

PERTH AND KINROSS COUNCIL

Housing and Health Committee

Scottish Welfare Fund

29 May 2013

Report by the Executive Director (Housing and Community Care)

PURPOSE OF REPORT

The Scottish Welfare Fund replaced Social Fund grants and Crisis Loans from 1 April 2013 and will be administered as a national scheme delivered through Scotland's local authorities; this will be done as an interim arrangement for a period of two years. A review of the results of this scheme will inform the development of a permanent national scheme.

This report provides key information regarding the new Scottish Welfare Fund. It also requests authorisation for administration of this new scheme to continue to be undertaken within the Revenues and Benefits Service and within Housing and Community Care.

The Revenues and Benefits Service has worked closely with COSLA and the Scottish Government over the last few months and has taken a pro-active role in shaping the interim scheme. Despite extremely challenging timescales, this Council was well prepared for administration of new claims and enquiries from 1 April 2013.

1. BACKGROUND / MAIN ISSUES

From 1 April 2013, Crisis Loans and Community Care Grants (previously paid by the Social Fund and administered by the Department of Work and Pensions) were replaced by a new discretionary scheme called the Scottish Welfare Fund. This is a national scheme which will be delivered through Scotland's local authorities.

Awareness of the key changes and issues relating to the Scottish Welfare Fund were provided to elected members during the 'UK Government's Welfare Reform' briefing sessions held in January 2013.

An interim arrangement has been established for two years and a review of the results of this scheme will inform the development of a permanent scheme.

Although the Scottish Welfare Fund takes the rules for the Social Fund grants and loans it is replacing as a starting point, the Scottish Welfare Fund has some important differences:

- It provides grants not loans
- The eligibility criteria and situations when an award can be made are different from the previous Social Fund

- It provides not just cash grants but also goods and other alternatives
- There is a strong emphasis on linking with local support
- Local authorities will take a much more holistic approach compared to the transactional process carried out by the Department of Work and Pensions
- Local authorities have a duty to look behind the transactional assessment to examine the underlying causes of people presenting in 'crisis'

The Scottish Welfare Fund has two types of grants

<http://www.pkc.gov.uk/scottishwelfarefund> and <http://www.pkc.gov.uk/welfarerights>:

- Crisis Grant: short term living expenses if there is an emergency, or items if there is a disaster. The aim is to provide a safety net in an emergency when there is an immediate threat to health and safety
- Community Care Grant: grants for items or expenses to enable independent living or continued independent living, preventing the need for institutional care

The Scottish Government and COSLA believe that local authorities are best placed to link applicants to a network of local service provision, with the aim of providing better support for people than the previous Social Fund scheme. Some of these opportunities are noted below:

- A significantly more joined-up, effective and preventative approach to helping those most in need
- Referrals and links to relevant professionals and/or other support mechanisms
- Money/Budgeting advice
- Income Maximisation and Welfare Benefit advice
- Home content insurance
- Energy efficiency referrals
- Food Banks
- Furniture Projects
- Adult Literacy
- Life Skills
- Companionship

Local authorities will continue to work with the Scottish Government during the duration of the interim scheme and will provide monitoring information to inform the continued development of the Scottish Welfare Fund.

The Scottish Government had comprehensive negotiations with Westminster and the Department of Work and Pensions over financing the transfer of these duties. The Scottish Government also topped up the grant funding for 2013/14 by £9.2 million nationally. Funding has been provided to each local authority and this consists of an allocation for set-up/administration costs and an annual budget for both Crisis and Community Care Grants which is detailed below:

Set Up Cost 2012/13	Community Care Grant 2013/14	Crisis Grant 2013/14	Administration 2013/14	Administration (indicative) 2014/15
£40,242	£420,828	£172,096	£76,940	£70,330

There are a number of concerns regarding the level of funding provided as it is anticipated that there is likely to be an increase in demand of approximately 20% due to the ongoing UK Government's Welfare Reform changes to benefit. It is also anticipated that the introduction of Universal Credit, particularly direct monthly payment, will place further pressure on the Scottish Welfare Fund fund. COSLA has also raised concerns regarding the amount and the allocation method of administration funding; Perth and Kinross Council has had to contribute to the administration costs and utilise existing staffing resources. Also, it appears that the allocation method has not taken into account issues that may increase the level of activity required by individual local authorities (e.g. Perth and Kinross Council has two prisons in this area, which will increase demand).

The budget will be very closely monitored and any issues will be highlighted to the Scottish Government and COSLA immediately. At this time, local authorities have made a commitment to only pay out where high priority has been established. This will be monitored on a regular basis and changing the priority level will be considered by the Revenues and Benefits Service depending on budget availability and anticipated trend for demand throughout the year.

Despite extremely challenging timescales, this Council was ready to undertake effective administration of the Scottish Welfare Fund timeously. Awareness and training sessions were carried out with relevant stakeholders. Ongoing development and improvements will continue to take place (e.g. IT system, processes, links with relevant supports, knowledge).

Decisions that have been made to refuse an award, or the level of an award, can be reviewed if so requested by the applicant. The Council has a process to consider this, termed the review process, with two levels (or tiers), where officers review the decision made.

Perth and Kinross Council has an effective process in place to consider reviews of Scottish Welfare Fund decisions at both 1st and 2nd tier levels; testing both fairness and accuracy.

Performance relating to the Scottish Welfare Fund will form part of the key monthly monitoring to the Senior Management Team.

There is a commitment to continuing to work closely with both COSLA and the Scottish Government during the period of the interim scheme.

2. PROPOSALS

The Revenues and Benefits Service will administer the new Scottish Welfare Fund in line with the national guidance which has been provided to ensure that the fund is being used effectively to help those most in need. The team will endeavour to continue to develop a truly holistic approach when dealing with each case, ensuring that there are pro-active measures to help prevent a reoccurrence of the situation which has arisen.

The approach being taken by the team will ensure best use of existing resources and will assist with working towards a number of priorities such as tackling child poverty. It will also enable timeous decisions in principle which will allow applicants and their support workers to plan ahead better.

Close monitoring will take place (e.g. budget, demand, quality, trends, priority level) and any issues and challenges will be highlighted to all relevant parties timeously; this will include monthly key performance monitoring to the Senior Management Team and ongoing dialogue with both the Scottish Government and COSLA.

3. CONCLUSION AND RECOMMENDATIONS

Housing and Health Committee note the key issues relating to the new duties of administration of the Scottish Welfare Fund.

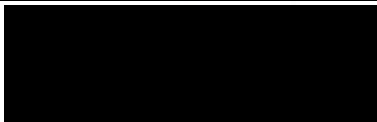
The Executive Director of Housing & Community Care provides the Committee with an update report later in the financial year.

The report is presented to Full Council to appraise all elected members of the new duties incumbent on the Council in administering the Scottish Welfare Fund.

Author(s)

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Approved

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Date 13 May 2013		

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Council Text Phone Number 01738 442573

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

1. Strategic Implications

Corporate Plan

- 1.1 The Council's Corporate Plan 2013-2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at both a corporate and service level and shape resource allocation. They are as follows:

- Giving every child the best start in life
- Developing educated, responsible and informed citizens
- Promoting a prosperous, inclusive and sustainable economy
- Supporting people to lead independent, healthy and active lives
- Creating a safe and sustainable place for future generations

- 1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

- 2.1 Funding for this new scheme has been provided to each local authority by the Scottish Government. This consists of money which was transferred from Department of Work and Pensions and also additional funding provided by the Scottish Government. This report details a breakdown of this funding which covers costs for set-up/administration and an annual budget for both Crisis and Community Care Grants.

Workforce

- 2.2 Following relevant consultation with Human Resources, recruitment of a new team to undertake the administration of this new scheme has taken place.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as not relevant for the purposes of (EqIA).

Legal and Governance

- 3.3 This Council is administering this change in accordance with agreed national guidance for Scotland.

Risk

- 3.4 Many of the changes brought about by the UK Government's Welfare Reform agenda introduce risk and these are being monitored on an ongoing basis at both Corporate and Service level. The risks associated with the introduction of the Scottish Welfare Fund are also being monitored at a national level in Scotland.

4. Consultation

Internal

- 4.1 Internal consultation was undertaken with all relevant stakeholders (i.e. Finance, Legal, Senior Management Team) and this was done as part of the awareness raising strategy and the implementation process for the introduction of Scottish Welfare Fund.

External

- 4.2 External consultation was undertaken with COSLA, Scottish Government and all other Scottish local authorities in relation to the implementation of Scottish Welfare Fund. This will continue in relation to developing good practice and dealing with issues which may arise with this new scheme.

5. Communication

- 5.1 Information relating to Scottish Welfare Fund and other Welfare Reform changes has been cascaded to all relevant stakeholders (both internal and external) on an ongoing basis. The methods of communication include briefing sessions for elected members and other interested parties (e.g. front-line staff, third sector, public), updates on the web-site and other literature. In February 2013 the Welfare Reform Awareness Raising Campaign was launched and this included radio adverts, posters on buses, bus shelters, refuse lorries, etc.

6. BACKGROUND PAPERS

No background papers, as defined by SECTION 50D of the Local Government (Scotland) Act 1973 were relied upon to a material extent in preparing this report.