

From COSLA President, Cllr Shona Morrison



6 December 2024

Bob Doris MSP
Deputy Convener
Social Justice and Social Security Committee
EDINBURGH
EH99 1SP

Via Email - SJSS.committee@parliament.scot
CC- halla.edwards-muthu@parliament.scot

Re: COSLA Involvement in the Implementation of the Scottish Welfare Fund Action Plan

Dear Bob,

Thank you for your letter of 7 November 2024 in which you requested an update on the extent to which the Scottish Welfare Fund, (SWF) Action Plan has been completed. Whilst I understand that the Committee may have received a similar response from the Scottish Government, the following will provide an update of COSLA's work in this area.

During 2022/23 COSLA and Local Government representatives were involved throughout the various stages of the Independent Review of Scottish Welfare Fund. Along with officers from public bodies and third sector stakeholders, these representatives served on The Scottish Government's SWF Review Advisory Group during the investigation phase and subsequently on the SWF Policy Advisory Group. The [Action Plan](#) was published on 30 March 2023.

In March 2024, (as per *Action 2*) The Scottish Government re-established regular SWF Practitioner's Forums involving all 32 Local Authorities. At this point, The Scottish Government also set up a Statutory Guidance Review Group, (involving COSLA, Local Government and other public and third sector representatives). These forums considered 3 thematic workstreams set up to facilitate the implementation of the 22 actions:

- **Workstream 1 – (Fund Administration, Accessibility and Experience)**
Progressed by a re-established SWF Practitioners Group (comprised of Local Government, Scottish Government and COSLA officers). This Group considered 10 actions which were largely comprised of operational improvements.
- **Workstream 2 – (Updating Statutory Guidance)**
Progressed by a Statutory Guidance Review Committee, (comprised of variety of stakeholders including Scottish Government, local authorities, COSLA, SPSO, SPS and CPAG) which was tasked to complete annual reviews of the SWF Statutory Guidance.
- **Workstream 3 – (Creating a New Data, Monitoring and Audit Approach)**
At the time of writing, The Scottish Government is yet to identify resources required to deliver the actions assigned to Workstream 3. This is now seen as a longer-term goal and the current focus is therefore on delivering actions included in Workstreams 1 and 2.

The 3 actions that the Committee has requested an update on fall under Workstream 2 and as such were considered by the SWF Statutory Guidance Review Committee. Whilst the Committee has agreed the amendments that the Scottish Government will make to the draft (2025) Statutory Guidance, it is expected that this draft document will be circulated to all 32 Local Authorities for final comments in the New Year prior to its implementation in April 2025.

COSLA officer's understanding in respect of the current status of the 3 Actions that the Committee has requested an update on is as follows:

- *Action 5: Provide clearer definitions on Eligibility and what constitutes 'exceptional circumstances'.*

Whilst the format of the revised Guidance will remain unchanged, The Scottish Government will provide further clarification and examples which will assist SWF decision makers.

- *Action 14: Restructure (the Guidance) to improve accessibility and ease of use.*

Whilst the format of the revised Guidance will remain unchanged, it will be pre-faced by key principles in plain language and will include a new section on "High and Most Compelling" priority rating.

- *Action 15: Review Income Thresholds for applicant eligibility.*

The Scottish Government has agreed to provide tables to assist SWF decision makers. (N.B. Whilst these were first used in the administration of Self Isolation Support Grants, it is notable that this pandemic era scheme was fully funded by The Scottish Government). The financial impact of using these tables for SWF assessments is unknown at this point.

Regarding other areas covered in the Statutory Guidance, COSLA and Local Government officers have asked Scottish Government to provide a clearer definition for the 'High and Most Compelling' priority rating and have asked for clarification on which category of SWF awards this applies to, (i.e. Crisis Grants, Community Care Grants or both). In recent years, increasing SWF costs against a backdrop of high demand and flat-cash budget settlements, has meant that an increasing number of councils have been obliged to move to High and Most Compelling to manage expenditure within available budgets. Given ongoing budget pressures this has left councils with less financial capacity to augment SWF budgets, so it is important that the priority rating's definition and its use is as clear as possible within the Statutory Guidance.

One other potential area of concern for COSLA is any potential financial impact of the revised Guidance under *Action 17: Review methodology to calculate cost of living award rates.*

This action will amend the Statutory Guidance giving Councils discretion to review their methodology in calculating cost-of-living award rates, (advocating local authority decision makers use of the ["Universal Credit Essentials Guarantee"](#) rate when assessing SWF claimant's living expenses). Whilst this is likely to result in more generous SWF awards, any additional expenditure will require an adequate level of funding which can sustain this.

Whilst COSLA broadly welcomes the improvements that will be realised by the implementation of the SWF Action Plan, it supports the implementation of those actions that will result in improved experiences for vulnerable individuals accessing this crucial support. However, it should be noted that there is a risk that some of these actions may also incur additional costs

for councils. Feedback from SWF practitioners suggest that the guidance amendments will on-the-whole also increase the decision-making time of decision makers and in some cases could have an inflationary effect on SWF expenditure, (making it harder for local authorities to manage spend within available budgets).

COSLA was pleased to note the announcement on 28 November 2024 of a further £20m additional funding for SWF. However, whilst this (non-recurring) funding will help ease budgetary pressures for councils for the remainder of the current, (2024/25) financial year, once depleted, local authorities may once again lack some of the financial resource required to deliver and sustain an improved service. It may be useful to know that COSLA's Community Wellbeing Board considered a SWF Action Plan update report on Friday 6 December 2024. Aside from updating the Board, this report approved by members sought their views on operational issues and budgetary constraints. Members felt that while the in-year boost to the fund will help, this is going to be short lived and not help deliver the sustainable improvements that the Action Plan seeks to make.

I trust that this provides the Committee with the update it requested. If you have any questions relating to the above, please contact John Cunningham, (Social Security Policy Manager) johnc@cosla.gov.uk

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shona Morrison' in a cursive style.

Councillor Shona Morrison
COSLA President