

EAST RENFREWSHIRE COUNCILCABINET14 February 2019Report by Deputy Chief ExecutiveScottish Welfare Fund Update**PURPOSE OF REPORT**

1. To seek the Cabinet's approval to use resources from the Welfare Reform contingency provision in order to meet a shortfall in Scottish Welfare Fund (SWF) resources for 2018/19, driven by higher than usual levels of customer demand.

**RECOMMENDATION**

2. It is recommended that Cabinet approves allocations up to £50,000 to be drawn down from Welfare Reform contingency resources for 2018/19, to cover a projected shortfall in Scottish Welfare Fund (SWF) funding.

**BACKGROUND**

3. The Scottish Welfare Fund (SWF) comprises of Community Care Grants, which help set people up to live independently, and Crisis Grants, which provide a safety net in a disaster or emergency. The SWF is part of the Scottish Government's effort to mitigate some of the impact of welfare reform on the country's most vulnerable residents.

4. There has been an ongoing demand for the SWF funds which has increased in recent months in part due to the Universal Credit (UC) full service go live in September 2018.

**REPORT**

5. SWF processes were strengthened during 2018/19 to ensure that national policy guidance was rigorously adhered to. This has led to a reduction in requests for review of decisions and a reduction in challenges made to the Scottish Public Services Ombudsman (SPSO).

6. Crisis Grant spend remains fairly consistent at around £2-3,000 a month, but Community Care Grants, which are generally more expensive, vary significantly and are often linked to supporting people to set up new homes/tenancies.

7. There are 2 primary reasons for increased demand to the SWF. The first is that UC is increasing the number of people who pass the Stage 1 low income assessment so more people are meeting the initial criteria for SWF success. The second reason is the emerging impact of new affordable housing developments and new builds by local Housing Associations. These have also had some impacts on SWF demand as eligible tenants can approach the Council for Community Care grants for essential items and furnishings, carpets etc. to get them set up in their new homes.

8. Between April and December 2018, there were 242 Community Care Grants, averaging £887 each and 344 Crisis Grants, averaging £74 each. This compares with full year figures of 287 and 366 respectively for 2017/18. SWF spend to end December 2018 was £240,000. Based on projections of increased demand to year-end, the expected shortfall for 2018/19 is currently £41,921. To allow for any unexpected demand, Cabinet approval is sought to draw down up to £50,000 additional from welfare contingency resources in 2018/19 in discussion with the Head of Accountancy.

## **FINANCE AND EFFICIENCY**

9. The Head of Accountancy has confirmed that the additional resources required to meet the shortfall in funding for the SWF of up to £50,000 can be met from the Welfare Reform contingency during 2018/19. The core revenue budget for SWF has been increased by £40,000 from 2019/20 and this will help mitigate any potential future shortfalls. We will however keep the situation under review and any further requirements for welfare contingency resources will be brought to Cabinet.

## **CONSULTATION AND PARTNERSHIP WORKING**

10. In devising this proposal, consultation has taken place with the Head of Accountancy. In addition, there is regular liaison with colleagues in the Money Advice and Rights Team (MART), Housing, Social Work and the local Citizens Advice Bureau (CAB), all of whom refer clients to the SWF.

## **IMPLICATIONS OF THE PROPOSAL**

11. There are no implications in relation to IT, legal, property, equalities or sustainability.

## **CONCLUSION**

12. The full impact of Welfare Reform is now being realised across Scotland. The Scottish Welfare Fund is becoming an increasingly important source of support for vulnerable individuals. We will continue to monitor demand carefully and work in close partnership with colleagues in MART and Housing, plus the local CAB to assess and mitigate hardship for local residents. The additional funding requested will have a beneficial impact in this regard.

## **RECOMMENDATION**

13. It is recommended that Cabinet approves allocations up to £50,000 to be drawn down from the Welfare Reform contingency for 2018/19, to cover the additional requirement for Scottish Welfare Fund (SWF).

Caroline Innes, Deputy Chief Executive  
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**KEY WORDS**

Welfare reform, Scottish Welfare Fund, Universal Credit

**BACKGROUND PAPERS**

- Universal Credit Implementation, Cabinet 21 June 2018
- Scottish Welfare Fund Statutory Guidance, June 2018
- SPSO's Annual Report on the Scottish Welfare Fund Independent Review Service 2017/18 and 2016/17
- Support for East Renfrewshire Citizens Advice Bureau, Cabinet 15 March 2018
- Welfare Reform Contingency Fund and Update on Welfare Reform, Cabinet 15 June 2016

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