should be widely disseminated.

Disability Benefit Reforms

Financial decisions to reduce spending on public services and welfare are likely to have a significant impact on the cost of welfare over the next five years, which is most likely to be felt by disabled people and people who live with long term conditions.

The Scottish Government’s report, Financial Impact of Welfare Reform on Disabled People in Scotland3, stated that the “DWP expects that 27 per cent of disabled people in Scotland who move onto UC will see an average decrease in entitlement of £37 per week.” This could have a substantial impact on the ability of disabled people to maintain their independence and continue to contribute in the

2 http://www.scotland.gov.uk/Resource/0045/00456027.doc
community. This will inevitably increase the demand to the Social Welfare Fund in order to make up for the loss of income from the withdrawal or reduction of benefits. The research outlined below indicates that the components of welfare reform will have a substantial disproportionate impact on disabled people:

- UK Government estimates suggest that 80,000 people in Scotland will be affected by restrictions to Housing Benefit for working age residents living in the social rented sector who are occupying a larger property than the DWP considers their household size requires.\(^4\) Around 64% of all households affected across the UK will be households containing a disabled claimant or partner.

- The sequential impacts of under occupancy penalties will lead to an amount of “around £50m per year in 2013-14 of which around £30m will be borne by local authorities or their tenants and around £20m will be borne by housing associations or their tenants.”\(^5\)

- At the same time, the central assumption for the change from Disability Living Allowance to Personal Independence Payments is a 20% reduction in caseload and expenditure once fully rolled out.\(^6\) This would lead to 70,000 disabled people in Scotland losing their eligibility to this support. It is unclear as to how many people will be affected by both cuts to Housing Benefit and Disability Living Allowance.

- Many people who live with long term conditions already live in poverty or close to the poverty line. 60% of households containing at least one person who is disabled or who lives with a long term condition have an annual income of £15,000 or lower.\(^7\) Not only do they experience higher levels of unemployment, those that are in work are also more likely to occupy lower status, less secure jobs. At the same time, many people who live with long term conditions are able to work but require support to manage their condition. Much of this support is under threat as a result of public service cuts.

With the cumulative impact of such reforms having an adverse effect on the lives of disabled people across Scotland, the ALLIANCE believes that the Welfare Funds (Scotland) Bill must address the context of financial inequality amongst disabled people and people who live with long term conditions.


\(^6\) [http://www.hm-treasury.gov.uk/d/junebudget_costings.pdf](http://www.hm-treasury.gov.uk/d/junebudget_costings.pdf)

\(^7\) Characteristics of adults in Scotland with long-term health conditions, Wendy Loretto and Matt Taylor, University of Edinburgh, Scottish Executive Social Research (2007)
Disability and Equality

People who are disabled and/or living with long term conditions are already far more likely than others to be living in poverty, experiencing debt and be unemployed or in low paid, less secure employment\textsuperscript{8,9,10}. Someone with a long term condition is\textsuperscript{11}: 

- Less likely to be employed
- Likely to have lower occupational status and fewer qualifications
- People claiming Incapacity Benefit, Disability Living Allowance, or both have been found to be five times more likely to report some form of financial difficulty. 83\% reported their illness, health problem or disability as the main reason for this\textsuperscript{12}.
- Likely to experience a higher cost of living\textsuperscript{13}

Key principles

Changes to the welfare system in Scotland must recognise that a significant proportion of people who use the welfare benefits system are disabled people and people who live with long term conditions.

As such, one of the most obvious changes will be for the need for updated and accessible information about welfare benefits. Often the complexity of the benefits system itself can be the biggest barrier to people receiving the level of support to which they are entitled. Greater resources need to be directed to supporting an increased understanding of how to apply for welfare benefits alongside better advice and support.

With this in mind, the main principles which should underpin the benefits system in future should include:

- Adopting an approach that recognises and applies human rights based principles
- Addressing inequality
- Focusing on outcomes for an individual
- Preventative
- Approaching assessment for welfare benefits in a person-centred way
- Raising expectations
- Greater accountability for decision makers

\textsuperscript{8} Wendy Loretto and Matt Taylor, Characteristics of adults in Scotland with long term health conditions, University of Edinburgh and Scottish Executive Social Research (2007)
\textsuperscript{9} Clare Lardner, Paying the Price: The real costs of illness and disability for CAB clients, Citizens Advice Scotland (July 2006)
\textsuperscript{11} Characteristics of adults in Scotland with long-term health conditions
\textsuperscript{12} Paying the Price: The real costs of illness and disability for CAB clients, Citizens Advice Scotland (2006)
\textsuperscript{13} Counting the Cost, DEMOS (2010)
About the ALLIANCE

The ALLIANCE’s vision is for a Scotland where people of all ages who are disabled or living with long term conditions, and unpaid carers, have a strong voice and enjoy their right to live well, as equal and active citizens, free from discrimination, with support and services that put them at the centre.

The ALLIANCE has three core aims; we seek to:

- Ensure people are at the centre, that their voices, expertise and rights drive policy and sit at the heart of design, delivery and improvement of support and services.
- Support transformational change, towards approaches that work with individual and community assets, helping people to stay well, supporting human rights, self-management, co-production and independent living.
- Champion and support the third sector as a vital strategic and delivery partner and foster better cross-sector understanding and partnership.