Introduction

SCVO welcomes the opportunity to respond to this consultation. Our response makes the following key points:

- We need to take full stock of how the Scottish Welfare Fund (SWF) is operating. We call for a delay in proceeding with the Bill;
- We need to embed principles of dignity and compassion within the legislation and as the Fund moves forward;
- We need to be clearer about the rationale for legislating;
- There should be a review clause built into the bill;
- Getting the Fund right is necessary because it is a key safety net for so many in our society.

It is vital that in deciding on the next steps for the Scottish Welfare Fund, and that during parliamentary consideration, we never lose sight of the human cost of austerity and welfare cuts and that the severest costs have fallen on specific groups including women and disabled people. This means significant numbers of people are seeking crisis support or help with basic goods and equipment which many of us might take for granted.

We must do more to prevent people reaching crisis point, and ensure the third sector and statutory services are working together locally and nationally with this goal in mind. It is important that those who need to access the Fund are treated with dignity and respect.

POST REFERENDUM NOTE:

With Lord Smith’s review underway, the possibility of additional welfare powers being devolved may provide a different context within which the Fund operates. Where will additional powers sit and within that picture, will the purpose/nature of the Fund need to be reviewed? We must also consider the impact of the Chancellor’s announcements at the Conservative party conference, with further cuts likely to cause further destitution. The question of what else can be done by the Scottish Government in the face of such changes must also be considered. Our arguments for a review clause in the Bill (pages 4/5) should also be considered in this context.

Delaying the bill to review options and delivery

We are concerned about the relative speed at which the Bill is being taken forward. Given some of the concerns highlighted by our members, by the Evaluation of the Interim Fund and the significant carry-over of funds from 2013/14 into 2014/15, we would suggest that further investigation is needed:
• A not insignificant number of local authorities are not fully completing monitoring data. Third sector organisations have noted the gaps in recording of vulnerabilities where only 23 out of 32 local authorities have provided any data. There also gaps in relation to reasons for applications for both Crisis Grants (CGs) and Community Care Grants (CCGs) (p 18), and further support offered to applicant (Referrals/Signposting, p11). This latter gap is important as a key feature of the Fund was the opportunity to create more holistic and effective support for people in need.

These gaps raise questions about accountability and transparency in the operation of the Fund. They limit our understanding of who is using the Fund and why as well as our ability to consider what happens next with the Fund.

• There may be issues to address in relation to how applications are processed and awards are made. The Heriot Watt evaluation of the Fund indicated that "screening" or "gatekeeping" practices may be ruling out people who are indeed eligible to apply. Feedback from the sector concurs with this and suggests that this might be as a result of lack of knowledge about the criteria and wider guidance amongst SWF staff. The Interim Fund evaluation points potentially to 'judgement' of applicants especially in relation to CCG's.

• Transparency of decisions: There are concerns that with Crisis Grants, applicants need to be deemed to be "high priority" before they receive a grant; however, there isn't always transparency or clarity in how that decision is made. The end of year statistics indicate that 19% of Crisis Grant applications were turned down because they weren't a high enough priority – worryingly, 27% of cases had no clear reason for refusal. For Community Care Grants, 54% of applications were refused because they did not meet the conditions for an award; 20% had no clear reason for refusal (Table 17).

• Whilst the number of reviews requested are relatively low, a high number of decisions are successfully challenged. For CCGs, 59% of tier one reviews overturned original decisions, 54% at Tier 2. For CGs, 51% are revised at Tier 1. (Consider how this compares to the overturn rate in relation to benefit sanctions; reconsideration success rates for 2013 stood at 40.4% and just over 51% of next stage appeals were successful.)

• A small number of applications are still taking significant amounts of time to see through to completion – 4% of CCGs take more than 51 days; 3% of CGs take 6 working days or more. There may be very good reasons for this, but given we have people in real need, the partial data on applicants' vulnerabilities, we may have some very needy individuals without the necessary support. The Heriot Watt evaluation raises similar issues, and suggests that the maximum target for processing applications for CG's should be one day. How applications are processed prior to the weekend needs to be considered.

• The evaluation of the scheme highlights some concerns about how it is operating and how it is linked with other policies and supports. As with its predecessor, the Scottish Welfare Fund has low levels of applications from older people. The sector has consistently raised concerns about the use of vouchers as opposed to
cash. We have heard anecdotally that one council may be considering awarding most Crisis Grants in this way.

- The sector has other operational concerns - e.g. SAMH remain worried about limited number of applications which can be made, and the discretion given to close applications based on that limit. SAMH argue that the Fund should be purely “needs led”. We are supportive of issues raised by Engender in relation to the lower level of female applicants to the Fund, and the need to investigate this further. xv

- Operation of IT systems procured to help run the Fund – we need to raise questions about the need for and effectiveness of different recording system/approaches for the same scheme. Will these be reviewed and rationalised at some point?

In reviewing the evidence and performance of the fund, our main point is this: the scheme is not quite two years old. We haven’t yet had time to assess the impact of recent changes to the fund guidelines in relation to qualifying benefits and sanctioned clients. Local authority colleagues have also faced challenges in setting up the scheme.

We welcome the Scottish Government’s involvement of the third sector in shaping the fund to date and in responding to concerns about its operation from the earliest stages. However, SCVO is arguing for a delay in taking forward the bill to:

- Ensure we have a fuller data set which helps us to better understand how the Fund is operating, following the initial “bedding in” period;

- Provide an opportunity to identify and share both good and bad practice;

- Investigate concerns raised within the evaluation and by the sector e.g. referral and signposting xvii;

- To identify and take forward further training of decision makers and frontline staff. The evaluation carried out by Heriot Watt indicated that staff administering the scheme needed to better understand the situation in which applicants found themselves, and to apply more discretion in making decisions; xvii

- To ensure links between the third sector and the fund at local level are strengthened and that joint work creates clear referral pathways and the holistic support envisaged for the Fund.

A delay would also allow a more in-depth consultation/involvement of applicants and those who have received awards to build up a clearer picture of how the Fund is operating.

Our call to delay this Bill is made in good faith, linking back to the public service reform agenda, where we can encourage joint working within local authorities, across public bodies and ensure the third sector continues to play its part in the ongoing development of the Fund.
Rationale for the Legislation

Before the Bill is subjected to parliamentary scrutiny, we need to be clear about the rationale and necessity of the legislation. Is there a threat to the continuity of the Fund? Will the legislation help applicants to be better protected? Is legislation absolutely necessary? If there is a sense that the legislation is needed to protect applicants then of course that is important.

The Bill reference group, which includes third sector organisations, will have an important role in helping to make sure the legislation works and has no unintended consequences.

Comments on the Draft Legislation

The lack of any clear principles in guiding the tone and nature of the bill is a missed opportunity. We have made this argument in relation to previous legislation xviii.

As the Bill drives the direction of travel in regulations and guidance, there needs to be a clear rights based focus, indicating how those in crisis or those needing support from the Fund should be treated. As SCVO outlined in a previous consultation:

“We believe that the planned Bill must include principles or a commitment to protect key human rights and/or reflect a commitment to maintain the dignity and respect of individuals who have to use the Fund. In the case of this Bill, this is especially important as many approaching the fund for help are struggling to achieve the most basic of rights e.g. access to food, heat etc. Further stigma and bureaucracy only serves to further strip people of those rights”.

We remain convinced that an upfront set of principles is needed.

The ability to contract out all/parts of the Scottish Welfare Fund is likely to cause concern within the sector xix xx. We need to consider how already contracted out parts are operating – both in terms of involvement of ALEOs and charities. Some concerns about people being offered second hand/recycled goods have been raised. Concerns exist that block purchase of goods such as carpets, settees, beds etc. mean applicants have no real choice. Activists have suggested that had applicants been given cash, they may have been able to buy cheaper and better quality goods. As pointed out in the SCOWR response to the Draft Bill, the legislation must not act to reduce the choice in how awards are fulfilled:

“Handing out vouchers, for instance, can not only limit the choice available to applicants, in some cases it can also create stigma, undermine dignity and lead people to feel they are receiving hand outs rather than exercising a legitimate right to assistance.”xxi

Clause to Review Legislation
If the Bill is to progress as planned, we would suggest that a review clause be built in.

A review clause would allow parliamentary scrutiny of the Fund – given its nature and reach, ensuring effective operation of this support is vital. Such a clause could come into play perhaps two years after the Bill was passed to ensure we consider:

- How the Fund is operating and any changes in the policy/operational context;
- If other delivery options have emerged;
- Scottish Government responses to the continuing Welfare Reform agenda – with more cuts in the pipeline.

**Draft Regulations**

We welcome early sight of a first draft of regulations which will build on the Bill. Clearly, the final version will be dependent on the content of the Bill, if enacted. We take this opportunity to make some early points about the regulations, as they stand:

- We must ensure that recent positive changes to guidelines (e.g. emphasis on people not having to be on qualifying benefits; support for sanctioned claimants) are not unintentionally lost if the regulations are too specific.\textsuperscript{xxii}
- The regulations must not lead to unintentional exclusion of some families e.g. those with disabled relatives/children and also couples/individuals especially in the case of CCGs. The risk of moving into care may be minimal but the wider benefits of assisting someone through the Fund may reduce the risk of family breakdown, or greatly enhance quality of life and the ability to remain independent at home.\textsuperscript{xxiii}

**Reviews**

Colleagues from across the third sector will comment in more detail on the plans to involve the SPSO. From SCVO’s perspective, clarity, ease of access and learning from reviews of Fund decisions must guide the final model. Those who are involved in using the Fund must be able to shape the review process.

**Financial Memorandum**

We use this response to the Welfare Reform committee to respond to the Finance Committee’s call for evidence.

Our concern as with other financial memorandums is the impact of legislation on the third sector.\textsuperscript{xxiv} The sector can face additional resource constraints when a new policy/scheme is introduced.
Applications to the Fund’s predecessor scheme, run by the DWP, were being wound down. As the Scottish Fund becomes better known, demand on the sector to help people apply for grants is likely to increase. Time and financial/human resources are needed to ensure frontline workers are up to speed with the Fund, and to support applicants through the process.

Some examples from the sector suggest that significant time and effort has been put in by the sector up to this point, but this is not recognised within the context of the Financial Memorandum. It should not be assumed that the sector can pick up additional costs which might arise as the Fund continues and demand for support increases.

Training has been focussed largely on local authorities and we need to ensure that there are opportunities and resources for all local partners to build up networks to ensure the Fund offers the holistic support approach that was intended. Where possible, opportunities for joint training with local and national third sector organisations should be explored.

**Conclusion**

The third sector acknowledges the significant progress made in getting the Scottish Welfare Fund established in a relatively short period of time as well as the direct involvement of the sector in shaping the Fund and the revision of Fund guidance to widen its coverage.

Our review of the data, experience from the sector and the fact that this is a relatively new Fund would indicate that we need to take more time to consider how it is operating before we move to legislate. A review clause within the legislation would be helpful in getting the Fund right and reviewing future delivery options. It becomes more important in the light of the Smith review in a post referendum context.

In concluding, the Scottish Government has indicated a strong will to drive through a more dignified and holistic approach to welfare. SCVO and the third sector would not disagree with this. It is vital that we get the Fund right – it is a key part of a social security safety net which needs to start from a position of trust, and prevent stigma being attached to individuals and families already in dire need.

Lynn Williams,
Policy Officer
Scottish Council for Voluntary Organisations
1 October 2014

**About us**

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 137,000 paid staff and approximately 1.2 million volunteers. The sector manages an income of £4.4 billion.
SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1300 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies.

As the only inclusive representative umbrella organisation for the sector SCVO:

- has the largest Scotland-wide membership from the sector – our 1300 members include charities, community groups, social enterprises and voluntary organisations of all shapes and sizes
- our governance and membership structures are democratic and accountable - with an elected board and policy committee from the sector, we are managed by the sector, for the sector
- brings together organisations and networks connecting across the whole of Scotland

SCVO works to support people to take voluntary action to help themselves and others, and to bring about social change. Our policy is determined by a policy committee elected by our members.¹

References

Scottish Voluntary Sector Statistics 2010, SCVO

¹ http://www.engender.org.uk/content/publications/engenderwelfarereport.pdf
⁵ Welfare Reform Committee call for evidence on the Welfare Funds (Scotland) Bill, Engender response, August 2014
⁶ http://www.scotland.gov.uk/About/Performance/programme-for-government/2013-14/Scottish-Welfare-Fund-Bill
⁷ Review of the Scottish Welfare Fund Interim Scheme, Scottish Government, 2014
⁸ Scottish Campaign on Welfare Reform response to the Welfare Reform Committee call for evidence on Scottish Welfare Fund (Scotland) Bill
¹⁰ Scottish Campaign on Welfare Reform response to the Welfare Reform Committee call for evidence on Scottish Welfare Fund (Scotland) Bill
¹⁵ Welfare Reform Committee call for evidence on the Welfare Funds (Scotland) Bill, Engender response, August
¹⁶ http://www.scotland.gov.uk/Resource/0045/00450561.pdf - especially the sections on referral and signposting:
²³ Less than a third of Community Care Grant applicants were signposted to support organisations when the decision was communicated to them. Only one in seven Crisis Grant applicants was

¹ SCVO’s Policy Committee has 24 members elected by SCVO’s member organisations who then co-opt up to eight more members primarily to reflect fields of interest which are not otherwise represented. It also includes two ex officio members, the SCVO Convener and Vice Convener.
signposted at this stage. While in most cases the signposting was genuinely tailored to the applicant’s needs, in some cases it was limited to a standard mention of Citizens Advice. Similarly, even in areas where charitable organisations are well present, usually only one alternative source of support was mentioned.


Inclusion Scotland response, Welfare Fund (Scotland) Bill, August 2014

One Parent Families Scotland response, Welfare Funds (Scotland) Bill, August 2014

Scottish Campaign on Welfare Reform response to the Welfare Reform Committee call for evidence on Scottish Welfare Fund (Scotland) Bill – refers to Section 2(1) in draft bill.

This refers to paragraph 5 of the draft regulations

This refers to paragraph 6(4) for the draft regulations