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Mr Bob Doris MSP

Convener

Social Security Committee

T3.60

The Scottish Parliament

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13 December 2018

Dear Convener

Scottish Welfare Fund

Thank you for your letter of 1 November 2018, about the Scottish Welfare Fund (SWF) budget allocation. The SWF provides a vital lifeline to people on low incomes in crisis situations and, since the fund was established in April 2013, it has helped over **306,305** individual households. I welcome the Social Security Committee's views on the SWF and the opportunity to comment on the points raised in your letter.

Amount of fund available

Despite the UK Government imposing welfare reform measures which are expected to reduce annual spending in Scotland by £3.7 billion by 2020/21, and continuing UK austerity has reduced our resource block grant by £2 billion in real terms over the last decade, the Scottish Government has continued to maintain the SWF at £38 million per year (£33 million programme spend and £5 million administration costs).

Based on the latest statistics (to 30 June 2018), **programme spend** in the financial year **2017/18**:

Local authority allocations	£32,995,240
Underspend carried forward from previous years	£ 1,495,654
Total available for 2017/18	£34,490,894
Total spend in 2017/18	£32,855,022

We are, however, aware, from the quarterly data provided to us by local authorities, that there has been a noticeable increase in crisis grant applications and awards (average award around £76); and at the same time, there has also been a small decrease in community care grants (average award approx. £600), where awards are generally of higher value than crisis grants. Working with local authorities, we will continue to monitor demand for SWF grants.

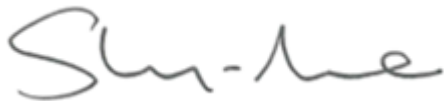
Funding distribution

As you will be aware, in November 2015, the Scottish Government and CoSLA agreed to distribute the SWF based solely on the Income Domain of the Scottish Index of Multiple Deprivation (SIMD) to ensure that the SWF helps the most deprived areas. This was phased in over three years with 2018/19 being the first year the fund is allocated wholly on SIMD, resulting in local authorities which have the highest number of income deprived people, receiving the greatest proportion of the allocation. However, due to the way statistical data is collected, we will not see the 2018/19 SWF figures until July 2019, and at that time we can assess how the re-distribution of the funding allocation based on the SIMD is working.

I would like to reassure the Committee that the Scottish Government constantly assesses the SWF through Management Information on applications, awards and expenditure and, as previously stated, the latest official statistics, which cover the period up to June 2018, shows that the overall fund is sufficient.

I hope this is helpful and please feel free to contact me if you require any further information.

Yours sincerely



SHIRLEY-ANNE SOMERVILLE