

Poverty

Devolution of Community Care Grants and Crisis Loans: Analysis of consultation responses

Cathy Sharp, Anne Birch and Dawn Griesbach
Research for Real

The Scottish Government sought views through a consultation paper on how Community Care Grants and Crisis Loans, two discretionary elements of the Social Fund, might operate in Scotland when funding transfers from the Department for Work and Pensions (DWP) to the Scottish Government in April 2013. Fifty responses were received; these were self-selected, rather than representative of views across Scotland. The data was largely qualitative and the report highlights the nature of the responses and the themes that emerged across responses.

Main Findings

- Respondents welcomed the devolution of the Social Fund as an opportunity for the Scottish Government to remedy the deficiencies and complexities of the existing system and to secure better integration with other aspects of welfare and public policy in Scotland. More information was sought about the parameters of the future system and there were caveats in relation to funding and financial risk, eligibility, the interface with forthcoming welfare benefit changes, equalities issues and accessibility.
- Respondents gave a qualified endorsement of the proposal for a single grant fund, combining the current systems of grants and loans.
- Overall, where a preference was expressed, it was for local delivery, particularly by local authorities; they were the most widely proposed organisations to take on successor arrangements. Preference for central delivery came almost entirely from the third sector. However, respondents also saw scope for taking the best elements of both central and local delivery approaches.
- Respondents felt a blend of delivery channels would best support a client-focused approach, able to meet a variety of needs, by providing a tailored service to assist the most vulnerable, to promote accessibility of the service and give choice.
- Responses indicated that eligibility and prioritisation should be based on individual need and the immediacy and extent of any threat to health and wellbeing, rather than on particular groups or events. Respondents felt that eligibility definitions should be provided as guidance rather than being prescriptive.
- The provision of both grants *and* goods was well received and other *non-compulsory* support, such as budgeting advice, was endorsed.
- The successor arrangements were seen to offer an opportunity to establish an effective appeals system as well as reducing the volume of appeals.

Background

The devolved administration in Scotland has responsibility for establishing successor arrangements for two elements of the discretionary Social Fund — Community Care Grants and Crisis Loans. These findings detail the views of respondents to a consultation about how these aspects of the Fund might operate in Scotland when funding transfers from the Department for Work and Pensions (DWP) to the Scottish Government in April 2013. The results will inform Ministerial decisions for successor arrangements.

The Scottish Government consultation paper, published in August 2011 sought views on the successor arrangements including: the potential format of funding and balance of grants, loans and goods, different ways to deliver support (centrally or locally); delivery channels, eligibility criteria and how appeals should be organised. The paper made it clear that the devolved funding should continue to address similar needs to those of the current system, administered by Jobcentre Plus.

Overview of responses

The consultation attracted 50 responses, most of which were from organisations, with four individual responses from people with professional experience of the issues. Twenty-nine responses were from third sector organisations, 13 from local authorities and 4 from other public sector organisations, including the current Social Fund Commissioner. There were submissions from several third sector umbrella groups in the areas of poverty, advice and disability. There were no direct responses from black and minority ethnic organisations or from those working with the elderly. Responses included feedback from agency-run workshops and were largely based on direct service user and practitioner experience.

The consultation process invited anyone who wished to respond to do so; as such, the responses are not based on a representative sample. The data was largely qualitative and the report highlights the nature of the responses and the themes that emerged across responses. No attempt has been made to identify an overall consensus.

General views on the successor arrangements

Respondents welcomed the devolution of the Social Fund as an opportunity for the Scottish Government

to remedy the deficiencies and complexities of the existing system and to secure better integration with other aspects of welfare and public policy in Scotland. It was seen as an important step in tackling the way in which the current welfare system undermines other aspects of Scottish Government policy. However, further information and clarification on the level of funding to be available were widely requested to inform judgements about the best way to deliver the service.

Qualified endorsement for a single grant fund

There was qualified endorsement of the proposal that the successor arrangements should operate a single grant fund. This was seen to offer financial benefits, both to applicants and organisations, by reducing complexity, improving effectiveness, lowering delivery and administration costs and maximising available resources. This approach was also seen to fit well with other key Scottish Government policies.

Those that did not clearly endorse the option of a single grant fund saw benefits in running a system of *both* grants *and* loans. The key advantage of loans was in recycling funds back into the system.

Access to low interest loans

A major concern was that successor arrangements should address the current lack of affordable credit, which causes applicants to turn to high-cost and risky options for borrowing. Respondents called for a Scotland-wide approach to support the development of affordable credit.

Delivery arrangements

The best of local *and* central channels

About a third of respondents gave no clear view on this aspect of the successor arrangements. However, central or local delivery were not always seen as mutually exclusive options.

Overall where a view was given, the option of local delivery was preferred, particularly by local authorities, none of whom clearly supported central delivery. Local delivery was seen to offer less scope for economies of scale, but better value for money by achieving a client-focused outcome. Whilst local delivery might best ensure a more client-focused service, this goal was seen to be inextricably linked to the issue of adequacy of funding and the need for clarity about where these costs will fall.

Local authorities were most widely proposed to take on the successor arrangements at the local level.

A number of issues of implementation for local authorities were highlighted.

Twelve respondents favoured central delivery. These were largely third sector organisations. Central delivery was seen as a more cost-efficient and fairer model, allowing greater funds to be available to meet need and avoid a 'postcode lottery'. There was an expectation that even within a centralised system, a number of local authority services and other support providers would still be involved.

Client-focused delivery

Whether under a central or local system, a blend of delivery channels was seen to best ensure a tailored service to assist the most vulnerable, to promote accessibility of the service, to give choice and to meet a variety of needs. Having a range of ways in which to access the Fund was seen as particularly essential for people with disabilities including sensory impairments, learning difficulties and mental health problems. Face-to-face contact was felt to be vital for ensuring equity of access, improving the quality of customer service and decision-making.

A local service was often cited as a potential gateway to a wider range of services and support and offering the prospect of a more holistic and tailored response to needs.

Eligibility: focus on needs

Respondents challenged the idea that either groups or events should be the focus of eligibility. Eligibility and prioritisation should be based on individual need and the immediacy and extent of any threat to the individual and their families' health and wellbeing. Any definitions should be seen as providing guidance rather than being prescriptive. Respondents generally agreed with a focus on early intervention, as long as this did not prevent assistance to those in greatest need.

Despite these caveats, respondents did name groups or events that they felt should be the focus of the successor arrangements and a number of life events that households on a low income or in persistent poverty would struggle to manage.

Offer both goods and grants plus optional other support

Respondents broadly supported the option of offering both goods and grants to enable individual circumstances to be addressed, while giving people choice and offering flexibility.

Grants

The advantage of grants was that they enable personal choice, which helps to empower individuals and promote financial capability. The provision of grants would also support local economies.

Goods

The provision of goods would provide the potential for savings through bulk purchasing and through avoiding the inappropriate spending of cash payments. Alternatives to goods-only provision would be to offer vouchers or a supervised-spend system. The main disadvantage of providing goods was that it limited individual choice and personal responsibility.

The types of goods that should be provided included a range of white goods, furniture and other household items seen as essential to furnish a home. Respondents argued that goods provision should be flexible to meet the specific needs of individuals with disabilities.

Optional support and advice

Respondents were generally in favour of offering other types of support (such as budgeting advice) with the strong caveat that such support should not be compulsory.

Appeals, monitoring and audit

Processes, representation and resources

Respondents felt the successor arrangements offered an opportunity to establish an independent, quick and timely, fully accessible and transparent appeals system. By getting it right at the application stage, the volume of appeals could be substantially reduced.

Access to independent representation or advocacy was seen to be an important part of an appeals process in supporting access to justice and directly affecting the outcome of appeals. The appeals system also needs to be adequately resourced.

Independent review and appeals

There was a general call for provision for independent review under the successor arrangements.

Audit, evaluation and review

Respondents also felt there was a need for transparent scrutiny of appeals processes, including the level of appeals, reasons for appeal and monitoring of trends in decisions.

Other issues and next steps

Respondents raised a number of issues to be addressed.

- A number of practical issues regarding implementation were raised in order to have a fully-operational grant system in place across Scotland by 1 April 2013. Parallel other major welfare reforms will need to be taken into account, particularly the introduction of Universal Credit. There will need to be clarification with DWP about how the devolved Social Fund's decision-making apparatus will interact with those of DWP and how working arrangements can be improved.
- The future name of the new scheme requires careful consideration by the Scottish Government to avoid the stigma of the Social Fund and improve low take-up rates by some groups.
- Local authority and other statutory public sector respondents, in particular, felt that the consultation document did not provide sufficient information to enable fully informed responses. They sought further consultation to understand how the devolved fund would work in practice, including the impact on specific equalities groups.

Some respondents expressed a willingness to be involved further in working groups to review any draft regulations or proposals and requested that any working parties should include representatives of front-line staff working with relevant client groups.

Evidence and limitations

Submitted evidence on the operation of the current system has been used to illustrate issues throughout the report. The Social Fund Commissioner submitted a substantial annex based on an analysis of data from the Independent Review Service (IRS) casework in Scotland ¹.

No direct responses came from people who identified themselves as having personal experience of poverty or as applicants to the Social Fund. However, the majority of responses made reference to the views and experiences of staff or service users applying to the Social Fund, including accounts from service users and casework experience. Responses were received from organisations that represent a number of equalities groups and from broad-based umbrella groups or alliances. However, there were no direct responses from black and minority ethnic organisations or those who work with the elderly. Moreover, there was little commentary provided from an NHS perspective.

¹Independent Review Service, *Experiences of Social Fund customers living in Scotland* October 2011
<http://www.irs-review.org.uk/infocent/reports/sfc/ExSF.pdf>

This document, along with full research report of the project, and further information about social and policy research commissioned and published on behalf of the Scottish Government, can be viewed on the Internet at: <http://www.scotland.gov.uk/socialresearch>. If you have any further queries about social research, please contact us at socialresearch@scotland.gsi.gov.uk or on 0131-244 7560.