

Corporate Policy and Strategy Committee

10am, Tuesday 16 April 2013

Welfare Reform - Scottish Welfare Fund arrangements

Item number	7.1(c)
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Welfare Reform - Scottish Welfare Fund arrangements

Summary

This report updates the Corporate Policy and Strategy Committee on the introduction of a new Council Service, the Scottish Welfare Fund which comes into operation on 1 April 2013. The responsibility for managing the service is transferred from the DWP to local authorities.

This is an interim 2 year scheme, the Scottish Government will review how the service will be provided beyond that period.

The Scottish Welfare Fund consists of 2 distinct elements:

- **Crisis Grants** – to provide a safety net in a disaster or emergency, when there is an immediate threat to health or safety. These will be processed within 2 days of a customer making a claim for assistance. The supply of emergency payments in the form of cash and vouchers will take place from various Council Neighbourhood and City Centre offices. An out of hours service will also be in operation
- **Community Care Grants** – to enable independent living or continued independent living, preventing the need for institutional care. These will be processed within 5 days of a claim being made and will involve the provision of furniture, carpets and white goods.

The Scottish Government issued final guidelines for the management of the fund on 14 February 2013.

Recommendations

It is recommended that the Corporate Policy and Strategy Committee:

1. notes the introduction of the Scottish Welfare Fund from 1 April 2013; and
2. notes that this is an interim arrangement for two years. Provision of this service will be subject to review for 2015/16 and beyond.

Measures of success

The effective provision of goods and emergency support payments to recipients of the Scottish Welfare Fund is in line with contractual arrangements.

Claims for assistance will meet national performance indicators of award decisions of 2 days for Crisis Grants and 5 days for Community Care Grants.

Customer access to service will remain at similar levels, or better, and the transition from DWP to local authority process will cause no disruption to the customer.

The service will be delivered within budgeted funds allocated by the Scottish Government.

Financial impact

Scottish Government Funding for the scheme for 2012-13 will be included in the Local Government Finance (Scotland) Amendment Order 2013 and was paid during the last two weeks of March 2013.

The funding for 2013-14 will also be included in the 2013 Amendment Order and paid from 1 April as part of General Revenue Grant Payments. The basis of the distribution of funding beyond 2014/15 will be reviewed as part of the broader review of the interim scheme.

Equalities impact

The UK Government has prepared Equalities and Human Rights assessments for all welfare reform proposals. The Council will undertake an EHRA when necessary for any of its proposals.

Accessibility arrangements will require monitoring as the new service develops. However it is anticipated this has been largely mitigated by the multi-channel claim approach with 24 hour support service.

Sustainability impact

There are no direct sustainability consequences arising from this decision.

Consultation and engagement

Ongoing involvement of Council officials is taking place with Scotland Excel to secure a long term contract to provide the goods and services eligible under the Scottish Welfare Fund.

Officers continue to work in partnership with DWP, third sector and other partners to ensure the effective implementation of the service.

A consultation and launch event for Advice Agencies was hosted by Council Officials with over 70 organisations being represented ranging from third sector and support organisations, Council wide stakeholders, housing associations, DWP and politicians.

The Scottish Welfare Fund Sub-Group, a council wide representative group, reporting to The Welfare Reform Strategic Planning Group continues to support implementation of the new service.

Background reading / external references

Recent reports to committee:

[Welfare Reform – Update – Corporate Policy and Strategy Committee, 22 January 2013](#); and

[Welfare Reform - Update – Corporate Policy and Strategy Committee, 4 December 2012.](#)

[Welfare Reform – Scottish Welfare Fund Arrangements – Finance and Budget Committee, 21 March 2013](#)

Links to external website

<http://www.scotland.gov.uk/Topics/People/welfarereform/scottishwelfarefund/scottishwelfarefundguidance>

Welfare Reform – Scottish Welfare Fund arrangements

1. Background

- 1.1 The Scottish Welfare Fund comes into operation on 1 April 2013 to replace discretionary elements of the Social Fund - Community Care Grants and Crisis Loans. In the new scheme, Crisis Loans will be replaced by grants. Responsibility for the fund will transfer from the Department for Work and Pensions (DWP) to the Scottish Government, with day to day administration carried out by local authorities. Other aspects of the Social Fund (Sure Start maternity grants, funeral payments, winter fuel payments and cold weather payments) will remain the responsibility of the DWP.
- 1.2 The Scottish Welfare Fund will offer grants:
- **Crisis Grants (CG)** can be awarded to meet expenses that have arisen as a result of an emergency or disaster in order to avoid serious damage or serious risk to the health or safety of the applicant or their family; and
 - **Community Care Grants (CCG)** can be awarded to enable independent living or to support continued independent living, preventing the need for institutional care.
- 1.3 The Scottish Welfare Fund is an interim scheme for two years. The Scottish Government will carry out an evaluation of the arrangements with a view to implementing a statutory scheme from April 2015.

2. Main report

- 2.1 Edinburgh's share of the Scottish Welfare Fund will be £2.1m for 2013/14, with 70% allocated to Community Care Grants and 30% to Crisis Grants. However the proportion of spend can be varied to meet demand in either element of the fund.
- 2.2 The funding for administration of the scheme is £367k in 2013/14, reducing to £335K in 2014/15
- 2.3 Community Care grants are targeted to help people coming out of long term care, prison, hospital, temporary or homeless accommodation who have been allocated a property but have little or no furniture or white goods. A national procurement exercise to secure a long term provider or providers for furniture and white goods is underway led by Scottish Excel.
- 2.4 Emergency payment facilities in the form of vouchers for a variety of supermarkets, bus tickets and, in exceptional cases, cash are in place to enable

the award of Crisis Grants. These will be provided from various Council Neighbourhood and City Centre offices.

- 2.5 An out of hours service to meet immediate demand will be provided through the social care direct function. This mirrors the service offered in the current DWP set-up.
- 2.6 Internal and external audit have been consulted concerning control mechanisms for the issue of vouchers and cash for Crisis Grants. Similar activity already takes place across a variety of Council services and The Scottish Welfare Fund will meet stringent financial controls.
- 2.7 The overall administration of the Fund and assessment of claimants will remain with the Council. A new team has been recruited to deal with assessment and processing activity which will take place within the existing core operating systems already deployed within Corporate and Transactional Services.
- 2.8 Applications for a Scottish Welfare Fund grant in Edinburgh are similar to elsewhere in Scotland, utilising the following access channels:
 - phone (service dedicated local rate number);
 - online;
 - using the paper form; and
 - in person.
- 2.9 It is intended that this multi-channel approach will ensure customer access to service is optimised. Support will be offered to customers using these methods, with the preferred option being via telephone to expedite the process for the claimant, allowing instant decision making on awards.
- 2.10 Criteria for eligibility will largely follow the current guidance as distributed by DWP in February 2014.
- 2.11 It is essential that the fund is monitored closely to ensure support can be appropriately awarded to the most vulnerable citizens across a 12 month period. The core operating system being used in assessment will highlight the fund level and provide management information as and what required. Assessment officers will also be able to view this data at all times.
- 2.12 Forecasting will also be carried out to determine peaks in demand on this service at certain points in the year in order that these increases can be managed within budget.
- 2.13 Staff will also undergo training which will allow them to signpost customers to other advice agencies and third sector groups to maximise income and income sources. This will prevent unnecessary encumbrance on the Scottish Welfare Fund where alternative funding is available.
- 2.14 The Scottish Welfare Fund Sub-Group reporting to The Welfare Reform Strategic Planning Group will monitor performance and ensure demand is being appropriately matched to available funding and that a fair and pragmatic approach to applications to the Scottish Welfare Fund is established.

3. Recommendations

- 3.1 It is recommended that the Corporate Policy and Strategy Committee:
- 3.1.1 notes the introduction of the Scottish Welfare Fund from 1 April 2013; and
 - 3.1.2 notes that this is an interim arrangement for two years. Provision of this service will be subject to review for 2015/16 and beyond.

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SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health