

NORTH LANARKSHIRE COUNCIL

REPORT

To: POLICY & RESOURCES COMMITTEE		Subject: SCOTTISH WELFARE FUND UPDATE 2015/16
From: HEAD OF REVENUE & e-GOVERNMENT SOLUTIONS		
Date: 28 th April 2016	Ref: BD/SD	

1. Purpose of the Report

1.1 The purpose of this report is to:

- Provide background and performance detail on the Scottish Welfare Fund for the third year of operation.
- Provide an update on Scottish Government Funding from 2016/17 to 2018/19.
- Provide a comparison between North Lanarkshire and comparable Local Authorities in regard to administration funding.

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 was replaced by a statutory Welfare Fund from April 1st 2016 under the Welfare Funds (Scotland) Act 2015.
- 2.2 Programme funding for the scheme has remained unchanged from year one at £2,956,014 until March 31st 2016. Funding for SWF will change for each of the next three years as outlined in Section 4.
- 2.3 The third year of operations has seen a continued focus on improving systems and efficiency in the face of growing demand. The total number of applications to the fund has risen again in year three in comparison with years one and two.

3. Scottish Welfare Fund Performance in 2015/16

3.1 During 2015/16 North Lanarkshire SWF has made a total of 22,113 decisions on applications to the fund with 15,150 awards being made. The overall rate of award by the fund is 69%. It should be noted that although the rate of award is 1% down on the second year of the fund, this is within the threshold of variance that may be expected from year to year and is not a reflection of more strictly applied decision making. Spend for the fund is outlined in table 1 below:

Table 1

Month	Monthly Budget	Spend	% of monthly budget	Cumulative spend per month
Apr-15	£246,334	£224,545.65	91%	8%
May-15	£246,334	£234,317.40	95%	16%
Jun-15	£246,334	£247,493.87	100%	24%
Jul-15	£246,334	£233,242.93	95%	32%

Aug-15	£246,334	£237,409.09	96%	40%
Sep-15	£246,334	£271,854.13	110%	49%
Oct-15	£246,334	£220,400.93	89%	56%
Nov-15	£246,334	£265,602.24	108%	65%
Dec-15	£246,334	£196,938.09	80%	72%
Jan-16	£246,334	£257,790.81	105%	81%
Feb-16	£246,334	£344,105.97	140%	92%
Mar-16	£246,334	£342,834.46	139%	104%
Total Spend 2015-16	£2,956,008	£3,076,535.57	104%	

3.2 Table 2 below shows the increased number of decisions made by the service during 2015/16;

Table 2

	CCG Awards	Crisis Awards	Total Awards	Total Refusals	Total Decisions
Apr-15	265	924	1,189	691	1,880
May-15	315	881	1,196	535	1,731
Jun-15	210	1,023	1,233	724	1,957
Jul-15	264	970	1,234	586	1,820
Aug-15	301	964	1,265	543	1,808
Sep-15	366	913	1,279	534	1,813
Oct-15	245	933	1,178	489	1,667
Nov-15	222	962	1,184	524	1,708
Dec-15	197	903	1,100	508	1,608
Jan-16	202	1,120	1,322	571	1,893
Feb-16	288	1,262	1,550	574	2,124
Mar-16	343	1,077	1,420	684	2,104
Totals	3,218	11,932	15,150	6,936	22,113
	21.2%	78.8%			

3.3 The SWF team received and processed 12,039 e-mails to the SWF mailbox. The service also handled 38,961 incoming telephone calls during the year. Telephony performance has improved significantly since year one and two and the service has received no complaints this year about telephone or electronic access to the fund.

3.4 The Scottish Public Services Ombudsman has taken over responsibility for 2nd Tier Review hearings from 1st April 2016, however local authorities remain responsible for 1st tier reviews and the administration and preparation of cases for the 2nd Tier.

4. Scottish Government Funding for SWF

4.1 The Scottish Government has changed the funding arrangements for Scottish Welfare Fund for the three years 2016/17 through to 2018/19. Funding between 2013/14 to 2015/16 had been based on DWP's spend within the Discretionary Social Fund (the predecessor fund to SWF) for the year 2011/12.

4.2 The joint Scottish Government / CoSLA Settlement and Distribution Group has decided migrate to funding distribution using the Income Domain of the Scottish Index of Multiple Deprivation. Over the next few years distribution of the SWF allocation will be based on a combination of SWF spend figures and Income Domain to calculate the allocation of funding.

4.3 Income Domain is a measure of how many income deprived households exist within data zones in each local authority area, this is an approximation of the potential expected demand within LAs.

4.4 The new methodology for calculating funding was introduced on the 1st April 2016 as follows:

Year 1 – 2016/17 80% Spend to Date, 20% Income Domain (SIMD)
 Year 2 – 2017/18 59% Spend to Date and 50% Income Domain (SIMD)
 Year 3 – 2018/19 100% Income Domain (SIMD)

4.5 This change in methodology for funding distribution does not take account of actual demand for the service and has resulted in the following allocations year on year to North Lanarkshire:

Year	Prog. (£)	Admin. (£)	Total (£)
2013/14	2,956,014	423,360	3,379,374
2014/15	2,956,014	423,360	3,379,374
2015/16	2,956,014	423,360	3,379,374
2016/17	2,896,866	415,149	3,312,015
reduction	-2.0% -59,148	-1.9% -8,211	
2017/18	2,741,413	398,727	3,140,139
reduction	-5.4% -155,453	-4.0% -16,422	
2018/19	2,585,959	382,305	2,968,264
reduction	-5.7% -155,454	-4.1% -16,422	

Total funding loss between 2016/17 & 2018/19 £411,110

4.6 Administration funding does not reflect the number of applications which are required to be processed each year and has led to a significant variation between application demand and available administration funding. This has also created a marked difference between funding and demand for comparable local authorities as figures for 2014/15 (last available whole year figures) below show:

Local Authority	Application Numbers	Administration Funding	Average per Application
North Lanarkshire	22,073	£415,149	£19
Fife	13,428	£301,271	£22
South Lanarkshire	11,647	£298,986	£26
Glasgow City	33,272	£982,611	£30
Edinburgh City	10,503	£364,589	£35

5 Recommendations

5.1 It is recommended that the Committee note the report



Head of Revenue & e-Government Solutions

Members seeking further information on the contents of this report are asked to contact Brian Cook, on tel. 01698 403929