

WELFARE FUNDS (SCOTLAND) ACT 2015

EXPLANATORY NOTES

SUMMARY AND BACKGROUND

3. The Act makes provision for the establishment of welfare funds which will be maintained by local authorities and will be established to reflect the amendment of Schedule 5 to the Scotland Act 1998 made by the [Scotland Act 1998 \(Modification of Schedule 5\) \(No. 2\) Order 2013: SI 2013/192](#). The Act is comprised of fifteen sections. It confers duties on local authorities to maintain and administer welfare funds in particular fashions. It confers powers on the Scottish Ministers to make regulations, and publish guidance which will set out how welfare funds should be administered. It requires local authorities to review their decisions on provision of assistance under welfare funds if an applicant for assistance requests a review. It also requires the Scottish Public Services Ombudsman (SPSO) to carry out second tier reviews, on request, in relation to local authority decisions on provision of assistance under welfare funds.
4. The detail of how welfare funds will be administered is not set out in the Act. However, the intention is that the package of the Act, associated regulations and guidance which the Scottish Ministers intend to make, will set out in legislation arrangements that have been in place on an interim basis since April 2013. Those interim arrangements are known as the Scottish Welfare Fund (SWF) and are based on a voluntary agreement between the Scottish Ministers and the Leaders of the Convention of Scottish Local Authorities (COSLA). The intention is that the legislative package will allow for these arrangements to continue, notwithstanding a change in how second tier reviews will be undertaken. A summary of the interim scheme is provided in paragraphs 6 to 10.

Summary of the interim Scottish Welfare Fund

5. The interim SWF aims to—
 - provide a safety net in an emergency when there is an immediate threat to health and safety through the provision of a non-repayable grant which is known as a Crisis Grant (CG); and
 - enable people to live independently, or to continue to live independently, preventing the need for institutional care, through the provision of a non-repayable grant which is known as a Community Care Grant (CCG). This includes providing assistance to families facing exceptional pressures. For example where there has been a breakdown in family relationships, perhaps involving domestic violence, which is resulting in a move.
6. CGs are awarded to meet expenses that have arisen as a result of an emergency or disaster in order to avoid serious damage or serious risk to the health or safety of the applicant or their family.
7. CCGs are awarded to—

*These notes relate to the Welfare Funds (Scotland) Act
2015 (asp 5) which received Royal Assent on 8 April 2015*

- help people establish themselves in the community following a period of care where circumstances indicate that there is a risk of the person not being able to live independently without this help;
 - help people remain in the community rather than going into care where circumstances indicate that there is a risk of the person not being able to live independently without this help;
 - help people set up home in the community, as part of a planned resettlement programme, following an unsettled way of life;
 - help families facing exceptional pressures, such as the breakdown of a relationship, or repair and replacement of items damaged by behavioural problems within the family; and
 - help people to care for a prisoner or young offender who is living with them on release on temporary licence.
8. The interim SWF is aimed at supporting people on low incomes. Some of the main users of the interim SWF are—
- disabled people
 - lone parents
 - unemployed people
 - older people
 - care leavers
 - homeless people
 - ex-offenders
 - carers.
9. The interim SWF operates on a discretionary, budget-limited basis, with applications being prioritised according to need. Local authorities are expected to manage expenditure in such a way as to ensure effective budgetary management of funds over the financial year. They are able to supplement funding from the Scottish Ministers, but are not obliged to do so. The intention is for the funds to link to other local services and provide a better service to vulnerable members of the local community. The most common services that applicants are signposted or referred to are advocacy, welfare rights, housing and money or debt management.
10. The interim SWF was designed to take advantage of local delivery, while maintaining a national character. The Scottish Government has sought to standardise the decision making and notification process for the interim SWF by providing comprehensive guidance, a standard application form, a guide for decision makers and model documentation. In addition to this a national training programme and funding for a dedicated Development Officer, based in COSLA, in order to promote consistency and support implementation has been provided by the Scottish Government. However, local authorities have full discretion over local arrangements for delivery i.e. the arrangements for taking and processing applications and the arrangements for paying grants or fulfilling them by other means. This allows local authorities to align the SWF with other relevant services, make effective links with local organisations and to ensure that their delivery meets local needs, for example in terms of geography.