1. Are you in favour of the Bill and its provisions? Do you think the Bill fully achieves the Scottish Government’s aim of providing assistance for short term need and community care?

The Poverty Alliance is supportive of the Bill and its provisions. We welcome that the Scottish Welfare Fund is being given legislative footing. The recent figures published by the Scottish Government show that the Scottish Welfare Fund has been successful in helping more than 80,000 households but there have been issues with discrepancies between local authorities and an overall underspend of £4 million.

We hope that the Bill will be successful in achieving the Scottish Government’s aim of providing assistance for short term need and community care but there are areas which we would like to see clarified or extended further to ensure that the Bill is able to achieve its full potential.

We welcome that funds are to be ring-fenced. With demand on the Scottish Welfare Funds likely to increase in coming months as a result of changes to the tax and welfare systems, it is more important than ever that these funds reach those most in need and we believe ring-fencing the funds is the best way of ensuring this.

The Poverty Alliance would like to see the eligibility criteria broadened to recognise that there will be many people in need as a result of unexceptional circumstances who would currently be excluded under the current criteria. As welfare reform widens, more people are likely to find themselves in need as a result of delays or sanctions and these unexceptional circumstances will put them in need. It is important that these people do not find themselves with nowhere to turn to for aid due to restrictive wording of the Bill.

We share the view of CPAG in Scotland that the criteria for Community Care Grants should be widened to include ‘families experiencing exceptional pressure’. The number of families experiencing exceptional pressure is likely to rise as the cost of living continues to increase faster than incomes. Research by CPAG showed that the minimum cost of raising a child in 2013 rose by 4 per cent, while the minimum wage rose by only 1.8 per cent and those on benefits saw only a 1 per cent rise. These families will need somewhere to turn and it is right that they should be able to access the Scottish Welfare Fund.

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The Poverty Alliance would like to see it put on the face of the Bill that repayment of awards cannot be required. Guidance does make it clear that payment should be in the form of grants, not loans but we believe this should be on the face of the Bill. Applicants should not be left facing the additional pressure of worrying that they may be asked to repay funds in the future.

We accept that there will be instances where it is necessary for local authorities to make payments in kind but believe that the applicant should be able to state their preference and the local authority should be able to justify their reasons for making payments in kind rather than cash. The applicant should not be made to feel like there are receiving hand-outs and it is important that their voice is heard in the decision making process. It is important that all decisions are made around what is best for the individual. We have heard of many incidents where lack of choice has resulted in increased stigma for the individual living in poverty e.g. a choice of only red or blue carpet was offered and this was therefore easily recognisable as a carpet provided by the Scottish Welfare Fund. This limited choice has a negative impact on individuals and we would argue that in kind assistance should only be given where local authorities believe it is not in the best interest of the applicant to provide the award in cash.

2. The interim SWF scheme has already been running for two years. Do you feel the Bill has suitably taken on the learning from this time?

The recent statistics published by the Scottish Government showed several areas of concern and the Bill does not adequately address these. By giving local authorities full discretion over delivery, the Scottish Government is allowing a postcode lottery to develop. The figures for 2013/14 show variations in spend between local authorities with some spending in excess of 90 per cent of their budget (Dundee City, East Ayrshire, East Lothian, Glasgow City, Moray, Perth & Kinross Renfrewshire, Scottish Borders, South Lanarkshire, West Dunbartonshire, and West Lothian) but others have not managed to spend even two thirds of their budget (Aberdeenshire, Clackmannanshire, East Renfrewshire, Eilean Siar, and Shetland Islands). The overall figure for Scotland was 88 per cent.

There were also discrepancies across Scotland in the average spend on each grant, with Glasgow’s average Care Grant being approximately £900 compared to the Scottish average of £640. There are many possible reasons for this such as the fact that some local authorities may be able to source household goods for less than others. The reasons for this are unclear but hopefully this can be resolved by improving the way data is recorded.

Another area of concern is the requirement that many local authorities have imposed that applicants be in receipt of means tested benefits. For many people, the reason they are applying to the Scottish Welfare Fund is that there has been a disruption to their means tested benefits either as a result of sanctions or delays. Since the new JSA sanctions regime was introduced on 22 October 2012 and December 2013 over 1 million sanctions have been applied. The sanctions regime has become.

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increasingly punitive and those who have lost access to their benefits should not be left without access to the Scottish Welfare Fund also. To avoid confusion over the regulations on eligibility and means tested benefits, the Poverty Alliance would like to see the reference to means tested benefits removed from the regulations.

We would like to see regulations acknowledge a need to look at the applicant’s outgoings when assessing resources, and not just income.

The Poverty Alliance has serious concerns regarding the number of applications allowed by regulations. There needs to be discretion in the regulations to allow for individual circumstances. The Scottish Welfare Fund is there to help those most in need and therefore regulations should not be so prescriptive in terms of how often a person may require assistance in a given time frame.

3. **Is there anything else that you feel should be included in the Bill?**

The Poverty Alliance would like to see section 1 of the Bill amended to make reference to the overall purpose of the Bill. Doing this helps to ensure that subsequent provisions, regulations and guidance and interpreted by local authorities with this purpose in mind. An example of this can be found in the previous UK social fund directions which stated ‘the Social Fund is a scheme to help people with needs which are difficult to meet from regular income’.  

Discrepancies between local authorities may be explained, at least in part, by the way applications to the fund are processed and recorded. To end this, there should be a duty on all local authorities to process and record all applications received. Not only will this make it easier to compare statistics between local authorities but this will also allow applicants to request a review when they are unhappy with the local authority’s decision. Moving towards a more open, transparent system has benefits for everyone.

The Poverty Allowance would also like to see a greater requirement for local authorities to refer those in need onto other agencies. The number of referrals onto other agencies needs to be increased to ensure that those in need of support are able to get access to services. The current figure of 25 per cent is much too low. For many applying to the Scottish Welfare Fund will be a last resort and so it is likely that many of those who apply will require additional support after receiving their grant. It is important that these people are not allowed to slip through the net.

4. **Will the Bill and its provisions have a particular impact on equalities groups?**

There is a concern that local authorities are not recording vulnerabilities in applications. The vulnerabilities which should be recorded are those circumstances which should be considered by decision makers in prioritising awards. The recording system used by many local authorities allows only one vulnerability to be considered by application. To ensure that both applicants and the Scottish Government know

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when local authorities are failing to take vulnerabilities into account, local authorities should be required to include the list of vulnerabilities considered in decision letters.

5. **Do you agree with the proposal that local authorities have the option to outsource the provision of the fund to a local authority or jointly administer the fund across local authority boundaries? What are the benefits and drawbacks to this approach?**

Outsourcing seems to run counter to the ethos of the Scottish Welfare Fund, at least the way it was envisaged i.e. that it remains in the clear control of the public sector and there is a consistent approach across Scotland.

The Poverty Alliance accepts that there may be instances where it is appropriate for a third party to provide assistance but this should only be done when it is in the interest of the applicant. It is important that there is no negative impact on the applicant. There are a number of drawbacks to outsourcing including an additional level of bureaucracy which can result in longer processing times. Outsourcing can also result in reduced levels of accountability and it is essential that there is a way of local authorities tracking complaints to any third party. This can also create complications in the review process.

There are issues surrounding the kind of third party applicants are referred to. In no circumstances is it appropriate to refer applicants to a food bank. Food banks are not part of the social security system and referring people to them instead of providing legitimate aid reduces the choice of the applicant, creates stigma and undermines the dignity of the applicant. Local authorities must consider the appropriateness of outsourcing and what this means for the individuals involved. It is important that the Scottish Welfare Fund is not outsourced for profit.

6. **What are your views on the proposed internal local authority review process?**

The Poverty Alliance is satisfied with the internal local authority review process. It may be helpful if regulations also stipulated instances where applicants could not ask for a review e.g. if there is money left in the welfare fund.

It is also essential to consider why rates of review are currently so low. Is this due to delay or lack of information on appeals being made available to applicants? The applicant’s relationship with the local authority also needs to be taken into consideration and also the applicant’s only confidence to challenge authorities. For many vulnerable people, the idea of challenging a decision made by the Local Authority may appear daunting and therefore the process should be as open and accessible as possible for those who need it most.

We welcome that those who have asked for a review of a Crisis Grant application should receive a decision within two working days but are concerned that fifteen working days for a Community Care Grant application review is too long and would prefer to see a shorter timescale applied.

Figures for 2013/14 show that for Community Care Grants, there were 2,093 tier 1 reviews and the original decision was revised in 59% of cases. For Crisis Grants a
total of 627 tier 1 reviews were received. Decisions were revised in 51% of these. The fact that over half of decisions reviewed were over turned by appeal suggests that there is an issue in the way decisions are being reached. It is important that the right decision is made and in a timely manner. Waiting for a decision and then going through the appeals process is an added stress in what is already a period of difficulty for people.

These figures show that the review system is important and for many it has been their only chance at receiving funds which were wrongly turned down for. The fact that so many decisions have been overturned on appeal shows the need for an effective, efficient system of review and for many waiting 15 days while their review on a community grant will be too long.

7. Do you agree that the SPSO is the appropriate body to conduct secondary reviews?

Yes.

8. What are your views on the level of detail that will be contained within the regulations? Is there any aspect which you feel would benefit from being on the face of the Bill?

The Poverty Alliance is satisfied with the level of detail contained in the regulations. It would be helpful to have the ‘Decisions on Fund Applications’ on the face of the Bill and also the timings for reviews.

As stated previously, we would also like it to see on the face of the Bill that payment is made via grants, not loans and therefore there is no repayment requirement.

9. Do you think the costs attributed to the running of the fund and the set up of the SPSO to administer secondary reviews are realistic and proportionate?

N/A

10. Do you have any other comments on any other provisions contained in the Bill that you wish to raise with the committee?

It is disappointing that in 21st century Scotland there are people reliant on local authorities to help them feed their families and furnish their house. The Poverty Alliance believes that everyone should be guaranteed a minimum income adequate enough to provide a decent standard of living. However, until we move towards a benefits system that provides enough for all then schemes like the Scottish Welfare Fund are needed.

Overall, the Scottish Welfare Fund is arguably working well and we hope that the Bill will build on its success. It is disappointing that there was a significant underspend last year and that there has been such variation between local authorities but the scheme has successfully helped over 80,000 households in times of need.
By comparison, in England after ten months of the new Local Welfare Assistance Fund Councils had spent on average only 43 per cent of their available budget. In cash terms, it means that, of the £136m available to those councils to spend over the whole year, £67m was unspent. As with Scotland, there were variations in award rates between councils but success rates in England are much lower than those in Scotland or Northern Ireland.

The scheme is not perfect but the Poverty Alliance is supportive of the Bill and its provisions and hopeful that by considering some of the points raised in our response that the Bill can go on to help even more families in need this year.

Carla McCormack
Policy and Parliamentary Officer
The Poverty Alliance
27 August 2014

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9 https://docs.google.com/spreadsheets/d/1nAkEz0v5AO_8q_AiBuvEsZ--jz_9ZM09yInC7DpWbw/edit#gid=0