



The Scottish Parliament
Pàrlamaid na h-Alba

SOCIAL SECURITY COMMITTEE

AGENDA

13th Meeting, 2018 (Session 5)

Thursday 24 May 2018

The Committee will meet at 9.30 am in the Mary Fairfax Somerville Room (CR2).

1. **Declaration of interests:** Michelle Ballantyne will be invited to declare any relevant interests.
2. **Decision on taking business in private:** The Committee will decide whether to take items 5 and 6 in private.
3. **Scottish Welfare Fund:** The Committee will take evidence from—

Rosemary Agnew, Scottish Public Services Ombudsman;

Niki Maclean, Director, John Stevenson, Head of Improvement, Standards and Engagement, and Alison Jack, Scottish Welfare Fund Review Team Manager, Scottish Public Services Ombudsman.
4. **Petition PE1677:** The Committee will consider a petition by Dr Sarah Glynn, on behalf of the Scottish Unemployed Workers' Network, calling on the Scottish Parliament to make more money available to mitigate welfare cuts.
5. **Scottish Welfare Fund:** The Committee will consider the evidence heard earlier in the meeting.
6. **Work programme:** The Committee will consider its work programme.

Anne Peat
Clerk to the Social Security Committee
Room T3.60
The Scottish Parliament
Edinburgh
Tel: 0131 348 5182
Email: SocialSecurityCommittee@parliament.scot

The papers for this meeting are as follows—

Agenda Item 2

SPICe Briefing	SC/S5/18/13/1
PRIVATE PAPER	SC/S5/18/13/2 (P)
Written Submission - Scottish Public Services Ombudsman	SC/S5/18/13/3

Agenda Item 3

PE1677 - Note by the Clerk	SC/S5/18/13/4
----------------------------	---------------

Agenda Item 5

PRIVATE PAPER	SC/S5/18/13/5 (P)
---------------	-------------------




Social Security Committee

13th Meeting, 2018 (Session 5), Thursday 24 May 2018

Scottish welfare fund inquiry

1. Introduction and summary

This paper provides background information to support the Committee's inquiry into the Scottish welfare fund (SWF). Since April 2013, the SWF has provided crisis grants in an emergency or disaster, and community care grants (CCGs) to help low income households to maintain a settled home, if they are at risk of not being able to do so. The SWF is delivered by local authorities.

This paper considers the overall budget allocation for the SWF, and how it is allocated between local authorities. It also outlines the new uses of the SWF in addition to its core function – to provide support to 18-21 year olds with housing costs and family reunion crisis grants for refugees.

The last detailed parliamentary scrutiny of the SWF was during the passage of the [Welfare Funds \(Scotland\) Act 2015 asp 5](#) (“the Act”). The lead Committee was the Session 4 Welfare Reform Committee (“the predecessor Committee”).

In addition to written submissions from witnesses, the Committee has also received submissions from Shelter and the Menu for Change project, which are included in the papers for this meeting.

2. Background to the SWF

Broadly, SWF grants are available to the same groups as the DWP community care grants and crisis loans, which were abolished (and the funding for them devolved) from April 2013. The most significant differences are that crisis grants from the SWF need not be repaid, and that the SWF is delivered by local authorities whilst the Social Fund was a centralised DWP service.

Initially delivered by agreement between the Scottish Government and COSLA, under local authorities' broad power to advance wellbeing,¹ the SWF was placed on a statutory footing from April 2016. Since April 2016, it is underpinned by the Act, with further detail set out in [The Welfare Funds \(Scotland\) Regulations 2016 No. 107](#) (“the SWF regulations”). Local authorities must also have regard to [statutory guidance](#) (“the SWF guidance”), produced by the Scottish Government.

The most significant change introduced by the Act was a new role for the Scottish Public Service Ombudsman (SPSO) as an independent reviewer. s.5 of the Act also requires that SWF applicants are treated with dignity and respect.

There is no entitlement to an SWF grant. Local authorities must manage their allocated budget, and can top it up from their own funds. The SWF guidance sets out

¹ See s.20 of the [Local Government in Scotland Act 2003 asp 1](#)

that SWF awards can be restricted to needs judged to be a high priority, or (exceptionally) a “high most urgent” priority, if there is a danger of SWF funding running out during a financial year.

There are a range of exclusions from eligibility set out in the guidance, including a list of needs that can be met through other sources of financial support, and anything that the local authority has a different statutory duty to provide. If an application is refused, another application for the same need cannot be made within 28 days, unless the applicant’s circumstances have changed.

Crisis grants

Crisis grants are payable if the applicant has no access to resources to deal with an emergency or a disaster, where there is a risk to the applicant or their family. The SWF guidance (para 7.3) states that a crisis grant can be awarded to cover:

- immediate short-term living expenses until an applicant’s next income is due in an emergency
- accommodation costs in an emergency if the applicant is stranded
- living expenses or items where the need for them has arisen because of a disaster.

Except in exceptional circumstances, only three crisis grants can be awarded in any 12 month period. Payments must be in the form of cash or a cash equivalent, unless payment in a different form would be suitable for the applicant. Applicants on certain means-tested benefits can be treated as not having sufficient income, but the guidance is clear that this is not a requirement to qualify for a crisis grant.

Community care grants

Community care grants can be paid to “qualifying individuals” – who would otherwise be in hospital, prison or residential care, homeless or living an unsettled life. They can be paid in the following situations:

- to enable someone to establish or maintain a settled home if there is a risk that they could not do so without a CCG
- to enable someone to maintain a settled home if there is a risk of them needing to go into a care institution
- to enable a someone to establish or maintain a settled home after being homeless or living an unsettled way of life
- to enable someone to maintain a settled home in a situation where they or someone else in their household is facing exceptional pressure
- to assist the applicant to care for someone who has been released from prison or a young offenders’ institution on temporary licence.

Local authorities can choose to provide CCGs in kind or in cash, and are free to choose how they are fulfilled. The SWF guidance highlights that the aim should be:

“achieving best value for money and providing support to the maximum number of applicants, whilst respecting the needs of the individual applicant.”

Generally CCGS are not awarded if the applicant has savings over £700, or £1,200 for pensioners.

Family reunion crisis grants

The [Scottish Government's Programme for Scotland 2016-17](#) included a section on refugee integration. This contained a commitment to:

“ensure a simplified crisis grant fund for refugee families who settle here under Family Reunion rules.”

The Scottish Government's November 2017 [Fairer Scotland Action Plan: Progress Report 2017](#) (p6) reiterated that:

“The Scottish Welfare Fund will be the delivery mechanism for the Family Reunion Crisis Grant Fund. Sponsors will be able to make an application for a crisis grant before family members arrive in Scotland for family reunion, with the same eligibility rules as currently apply to the Scottish Welfare Fund and awards being payable when the family arrive. Implementation is planned for late 2017.”

The Minister for Social Security (“the Minister”) [wrote to the Committee on 21 December 2017](#), following her evidence on the Draft Budget 2018-19. The letter confirmed that:

“£100,000 has been set aside in the Equality budget for the Family Reunion Crisis Grant in 2018-19.”

As this is from a separate budget, local authorities will be expected to record crisis grant awards for this purpose separately, and claim back any expenditure. Standalone guidance has been produced, although this had not been made publicly available at the time of writing).²

Until the guidance is published, it is difficult to know exactly when family reunion grants will be awarded. A [Scottish Government press release](#) (9 May 2018) suggests that:

“The grants provide assistance with initial living costs as well as essential items, such as beds, for those arriving in Scotland under family reunion rules.”

The suggestion (quoted above) that people can apply before their families arrive perhaps sits slightly uncomfortably with the new grants being described as crisis grants. s.2(1) of the Act (read with Reg 6(1)(a) and (2) of the SWF regulations) provides that a crisis grant can only be awarded:

for the purpose of:

- (a) meeting, or helping to meet, an immediate short term need.

It is possible that the intention is to use entirely different powers to deliver this new type of grant. However this seems unlikely, given the reference to using the same eligibility rules as the current SWF.

Support with housing costs for 18-21 year olds

The Scottish Government is using the SWF to mitigate the effects of the UK Government reform that prevents some new claimants aged 18-21 from qualifying for the universal credit (UC) housing costs element in full service areas from April 2017. The detail of this mitigation strategy was confirmed in [standalone statutory guidance](#) (June 2017).

² Scottish Government, Personal Communication to SPICe, 9 May 2018

It appears that both the UK and Scottish Governments have overestimated the number of people affected.³ [Ad-hoc DWP statistics published in January 2018](#) record that 90 people across the UK were refused help with housing costs in the three months from April 2017. The Minister [gave evidence in December 2017](#) that:

“to date, only three individuals have required support through the interim solution that we put in place. That is partly because, as individuals aged between 18 and 21 have come to local authorities seeking support under our housing benefit provisions, it has been discovered that they have fitted into one of the UK Government’s exemption categories, so they have continued to receive support through that route.”

The [latest SWF statistics](#) (p11) do not record the number of awards, but confirm that:

“From 1 April 2017 to 31 December 2017, local authorities spent just under £3,000 on Community Care Grants for this purpose.”

In a [written statement to the House of Commons on 29 March 2018](#), the Secretary of State for Work and Pensions announced that regulations will be made to reverse this change, reinstating housing costs for all 18-21 year old UC claimants who are liable for rent. It is unclear when this will happen at present.

3. The overall SWF budget

The core budget

Since 2013-14, the core SWF budget has been £38m. £33m of the budget is allocated for SWF grants (“programme budget” below), whilst £5m is for local authorities’ administration costs.

Table 1 below shows the real-terms value of the core SWF budget. It does not include the value of any underspends from previous years, which can be carried forward by local authorities. The SWF budget has decreased by just over 7% in real terms since 2013-14.

Table 1 – Core SWF budget, cash and real terms (£m)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Programme budget, cash terms	33.0	33.0	33.0	33.0	33.0	33.0
Programme budget, real terms (2018-19 prices)	35.6	35.1	34.9	34.1	33.5	33.0
Administration budget, cash terms	5.0	5.0	5.0	5.0	5.0	5.0
Administration budget, real terms (2018-19 prices)	5.4	5.3	5.3	5.2	5.1	5.0
Total budget, cash terms	38.0	38.0	38.0	38.0	38.0	38.0
Total budget, real terms (2018-19 prices)	41.0	40.4	40.2	39.3	38.6	38.0

Source: SPICe calculations based on [HM Treasury GDP deflators](#) (3 April 2018)

The Minister stated in her [opening statement to the Committee on the 2018-19 Draft Budget](#) that:

³ For details of these estimates, see the [Papers for the Committee’s meeting on 21 December 2017](#) (paper SC/S5/17/26/2)

“for the Scottish welfare fund, we have utilised the [Scottish Fiscal Commission] SFC’s forecast of £33 million, thereby maintaining the value of the fund.”

This is arguably circular reasoning. The SFC forecasts Scottish Government social security expenditure based on what is known about its plans, and the core SWF budget is a fixed amount.⁴ So it is difficult to see how the SFC could ever forecast a different amount for this element of the SWF budget unless it had been informed that there was a plan to increase the budget in future years.

Answering a question about whether the SWF budget is still adequate during the evidence session on the 2018-19 Draft Budget, [the Minister responded](#) that the Scottish Government:

“have looked overall at the demands that have been made on that fund and anticipated how we can best maintain it to enable us to continue to provide crisis grants and community support. At present, the overall agreement that we have reached is what is in the budget. We have always said that we will continue to review with local government the demands on the Scottish welfare fund, and we maintain a position of being able, if we can and if the need is there, to return as the year progresses to see whether we can apply any additional funds.”

The predecessor Committee’s [Stage 1 report on the Welfare Funds \(Scotland\) Bill](#) (December 2014) contained separate sections on the SWF programme and administration budgets. In relation to the programme budget, the report said that the Minister for Housing and Welfare had:

“stated the programme funding was fixed for this Spending Review but would be considered again after 2015/16.”

Having heard evidence from local authorities that the administration budget was inadequate, the predecessor Committee made the following recommendations:

“77. The Committee supports the Finance Committee’s view that it is vital that administration of the fund is supported by the appropriate resource levels and that growth in demand for assistance is recognised.

78. The Committee welcomes the assurance of the Minister that the Scottish Government is happy to reconsider the distribution of administrative funding pending any strong evidence which arises through the benchmarking exercise from COSLA. It encourages COSLA to make its findings publically available as soon as possible.”

It does not appear that the results of this exercise were ever made public. The [Scottish Government’s response to the predecessor Committee’s report](#) (January 2015) stated that:

“The Scottish Government has committed to reconsidering the administration funding if COSLA provide evidence through their benchmarking exercise that the fund cannot be administered with the funding provided. That benchmarking information was received on 14 January and is now under

⁴ This contrasts with those benefits to be delivered by Social Security Scotland, where SFC forecasts of expenditure will depend on what the statutory conditions to be entitled are, and how many people in Scotland are expected to meet them.

consideration. However, it remains our view that at around 15% of the overall programme funding, the current administration budget allocation should be enough to deliver the Scottish Welfare Fund.”

Highland Council’s submission to the Committee states that in 2017-18, 60% of its costs of administering the SWF were met by the funding from the Scottish Government. This is a similar proportion to the share of its housing benefit administration costs met by funding from the DWP and Scottish Government.

Recent SWF statistics and the overall budget

The most [recent SWF statistics available](#) are for the third quarter of 2017-18. Overall, in the first nine months of 2017-18, local authorities spent 69% of the budget for the year.

Overall the number of CCG applications has decreased by 5% compared to the same period in the previous year, whilst crisis grant applications have risen by 8%. Success rates have fallen by 1% for CCGs and 2% for crisis grants. However, as the statistics acknowledge, there are significant variations between local authorities. Section 4 of this paper discusses some of these variations further.

Possible future pressures on the SWF budget

The SWF is commonly described by the Scottish Government as part of “welfare reform mitigation” spending. The Scottish Government’s [Annual Report – 2017 Welfare Reform \(Further Provision\) \(Scotland\) Act 2012](#) (June 2017) estimated that:

“Welfare measures introduced by the Coalition government (including those in the [Welfare Reform Act 2012]) is expected to have reduced annual spending by £1.6 billion by 2015/16, with £1.0 billion of this reduction attributable to uprating measures. In total, welfare measures passed by both UK governments (Coalition and Conservative) is expected to reduce annual spending in Scotland by £3.9 billion by 2020/21.”

This suggests that most of the impact of welfare reform is yet to be felt. At a UK level, the Institute for Fiscal Studies reached similar conclusions in April 2017 regarding the measures introduced since 2015, using the heading:

“Tax and benefit reforms since May 2015 have so far had little effect, but there are big benefit cuts to come.”⁵

Inclusion Scotland’s submission to the Committee highlights particular reforms that it argues are increasing pressure on the SWF, including sanctions, the benefit cap and universal credit (UC). CPAG, A Menu for Change and all three local authorities also mention the impact of UC in their submissions. Highland Council argues that giving an SWF grant to someone who has claimed UC results in:

“‘double-payments’ for the same initial period when the UC payment is made.”

In contrast, CPAG appear to favour more use of the SWF during this waiting period. Their submission gives the example of a local authority website stating that those waiting for their first UC payment will only be paid 12 days’ living costs, whilst the SWF guidance suggests that payments can be made for up to 4 weeks in this situation. Dundee City Council points out that under UC, crisis grants often cover the needs of a whole household, and in some cases repeated grants are required.

⁵ IFS, [The impact of tax and benefit reforms on household incomes](#) (April 2017)

It is important to remember that Figure 1 shows percentage changes. Glasgow City still has the largest budget, and Eilean Siar the third smallest, in cash terms. Similarly, the number of applications varies substantially between different areas. In addition to the population of an area, other factors affecting pressures on the SWF might include demographics, economic performance and local availability of other sources of support.

The most recent SWF statistics show that six local authorities had spent over 75% of their annual budget by the end of December 2017. These included Glasgow City (76%) and Dundee City (79%). All of the local authorities which had spent over 75 % of their budget except East Dunbartonshire had seen their funding reduce since April 2016.

Eight local authorities had spent under 60% of the budget by that point. Given the change in funding allocations (see figure 1), it is perhaps understandable that Eilean Siar is an outlier, having spent under a quarter of its annual budget. Aberdeenshire and Scottish Borders have also seen substantial increases in their budget allocations, and had committed under half of their annual budgets. But both authorities have falling success rates for both crisis grant and CCG applications.

Glasgow City Council and Dundee City Council both point out in their submissions the reduction to their budget allocations since April 2016. Both have chosen to top up the SWF budget from their own funds. Both also mention steps that they have taken to manage demand for the fund. Glasgow have only awarded grants for high priority applications, and reduced some CCG awards. Dundee has sought to mitigate the impact of budget reductions through investment in a holistic support model, linked to other council services.

In contrast, Highland Council's submission focuses on the administration budget. Its budget allocation has increased since 2015-16. Dundee City Council's submission argues that increased SWF administration funding may allow more detailed investigations of applications, and reduce the number of review requests.

Submissions from the first panel of witnesses express concern about the level of variation between local authorities, which Inclusion Scotland describe as "huge" and CPAG "extreme". CPAG suggest that, given the level of variation:

"there is a strong argument to consider national delivery."

Homeless Action Scotland's submission suggests that local authorities should be reimbursed for their previous overspends, giving a required figure of £500,000 and citing Scottish Government statistics.

5. Independent reviews by the Scottish Public Services Ombudsman

For the first three years of the SWF's operation, second-tier reviews of decisions were organised by the local authority (but reviewers were from outside the SWF team). Since April 2016, the SPSO has taken on responsibility for independent second-tier reviews of SWF decisions. First-tier reviews are still undertaken by the local authority's SWF team. The SPSO has also dealt with complaints about SWF administration (once the council's own complaints procedure has been followed) since the SWF was introduced.

The SPSO has chosen to make a number of channels available to apply for an independent review. In contrast, Reg 14 of the SWF regulations requires a first-tier

review request to be made in writing unless there are exceptional circumstances. The SPSO has also produced its own rules for [oral hearings](#) of SWF reviews. The SWF review team produces an [annual report](#) on its SWF review function, and [detailed statistics](#), including a document summarising each local authority's review outcomes.

The annual report highlights that:

“An important part of [the SPSO's] role is to encourage learning and improvement and share good practice.”

In 2016-17 the SPSO dealt with 437 review requests, 230 for CCGs and 207 for crisis grants.⁸ The annual report highlights that in 2016-17 the SPSO did not receive any review applications from 4 local authority areas.⁹ The latest SWF statistics suggest that in each of the three island authorities there have been under 5 applications for review since the SWF was set up in April 2013 (disclosure control means that the exact number is unclear). These three local authorities do have significantly lower numbers of SWF applications (and population) than other local authority areas.

Highland Council's submission quotes their own management information, suggesting that SPSO review numbers were higher in 2017-18 (14 reviews, compared to 5 in 2016-17). Glasgow City Council also suggests that they expect the number of review requests to increase as pressure on the SWF budget builds.

SPSO reviews and continuous improvement

The predecessor Committee's stage 1 report on the Welfare Funds (Scotland) Bill highlighted that the majority of local authorities giving evidence were not in favour of the change at that point. Some argued that the funding would be better used supporting administration budgets, whilst others mentioned the potential problems for the programme budget if their decisions could be re-made by SPSO.

Most third sector organisations giving evidence and some local authorities supported the new role for the SPSO, due to its independence and the possibility of increasing consistency of SWF decision-making. The stage 1 report quoted evidence from Barnardo's, who had argued that:

“The most important thing is ensuring that the learning from the SPSO's reviews is used to improve the practice of local authorities across the board, and not just the practice of the authority to which the review related.”

In addition to its annual report, the SPSO also produces [monthly case summaries](#) exploring common themes in recent cases. In February 2018, SPSO organised an [engagement event on SWF decision making](#).

Highland Council's submission highlights how it approaches review decisions, stating that:

“All SPSO decisions are analysed within the Revenues & Customer Services Section and any lessons learned are shared with staff. “

It seems likely that this refers to SPSO decisions in relation to cases from Highland Council alone. In their submission, Dundee City Council argues that:

⁸ For context, in 2016-17 there were 67,480 CCG applications and 165,060 crisis grant applications.

⁹ Argyll and Bute, Eilean Siar, Orkney and Shetland

“there needs to be a more robust framework in terms of reporting of decisions.”

They suggest that an improvement would be a published digest of SPSO decisions. CPAG suggest a model like the Journal and reports of the Independent Review Service (reviewer of the DWP social fund until 2013) as a possible improvement.

Highland Council’s submission argues that at times SPSO review decisions contain a “disproportionate” amount of detail. Dundee City Council raise the fact that reviews can involve:

“detailed investigation ... far in excess of what can be reasonably undertaken within the resources and timescales of the Local Authority.”

The SPSO case summaries for March 2018 and July 2017 give examples of contacting health professionals for further information in the course of reviews.

6. Other issues with the Scottish welfare fund

Some other issues which have been raised about the SWF are set out below, largely drawing on witnesses’ submissions.

Gatekeeping

CPAG’s submission raises the issue of gatekeeping – or making it difficult for applicants to access the SWF. They cite the example of the range of ways to apply available. The SWF guidance states that local authorities:

“must make provision for applications to be taken via three delivery channels, for example, online, on the phone and face-to-face. ... At a minimum, local authorities must provide a face-to-face option for more vulnerable individuals, and people who have support needs or impairments.”

CPAG quotes a local authority website warning that applications other than online will only be accepted in exceptional circumstances. Shelter give a case study of a client being told that he had to apply online, and if he couldn’t do this he would need to get help from an external agency.

Another aspect of gatekeeping would be seeking to manage down the number of applications. CPAG argue that:

“case evidence and feedback from frontline advisors, many of whom tell us that in practice the application process is focussed primarily on the ability of local authorities to handle the volume of applications with limited resources, rather than the needs of applicants.”

Glasgow City Council’s submission states that it:

“engages with third parties to set expectations of what support can be provided from the Scottish Welfare Fund however in some cases applications are still received beyond what can be provided under high priority.”

This suggests an intention to reduce application volumes. Whilst the submission is clear that applications are still increasing, such efforts might potentially mask the true level of demand on the SWF. Homeless Action Scotland’s submission picks up a similar point, arguing that the language on some local authority websites is “off-putting”. They recommend:

“a sea change in regards to how the fund is considered, and for it to become a fund that is promoted and encouraged, in the knowledge that it is a positive preventative spend.”

Method of providing grants

Whilst crisis grants must be provided in cash or cash equivalent unless another method of fulfilling a grant is more suitable, local authorities can choose how to provide CCGs. New goods are currently the most common method of providing a CCG. Almost exactly half of CCG awards were provided in this form in [the most recent quarter for which SWF statistics have been published](#), and their value was 60% of total expenditure. The largest rise (in percentage and cash terms) compared to the previous year is in used goods, which the Scottish Government statisticians attribute to the introduction of a re-use scheme in Fife.

Inclusion Scotland’s submission highlights these statistics and also quotes disabled people who felt stigmatised by the provision of in-kind support, including the prospect of “a Glasgow council van arriving at my door delivering these items”. Whilst Inclusion Scotland give a case study of poor quality re-used goods in Fife, Highland Council (which provides both new and recycled goods) states that:

“the service and quality of goods provided have been well received.”

Highland Council’s submission highlights some wider positive impacts on the area of procuring goods for applicants to the SWF. These are linked to education, apprenticeships and waste reduction.

Homeless Action Scotland argue that all local authorities should offer a card which could be used to purchase goods online, in addition to other options for receiving a grant. They link this with promoting digital literacy, as well as providing choice to applicants.

Highland Council highlights its use of electronic payments of crisis grants by text message as an example of good practice.

Community care grants and housing issues

Both Homeless Action Scotland and Shelter raise the impact of the timing of CCG applications on setting up a new tenancy. Shelter’s submission highlights that the SWF guidance instructs local authorities to make an award in principle in advance of a tenancy being secured, but state that this is not happening in practice. Homeless Action Scotland argue that it should be possible to apply for a CCG before having been given an address (broadly, what the SWF guidance already says). This suggests that their experience of the SWF in practice may be similar to Shelter’s.

Dundee City Council’s submission gives the fast-tracking of applications from homeless people as a positive of their SWF service. SPSO case summaries for January and March 2018 highlight refusals of CCG applications made by people who had waited a significant time to move into more suitable properties. The local authorities had refused the applications, deciding that the applicants should have planned for the move. But the SPSO decided that this was not reasonable for people on very low incomes, and awarded both applicants a CCG.

Shelter’s submission also raises related issues of applications for removal costs, and the issue of where to apply if someone is moving between different areas. In the latter case they suggest that the SWF guidance (that the destination authority should

accept the application) is not being followed. CPAG give the example of a carer for her adult son who was placed in a different local authority area, with both authorities refusing a CCG application.

Homeless Action Scotland makes a broader point, that the value of a CCG award is dwarfed by the cost of a failed tenancy. They state this was £15-25,000 seven years ago, and so investing £600 in a CCG should be seen as a saving.

Links to other services

The submissions from Dundee City Council and Highland Council give detailed accounts of how their SWF teams engage with other services, both within and outside the council. In both cases, this includes income maximisation services. Dundee City Council link this to its attempt to reduce the pressure of repeat applications on the SWF budget.

In contrast, Homeless Action Scotland argue that everyone applying to the SWF should be offered income maximisation, suggesting that not all local authorities take the same approach as Dundee and Highland. CPAG and A Menu for Change both give the example of good practice in North Lanarkshire, in relation to reducing food bank use. But CPAG state that their casework:

“suggests that active referrals to relevant local services are relatively rare.”

CPAG suggest that this might be considered by the SPSO in the future.

The level of discretion in the SWF scheme

As touched on above, some submissions argued that more application channels are needed in some areas. Homeless Action Scotland and Dundee City Council both argued that the level of discretion in the SWF scheme was about right, with the latter listing improvements to the guidance which have aided clarity about where discretion exists. Shelter’s submission concludes that:

“the discretionary nature of the scheme means that the guidance is not always adhered to in practice.”

Specific examples around housing need given by Shelter are discussed above. CPAG took the approach of highlighting areas in which changes to the guidance have restricted access to the SWF, and suggest that wider consultation on changes to the guidance is needed.

CPAG, Inclusion Scotland and A Menu for Change highlight the statistics setting out the reasons for an SWF award. CPAG suggest that this may partly be a reporting issue. They give the example of a local authority which has recorded no applications for a CCG to care for a prisoner since 2013, whereas there were substantial numbers of applications to the Social Fund in that area for that purpose prior to its abolition.

Access to the SWF for refugees

The uncertainty around the family reunion crisis grant is discussed above. There are also possible accessibility issues for new refugees themselves. The Scottish Government’s [New Scots Refugee Integration Strategy 2018-2022](#) (January 2018) contained no specific references to the SWF. The strategy includes a seven page section on employability and welfare rights, which discusses difficulties accessing benefits after being granted refugee status.

The role of the SWF after refugee status is granted was raised during the evidence sessions on the Committee's work programme. Elodie Mignard of the Scottish Refugee Council gave evidence that:

“By the time [a claim for jobseeker's allowance made by a new refugee] has been processed, Home Office support will have stopped, and we will assist people in accessing a crisis grant from the Scottish welfare fund. ... The application process involves a phone call or an online application, and there is no access to interpreters on the phone. Those are the resources that we are talking about.”

The “resources” being discussed were to provide specialist advice and advocacy services.

Jon Shaw

SPICe Research

18 May 2018

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

The Scottish Parliament, Edinburgh, EH99 1SP www.parliament.scot

Scottish Public Services Ombudsman: Briefing on the Scottish Welfare Fund Independent Review Service

Introduction

1. The Scottish Public Services Ombudsman (SPSO) provides the Independent Review Service for the Scottish Welfare Fund (we have since 1 April 2016). We assess the evidence and any new information against the tests set out in legislation and guidance to make (or confirm) the decision that should have been made. This differs from our complaint handling role in that as well as being able to undertake a new assessment and remake the decision, SPSO decisions are binding on councils and must be implemented.

Statistics

2. Overview

What we received	2017-18	2016-17
Total contacts	1,172	1,112
Advice and support	424	310
Review applications	748	802
Work in hand at the end of the previous year	34	0
Total workload for the year	1206	1112
How we disposed of reviews	764	768
Closed before review	158	331
Closed at review	606¹	437
Community care grants decision changed	164 (52%)	98 (43%)
Community care grants decision NOT changed	151 (48%)	132 (57%)
Crisis grants decision changed	102 (35%)	66 (32%)
Crisis grants decision NOT changed	186 (65%)	141 (68%)
Work in hand at the end of the year	19²	34

3. In 2016-17 the number of applications reviewed (437) was broadly comparable to that received by councils for a tier 2 review in 15/16.
4. 2017-18 saw a 39% increase in cases the SPSO closed at review compared to 2016-17. While we do not have figures for the full 2017-18 year of all SWF applications across Scotland, we know that Quarters 1-3, SWF applications in Scotland increased by 4%. The reason for this is not

¹ 3 reviews were closed as "sent back to councils". This is an option available to us in the legislation when we conduct a review. These 3 are not included in the numbers for decision changed or crisis grant decision unchanged which are the other two options available to us. This is why the total adds up to 603 and not 606.

² This figure is run from our open figures on the first day of the year and the other figures from our closed year-end figures. Changes happen constantly to our open figures as cases are received and determined every day and this is why the number is marginally different from what a simple calculation would predict (18)

immediately apparent but it is possible that the current scheme, which is relatively new, is more well-known resulting in more applications being received. We continue to monitor numbers and outcomes.

5. Significantly in 2017-18 the level of crisis grant reviews as a proportion of total reviews remained much higher than the previous system.³ A contributory factor is likely to be accessibility for the most vulnerable. SPSO takes applications over the phone and on-line; previously tier 2 reviews had to be in writing. In 2017-18 69% of applications were by phone and 21% by web form.
6. Applications that went on to be reviewed were received about 29 of the 32 councils (Local Authorities). While City of Glasgow, North Lanarkshire and City of Edinburgh together accounted for 60% of these applications, this was to be expected as they are large authorities. SPSO continue to monitor applications numbers generally and will highlight trends and concerns.

SPSO findings

7. SPSO's primary role is to ensure the correct decision was made. But equally important, we also make findings about councils' decision-making.
 - 7.1. **Material** findings identify where we consider the council made an error which causes us to disagree with the overall decision
 - 7.2. **Non-material** findings identify poor practice but which didn't affect the correctness of the decision.
8. Findings are fed back to councils on a case-by-case basis and we send an annual letter to each council about case numbers and uphold rates, compared with the average uphold rates (these are published on the SPSO's website). We also publish a SWF annual report⁴.
9. In 2017-18 we made 914 findings:
 - 9.1. 309 were **material**.
 - 9.1.1. The main reason for us disagreeing with the council's decision 2017-18, was they had **incorrectly interpreted available information** when considering the application.
 - 9.1.2. The next most common reason was that the **statutory guidance had not been followed**.
 - 9.2. 605 were **non-material**. The most common "non-material" finding in 2017-18 concerned **written communication**, particularly, councils not providing clear reasons for their decision in decision letters to applicants. We asked Scottish Government to amend the

³ 27% of Tier 2 reviews held by councils from 2013 – 2016 related to crisis grants. In 17/18 47% of our reviews related to crisis grants.

⁴ The Scottish Welfare Fund Independent Review Service Annual Report 2016–17 can be found here

guidance to specify that sufficient information should be provided. The updated guidance was published in February 2018.

- 9.2.1. Since then, we have recorded several examples of cases where clear reasons have not been provided. This continues to be a concern for SPSO in the interests of fairness and transparency.

Driving improvement

10. Improvement work in 2017-18 included:

- 10.1. Reporting trends and themes in our casework in our monthly compendium
- 10.2. Best practice event on 8 February 2018 attended by 61 delegates from: 21 councils and third sector organisations including CPAG, Deaf Links, the Maggie's Centre, Menu for Change, the Scottish Refugee Council, and the Trussell Trust. The event focused on; good decision making, quality assurance, accessibility, and supporting staff when managing challenging behaviours.
- 10.3. In addition to the ad hoc suggestion about strengthening the guidance in relation to explaining decisions, the SPSO gave detailed comments to the Government for improvements to the guidance. Most were accepted (now with the Minister for approval). In particular, we highlighted that decision makers should be able to apply greater discretion around the period of support given when applicants are experiencing issues with their benefits; and the need for more structured decision making.
- 10.4. We engaged with councils and representatives of service users through two separate sounding boards⁵. Through these forums we hear about concerns/questions from the sector and give and receive feedback about our own performance and practice.

SPSO performance

Applications

Target ⁶	Performance
95% of crisis grants in 1 working day	99.3% (100% in 5 working days from receipt)
95% of community care grant in 21 working days	99.4% (88% within 30 working days from receipt) ⁷

11. It not possible to directly compare case handling times to pre-2016 because of differences in the delivery of the two schemes, but we believe we have delivered a significant improvement. The

⁵ The sounding boards meet 2-4 times per year.

⁶ from the point at which we have the information we need to make our decision

⁷ This was an improvement on year 1 when we achieved 77%.

closest comparator we have is that 1 April 2013 - 31 March 2016, tier 2 panels held by councils handled 83% of crisis grants in 5 working days and 93% of community care grants in 30 working days from receipt of application.

12. A key difference in service delivery from the previous scheme is that SPSO case reviewers contact every applicant to discuss their case and explain the review process. They also regularly contact relevant third parties for further information including support workers and housing officers to ensure we have sufficient information to make a robust decision.
13. SPSO has six full-time SWF staff (an increase of 1 from April 2016).

Reconsiderations

14. SPSO considers it essential, and fair, that users and councils can challenge SPSO decisions so invite reviews: we call these reconsiderations. We set out in our statement of practice that, there will be no detriment to the user as the result of any challenge.

Target	Performance
95% of decisions challenged are correct	95.5% (1 decision amended of the 22 reconsiderations received)

15. All of the reconsiderations were from applicants (or their representatives).
16. We changed a further 5 cases on the basis of new information received during the reconsideration process.

Monitoring quality

17. We monitor service quality through:
 - 17.1. regular QA which includes quality assurance of our phone work.
 - 17.2. reflecting on reconsiderations.
 - 17.3. user-feedback. In 2017-18 we trialled a new approach as we were concerned about the low response rate to the traditional “feedback form”. The trial was in February and March 2018. 39 applicants agreed to participate. We contacted them at three different stages: (i) after their initial phone contact, (ii) during the investigation process, and (iii) after they had received their decision. The aim was to differentiate between satisfaction with the service and the outcome of the decision. The results of this pilot are being collated for report to the SPSO Leadership Team.

Future work

18. We will:
 - 18.1. help councils develop quality assurance mechanisms for checking their own casework.

- 18.2. develop a decision support tool for SWF decision makers.
- 18.3. hold regular engagement events with the sector
19. We plan to deliver workshops for SWF decision makers focusing on key areas of development identified from our casework. This is contingent on obtaining funding.

Social Security Committee

13th Meeting, 2018 (Session 5), Thursday 24 May 2018

PE1677: Make more money available to mitigate welfare cuts

Introduction

1. At its meeting on [10 May 2018](#) the Public Petitions Committee (PPC) referred this petition to the Social Security Committee.
2. The petitioner is Dr Sarah Glynn on behalf of the Scottish Unemployed Workers' Network. The petition calls for more money to be made available by the Scottish Government "to mitigate UK Government welfare cuts by reassessing spending priorities and by bringing in more progressive taxation." Details of the petition, its consideration by the PPC and the response from the Scottish Government can be found on the petition's webpage [PE1677 – Make more money available to mitigate welfare cuts](#)

Background

2. The petition was lodged in November 2017 and first considered by the PPC at its meeting on [1 February 2018](#) (pre-dating the passing of the Social Security (Scotland) Bill and the Budget (Scotland) Act 2018).
3. The PPC wrote to the Scottish Government asking it to address three points: to what extent it had considered mitigating welfare cuts as part of its budget consideration; whether it had considered redirecting expenditure to enable more funding to be made available for mitigation; and whether it had considered increasing the Scottish welfare fund and the support that is available to help people access their benefits.
4. At its meeting on 10 May, the PPC considered the Scottish Government response of [2 March](#) and the petitioner's response of [1 April](#). PPC agreed to refer the petition to the Social Security Committee.
4. In her letter of 2 April the petitioner reiterates that her petition is asking for the Scottish Government to provide more money for specified welfare-related purposes. The petitioner also notes, in light of the DWP's policy reversal, that the Scottish Government no longer requires to mitigate for the removal of housing subsidy for 18-21 year olds and the sum originally budgeted for that could be applied elsewhere.

For Decision

5. The Committee is invited to consider the petition and decide what action it wishes to take. It is suggested that the Committee:

- for now, notes the petition and considers it again in light of outcomes from its current and planned inquiry work.

Anne Peat
Clerk
May 2018