

To: P&R FINANCE COMMITTEE		Subject: SCOTTISH WELFARE FUND
From: HEAD OF E-GOVERNMENT & SERVICE DEVELOPMENT		
Date: 19 November 2013	Ref: IMcK	

1 Purpose of the report

- 1.1 The purpose of the report is to update the Committee on the current status of the Scottish Welfare Fund and to outline operational changes being implemented going forward.

2 Background

- 2.1 The Scottish Welfare Fund (SWF) went live on the 1st April 2013 and was designed as an interim two year scheme to deliver Community Care Grants and Crisis Grants. The interim scheme has been extended and will now run until June 2015 at which point the statutory scheme will begin.
- 2.2 The SWF will now deliver the social fund payments and grants previously administered by the Department for Works and Pensions (DWP). It is important to note that where previously the Crisis awards were **loans** which required to be repaid, the new arrangements are **grants** which do not require to be repaid
- 2.3 The Scottish Government have issued guidance to local authorities on the distribution of the SWF funds (see Appendix 2 for more detail) but broadly the funding should be used to address unavoidable need and be available to those who require emergency support. For example:
- Homeless customers who are given a new tenancy but need assistance with basic furniture;
 - Assistance for low-income families under exceptional financial pressure;
 - Disabled people who will need adaptations to their housing to stop them going into expensive residential care; and
 - Families fleeing domestic violence who need assistance in setting up a new home.
- 2.4 Funding of £2,956,014 has been awarded for each of the financial years 2013/14 and 2014/15. This equates to an average monthly spend of £246,334. Scottish Government announced its spending plans for 2014/15 and an indicative budget for 2015/16 on the 11 September 2013. This includes similar funding for SWF going forward.
- 2.5 It is important to note that unlike Discretionary Housing Payments and Sustainability Fund payments, SWF payments are hard to predict, the customer base by its very nature can vary dramatically and it extends to all citizens – not just tenants in Council properties.

3 Year to Date Position as at 25th Octoberth

- 3.1 Table 1 below shows the actual spend as at the end of each month since the launch in April. Appendix 1 provides the detailed breakdown in graphical form.

Table 1

Month	Monthly Budget	Spend	% of monthly budget
October	£246,334	£194,593	79%
September	£246,334	£179,554	73%
August	£246,334	£171,126	69%
July	£246,334	£129,324	52%
June	£246,334	£62,366	25%
May	£246,334	£64,324	26%
April	£246,334	£23,281	9%
Total Spend to Date		£824,568	

- 3.2 It can be seen from table 1 that initial spend was low and that this took some time to build. Early analysis indicated that this was a direct result of not reaching all of the impacted groups. There were a number of reasons for this including poor signposting from DWP, customers being unclear on the specifics of the national welfare reform changes and the fact that the new service is very different in terms of service delivery in comparison to the previous Social Fund. For example, the new service provides goods or utility top ups wherever possible rather than cash payments. Recipients of the funding also had very little time to adjust to the new arrangements.
- 3.3 Demand is now increasing as customers and third sector partners e.g. Citizen's Advice become better informed. Three communications campaigns have been undertaken in the first 6 months of the service to raise awareness of the availability of the funding. The first was at the launch of the service, the second was in mid-July resulting in a significant increase in spending and the third was in mid-August resulting in a further, smaller increase in spending.
- 3.4 Of the £824,568 spent to date, 45% has been spent in the last 2 months, however it is clear that, whilst spend and demand are now 'ramping up,' the lack of spend in the early months of the service will make it difficult to fully spend the budget by March 2014. This is a situation faced by many Councils across Scotland.
- 3.5 It will be considerably easier to predict the demand for this service when it is more mature and we have experienced a whole year – including the anticipated spike in demand around Christmas.

4 Current operational arrangements

- 4.1 Due to the nature of the service delivered, there needs to be a balance struck between answering calls and processing decisions. There are targets to be met for processing of both crisis and community care grants and, whilst constantly monitoring that these targets are being met, calls need to be answered and decisions made so the team need to be agile and able to change the balance of their work.
- 4.2 Up until mid August the team were prioritising answering calls but this had an impact on the time available to make and administer decisions, and spend was not ramping up as quickly as had been hoped. From mid August until end September this was reversed and the team placed less emphasis on answering calls to ensure they focused on

processing claims. This resulted in a significant increase in spend as decisions were administered and fulfilled more quickly.

- 4.3 However at the same time, and partly as a result of the communications campaign undertaken; there was a significant increase in calls to the service. The net effect of this was that customers were finding it hard to get through to the service and the rate of 'abandoned' calls (i.e. calls which were not answered) climbed sharply. This is demonstrated in table 2 below; which shows a 332% increase in inbound calls from Quarter1 (April to June) to Quarter 2 (July to Sept):

Table 2

Period	Total incoming calls	Abandoned calls
Quarter 2	21204	55.13%
Quarter 1	6368	5.24%

- 4.4 It is important that the team therefore have the agility to 'rebalance' until that balance is right - with both calls and the processing of decisions being undertaken within acceptable timescales. In the short term, the team has used overtime to work through the administration that goes alongside decision making. This is being closely monitored to establish if the team is appropriately resourced to keep on top of the demand for the service.
- 4.5 It should be noted that throughout the life of the Scottish Welfare Fund the Council has achieved the targets for delivery of the funds – 15 days for Community Care Grants and no more than 2 days for the award of Crisis Grants.

5 National guidance and comparisons

- 5.1 In terms of the national statistics collated by the Scottish Government, NLC spend is comparable with similar sized authorities as detailed in Table 3. It should be noted that North Lanarkshire Council has the highest award rate for the year to date of any of the 32 local authorities for Community Care Grants at 82% and has the fourth highest rate of award for Crisis Grants at 77%. The figures for combined spend are outlined below:

Table 3.

LA	CCG & CG Spend in Oct 13	Spend v monthly Profile to date	CCG & CG total ytd annual spend
Fife	71%	41%	21%
Glasgow	102%	56%	28%
South Lanarkshire	104%	76%	38%
North Lanarkshire	79%	47%	27%

- 5.2 It should be noted that these figures can only be indicative as each council is set up slightly differently and each has different contracts and mechanisms for the provision of goods. See table 4

Table 4 –
Benchmarking of commonly awarded items from SWF Community Care Grants

Item	North Lanarkshire Council	Glasgow City Council	City of Edinburgh	South Lanarkshire Council	Renfrewshire Council
Curtain per pair	£20.58	£86.31	£30.00	Do not provide curtains	£116.00
Double Bed	£74.10	£249.93	£90.00	£69.60	£111.60
Cooker (Standard electric)	£131.00	£231.11	£185.00	£141.50	£163.00
Washing machine	£155.00	£234.17	£199.00	£174.50	£174.02
Fridge Freezer	£147.97	£209.25	£209.00	£136.95	£155.58
Dining Table + 6 Chairs (4 Chairs)	£64.31	£574.00	£59.00	£198.00	£98.85
Vacuum Cleaner	£42.00	£64.76	£45.00	£45.60	£45.00
Total	£634.96	£1,649.53	£817.00	£766.15	£864.05
Difference		160%	28.50%	20.60%	36.00%

5.3 The Scottish Government issued amended national guidance on 8 October 2013 to make these funds available to a wider group of customers. For example, families without children can now be considered under the 'exceptional pressure' category of eligibility. There has also been a general agreement across authorities to expand the prioritisation of awards to medium as well as high priority cases.

5.4 The combination of these two measures is likely to result in a further increase in demand and spend.

6 Operational changes

6.1 As outlined in para 4.4 above, the SWF team is currently focusing on handling crisis calls and decisions during core business hours and will use overtime in the immediate term to input, process and administer Community Care Grants. This will ensure calls are answered timeously and will allow management to determine the appropriate level of resource to allow all business activity to take place during core hours in the future. The balance of call handling and processing to date can be seen in the table below.

Table 5

Activity	Percentage time spent
Answering inbound calls	10.2%
Making outbound calls	10.5%
Processing awards (and associated tasks)	79.3%

6.2 The team will shortly move from the current furnishing contract to an improved contract procured on behalf of all Councils through Scotland Excel. This new contract provides a greater choice of goods and vastly improves delivery times.

6.3 The service now operates a 'priority' system for Housing and Social Work service users where a short turnaround time is required for Community Care Grants (the service can provide 20 – 25 such cases each week). This service provides support to new tenancies, those in emergency care situations and applications from those who are terminally ill.

7 Operational priorities

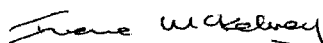
- 7.1 The SWF team in North Lanarkshire strives to deliver a a holistic service which is significantly different to the previous delivery model for the DWP's Social Fund. Customers are treated with dignity and the team do their utmost to support applications wherever possible, rather than 'gatekeeping' the fund.
- 7.2 The DWP's Social Fund delivered a simple 'yes or no' service and there was no other support provided to those who were refused. Where our customers do not qualify for the fund, we signpost them wherever possible to other services who may be able to help. In the cases where we refer applicants to Food Banks, this is only done after checking that there is a Food Bank in their area which is open and accessible to them. If this is not the case then an award is made for food irrespective of the qualifying criteria.
- 7.3 All customers are signposted to Money Advice, Welfare Rights, Shelter, Citizen Advice Bureau's etc. where appropriate. The SWF national guidance suggests a minimum crisis grant of £3.00, however the Council has used its local discretion to increase this to a minimum crisis payment of £16 to all crisis customers who qualify.

8 Going Forward

- 8.1 The operational changes discussed in section 4 above will result in increased spending of the SWF fund. This increase and all relevant performance statistics will continue to be closely monitored throughout November. It is likely that if demand continues to increase that additional resources may be required to deliver the service. The current SWF team comprises 16 staff : a manager, 2 team leaders and 13 processing staff. The cost of administering the SWF is currently 17.38% of the £2.9m fund; however separate funding of £423,360 was provided to cover the costs of setting up and running the fund. Clearly if it becomes apparent that additional resources are required to meet the targets for service delivery, then the administration costs would increase.
- 8.2 The analysis of demand, spend and performance throughout November will determine whether any changes need to be made to the current SWF team resources. Should any change be required there are a range of options which could be considered to deal with this:
- Recruit additional call handling staff, located alongside the SWF team;
 - Allow the current SWF team to focus on calls and recruit additional staff to take on the administration of claims e.g.placing orders for goods, progress chasing, dealing with 3rd sector liaison and communications etc.; or
 - 'front end' the SWF service via the Councils main Contact Centre. This will require the recruitment and training of additional call handlers if there is to be no impact on the current Contact Centre performance.

9 Recommendations

- 9.1 It is recommended that committee:
- notes the current status of the Scottish Welfare Fund.

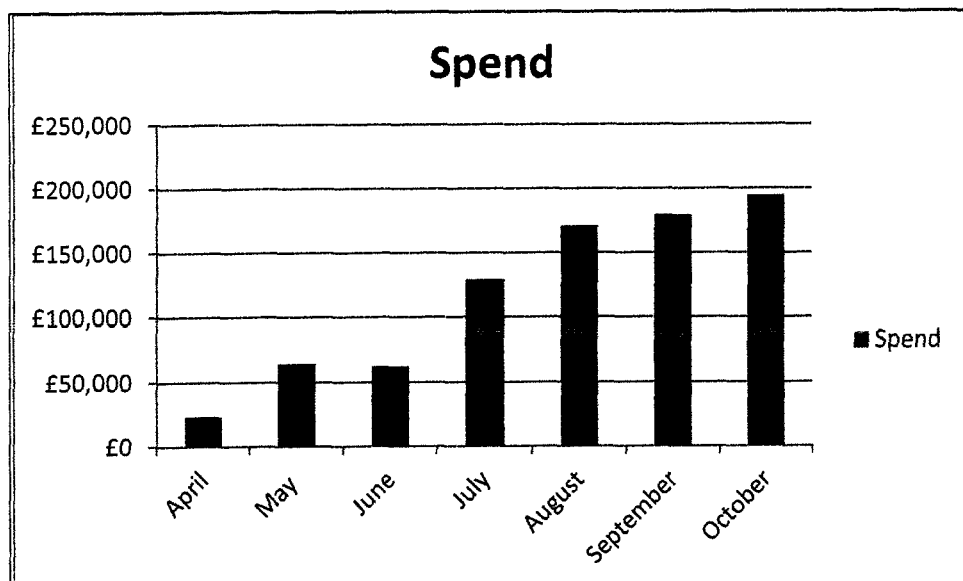
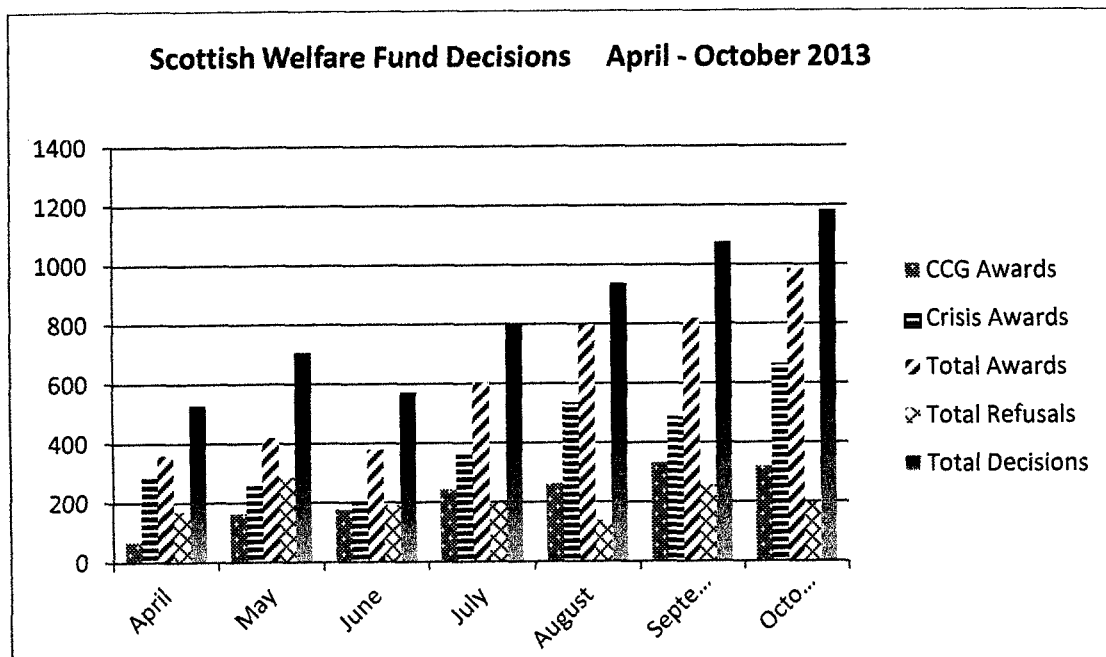


Head of E-Government & Service Development

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APPENDIX 1- Detailed Breakdown of Total Spend

	CCG Awards	Crisis Awards	Total Awards	Total Refusals	Total Decisions
April	68	291	359	170	529
May	163	257	420	286	706
June	176	203	379	192	571
July	243	361	604	198	802
August	263	537	800	137	937
September	332	487	819	256	1075
October	319	665	984	198	1182



APPENDIX 2- Who can apply to the fund in crisis?

The key aspect in deciding whether or not someone is or is not entitled to support from the fund for a Crisis Grant is the crisis itself rather than steadfastly adhering to the qualifying criteria (which is set out below as an extract from the national guidance).

In essence anyone in crisis can make a claim to the fund irrespective of their income or other circumstances. This is where the 'discretionary' element of decision making is critical. In general terms an individual would ordinarily meet the criteria in section 6 of the national guidance, however guidance is not regulation.

Who can apply for Crisis and community care grants?

Eligibility for Crisis Grants

The only pre-requisite is being 16 or over. Applicants should normally be entitled to Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Universal Credit¹, Savings Pension Credit, Guaranteed Pension Credit, or payment on account of one of them in order to be eligible for a Crisis Grant, but it is not essential. There is no qualifying period for receipt of these benefits. The applicant is assessed as an individual but information for the partner and other members of the family is collected, for example in relation to income, health issues and other problems, to inform prioritisation.

The key test of eligibility for a Crisis Grant is the severity of the applicant's situation and the likely impact on them and their family. If an applicant is not in receipt of qualifying benefits but the Local Authority is satisfied that the applicant does not have any other means of support and that an award would avoid serious damage or serious risk to the health or safety of the applicant or their family, the application should be taken to stage 2 of consideration. Examples of cases where an applicant might not be in receipt of qualifying benefits but an award might be considered might be:

- The applicant is fleeing domestic abuse and needs immediate help.
- The applicant is a grandparent or other relative who is in work but has taken on care of a child/children and a transfer of the benefits in respect of the children is pending.
- The applicant has received the outcome of a fit for work assessment for Employment Support Allowance and is not in receipt of benefits while they consider an appeal.
- The applicant has a gap in regular income, for example due to redundancy or a significant change in working pattern.

¹ Arrangements for using Universal Credit as a qualifying benefit will be subject to review once there is more experience of its payment in practice.

APPENDIX 2- Who can apply to the fund in crisis?

The following 5 situations are those instances in which a person must find themselves subject of in order to be able to make a claim for a community Care Grant. Again the key here is the 'discretionary' element of decision making. Broadly speaking though discretion only applies to the nature of each of the five situations a person may find themselves in rather than creating a sixth or seventh category for qualification.

The five situations are as follows:

A. Help people establish themselves in the community following a period of care where circumstances indicate that there is an [identifiable has been deleted] risk of the person not being able to live independently without this help.

Examples of such accommodation, though not an exhaustive list, are:

- hospital or other medical establishment
- care home
- hostel or shelter, including women's aid
- staff intensive sheltered housing
- Local Authority care and foster care
- prison or detention centre
- supported accommodation.

B. Help people remain in the community rather than going in to care where circumstances indicate that there is an [identifiable has been deleted] risk of the person not being able to live independently without this help.

Examples are:

- help with expenses to avoid becoming homeless or having to move out of their home in to temporary accommodation,
- help with expenses for improving a home to maintain living conditions, (except where the property is owned by a Local Authority or Social Landlord who maintains property on the tenant's behalf - see exclusion 6),
- enabling an applicant to move to care for someone, including travel expenses,
- enabling the applicant to move to more suitable accommodation, to prevent admission to care,
- enabling someone to move nearer to someone who can offer them support, to prevent admission to care.

The threat of care may not be immediate where the logical consequence of a worsening of their condition is that they will need care in the future and the item/items that they are applying for will help prevent this.

C. Help people set up home in the community, as part of a planned resettlement programme, following an unsettled way of life.

D. Help families facing exceptional pressures

E. Help people to care for a prisoner or young offender on release on temporary licence.

APPENDIX 2- Who can apply to the fund in crisis?

Eligibility for Community Care Grants

Applicants should be aged 16 or over. They should normally be entitled to Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Universal Credit, Savings Pension Credit, Guaranteed Pension Credit, or payment on account of one of them in order to be eligible for a Community Care Grant, but it is not essential. There is no qualifying period for receipt of these benefits. The applicant is assessed as an individual but information for the partner and other members of the family is collected, for example in relation to income, health issues and other problems, to inform prioritisation.

The key test of eligibility for a Community Care Grant is retaining or establishing a settled way of life in the community. If an applicant is not in receipt of qualifying benefits but the Local Authority is satisfied that the applicant does not have any other means to achieve this, the Local Authority may make an exception to the requirement for qualifying benefits.

If the applicant's circumstances suggest that they are likely to be in receipt of any of these benefits on leaving an institution or residential accommodation in which they have received support or care, the Local Authority may make an exception to the requirement for qualifying benefits. Where this is the case and the applicant needs support to make a benefit claim, they should be referred for support to do so.

Applicants may claim a Crisis Grant and a Community Care Grant at the same time if their circumstances make this necessary, for example a person who has left home because of violence and is in need of immediate support and longer term help to set up home.

APPENDIX 2- Who can apply to the fund in crisis?

Exclusions from Crisis and Community Care Grants

A person should not be awarded a Crisis Grant or Community Care Grant for a range of excluded needs:

- a need which occurs outside the United Kingdom
- an educational or training need including: clothing and tools, distinctive school uniform or sports clothes for use at school, equipment to be used at school, travelling expenses to or from school, school meals taken during school holidays by children who are entitled to free school meals
- expenses in connection with court (legal proceedings) such as legal fees, court fees, fines, costs, damages, subsistence or travelling expenses
- removal or storage charges if the person is being re-housed following a compulsory purchase order, a redevelopment or closing order or a compulsory exchange of tenancies.
- a television or a radio or a licence, aerial or rental costs, costs of purchasing, renting or installing a telephone (unless this is for the purpose of a personal alarm), mobile phones and any call charges
- repair to Local Authority property or the property of social landlords who maintain property on behalf of the tenant.
- rent in advance, which can be provided by a budgeting loan or discretionary housing payments.
- debts, debt interest, debts to government departments or Local Authority tax, Scottish Water water and waste charges, arrears of Local Authority tax or community water charges
- any expense which the Local Authority or other organisation has a statutory duty to meet, for example regular costs for care or housing
- a medical, surgical, optical, aural or dental item or service (note that needs under all of these headings can be provided free of charge by the National Health Service, if are getting Income Support, income-based Jobseeker's Allowance, Employment and Support Allowance (income-related), or Pension Credit). Medical expenses, treatments, items and medications.
- domestic assistance and respite care
- work related expenses
- investments
- holidays
- ongoing needs which are, or are likely to become, a feature of expenditure.
- travelling expenses, with the exception of one-off expenses relating directly to the qualifying criteria, for example travelling expenses to help someone move to a new home where that move is essential to their re-integration in the community.
- maternity expenses covered by a Sure Start Maternity Grant – see regulated Social Fund.
- any costs related to a person's funeral – see regulated Social Fund.
- expenses to meet the needs of people who have no recourse to public funds.