



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Social Security Committee

**Thursday 17 May 2018**

**Session 5**



The Scottish Parliament  
Pàrlamaid na h-Alba



---

**Thursday 17 May 2018**

**CONTENTS**

	<b>Col.</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>1</b>
<b>SCOTTISH WELFARE FUND.....</b>	<b>2</b>

---

**SOCIAL SECURITY COMMITTEE**

**12<sup>th</sup> Meeting 2018, Session 5**

**CONVENER**

\*Clare Adamson (Motherwell and Wishaw) (SNP)

**DEPUTY CONVENER**

\*Pauline McNeill (Glasgow) (Lab)

**COMMITTEE MEMBERS**

\*George Adam (Paisley) (SNP)

Jeremy Balfour (Lothian) (Con)

\*Mark Griffin (Central Scotland) (Lab)

\*Alison Johnstone (Lothian) (Green)

\*Ben Macpherson (Edinburgh Northern and Leith) (SNP)

\*Ruth Maguire (Cunninghame South) (SNP)

\*Adam Tomkins (Glasgow) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

John Dickie (Child Poverty Action Group in Scotland)

Morag Johnston (Glasgow City Council)

Craig Mason (Dundee City Council)

Sheila McKandie (Highland Council)

Elodie Mignard (Scottish Refugee Council)

Jules Oldham (Homeless Action Scotland)

Bill Scott (Inclusion Scotland)

**CLERK TO THE COMMITTEE**

Anne Peat

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Social Security Committee

Thursday 17 May 2018

*[The Convener opened the meeting at 09:00]*

### Decision on Taking Business in Private

**The Convener (Clare Adamson):** Good morning, and a very warm welcome to the 12th meeting in 2018 of the Social Security Committee. I remind everyone to turn mobile phones and other devices to silent so that they do not disrupt the meeting or the broadcasting.

We have received apologies from Jeremy Balfour. Today will be Adam Tomkins's last appearance at the committee. I thank him very much for his service to the committee and wish him all the best in his new parliamentary duties.

**Adam Tomkins (Glasgow) (Con):** Thank you, convener. It has been a real pleasure to work with you all.

**The Convener:** Our first agenda item is a decision on whether to take in private items 3 and 4. Does the committee agree to take those items in private?

**Members** *indicated agreement.*

## Scottish Welfare Fund

09:00

**The Convener:** Agenda item 2 is an evidence session on the Scottish welfare fund. I welcome our first panel, who are John Dickie, director of the Child Poverty Action Group in Scotland; Jules Oldham, head of policy and operations for Homeless Action Scotland; Elodie Mignard, refugee integration services manager for the Scottish Refugee Council; and Bill Scott, director of policy for Inclusion Scotland. I thank those who have provided briefings for the meeting.

I open by asking panel members to look into a crystal ball. What will be the challenges and pressures on the Scottish welfare fund?

**John Dickie (Child Poverty Action Group in Scotland):** There will be increasing challenges on the fund. There is no question but that more and more households and families are facing an income crisis and real pressures on their already very limited budgets. Too often, they find themselves with no money at all, never mind the additional money that they need to meet exceptional pressures. From the modelling that has been commissioned by the Scottish Government and done by the Institute for Fiscal Studies, we know that increasing levels of poverty are expected over the next few years, so families will be under severe pressures.

Through our case evidence and the work that we are doing with the Poverty Alliance and Oxfam through the menu for change project, we know that increasing numbers of people are affected by the roll-out of universal credit. They are finding themselves without income, in part because of the waiting period that is built into universal credit, but also due to administrative problems and failings that are associated with universal credit.

Therefore, there are increasing pressures on individuals and families, and the Scottish welfare fund, which is there as a safety net to provide support when people face crisis or emergency, clearly already is under pressure and is likely to be under increasing pressure. The creation of the Scottish welfare fund, with national guidance and statutory underpinning, has been a hugely welcome development and a stark contrast to what has happened elsewhere in the United Kingdom. However, we need to ensure that there is investment in the fund and that it is supported so that it is fit for purpose and able to respond to the realities that individuals and families will face over the next few years.

**Bill Scott (Inclusion Scotland):** I echo a lot of what John Dickie said. On Tuesday night, I spoke to a community group in Glasgow that is dreading

the introduction of the full roll-out of universal credit because it is finding that those who are already subject to universal credit are unable to manage. A person can have about 40 per cent of their total benefit deducted to recover rent or, in some cases, through sanctions and, because of the length of time that they are subject to such deductions, they are less and less able to manage.

If people are given all the money in one payment, the problem is that they have to keep the rent money or they will be evicted, but that means that they may not be able to eat or feed their families. If people are unable to eat or feed their families, they can apply for a crisis grant but, if they use the rent money to do that, they end up being evicted and have to apply for a community care grant.

The cost to local authorities of rehousing people who have been evicted is enormous—it is estimated at between £16,000 and £20,000 for each family. There will be increasing pressure on the fund, and we are fearful that, because it is a discretionary fund, the pressure will increasingly be on officials to decide who are the deserving and the undeserving poor—who gets help and who does not. That puts officials in the invidious position of making decisions that have a fundamental impact on people's lives because they are unable to help everybody who approaches the fund for help.

**Elodie Mignard (Scottish Refugee Council):**

We support newly granted refugees or people who have been through the asylum system. That system has been recognised to be inhumane and isolating, and to put people in financial hardship. When people receive a positive decision and become officially and legally a refugee and so entitled to mainstream benefits, they have a 28-day move-on period at the end of which asylum support from the Home Office is terminated. They have only 28 days to ensure that they receive the first payment of benefits. We know from the evidence that we published, which we brought to the committee two years ago, that that is not long enough for people to have their benefits paid.

That is the situation under the legacy benefits. In September, we will face the roll-out of universal credit, and I can only echo the concerns of CPAG Scotland and Inclusion Scotland that that will increase the destitution of newly granted refugees, given that it takes four to six weeks for the benefit to be processed. That means that the crisis grant, which is supposed to be an exceptional payment to respond to crisis, is being used to respond to a planned crisis and to circumstances that we know are happening for every newly granted refugee, or most of them.

We welcome the fund that will be made available specifically for reunited families, who also face very strong financial hardship, but, again, that is the use of a crisis payment to meet non-crisis needs, because we know that those families will be in such a situation. The Scottish Refugee Council is concerned about what can be put in place as a sustainable solution for newly granted refugees, both individuals and families, and how they can be supported and get access to advocacy services to enable them to work through that system.

All of those needs have been recognised and are included in the new Scottish strategy under the employment and welfare rights action plan. We need to work to find sustainable solutions. The Scottish Refugee Council runs the Scottish refugee integration service, in partnership with the British Red Cross, and we assist every newly granted refugee and reunited family. That funding will terminate in October 2018, which marks the roll-out of universal credit in Glasgow. We have significant concerns about how those needs can be met.

**Jules Oldham (Homeless Action Scotland):** I would echo what has been said about universal credit, so I will not repeat that. We certainly have concerns about it. In addition to what has been mentioned, we have concerns for people who are self-employed. The onus is on them to keep in constant contact with the DWP about their universal credit. We feel that a range of new people will be sanctioned or will get in difficulty with benefits and finances.

On a slightly more positive note, although it has financial implications, we know through the homelessness and rough sleeping action group—HARSAG—that a lot of work is happening on temporary accommodation. A lot of people are currently stuck in that bottleneck of temporary accommodation. The hope is, of course, that they will move into permanent tenancies—fingers crossed—and that has implications for the community care grant.

If somebody is in receipt of a community care grant, it makes a massive difference to the success of a tenancy. We cannot overestimate its impact. There are 10,873 households in temporary accommodation just now. If we are expecting that figure to reduce as people move to permanent accommodation, the community care grant needs to have an element to match those people who are moving on so that those permanent tenancies can be a success.

**Ben Macpherson (Edinburgh Northern and Leith) (SNP):** I want to pick up on some of the evidence that Bill Scott opened with. He talked about the increasing anxiety around delays or anticipated delays with the roll-out of universal

credit. In his written evidence, he also spoke about extra pressure on the fund due to

“the increase in the proportion of claimants subjected to conditionality and ... sanctions; ... the increase in the average length of sanctions”

and

“the imposition of the Benefit Cap with its particular impact on larger families”,

which is an issue that has arisen in my constituency casework. Would you like to comment on that?

**Bill Scott:** As you will know, we have had contact with families in north Edinburgh with disabled children who have been evicted due to the benefit cap. In some instances, that has caused the separation of a parent from a child because the local authority could not find suitable housing in Edinburgh that met the needs of the child. For example, a child had to go and stay with a relative while their mother was rehoused in Fife. Those are the sorts of issues that are arising due to the benefit cap. It must be creating additional pressure in the system in areas such as Edinburgh, Aberdeen and Glasgow, where quite a high proportion of families are affected and where rents are higher.

That additional pressure could feed through into additional demand. That certainly seems to be the case as far as Edinburgh is concerned. After nine months, it has spent more than three quarters of its budget and it looks as though it is heading for an overspend over the course of the year. It has already put in additional funds over and above what the Scottish Government provides to try to meet that demand. It looks as though the benefit cap is having a real effect, and it adds to the other pressures.

On universal credit, there is an issue to do with the increase in conditionality. We have heard that it affects self-employed people, but it also affects carers. Carers are in a catch-22 situation where, if they claim universal credit—which they must do, under full roll-out of universal credit—they cannot work more than 16 hours a week without losing their carers allowance and their status as carers but, if they work under 16 hours, they are subject to conditionality to increase their hours to over the 16-hour limit.

That puts carers in an impossible situation. They save the state billions of pounds each year by providing unpaid care and they are being put into a situation where they lose money either because they continue to work under 16 hours to provide the care that is needed or they work over 16 hours and lose their carers allowance and all the additional entitlements that it brings. What are they supposed to do? I suggest that it is impossible for them to avoid losing money under the system that

is being brought in. The impact on carers has just not been thought through.

09:15

**George Adam (Paisley) (SNP):** Every one of you has mentioned that there are pressures on the funds because of universal credit in particular. The Scottish Government, with limited resource, keeps trying to mitigate these things, but there comes a time when we all have to look for the source of the problem, and the source of the problems here is the decisions that are being made by the Government in Westminster. Universal credit is one of the prime examples of a callous benefit change that has caused devastation in people's lifestyles. We can summarise the discussion by saying, yes, this place has responsibility, but responsibility needs to be taken by those at Westminster because they are causing human carnage as we speak.

**John Dickie:** Absolutely. The Scottish Government and the UK Government need to work together and pressure needs to be brought to bear on the UK Government to ensure that the social security system that it is responsible for is fit for purpose and is providing income and income security for individuals and families in Scotland. We need to keep the pressure on and ensure that action is taken to fix universal credit to make it fit for purpose so that it provides the financial stability that individuals and families need.

In the meantime, the reality is that it is not doing that in too many cases. We see an increasing number of people ending up at food banks when we have a scheme in Scotland, the Scottish welfare fund, which was established to meet the needs of people who are facing income crisis. We need to make the most of what we have in Scotland.

The reasons for that income crisis have changed over the years and they will change in relation to the overall effectiveness of the social security system and wider pressures on family and individual incomes. We need to make the most of the Scottish welfare fund. It is there to provide support through crisis grants to the many individuals and families who are now facing crisis, which is partly driven by the failings of universal credit and the problems with its roll-out.

We should absolutely not take attention away from the underlying drivers of income insecurity but, at the same time, we should not ignore what we can do here to invest in and support the devolved part of the social security system that we have—the Scottish welfare fund—to provide that safety net beneath the safety net so that people are not put at risk and their health and that of their

families is not put at risk because they have no money.

We have an opportunity to use the structure of the Scottish welfare fund to ensure that we stem the increasing reliance on charitable aid and food banks as the response to income crisis. The more that we can do to support the Scottish welfare fund and ensure that it is working effectively, the better. We need to invest in it so that it can respond to increasing demand and ensure that its value is, at the very least, uprated in real terms. We need to know how to respond when so many people are ending up at food banks when they could get a crisis grant from the Scottish welfare fund. Let us use the powers that we have to invest in that fund.

**George Adam:** I am like you; I want to fix the problem. We all came into politics to fix problems in our communities. However, sometimes we have to say that limited resources are available to us and, if things were done properly by the benefit system down south, we could work in tandem to get something better.

I agree that we need to find a way to make that work. It gets as frustrating for me as it no doubt does for you, working on the front line and having to deal with the issues.

**John Dickie:** There are practical things to do. There is potential within the Scottish welfare fund and many local authority areas are making sure that they have positive relationships with the DWP and other services so that, when people come to the Scottish welfare fund, they get the support, advice and referrals that they need to get the financial support that they are entitled to, and that mistakes in the UK social security system are challenged. We need to do more to build those links and ensure that, when people who are in crisis approach the Scottish welfare fund, they get not just a crisis grant but the support that they need to get the financial support that they are entitled to on a secure and sustainable basis. Things can be done at local level to ensure that that happens, as well as the things that can be done through advocacy at national level around fixing the problems with universal credit.

**Jules Oldham:** We can also think of the welfare fund as providing an opportunity to engage with people who we might not engage with in other circumstances. It provides an opportunity to work with people to maximise their income and to look at other strands of prevention work in their lives. What might be a small amount per person or per household offers large opportunities, given that, sometimes, we would never meet that family for any other reason. We do not want to lose the opportunity to get that domino effect, even if everything is ironed out with the DWP, because it can significantly enhance people's lives. Local authorities have knowledge of what is available in

their catchment areas, and we cannot lose sight of that element of support that is available.

**Elodie Mignard:** It is critical that people know about the support that is available and that they understand what their rights and entitlements are. I have already made that point, but I cannot stress it enough. Especially with refugees, people have no idea of what their entitlements are; they do not even know that they can ask for some benefits or for a crisis grant payment unless they can come to our office to get advice.

When we look at mitigating the impact, we need to think about what kind of resources are required, not only for refugees but across the country, to make sure that people know about their rights and entitlements to such support.

**Bill Scott:** I echo that. When we did a straw poll, five people out of the 20 or so who responded said that they had never heard of the Scottish welfare fund. Four out of five of those people are on benefits—the other one is a local councillor. Even a couple of the people who knew about the fund said that they found out about it only by using a local community group or an advice agency. In other words, they did not find out about it through the council's information system. That definitely needs to be addressed.

**Adam Tomkins:** The conversation has moved on a bit, but I want to go back to something that Bill Scott said, because it piqued the interest of a number of us. He mentioned the 16-hour rule and the conflict between universal credit and carers allowance, which I do not think that I was aware of.

Will you explain that one more time, Mr Scott, to make sure that I have understood it properly, after which I might have a question about it?

**Bill Scott:** If someone who is a carer is to receive carers allowance, they must keep their working hours under 16 hours a week, otherwise they will lose entitlement. Conversely, with universal credit, someone who works for fewer than 16 hours a week is subject to conditionality to increase the number of hours to more than 16. As well as applying to those who receive carers allowance, the 16-hour rule applies to those who have a nominal entitlement to carers allowance but who, in fact, receive jobseekers allowance or income support. If they breach the 16 hours, they will lose their carers allowance and be subject to a reduction in benefit.

**Adam Tomkins:** Thank you for explaining that. That is very clear.

Carers allowance is one of the 11 benefits that are being devolved in full, so it is not a question of the Scottish Government being required to mitigate what Mr Adam described as the "carnage"



of DWP policy. It will be for the Scottish Government and the Scottish Parliament to decide whether they wish to continue that 16-hour rule in the new devolved carers allowance.

**Bill Scott:** It will be. We have already made strong arguments that young carers, in particular, should not be subject to that rule, because it prevents them from getting into the world of work. The rule applies to work and education, so if someone takes a course that involves more than 16 hours of education a week, they can lose entitlement.

It is certainly something that the Scottish Government could look at. However, the problem is in the here and now, before the changes can be made and while the roll-out of universal credit continues. If those proposals go through the full parliamentary process, it will be a year to 18 months before we see anything happening.

**Adam Tomkins:** Indeed. That is an argument for getting on with the job of delivering devolved carers allowance, rather than delaying it further. It is also an argument for addressing the substance of the issue in designing carers allowance for Scotland under the powers that we now have. You said that you have made representations to the Scottish Government on that. What kind of response have you had?

**Bill Scott:** We made representations about young carers in particular. We had a very positive response. The Government agreed to re-examine the regulations around education in particular, and also to consider employment. We will have to wait and see what the proposals are.

We agree that the adoption of the new benefits should be as quick as possible. However, a system has to be in place to deliver those benefits to the people who need them. The problem would still be the interplay between the two systems: the Scottish Government could make it a rule that a carer could work more than 16 hours, which would free things up, but there will still be carers who work fewer than 16 hours, perhaps 10 hours a week—not because they do not want to earn more, but because that is all that they can cope with, physically and mentally, on top of their caring responsibilities—and those people will still be subject to the requirement to look for work amounting to more than 16 hours a week. That issue will remain.

**Adam Tomkins:** That is really helpful. The committee will want to consider that issue when we examine regulations on carers allowance in the future.

**The Convener:** You have talked about a lack of understanding and awareness. I am the MSP for Motherwell and Wishaw and we have a very good referral system in North Lanarkshire, where

anyone who presents to a third sector organisation, such as a food bank or a citizens advice bureau, will be referred to a welfare rights officer, which ensures that they are in front of the right people to get them access to a crisis grant or the welfare fund. Would it be beneficial to use that as a best practice model?

**Bill Scott:** Yes. As was mentioned earlier, it is helpful to have a full benefits check and a referral to other agencies that can help. When people are in a crisis situation, it is not just about money. For example, I have here a leaflet from COPE—a community group in Glasgow that I spoke to on Tuesday night—that is all about stress, because, as you can imagine, it is stressful to have no money to live on. We need that sort of integrated approach, so that people are referred to all the services that they need, rather than just dealing with the immediate presenting issue, which is likely to be, “I have no money”, or “How do I feed the kids?”. We need to think about the underlying issues, which could include debt, for example.

**John Dickie:** We agree with promoting the North Lanarkshire approach and encouraging other local authorities to consider taking a similar approach.

That approach is particularly effective because it considers how we refer to the Scottish welfare fund in the first place—in the past, the first port of call for all those agencies across Scotland was the food bank, but they now have the information and pathways to refer people directly to the Scottish welfare fund. In addition to a swift decision being made about a person's eligibility and the provision of a crisis grant, there is also a plug-in to wider income maximisation, money advice, housing and the other things that need to be put in place to ensure a secure sustained income and reduce the financial pressures faced by that family.

There is evidence that the food banks that participate in that referral network are seeing a real decline in the number of food bank parcels that they give out, with an increase in the number of crisis grants that are being provided. The Scottish welfare fund is a far more dignified and sustainable approach to meeting the needs of people who are in crisis than continuing to send them to food banks as the first port of call.

**Jules Oldham:** It is possible to expand further to see if general practitioners, pharmacists and nursery nurses know of the Scottish welfare fund. Those people are less obvious in support organisations but will know if somebody is under a lot of stress, as Bill Scott has highlighted. Somebody might be aware that a child is turning up to nursery with things not as prepared as they should be. It would be useful if the information could be extended to the people and bodies outwith the normal support organisations.

09:30

**Elodie Mignard:** Another thing to consider with regard to best practice is the accessibility of the application process, which is either online or on the phone. If people have language barriers, interpreters are not provided. Simple things like that need to be looked at to ensure full accessibility for when people know about the fund.

**The Convener:** I thank panellists for those comments and for raising mental health issues. Mental health awareness week is poignant for us.

**Pauline McNeill (Glasgow) (Lab):** The Scottish welfare fund is underpinned by statutory guidance, but local authorities have some discretion. That is a topic for a lot of examination and I will ask for your views on the balance and whether we should remove some of the discretion.

I thank the Child Poverty Action Group in Scotland for an extensive paper on that. I have noted your points on local authority discretion. You say that

“some local authorities may be fettering their ... discretion ... to limit applications”,

which causes me concern. You suggest that national delivery of the scheme should be looked at and might be more appropriate. I would be opposed to national delivery. I think that local authorities should have a level of discretion, but perhaps all local authorities should adopt a framework of rules. For example, you highlight an example of a council that says that a person waiting on a DWP benefit cannot apply to the fund. That seems an obvious issue to tackle. I am interested in your view on the balance between statutory guidance and the discretion of local authorities, if there was to be consultation on that.

**John Dickie:** The fund is discretionary; clearly, discretion will be applied. There is also statutory guidance. The important thing is that decision making has regard to that guidance and that, as the guidance evolves, there is consultation to ensure that it contributes to the overall aim of the fund—to provide support—rather than adding barriers or reducing support in response to increasing demand to try to contain that demand.

In our paper, we expressed concerns about information on local authority websites that is at odds with the statutory guidance. For example, the website suggests that there is not eligibility, when there would be if discretion was applied in line with the statutory guidance. You just gave the example of a local authority suggesting on its website that no grant would be available if a person was awaiting a DWP claim decision; in fact, the statutory guidance is clear that there is discretion to give a grant in those circumstances. Those are clear situations in which the information that has been provided on websites is at odds with the

discretion that is available to local authorities to provide support. That is evolving. In some ways, it is about containing demand within a limited pot of resources, which comes back to the adequacy of the fund. Are we providing a fund that is adequate to meet the need and ensuring that people who are potentially eligible are getting support, or are we evolving local decision making and the national guidance in order to contain demand?

**Pauline McNeill:** I want to ask about that. Even if there was unlimited resource in the fund, if the local authority said that someone could not apply under certain circumstances—if they were waiting on a DWP benefit, for example—it would not matter how big the fund was, they could not apply. What would the remedy be in a situation like that?

**John Dickie:** The remedy is to ensure that the application process and all the information that is provided, including on the web, is in line with the statutory guidance, rather than being at odds with it—there are too many examples of that. Too often, the decision-making process seems to result in decisions being made in ways that are at odds with the statutory guidance. We had some concern that that was potentially a result of limited resources for administration and decision making, with an overreliance on the software that local authorities use, rather than having direct regard to the statutory guidance and ensuring that the discretion that is available is being used to fulfil the overall objective of the fund, which is to support people who are facing crisis and exceptional pressures.

**Pauline McNeill:** In the case that you mention, was the situation resolved, or how would you resolve it?

**John Dickie:** There is an issue about where oversight of the fund lies. Who is taking responsibility for ensuring that the information that is provided and the local processes for accessing the Scottish welfare fund are in line with the statutory guidance, so that things can be picked up? We are picking up issues on an ad hoc basis, which is why we have not named particular local authorities—we have picked things up only here and there. There is a job to be done in ensuring that the overall picture is clear and that local authorities are promoting the fund and are not providing information or making decisions in any way that is at odds with the statutory guidance.

**Pauline McNeill:** Is it your view that national delivery of the scheme might resolve such questions?

**John Dickie:** Yes—that potential is raised. When the previous DWP scheme, the DWP social fund, was abolished and responsibility was devolved to the Scottish Government, the Scottish Government put additional money in, which was

very welcome. It set up a national scheme, which was very much different from what had happened elsewhere in the UK. There was no national body or agency at that point. It would make sense to administer that element of social security, and a national social security agency is now being developed.

There is extraordinary variation across local authorities—and there will be variation, because there is discretion in local decision making. It is extraordinary in terms of the numbers of applications, the numbers of successful awards and the levels of those awards. The aim, if national delivery is considered, is to build up a more consistent approach to decision making, to support accountability and to make things easier with organisational learning and learning from the review decisions that are made and the mistakes that are being picked up in decision making. That is more for putting out for consideration at this stage but, given the local variations, it now needs to be considered for the future.

**Pauline McNeill:** Is there any particular aspect of the scheme that is currently discretionary that you think should not be left to discretion?

**John Dickie:** There is a problem with an important bit of social security being left to discretion. We want to see more investment in social security to ensure the adequacy of and access to the benefits to which people are entitled, so that they are not left in positions of such financial insecurity that a Scottish welfare fund is needed to pick up the pieces. Investment in the social security to which people are entitled needs to be a priority.

In the meantime, people are being left in such unstable positions and in such insecurity, without the income to meet exceptional pressures or to deal with situations where they are left with no money at all, that a fund is needed to deal with that. We would need to give greater consideration to whether there are elements of that that could potentially not be discretionary, but the entire basis of the fund at the moment is that it is discretionary.

**Bill Scott:** I point out that, less than a month ago, the Parliament unanimously passed a bill that said that all claimants in the Scottish social security system should be treated with dignity and respect. That was primary legislation so, as far as I am concerned, it is binding on the Scottish welfare fund—yet that is not happening

In our submission to the committee, Inclusion Scotland cited an instance in which someone was assumed to be a drug user and was refused help on that basis when, in fact, they were a disabled person. Another person, who was blind, was told, “We do not provide help for people like you”, and

was treated nothing short of disgracefully. A third person was visited and was told that, because they received either disability living allowance or personal independence payment, they were not entitled to help through a community care grant, which is wrong, as that is not in the guidance or the regulations. The person had to buy the item themselves, and the worker was very rude and unhelpful. The person said that they would rather die than ask those—I will not say the word that they used, but they made it very clear that they had been treated totally without dignity or respect.

When someone has no money, the last things that they have left are dignity and self-respect. If those are taken away, the person is damaged by that for a long time afterwards. Even if that happens only in isolated cases, it should be addressed. There should also be a system of compensation for people who are not treated in line with the principles of dignity and respect. The system allows local authorities to gatekeep in a fashion that is not in line with people’s human rights.

I want to go back to access to the Scottish welfare fund. Some local authorities still insist that claims have to be made online. One third of disabled people are not online at all: they have no access to the internet and could not use it even if they did. Therefore, authorities are denying them help by insisting that they claim online. I would argue that, even before the Social Security (Scotland) Bill was passed, such insistence would have been illegal in that it discriminated against disabled people. However, now that the bill has been passed—or as soon as it is given royal assent—accessible communication standards will apply, which means that an authority has to deal with a person in the form of communication that that person requires, and not one that it imposes on them.

The Scottish Government has responsibilities here. If it says that advocacy is to be regulated because it wants to ensure that training in advocacy provision meets certain standards, how can it be that Scottish welfare fund staff are not trained not to see disabled people as less than human and to treat anybody who is in poverty with the dignity, respect, courtesy and politeness that they are due? The situation is not right, and must be dealt with by the Scottish Government because it is ultimately responsible for the laws. If a national system is not possible, we should at least regulate to make sure that local authorities properly train their staff in disability equality and poverty awareness.

When complaints are made about instances of Scottish welfare fund staff treating people with less than the respect that they are due, those people should be paid compensation. That will remind

local authorities what they have to do. Too many Scottish welfare fund workers—rightly, in one sense—say, “This is public money and we are not giving it out willy-nilly.” On the other hand, it is not their money; it was given to local authorities to provide to people who need it. When there is such a huge variation in the number of claims to authorities and the number of awards, something is going on. It suggests that some local authorities are not getting the message about people in desperate need. That variation also has to be dealt with. I suggest that if the Scottish Public Services Ombudsman’s findings were to be published, that would at least be a step towards arriving at uniformity in decision making.

09:45

**Jules Oldham:** We would not be looking for the scheme to become national, but we would like there to be more consistency. We have had quite a look at the websites, for example—in fact, we have looked at them every few months—to see how a website could be presented. Some of the wording is off-putting, to say the least. If people have to be in a “disaster” and a “crisis”, it sounds as though they need to be in a superhero film to apply for a community care grant or a crisis grant. People do not always feel that they are in such a bad situation. Using such wording to put up barriers and to put people off going for those grants does not help. That varies across the board, so it seems that there is a chance for consistency there. Can we get it right once and say that every local authority across the country has to use the same wording? That would simply be that.

There is also the opportunity for us to improve the ethos. The Scottish welfare fund is a prevention fund, but that does not seem to be how it is viewed. It is a way for the country to save a lot of money. Tenancy failure can cost around £25,000 per household; that is against accessing a community care grant for £600. If people view the fund as the prevention fund, that will change things, but there needs to be substantial training on that across the local authorities and it needs to be consistent. Things should not be done time and again in different ways.

We are not for the scheme becoming a national scheme, but there should be a move to more consistency. The prevention element should be much higher on the agenda, so that the fund is not only to help people in absolute need and crisis, but to prevent things from going wrong. The fund should be about us engaging well with people and demonstrating how good a country we can be and what we have on offer to help such households.

**Elodie Mignard:** From the point of view of the Scottish Refugee Council, the more that we move

away from discretion, the better. Refugees and reunited families, who access mostly the crisis grant, access it for the same reasons. As I said earlier, their crisis is expected. Currently, most of those families and individuals are in Glasgow. We have a good relationship with Glasgow City Council and people get crisis grants, but we could have more assurance that those families will have access to crisis grants. Until we can change the systems further and there is a stronger partnership between the Home Office, the DWP and the mainstream benefits process, we need a stronger guarantee that people will be able to access crisis grants. Asylum dispersal is likely to go beyond Glasgow, so other local authorities that have not had to deal with such claims from newly granted refugees will need to provide similar support.

**Alison Johnstone (Lothian) (Green):** I thank the witnesses very much for their evidence.

The picture is very concerning. If we know that the use of food banks has increased massively, but there has been no such increase in applications for the grants in question, that speaks to the fact that something is not working. Mr Scott said that that puts people who decide who qualifies and who does not qualify in a difficult position, to put it mildly. It sounds as if a lot of applicants are being put in a very difficult position, too.

I am hearing different views from the panel on how national the scheme should be, where the guidance should sit, and what minimum standard there should be. You probably all gave evidence during the progress of the Child Poverty (Scotland) Bill. Obviously, local delivery plans will insist that local authorities have to let us know what they are doing. Could information such as “Yes, we declined X number of applications, and we still make it impossible for people to apply in person” be caught up in that? Is there a space there for that information to be commented on at the very least?

**Bill Scott:** Yes. I think that there is evidence that gatekeeping is going on before people make claims. That worries me. The information suggests that people are being dissuaded from making claims because they are being told that they are not the right sort of person to be making the claim. That should not be happening. People should be allowed to make their claim, and discretion should be applied thereafter; discretion should not be applied before the person makes their claim. However, with any discretionary cash-limited fund, there will be pressure on staff to put off people who they do not think will qualify. However, thinking that someone will not qualify and someone actually not qualifying are two different things.

I see evidence of gatekeeping. If you look at the statistics, it is quite evident that something is going on in terms of the level of claims. However, there are other problems, such as repeat claims. If somebody applies for a crisis grant more than three times, they will definitely not get a fourth payment. The evidence is that the number of applications from people who have made previous applications for crisis grants is increasing but that the number of people who are being awarded crisis grants who have previously applied is decreasing. That means that they have used up all their application opportunities. Where do they go then? That is why I am saying that the fund is under pressure. Of course, the fact that they have been told after the fourth time that they are not going to get any more crisis grants means that they will not apply again, because they know that they will not get any money, and that means that there is potentially a large number of people who will not apply because they know that they will not get anything if they do, and that unmet need is not being measured.

By the way, from talking to local authority officials, I know that they apply the same three-strikes-and-you're-out rule to community care grants, more or less. That is not technically stipulated in regulations but, in practice, it probably is applied. That means, for example, that a woman who flees domestic violence and moves house several times because her ex-partner finds out where she lives or whatever, might apply for a community care grant having already done so three times, but will not get it.

Those are worrying things that exist in relation to the current rules, but things like that will always arise when you are dealing with a cash-limited system. However, we have to try to measure the unmet need if we want to find out the true level at which we should be supplying help, rather than the level that we are supplying it at.

**Jules Oldham:** We are at the point at which we should be looking to see who is being turned down and examining the nitty-gritty of those applications. We should also be looking for a record of the times that somebody has approached a local authority but has not got as far as making an application, and we should try to find out why that application was not made. That should be recorded, so that we can examine the outcomes of that. It might be that there have been misunderstandings, but it might also be that something has to be looked at in relation to how the grant is taken forward.

**The Convener:** We are getting to the point where we are pushed for time, but I will let Ruth Maguire and George Adam ask a couple of supplementary questions on this point.

**Ruth Maguire (Cunninghame South) (SNP):** Bill Scott and Jules Oldham picked up on the points that I was going to ask about, so I will save us some time by not asking my question.

**George Adam:** I will be quick, although I know that I said that the last time and ended up taking a wee bit longer than I expected.

Until John Dickie mentioned it, I had not thought about the possibility of national delivery of the Scottish welfare fund. I know that there are different opinions about that among the panel, but I would like to know whether John Dickie thinks that that is a good way forward and what the benefits would be of doing it that way.

**John Dickie:** Yes. It should certainly be considered, given the extraordinary variation in local delivery. We ended up with local delivery because, when the social fund was devolved, there was no obvious national agency. We are now moving towards having a national social security agency, so we need to think about whether the welfare fund fits better within that national agency, particularly given that it will have a local presence and will support people to access devolved benefits.

The benefits of doing that are about ensuring that there is consistency of decision making and that decision makers have regard to the statutory guidance. At the moment, the accountability is a bit unclear. There are lots of examples where the information provided publicly online is at odds with the statutory guidance and, too often, where decision making is not in line with the guidance. There are real advantages to having an organisation that can develop decision-making expertise and take account of reviews of decisions and build that into future decision making.

We also have some examples of people falling between two local authorities when it comes to getting support. We have examples of people being told by both local authorities that are potentially responsible that they should go to the other one, and so finding themselves with no Scottish welfare fund support.

The proposal should be considered seriously. In the meantime, we need to consider why there is such variation across the country. To an extent, that might be to do with inaccurate recording of decisions or variation in how decisions and processes are recorded. It might be to do with local gatekeeping. We echo the points that others have made that there is real evidence of demand being contained through gatekeeping, not least in relation to the number of channels that are available to access the Scottish welfare fund. The guidance is clear that there should be at least three channels—online, face to face and telephone—but in practice people have been told

that they have to apply online except in exceptional circumstances.

In summary, the proposal should be seriously considered as a way of trying to improve the quality of decision making and ensure greater consistency. Discretion would be applied, but it would be applied consistently across the country.

**Bill Scott:** It might even make financial sense. The local authorities believe that the amount that they are provided to administer the fund is inadequate. There is a question as to whether that money—£5 million or so—might be better utilised at the national level, where economies of scale are much easier to achieve.

I agree with John Dickie that it is an accident of history that we have ended up with the Scottish welfare fund being administered by local authorities. The social fund was administered by the DWP, which is a national agency, and it could see all the review decisions and take them into account, whereas each local authority gets back only the review decisions that are given to it, and so cannot really learn from other local authorities, which may already have made the same mistake in applying the guidance or regulations. There is certainly a case to be made for the fund to be dealt with at national level. There should be an investigation of whether that might be a more efficient way of delivering what will for the foreseeable future remain a cash-limited fund.

**Mark Griffin (Central Scotland) (Lab):** I fully agree with the powerful points that Bill Scott made about how applicants are treated, which is why I moved amendments to the Social Security (Scotland) Bill that would have brought the welfare fund under the Scottish social security system rules. Unfortunately, those amendments were not agreed to, but the existing rules still say that applicants should be treated with respect and that their dignity should be preserved. If Bill Scott has examples that he can give to the committee that we can highlight with the minister, that would be helpful.

**Bill Scott:** I can certainly do that. As I say, they may be isolated examples, because it was only a straw poll. The issue is not the main thing that we find when we do consultations on social security—most of the concerns are about work capability assessments, personal independence payment assessments, universal credit and sanctions—but, for each individual who is affected, it is an enormous thing.

It should not be happening, because it does not cost anything to be polite and courteous to somebody. It is a matter of human rights. Whether it is on the face of the Scottish welfare reform legislation or not, it remains an aspect of the

Human Rights Act 1998, which still applies. Such treatment should not be happening, but it is.

10:00

**Mark Griffin:** My substantive questions concern the budget for the Scottish welfare fund. It has been frozen since April 2013, which represents a real-terms cut of £3 million. What do members of the panel think about that, at a time when the roll-out of universal credit full service is having a real impact? Is the budget that is set aside for the welfare fund adequate to meet need, both now and as we go forward with full service roll-out?

**Bill Scott:** The sanctions figures suggest that only one third of people affected by conditionality are currently on the universal credit claimant count, but 71 per cent of all the sanctions that are being imposed are on universal credit claimants. My quick arithmetic suggests that someone is about two and a half times as likely to be sanctioned on universal credit as they are on JSA or employment and support allowance.

That means that a lot of people are going to lose 40 per cent of their benefit for two and a half times as long as they would lose JSA or ESA, because hardship payments under universal credit are loans. They are recoverable, and they are recovered from the benefit as soon as the person's sanction is finished. Therefore, people lose 40 per cent of benefit not for a month, but for two and a half months; not for six months, but for 15 months; not for three years, but for seven, approaching eight, years. If that level of sanctions continues, it will create huge pressure on the fund as universal credit is rolled out.

**Elodie Mignard:** If new refugees were to apply for universal credit a week after they have been granted status—which is the soonest that they can, because they need a biometric residence permit to apply—they will need a crisis grant to sustain them for at least three weeks, because of the processing time for universal credit. Most refugees will actually apply in the second or third week of their move-on period, because it takes that amount of time to get around to doing everything that they have to do during the move-on period. That will result in a serious increase in welfare fund payments, mostly in Glasgow.

**John Dickie:** There is no question that we need to increase investment in the Scottish welfare fund. As long as people are facing income crisis and having to use food banks when they could be eligible for support through the Scottish welfare fund, we need to make sure that the fund is adequately resourced to meet their needs, so that they are not unnecessarily ending up reliant on charitable food aid. We have already discussed how demand is being contained, rather than needs

being met. Given that it is a cash-limited discretionary fund at the moment, we need to invest in it to ensure that we are able to meet people's needs and avoid a continued push toward containing the demand and reducing the numbers of people receiving it.

**Jules Oldham:** I am repeating myself, but it is a preventative spend.

**Mark Griffin:** I have a specific question for Ms Mignard about the family reunion crisis grant. Is the £100,000 budget adequate to cover the demand that may be put on that fund?

**Elodie Mignard:** It is a good step forward. It is very good to have that fund available. It is an acknowledgment that the need is there and it is great to see such a fund being put aside for reunited families. It is difficult to say whether the budget is adequate, as we do not know how big the families will be. In the next year, people could bring in just a spouse or one child, but there could be up to six or seven children arriving in some instances, so it is difficult to give an estimate on that.

Those families will also be hit by the universal credit roll-out. Most reunited families will be in Glasgow. From September 2018, very large families will potentially need a crisis grant for six weeks, covering the whole period that their universal credit claim is being processed, because when they arrive, they will have no income at all and they will rely on the single allowance of the sponsor who brought them here.

I did not do the maths before coming, but it will be important to monitor the budget as this fund is used.

**Ben Macpherson:** I have some questions on Jules Oldham's written submission. You state that you see the Scottish welfare fund as

"an invaluable fund and one that demonstrates small amounts of money can be used to help"

to make a big difference. Could you elaborate, from your experience, on the difference that the fund has made in preventing or mitigating homelessness?

**Jules Oldham:** In relation to homelessness, the main element is the community care grant. When somebody is moving on from temporary or supported accommodation, often with literally only a black bag that is not even full of goods, without a community care grant they could be moving into a new tenancy with bare walls and nothing more. The community care grant enables them to have white goods, a bed to sleep on and a sofa.

However, it is very much about the absolute basics. In our submission, we say that we could do a wee bit better on that. Taking things to an ever

so slightly better level would make a difference. For example, if you have poor mental health, being able to have some lower-level lighting instead of having to have a big, bright light on in the middle of your room can really make a difference.

The difference between having a community care grant and not having one is really the difference between a tenancy succeeding or failing. We have said in our submission that the timing around getting the grant is also crucial. There is a possibility to improve upon that.

Do not get me wrong—the timings have improved by a long way since the welfare fund started in Scotland, but there is the possibility to do better. As it stands, we still have people moving into tenancies without the goods that they need—without a bed to sleep on, in some cases—simply because not everything is processed quickly enough.

We could change the process to allow somebody not to have an address when they ask for a community care grant. For example, if somebody is in supported or temporary accommodation, they could apply for a community care grant at that point and be informed that they will be able to get that grant unless they win the lottery or there is any other change in circumstances in the meantime. On knowing which address they are moving to, they could sign something along the lines of, "My circumstances have not changed," and the funds could then be released immediately. That could make a huge difference.

Getting those funds really makes a difference in sustaining a tenancy. Instead of having absolutely nothing—just the clothes that they are standing in and possibly another set of clothes—people will have the start for a home.

There is the possibility to take it that bit further, because we are very much looking at the provision of just the bare bones. A little bit of difference to the amount can really help to change it from being a house that is furnished to a home.

**Ben Macpherson:** Picking up on the benefits that community care grants bring, when it comes to enhancing their delivery, do you have any sympathy for what other panellists have said about the possibility of benefits such as economies of scale if such grants were delivered nationally, through the social security agency? Have you come across any issues with differentiation between local authorities?

**Jules Oldham:** Most local authorities have gone for white-goods packages. I think that there are a lot of similarities across the country. When I said that we would not ask for a national approach to be adopted, it is not that we would be against

that; it is just that our members have not put that forward as one of their requests. A national approach could certainly be looked at from the point of view of procurement and the ability to offer things on a larger scale. We are not against a national approach. It is simply the case that we are a membership organisation that deals with homelessness, and the issue is not one that has arisen. It has been fed back to us that there have been positives to having the locality taken into account, such as the development of relationships with local suppliers. We would not want to lose that element if a national approach were to be adopted.

**The Convener:** Mr Tomkins had a question.

**Adam Tomkins:** It has been covered.

**The Convener:** I have a final question. There has been a lot of discussion about different services in different areas, training for local government staff and so on. Has the Convention of Scottish Local Authorities done any substantive work on the operation of the welfare fund and what local authorities require to be able to deliver it?

**Bill Scott:** I am aware that COSLA has been involved, but our involvement at the national level ended about two years ago. At that time, COSLA was involved in setting up training that would alert local authority officials who administered the fund to the needs of disabled people. We think that that was quite successful, but it has not continued. There will have been staff turnover since then, and only a very small number of local authority staff were trained at the time. We believe that such training is not being provided. Even if COSLA and the Scottish Government thought that it was worth while, it is not something that we have been asked to do. As far as I am aware, no local authority has asked us to provide such training.

**John Dickie:** I echo that. Initially, training and support were provided to local authorities, and a national network of local authority leads was set up. I must admit that we have lost touch with what is happening in that regard. The focus on the Social Security (Scotland) Bill has taken up a lot of attention at our end and in Government. The committee's inquiry is a good opportunity to revisit the issue and to ask whether adequate training and support on the Scottish welfare fund are being provided at the national level to local authority leads and decision makers. There might be a need to revisit some of the awareness training that was undertaken initially on poverty and the kind of experiences that people who came to local decision makers might have had. We provided some training on the detail of the regulations and the guidance. It is time to revisit that to find out whether what is in place at the moment is still adequate to enable local authorities to provide support.

**Bill Scott:** I have a final point. It is not just what we know about the fund but what we do not know about it that is a worry. In the initial days—the first two or three years—figures were collected at the local authority level. They were inaccurate, but they gave us an indication of the number of people with vulnerabilities, including disabled people, who applied to the fund. People were identified as having a learning disability, having mental health issues, having a physical impairment, having a sensory impairment and so on, but that information is no longer collected.

If we look at the graphs, we see that the number of people who are likely to be taken into care if a community care grant is not awarded is going down and that the number of families under exceptional pressure is coming up to meet it. A perfectly reasonable explanation for that is that it might be easier to fit the entitlement criteria for families under exceptional pressure than it is to fit the criteria for a disabled person who is likely to be taken into care, but we do not know. It is worrying to see those figures, because we have no idea whether the number of disabled people and their families who are being awarded community care grants is falling, because that information is not collected. The worry is that the number is falling because there is pressure on the fund, but we do not know.

**The Convener:** Thank you all for your attendance. It has been a really useful session.

I suspend the meeting for five minutes to allow for a changeover of witnesses.

10:15

*Meeting suspended.*

10:21

*On resuming—*

**The Convener:** I welcome our second panel to the committee: Morag Johnston is director of financial and business services, Glasgow City Council; Craig Mason is senior manager, council advice services, Dundee City Council; and Sheila McKandie is benefits and welfare manager, Highland Council. A warm welcome to you this morning.

I will open the questioning with the same question as the one I had for the first panel today. What pressures will there be on the welfare fund?

**Morag Johnston (Glasgow City Council):** I echo the comments that were made by the earlier panel about the pressures that are coming down the line, particularly with universal credit. Glasgow City Council is not yet at the stage of full service roll-out. That will happen from this September and



we think that it could increase pressure significantly, particularly on our crisis grants.

In our written submission, I have highlighted that our crisis grant applications have increased significantly since the start of the fund, particularly during the past few years. Our concern is that the roll-out of universal credit could impact on that fund. That is one of the factors that influenced the council's decision to maintain funding at the 2017-18 level.

There is a demand on local authorities to manage the budget that is allocated versus the demand that is there for it. Universal credit is one of the challenges that we see coming.

**Craig Mason (Dundee City Council):** In Dundee, we have reached the full service stage of universal credit. Early signs are quite good but that might well be because we did a huge amount of preparation for universal credit by working with our DWP colleagues and with voluntary and statutory sector services.

My thinking is that, in the longer term, there is a danger around the reduction in benefit levels generally. We are starting to see the slow burn of the change from the retail price index to the consumer price index that happened a few years ago with welfare reform. That has been missing from some of the evidence that we have heard this morning. Low income levels are the primary reason why people come back to the Scottish welfare fund for crisis grants.

On full service universal credit, we have seen indications that people are taking up advance payments when they are signing on for universal credit, and that might have led to a levelling-off of our crisis grants, as well as the other work that we do in Dundee to help people at the point of contact when they come close to a crisis.

**Sheila McKandie (Highland Council):** Universal credit was first launched in Scotland in Highland Council, in November 2013, and we moved to full service in June 2016, so we have experienced universal credit for a long time. The Scottish welfare fund came on stream in April 2013. As of today, about 50 per cent of our caseload for crisis grants and community care grants relates to universal credit cases. However, we do not have any evidence to show whether those universal credit claimants would have applied anyway under the legacy benefit system.

We are not really seeing the pain related to universal credit that others have described. However, as Craig Mason alluded to, a lot of work has gone on to prepare for universal credit and to ensure that claimants are signposted to, and helped through, the correct channels. There was a lot of talk this morning about the benefit cap and the Scottish welfare fund. The benefit cap is eased

through discretionary housing payments, not through the Scottish welfare fund—that is certainly the approach in Highland Council. When an individual approaches the council, we look at the correct avenue for that individual.

To answer the question about the pressures directly, as welfare reform kicks in more dramatically and as local government cuts continue, we will come to a point at which we will need to ask what we should do. Real pressures are coming down the line. It is very important that we all work together to anticipate what those pressures will be and do whatever we can at the local level to help our residents.

**Ruth Maguire:** Good morning, panel. We have heard about some of the poor experiences that people have had when applying to the fund. I am sure that we would acknowledge that that can happen in any organisation. Can you say a bit about the benefits of local delivery of that type of assistance? Have you managed to build up any relationships with suppliers, for example, that have enabled you to get help to people more quickly?

**Morag Johnston:** I heard those comments about poor experiences; that should not happen. Everybody who approaches the Scottish welfare fund should be treated with dignity and respect. Staff receive regular training on how they engage with people. One of the things that Glasgow City Council has looked at over the past couple of years is poverty awareness training. That training is developed not only in the council but with a broader range of partners to ensure that, when they deal with claimants, staff do not have any preconceived ideas. Unfortunately, poor experiences emerge sometimes, but we try to deal with that through training.

You specifically mentioned the benefits of local delivery. The benefits of local delivery are that people have knowledge and local awareness of particular issues in different local authorities, and those people are better able to respond to such issues. There was some discussion about refugees, which is a particular issue that has affected Glasgow most acutely, and local knowledge has allowed us to build up a relationship with the Scottish Refugee Council to try to deal with that issue.

When the Scottish welfare fund was introduced in 2013, Glasgow City Council decided to use its relationship with Royal Strathclyde Blindcraft Industries, which is a City Building supported employment initiative in Glasgow, as one way to deliver on our community care grants. We have built a very close relationship with that organisation, which has led to broader community benefits because the organisation supports disabled people in employment and that relationship ensures that we can deliver goods

within the timeframes that are set. Where there have been budget pressures, we can discuss with that organisation how we can work together to try to manage the cost of the goods and the type of goods that are being delivered. That has proven to be very beneficial.

Another initiative in Glasgow is the improving cancer journey project, which has been rolled out across a number of local areas. Again, that is one of the areas in which we have worked very closely with the Scottish welfare fund staff. We have ensured that, if there is a need for financial support, the Scottish welfare fund links very closely with the workers on that project. Those are a couple of examples of how local delivery has brought benefits.

10:30

**Craig Mason:** In Dundee, the Scottish welfare fund was initially a joint effort by our revenues and benefits service and our welfare rights service. I managed the welfare rights service at the time and there was a lot of talk about whether those two disciplines and types of decision maker worked well together. Our welfare rights team saw it as a great opportunity to try to help people at the point of crisis. As a result, we worked alongside the revenues and benefits service and, a couple of years ago, there was a restructuring and the service came fully into the council advice services.

In our service, we have a direct link to welfare rights officers, money advisers, energy efficiency advisers and employability services. We all sit in the same area. There are Chinese walls between the decision makers—no pressure can be put on them. We have a full complement of different types of advisers, who are well aware of their colleagues in the Scottish welfare fund, what the grants can provide for and what sort of help is offered. At the same time, they offer help in their individual disciplines or collectively, depending on the client's individual needs.

We provide all our staff with poverty awareness training, which is run by the Dundee healthy living initiative, together with the welfare rights team. We have a gateway into the Scottish welfare fund and all those individual services work to identify clients who would benefit from a grant and they can make a direct referral.

We are currently doing a piece of work that we will trial over the next three years, which is a collective project with six external voluntary sector organisations; we are working towards collective targets on budgeting and debt advice for clients who are looking for long-term support. Through that increased partnership working, we are also getting more joint working between those services in our traditional areas.

Local delivery in Dundee is pretty good and, as I have said, the voluntary and statutory sectors work together to the same aims. Where possible, we have invited external agencies in on a Wednesday morning to meet the decision makers and get a sense of what the Scottish welfare fund is about. We go through dummy cases with them to give those agencies a better understanding of how the decision maker would tackle individual cases and make a decision. We see it as a spider's web: we have the main council services working together with the Scottish welfare fund in mind, but we also try to bring in external services.

Ruth Maguire asked about suppliers. We initially started working with a couple of social enterprises: Dovetail Enterprises and Clean Close. Dovetail still supplies most of our goods, such as beds, bedding, sofas and so on. We worked with Clean Close social enterprise in the delivery and fitting of carpets and developed a local relationship, so that it was aware of a client's needs before its staff went into the household to lay flooring. That relationship gives us a better service and, where there is a vulnerable client, we can get feedback from the company about any special help the client might need in laying their carpet, because of a disability, for example.

Those link-up opportunities in Dundee have been hard work over the years, but we are now at the stage where we are working together. We are starting to work closely with our housing department to look at the transitions into new tenancies and where we fit in. We have done that on an ad hoc basis, but we are trying to make it more efficient to see whether we can capitalise on the fact that housing officers are now tenancy officers and have more of a responsibility for making sure that tenancies are sustainable. We are trying to work with them and offer community care grants at the right point in time.

**Sheila McKandie:** In Highland, we have the challenge of geography. We are 20 per cent larger than Wales, so it is really important for us that services are local. We achieve that with teams, which work together, in each of our localities. We have very close links in the council—council services work closely together to help deliver the Scottish welfare fund. We also have excellent links with the third sector and there are a number of third sector contracts for the delivery of various services, including advice and information services—we invest £1.1 million in our local CAB to deliver those services.

With regard to the local delivery of services for the Scottish welfare fund, we have two local suppliers. One is New Start Highland, which is a local charity that provides lots of employment and good-quality second-hand goods for us. There is also the Furnishing Service, which is Glasgow-

based but which has set up a local depot with us and is creating employment opportunities.

We have a close eye on how we are delivering and complying with the localism agenda. Local delivery is really important in the Highland area for a lot of reasons, but it is most important for the individual who receives and needs to access our services. When somebody comes to the council, they are quite often directed to the welfare team, which looks at all their entitlements and needs and provides warm referrals. That means that the council officer makes their way to the service to ensure that the citizen receives it, rather than just signposting the citizen to where they need to go, because quite often such signposting means that they do not get there. It is important that local delivery is retained.

**Ruth Maguire:** What information do you gather on performance? We heard some concerns from the previous panel that we might not have a picture of who gets an award and who is refused. Can we drill down into information on uptake to see whether there are any issues? Can you tell me a little bit about how your local authorities collect information on who comes to you and what happens?

**Craig Mason:** When the local authorities initially met to look at the transfer of the Scottish welfare fund, there was talk of a single information technology system for the fund across all 32 local authorities. We gather that, because of the timescales, that could not happen at that point, so we now have perhaps three or four main suppliers of IT systems for the Scottish welfare fund. Dundee has a system called Northgate, which we share with another four local authorities. All the information is in those systems.

On reporting back, we get monthly requests for our information, which is published quarterly. There is potential to look at that information because it is there. At a local level, we try to understand the data in terms of who is applying and who is perhaps missing out. Those discussions are on-going in the team, and we have staff training groups in Dundee at which we look at decisions. In my submission, I said that the SPSO publishes some pieces of information about individual decisions and we discuss those with our Scottish welfare fund decision makers to get better decision making across the piece.

**Morag Johnston:** Information is gathered on the number of applications made, which is regularly monitored against the number of awards made. The previous panel suggested that some people do not even get to the stage of making an application because they are put off doing so for various reasons. We would not necessarily be able to gather information about that, although I have been considering how we could try to do so.

Probably the only way would be to monitor our telephone inquiries, because it is only once an application is received that it is registered.

**Ruth Maguire:** Can you drill into the information that you gather to show whether the people who come to you have any vulnerabilities? The specific ask was about people with disability.

**Morag Johnston:** Yes. I picked up the point that was made by the previous panel about detailed information that was gathered at the beginning of the scheme no longer being gathered. As Craig Mason mentioned, the systems that are in use mirror the data collection that the Scottish Government requests. I do not know why those areas were removed from the data gathering. We would need to consider the matter in order to try to understand what happened. If I may speculate, it perhaps became too difficult to gather, or was not easily identifiable through the conversations with claimants. If the data is not requested by the Scottish Government, we will not necessarily record it.

**Pauline McNeill:** From your evidence so far, which is impressive, we can see the importance of local delivery, which will be different for each local authority.

We had an exchange with the previous panel about the level of discretion versus the national rules. You will have heard, for example, the evidence of extreme variation across the country. Some local authorities have been accused of gatekeeping. In one instance, a local authority had misinformed people about the grounds on which they could make an application.

I am interested in your views about whether there should be less discretion. I guess that you will say no to that; if so, it will be interesting to hear your suggestions about how we can make decision making more consistent. I presume that each local authority has its own internal guidelines on who qualifies and who does not, and that it is for each local authority to make the decisions, which might be why there is wide variation across the country.

**Craig Mason:** In Dundee, we go back to source—in every single case, we always go back to the national guidance. However, as I have said, if the SPSO has included information on its website about particular cases, we will discuss that.

I do not recognise any gatekeeping issues in our authority. Indeed, one of my bugbears about the previous system was that there came a point when individuals could not get an application form for a crisis loan and had to go through a gatekeeper who would make the judgments. I consider that everyone has the right to make an application.

Ultimately, it is the decision maker who makes the decision. If a person considers that the decision is wrong, they can ask for a separate decision maker to look into the matter under the first-tier review.

**Pauline McNeill:** The decision maker makes a decision about whether someone needs a crisis grant and they will use criteria and guidance in making that decision. Would that guidance be particular to, say, Dundee?

**Craig Mason:** No. We would look at the individual circumstances of the case and see whether they fit under the criteria for—

**Pauline McNeill:** You would use the national guidance.

**Craig Mason:** Yes.

**Pauline McNeill:** That is where you would go.

**Craig Mason:** Yes, absolutely.

10:45

**Morag Johnston:** In Glasgow, the national guidance is used to determine any criteria and any award. The decision maker has to look at each case on its own merits.

Reference has been made to the fact that only three crisis grants can be awarded. However, there is evidence that, in some cases, people get more than three awards. That supports the point that the decision makers have to consider each case on its merits to determine whether those concerned are actually in crisis or not. The decision makers are encouraged to use the national guidance.

Consistency is important, and the issue is discussed, including through feedback from SPSO decisions. A significant number of Glasgow decisions are referred to the SPSO. The cases that are upheld are all reviewed, and information from them is investigated to see whether there is a particular problem. Is there a systemic issue of the guidance or training being misunderstood? In some cases, we will speak to the SPSO to try and get a bit more information if we feel that there is a difference of opinion over the interpretation of the guidance.

You asked about gatekeeping. Everyone should be able to make an application. Budgetary constraint is one of the challenges with the Scottish welfare fund. In the submission from Glasgow City Council, I made the point that Glasgow has been engaging with third sector agencies to make them aware of the fact that Glasgow has effectively been at the high-priority level for a number of years because of budgetary constraint. That is not to say that people should not apply, but we were trying to set an expectation

about what can and cannot be awarded given the priority levels. I appreciate that that becomes a source of tension and that it is potentially seen as gatekeeping, because people are almost being put off applying. I do not think that there is an easy answer; it is just one of the difficulties that we have with the Scottish welfare fund.

**Pauline McNeill:** I know that only three local authorities are represented here, so it might be better if I put this question to COSLA. Are you aware of any situations in which someone would have qualified for an award but the local authority had run out of moneys in the fund? The fund is not open ended.

**Craig Mason:** I think that there have been examples where local authorities have had to go to the “high/most compelling” level, as I think it is termed. We have not had that scenario, but I believe that it is essentially down to the budgetary constraints in individual cases.

**Sheila McKandie:** Discretion is really important. If we take a straitjacket approach, the fund will not meet individual need. It is important to pause and think about the question of discretion. In the past, there have been rules-based systems, but people’s lives do not fit into those. We are talking about the most vulnerable people in society. We are trying to serve them and help them through their crisis and their immediate need.

In Highland, we have had 146 first-tier reviews for the Scottish welfare fund, which equates to 0.02 per cent of the number of applications received. We overturned our decisions in about 50 per cent of those 146 cases. A different decision maker looks at the original decision, the application and the other information before them.

It is important to stress that the guidance for local authorities is very clear: they should make a decision based on the information before them; they should not chase information and delay payment, because it is important to make the decision and the payment as quickly as possible. If it is a refusal, it is really important that the individual can find some other way of meeting their need and dealing with the immediate crisis.

**Pauline McNeill:** On identifying the apparent disparity in decision making among local authorities, do you think that publishing information about who is applying for awards and about the granting of awards might help to show the picture across the country and identify unexplained variations?

**Craig Mason:** I am all for clarity and being as open as possible about decision making. In my written submission, I suggested that there might be scope for replicating some of the practice of the Social Fund Inspectorate, which was latterly called the Independent Review Service. It published

digests of decisions that, under the old social fund, the decision makers had to take account of but did not always have to follow. It was always risky for the old DWP social fund to take that line because, ultimately, the Social Fund Inspectorate could overturn the decision.

There might be scope to go a bit further in publishing digests of decisions and, whether you wanted those to be binding or to be taken into account, that would be an option in looking to improve consistency across the board.

**Sheila McKandie:** Transparency is important—we can all learn from being transparent about these things. It can only be a positive thing to put as much information as possible into the public domain.

It would also be good for the SPSO to share more of the decisions that are made. We could all learn from those decisions.

**Mark Griffin:** I have some questions about the budget allocations for the Scottish welfare fund. Are your respective local authorities happy with the level of the Scottish welfare fund that has been allocated? Have any of your local authorities decided to top up using their own funds?

**Morag Johnston:** In Glasgow City Council's submission, we make a point about the allocations. It is fair to say that Glasgow has been the most affected by the change in distribution that was implemented at the beginning of 2016-17. When the welfare fund was first introduced, the budget allocations from the £33 million were based on historical spend that the DWP experienced. At that point, Glasgow was allocated 25 per cent of the national budget. It was recognised that that would need to be looked at in the future.

I do not think that the Scottish index of multiple deprivation distribution methodology can be challenged, because it is meant to reflect low income, and we know that the welfare fund helps people on low incomes.

The allocation has been phased and the funds have moved gradually during the three years from 2016-17. The impact on Glasgow in 2018-19 will be a 20 per cent reduction in its budget allocation. As can be seen in the statistics, in 2016-17 and 2017-18, there was an overspend and Glasgow City Council contributed about £0.25 million to that from its own funds. Going into 2018-19, there was going to be a further reduction of £700,000. The council decided that that could not be sustained and that the budget should remain at the 2017-18 level. That will still be challenging.

Mark Griffin's question was about whether we are happy with the budget allocation. I guess that I am not necessarily disagreeing with the basis of

the distribution, but the statistics and the evidence for Glasgow show that the allocation that we receive through the distribution model is not sufficient to meet demand.

**Craig Mason:** Dundee City Council has also decided to supplement the core grant income by just under £200,000 this year, as it did last year. That will keep it at the 2015-16 level. As was said earlier, our council sees it as spending to save. The fund really does assist people, particularly those who are moving into new tenancies, and over time it can save money for both the customer and the council.

I echo Morag Johnston's comment about the SIMD. We cannot really argue against it. However, we have met the demand in previous years and we see the benefit in meeting levels of demand in the future.

**Sheila McKandie:** Highland Council's budget for the fund is about £990,000, and we anticipate that we will come in on budget. We will manage the budget in a way to do that. We, too, believe that the SIMD is the right way to measure and to distribute the fund so that it meets poverty levels and addresses people in need. At this point in the year, our spend against the profile is at about 78 per cent of where we should be for community care grants and we are slightly over for community crisis grants, but we anticipate that we will come in on budget.

**Mark Griffin:** Are any members of the panel aware of how common it has been for other local authorities to top up?

**Sheila McKandie:** It is a bit of a mix across Scotland. It is quite variable. I do not have exact figures.

**Mark Griffin:** I do not know whether you will be able to answer this question, which would probably be better put to COSLA. Previously, there was a concern that the administration section of the Scottish welfare fund budget did not reflect the costs for local authorities. COSLA undertook a benchmarking exercise to give evidence to Government as to why the administration budget was not enough to cover the costs. Do any of you know whether that exercise was completed and whether anything was published that would allow the committee to take the matter to the Scottish Government?

**Sheila McKandie:** I do not know whether it was ever published. In Highland, our funding is 60 per cent of our actual costs, and we manage that by funding 40 per cent ourselves. That is the same as our funding for housing benefit and council tax reduction. What we get from the DWP is on a par with what we get from the Scottish Government for the Scottish welfare fund. If demand continues to grow as we anticipate it will, a conversation will be

needed. We cannot go on subsidising the administration of the scheme, but we are coping with it at the moment.

**Craig Mason:** Dundee also subsidises the scheme, but in different ways. Our administration grant does not completely cover the staff costs for the Scottish welfare fund team, and there is the added cost of putting in the model. We have almost linked our advice services to our Scottish welfare fund team to provide those hand-offs and to try to solve problems on a longer-term basis, rather than just meeting demand and being transactional at the point of crisis. There is a cost in linking those services up.

**Morag Johnston:** Glasgow worked within the administration allocation from the beginning. It was not an issue. We were not closely engaged with COSLA in those discussions on administration, because Glasgow was not affected to the same extent as other local authorities.

**Ben Macpherson:** I would like to pull together what you have been talking about and what was touched on at the beginning of the discussion. Mr Mason and Ms Johnston, will you say whether demand has increased significantly over the period in which you have had increased costs?

**Craig Mason:** It is interesting that our Scottish welfare fund crisis grant levels have gone down, and that was before the universal credit full service came to Dundee in November. We started to see that trend, and we have asked the Scottish Government to use researchers to try to explain it. We hope that it is due to the model and the fact that we are engaging with people on a longer-term basis to look at income maximisation. In my view, we cannot run the Scottish welfare fund without looking at income maximisation, particularly in crisis grant cases.

The benefit of that approach is that we have been able to vire money into our community care grant budget and provide more help for people with moving into new properties and setting up sustainable tenancies. I hesitate to say that it is working as we planned, but we hope that that is the reason for the shift in demand for crisis grants in particular. We hope that the approach is positive, in the way that I have outlined.

**Morag Johnston:** The experience in Glasgow is different from that in Dundee. We have almost five years of trends on the Scottish welfare fund, although I do not think that that is enough to interpret what is happening. Between 2015-16 and 2016-17, Glasgow saw a significant increase in the number of crisis grant applications.

**Ben Macpherson:** What were the reasons for that?

**Morag Johnston:** Our analysis suggests that, in the main, it was to do with the number of sanctions that were being applied. Some of the increase was a result of asylum seeker refugees and—sorry, but I have forgotten what the third reason was. It will come back to me.

We put in place measures to try to address the sanctions issue. Through the work of welfare rights officers in Glasgow—I am sure that the same is true nationally—there was a recognition that lots of people who were sanctioned did not appeal, whereas evidence showed that those who appealed were likely to be successful. We decided that, when someone applied for a crisis grant and we could see that that was a result of a sanction, we would refer them to our welfare rights advisers to take on that sanctions case. However, even uptake of that has been slow, although we are continuing to do that.

The third of the reasons that I referred to earlier is that, although we were not at full roll-out of universal credit, we saw more people applying because of universal credit. That is why I said at the beginning of the session that we are still concerned about the impact that full roll-out might have, because we saw that big increase over those two years. There is also an underlying increase in demand, for the reasons that have been mentioned to do with low incomes.

A separate but linked thing that Glasgow is doing to prepare for universal credit roll-out is to consider the broad range of services that are available across the city to support people who move to the new benefit and to try to link up those services. The Scottish welfare fund will be part of that, as will many of the other services that we provide. The council plans to invest about £2 million in that.

It will be interesting to see what happens. Over the next six to 18 months, we will track the roll-out of universal credit to see how it impacts the Scottish welfare fund and whether the measures that the council is putting in place have a positive impact. We hope that they will, but we will need to measure that.

**The Convener:** As members have no further questions, I thank the witnesses for attending. The session was useful for us as part of our on-going work on the issue.

11:03

*Meeting continued in private until 11:19.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

---

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

---

All documents are available on  
the Scottish Parliament website at:

[www.parliament.scot](http://www.parliament.scot)

Information on non-endorsed print suppliers  
is available here:

[www.parliament.scot/documents](http://www.parliament.scot/documents)

For information on the Scottish Parliament contact  
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: [sp.info@parliament.scot](mailto:sp.info@parliament.scot)

---



The Scottish Parliament  
Pàrlamaid na h-Alba