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| To: POLICY & RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB COMMITTEE | | Subject: SCOTTISH WELFARE FUND UPDATE |
| From: HEAD OF E-GOVERNMENT & SERVICE DEVELOPMENT | | |
| Date: 25 th January 2015 | Ref: IMcK/SD | |

1. Purpose of the Report

- 1.1 The purpose of this report is to:
- Detail demand to date and current funding position;
 - Outline progress made in implementing the new staffing structure;
 - Seek approval to extend the current contract for the SWF review post till March 31st 2016; and
 - Provide an update on progress towards the permanent scheme and the creation of permanent posts.

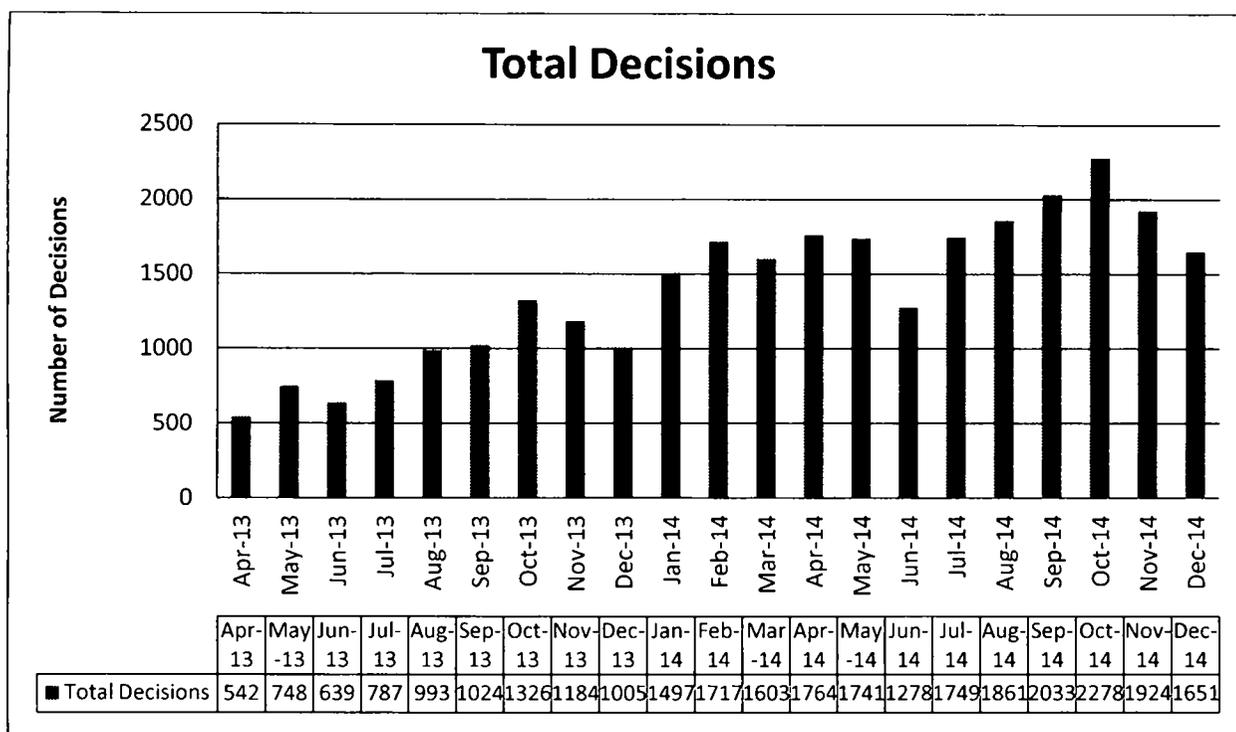
2. Background

- 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 will be replaced by a permanent scheme from April 2016.
- 2.2 Funding of £2,956,014 for grants and £423,360 for administration costs were awarded for each of the financial years 2013/14, 2014/15 and 2015/16.
- 2.3 The Scottish Government is currently considering a 'usage' model for allocation of resources from 2016/17. As yet, no decision has been made.
- 2.4 The Scottish Public Services Ombudsman was due to take responsibility for 2nd tier review hearings from April 2015, however this has been delayed by a year to allow the Scottish Government to finalise arrangements for this to take place.

3. Demand to date and current funding position

- 3.1 The number of applications received and processed by SWF continues to increase on a monthly basis and the pattern is similar to that seen in year one where October is a peak month followed by a slight decline in November and December before spiking again in January.

Table 2



- 3.2 SWF has distributed £5.5 million in grants and goods since the 1st of April 2013. The budget remaining for Community Care and Crisis grants combined is £0.424m from the 2nd of January 2015 (after closing budget period 10). This is being managed carefully to ensure that the fund is able to assist residents for the remaining 12 weeks of this financial year. The projected out turn position will be a balanced budget at year end.
- 3.3 The introduction of the 1st tranche of Universal Credit in North Lanarkshire could see an additional 341 applications for crisis grants (figures projected by the DWP) during March 2015 as Universal Credit arrives for certain customers prior to this year end. And this may have an impact on the final budget position. As more customers are placed on Universal Credit in the next financial year, there will be more pressure on the SWF budget as it takes 5 weeks for a UC claim to be paid once a customer has applied, leaving them financially vulnerable for a significant period.
- 3.4 The fund has experienced demand in excess of that anticipated at the design phase. The council has changed its priority setting three times since the service began.
- October 7th 2013: the priority setting moved from 'High' to 'Medium', as demand for the fund initially was low;
 - April 1st 2014: the priority setting moved from 'Medium' to 'High', as demand was building significantly and needed to be contained;
 - November 3rd 2014: following the demand in August and September which exceeded any Council in Scotland, the priority setting moved from 'High' to 'High – Most Compelling' for Community Care Grants and will remain at 'High' for Crisis Grants. This will help manage the risk of the fund being exhausted before the end of the financial year.
- 3.5 As a result of the priority setting changes to the fund, this has restricted awards of certain furniture items in certain cases as these are not determined to make the difference between someone remaining in the community or being placed in care.

4. New staff structure - progress

- 4.1 The changing demand and continual improvements to service quality including the reconfiguration of the Civica Discretionary Awards module, improved workflows and the introduction of Paypoint have put the service under considerable pressure to maintain a high standard of service to applicants. The service continues to experience high call volumes and significant additional non crisis demand on the single telephone contact number 0300 555 0405, though call abandonment rates and waiting times have improved considerably since the addition of the CSA staff in December 2013.
- 4.2 Significant effort has been expended to continually review business processes to ensure that the service is operating as efficiently as possible. Ongoing changes to the IT system have been undertaken, including streamlining of the application process, additional functionality to allow for more effective reporting and reconciliation of the fund activities. The conclusion of this work resulted in changes to the SWF staffing structure as detailed in table 3 below.

Table 3

| Staffing | Cost |
|----------------------------------|-----------------|
| 1 x Service Manager NLC grade 14 | £52,553 |
| 2 x Team Leader @ NLC 8 | £65,066 |
| 16 x SWF Decision Makers @ NLC 6 | £384,330 |
| 4 x CSA's @ NLC 4 | £85,514 |
| TOTAL COSTS per year | £587,463 |

- 4.3 This structure agreed at the last committee (table 3) represents an increase of 3 decision makers, and the retention of 4 Customer Service Assistants who will be located in the Customer Contact Centre and will take all non Crisis related calls including general enquiries, progress chasing calls and requests for information from internal and external partners. The SWF team will become the referral hub for all food poverty/food crisis activity within North Lanarkshire from April 2015 to align with the council's Food Poverty and Insecurity Strategic Framework (2014).
- 4.4 The core decision making team will handle all crisis calls, decision making, holistic referrals, procurement and finance related activity as well as payment administration. The CSA staff will form part of a customer 'channel shift' from the 0300 telephone number which will allow Crisis applications to be made directly to the core team and shift additional demand to the contact centre for non crisis related activity. Decision making staff from the core team will then be able to handle all direct crisis calls and this will allow for speedier decision making for customers and further reduce the abandoned call rates for the service.
- 4.5 Proposed staffing arrangements in North Lanarkshire are in line with demand from applicants for grants and with that of other councils. North Lanarkshire has had the highest demand in Scotland of all local authorities for Crisis Grants during August, September and November. Glasgow City Council had the second highest demand yet has 35 decision making staff and more than double the budget in comparison to NLC's proposed 23 staff in total, of which 16 are decision makers.

5. SWF 2nd Tier Review

- 5.1 As outlined above, from April 2016 the responsibility for 2nd tier review hearings will transfer to the SPSO although the administration element of this function will remain with the council and will be carried out by the core decision making team. The current remaining 2nd Tier Review Officer post will require a contract extension until March 31st 2016 as a result of this change to the timeline for the SPSO to take over responsibility for these hearings.

6. Progress towards the Permanent Scheme and the creation of permanent posts

- 6.1 The Stage 1 report on the Welfare Funds (Scotland) Bill was published on the 8th of December 2014 following the initial scrutiny of the Bill. There were no major changes recommended to the Bill and there continues to be cross party support for Scottish Welfare Fund.
- 6.2 Current staff contracts were re-issued on a temporary basis until 31 March 2016 to reflect the extension of the interim scheme; However the council will have a statutory duty to provide the service when the bill is enacted during the first half of 2015. As the SWF progresses to a permanent statutory service it is now prudent to set contracts on a permanent footing. The majority of Councils have already made their staff contracts permanent already and with the Smith Commission recommendations to amend the Scotland Act (1998) to devolve further benefit provision to Scotland the rest of the councils are now doing the same. South Lanarkshire Council agreed the permanent contracts for staff in December 2014 with contracts being issued the week beginning 26th January 2015.
- 6.3 During 2015 there will be a public consultation on the SWF regulations and the Council will have an opportunity to contribute to that consultation. The Scottish Welfare Fund permanent scheme is subject to the following parliamentary timetable;

| | |
|---------------------------------|---------------|
| Introduced Bill | June 2014 |
| Stage 1 | November 2014 |
| Stage 2 | December 2014 |
| Stage 3 | January 2015 |
| Royal Assent – Duty on Councils | March 2015 |
| Regulations and Guidance | 2015 |
| Full Scheme 'go live' | April 2016 |

7. Corporate Considerations

- 7.1 Proposals contained within this report have been the subject of consultation with the Director of Finance and Customer Services, the Head of Human Resources and the appropriate Trade Union representatives.

8. Recommendations

- 8.1 It is recommended that the Committee:-
- Note the significant progress made to date;
 - Note demand and spend to date;
 - Approve the move from temporary to permanent posts;
 - Approve the extension of the temporary contract for the 2nd tier review officer post until 31st March 2016; and
 - Remit the report to the Policy & Resources (HR) sub committee.



Head of E-Government & Service Development (EGASD)

Members seeking further information on the contents of this report are asked to contact Irene McKelvey, on tel. 01698 302532 or Stephen Devine, Customer Contact Manger (SWF) on 01698 524816