

THE SCOTTISH WELFARE FUND – PERMANENT SCHEME – SUMMARY OF CHANGES

PURPOSE

1.1. This paper provides a simple summary of the main differences between the interim and permanent Scottish Welfare Fund.

INTRODUCTION

1.2. Since 2013, the SWF has been delivered by local authorities by voluntary agreement, with decision makers considering applications in accordance with interim guidance issued by Scottish Ministers. The Welfare Funds (Scotland) Act 2015 and subsequent legislation places the SWF on a statutory footing from 1 April 2016.

1.3. Statutory Guidance will be published to coincide with the coming into force of the Act and associated regulations, replacing previous iterations under the interim scheme. An improved application form will also be issued.

CONSULTATION

1.4. Changes between the interim and statutory scheme have been informed by consultation and stakeholder engagement. The SWF is a good example of collaborative working in social security policy. More than 60 responses were received to the SG's consultation about the SWF, with over 30 third sector organisations and the majority of Scotland's local authorities attending its launch. Individual sessions were also coproduced with the support of key third sector organisations.

1.5. A number of policy options consulted upon were **not taken forward**, on the grounds of limited public support and/or the potential for unintended consequences. These were:

- Whether to alter existing crisis grant limits to apply to households, rather than individuals.
- Whether to introduce new limits on (a) the number of community care grants permissible in a 12-month period and (b) the number of times the same item can be awarded as a community care grant during a certain period.
- Whether to prioritise 'families facing exceptional pressure' in crisis grant applications.

SUMMARY OF CHANGES

1.6. The results and analysis of consultation and stakeholder engagement has directly informed the following changes in how the SWF will operate from 1 April 2016. In addition to these specific changes, the structure of the guidance has changed – separating crisis grants from community care grants – with the aim of improving its flow for decisions makers.

Low Income Indicators ('Eligibility')

1.7. A series of low income indicators have been included in guidance. Under the interim scheme, low income was determined by whether an applicant was entitled to

certain means-tested benefits. If an applicant was not entitled to one of these, discretion was applied.

1.8. This approach works well, as local authorities have flexibility and aren't required to undertake a full income assessment. There may, however, be differences between authorities in how decisions are made.

1.9. Through consultation, the majority of respondents were in favour of introducing a list of 'approved' ways for deciding whether someone is on a low income. It was felt this was the best balance between consistency in decision-making and flexibility to exercise discretion.

1.10. Examples of low income indicators include: exceptional outgoing (e.g. costs relating to disability or large family size), other non-means tested benefits (for example, disability-related benefits) and certain vulnerabilities (for example, irregular employment or homelessness).

Cash and Cash Equivalent ('Grant Fulfilment')

1.11. The Welfare Fund (Scotland) Regulations 2016 require crisis grants to be made in cash or cash equivalent, unless it's of advantage to the applicant for it to be provided in a different manner.

1.12. A cash equivalent is defined in the Regulations as something which doesn't require the recipient to pay it to a particular person, or use it in a particular way. Within the guidance the following are provided as examples of a cash equivalent: Paypoint (or similar), Allpay (without restrictions), high street vouchers (when accepted at a number of outlets) and electronic bank transfer.

1.13. The Regulations are clear that a non-cash/ non-cash equivalent option may only be used when it is of advantage to the applicant. When establishing whether this is the case, authorities must ensure the individual's needs and preferences are understood, recorded and taken into consideration as part of the decision making process.

Crisis Grant Timeframes ('Processing Times')

1.14. The Regulations require local authorities to make decisions on crisis grant applications immediately after the local authority has received all information allowing a decision to be made and, in any event, no later than the end of the next working day.

1.15. The working day is defined within guidance as being between 9:00am and 4:45pm. If an application is received after 4:45pm, it should be treated as having been received on the next working day. A working day does not include weekends and bank/ public holidays.

1.16. Regardless of whether a local authority is awaiting a piece of information they consider to be relevant, a decision must be made by the close of business on the day following receipt of an application. This decision should be made on the balance of probability, based on the information held at the time.

Excluded Items and Vulnerabilities (Annexes)

1.17. As part of the consultation, we sought views about whether ‘substantial improvements to private property’ and ‘repatriation costs’ should be added to the list of excluded items within guidance. On the basis that more appropriate sources of support exist elsewhere, these have been added to the excluded items list. In addition, gardening tools, application costs for bankruptcy or sequestration and the costs associated to any item obtained from the NHS have also been excluded. A caveat has been added to an existing exclusion (around televisions and radios) to allow discretion in circumstances involving isolation.

1.18. We also sought views about the list of vulnerabilities, i.e. factors which may increase a person’s vulnerability and therefore increase their likelihood of being eligible for support. As a result, “people facing non-domestic abuse”, “families facing exceptional pressure” and “recent bereavement” have been added, with minor amendments made existing vulnerabilities to increase clarity.

Application Form

1.19. We have also taken the opportunity to refresh the application form to make it simpler and more accessible. Guidance requires local authorities to take applications via three delivery channels: online, by phone and face-to-face. Paper applications should be accepted from people who do not have access to these methods, or choose not to use them. The application form has been refreshed in a number of areas, including layout, signposting and structure based on feedback received through consultation and stakeholder engagement.

INTRODUCTION OF INDEPENDENT REVIEW

1.20. The Act also provides new powers to SPSO (the Scottish Public Services Ombudsman). People will continue to apply to the council for SWF awards as they did before and they will still ask the council for a tier one review if they disagree with the decision. However, under the new scheme, people will then be able to ask SPSO to independently review the council’s decision. The SPSO will provide councils with wording to use in their tier one decision letters to ensure that all applicants are given a consistent message about how to access this service.

1.21. When SPSO independently reviews an SWF application, they will be able to change the council’s decision and direct them to make an award if SPSO consider that the council should have made a different decision. SPSO’s service is free, independent and impartial and they are committed to being as accessible as possible: people will be able to ask for an independent review on the phone, online or in writing (they can even attend SPSO’s office in person, if they wish).

1.22. SPSO will also continue to be able to consider complaints about the way the council handled an SWF application and more information will be available on their website at: www.spsso.org.uk/scottishwelfarefund.