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

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DEVOLUTION OF COMMUNITY CARE GRANTS AND CRISIS LOANS: ANALYSIS OF CONSULTATION RESPONSES

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Research for Real

Scottish Government Social Research
2012

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Executive Summary

Background to the consultation

1. This report details the views of respondents to a consultation about 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. The consultation paper on the successor arrangements was published in August 2011 by the Scottish Government. The consultation paper made it clear that the devolved funding should continue to address similar needs to those of the present system, currently administered by Jobcentre Plus.

Responses to the consultation

2. There were a total of 50 responses: these were self-selected, rather than representative of views across Scotland. Forty-six responses were from organisations, with 4 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 Social Fund Commissioner. Amongst the third sector respondents, almost two-thirds were organisations with a national remit and a third were more locally focused. Third sector responses include social enterprises.

3. Responses were received from organisations that represent a number of equalities groups and from broad-based umbrella groups or alliances. However, no direct responses came from black and minority ethnic organisations or from those working with the elderly. Moreover, there was little commentary provided from a health service perspective.

General views on the successor arrangements

4. 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.

A need for more information and concerns about funding

5. There was a common desire to have more information about the parameters of the future system and a number of caveats in relation to the level of funding, eligibility criteria, the balance of demand and supply, ring-fencing of funds, financial risk to local authorities and the interface with forthcoming welfare benefit changes. Respondents wanted more clarity about how the successor arrangements will address the needs of people with protected characteristics under the Equality Act.

Qualified endorsement for a single grant fund

6. Respondents gave a qualified endorsement of the proposal for 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 as fitting well with other key Scottish Government policies.

7. 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

8. A major concern was that successor arrangements should address the current lack of affordable credit, resulting in applicants being forced to turn to high-cost and risky options for borrowing.

Scope for both: preferred delivery arrangements and channels

9. Overall, where a preference was expressed, it was for local delivery, particularly by local authorities and 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.

Retain a client focus: delivery channels

10. 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.

Eligibility: focus on needs

11. 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.

Offer both grants and goods

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

Provide optional support and advice

13. 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.

Ensure effective appeals

14. The successor arrangements were seen to offer 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.

Other views on the succession arrangements

15. 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 at the same time as other major welfare reforms. There is a need for further consultation to understand how the devolved fund would work in practice, in particular how it might impact on specific equalities groups.

1   Background and consultation approach

Devolution of Community Care Grants and Crisis Loans

1.1   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. This report details 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.

1.2   The Social Fund was established in the late 1980's as part of a wider set of changes to the UK social security system and built on previous schemes to make payments to meet exceptional and one-off needs for people on low incomes. The Social Fund is a UK-wide scheme, administered by Jobcentre Plus. It provides support to meet unexpected expenditure that cannot be met from other benefit payments. There are two parts: the regulated Fund and the discretionary Fund. The regulated Fund includes Sure Start maternity grants, cold weather payments and funeral payments, for which certain groups have an entitlement. The discretionary Social Fund has three elements for which there is no entitlement to support as of right.[1] These are:

- **Community Care Grants** which are payable to vulnerable individuals who are leaving, or at risk of entering care, and families experiencing exceptional pressures.
- **Crisis Loans** are intended for people who need money quickly because of expenses in an emergency or disaster.
- **Budgeting Loans** are interest-free loans for people who are on benefits to cover expenditure on essential items such as furniture, clothing and footwear.

1.3   An annual report published by DWP for 2010/11 showed Scottish applications and awards for these three elements of the Social Fund.[2] In this one-year period, there were:

- 440,000 applications and 344,300 awards for Crisis Loans, totalling £29m
- 80,400 applications and 34,400 awards for Community Care Grants, totalling £20.8m.
- 176,200 applications and 126,900 awards for Budgeting Loans, totalling £48.5m.[3]

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[1] Budgeting loans are to be incorporated into the new Universal Credit and Sure Start maternity grants, funeral payments, winter fuel payments and cold weather payments are not to be devolved.

[2] Department for Works and Pensions (DWP) (2011) *Annual report by the Secretary of State for Works and Pensions on the Social Fund 2010/2011.* July. http://www.dwp.gov.uk/docs/2011-annual-report-social-fund.pdf. See page 24.

[3] All figures have been rounded to the nearest 100. The figures given here for the number of awards do not include awards made after review (upon appeal). However, the expenditure does include awards made after review, reconsideration or appeal.

1.4	The *Commission on Scottish Devolution* (Calman Commission) recommended that as part of future reform of the Social Fund, the UK Government should consider devolving the three discretionary elements of the Social Fund to the Scottish Parliament.[4] In a White Paper published in November 2009, the UK Government agreed to consider how discretionary payments might be devolved.

1.5	A consultation by DWP in 2010 sought views on a package of reforms designed to address some of the limitations of the scheme for England, Wales and Scotland. These limitations were seen to be: a focus on short-term needs rather than tackling underlying problems or actively addressing the need for personal financial management; the complexity and uncertainty of eligibility and payment arrangements; and poor value for public money.[5] This consultation made the less far-reaching proposal that only the power to make Community Care Grants (just one of three elements of the discretionary Social Fund) should be devolved to Scotland. The responses to that consultation were not published.

1.6	The current UK Government took office in May 2010. A subsequent White Paper in December 2010 set out plans to reform the Social Fund.[6] Under these proposals, the current system of discretionary payments will be abolished and a new locally-based provision will replace Community Care Grants and Crisis Loans for general living expenses. In addition, a new nationally-administered advance of benefits facility will replace budgeting loans and alignment crisis loans.[7] In England, funding for the locally-based service will be transferred to local authorities. It is intended that Community Care Grants and Crisis Loans will be withdrawn as the new locally-based service is implemented under the devolved arrangements in April 2013.

1.7	In February 2011, DWP and the Department for Communities and Local Government published a joint call for evidence, *Local Support to replace Community Care Grants and Crisis Loans for living expenses,* on how the service might be delivered in England. This invited individuals and organisations to share their experiences and views on how local authorities might develop new local services to replace community care grants and crisis loans. The discussion paper noted that the UK Government does not expect English local authorities to re-create the existing system of community care grants and crisis loans. They are expected to develop a local system to reflect the needs of their community and build on programmes and services that are already in place, such as the Supporting People programme. It also suggested that local authorities might wish to use or further develop existing partnership arrangements, or to establish new partnerships, for example, with furniture re-use projects or food banks.

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[4] Commission on Scottish Devolution (2009) *Serving Scotland Better: Scotland and the United Kingdom in the 21st Century,* June. http://www.commissiononscottishdevolution.org.uk/uploads/2009-06-12-csd-final-report-2009fbookmarked.pdf

[5] Department for Work and Pensions (2010) *Social Fund reform: debt, credit and low income households,* March. http://www.dwp.gov.uk/consultations/2010/social-fund-reform/

[6] Department for Work and Pensions (2010) *Universal Credit: welfare that works*, December. http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/.

[7] These are made to claimants with immediate needs while awaiting payment of their benefit award.

1.8   Meanwhile, following the recommendations of the Calman Commission, the Scottish Government undertook a literature review in 2010 to examine what was known about the operation of the Social Fund, how it could be more fully aligned to Scottish Government priorities and the potential consequences of devolved responsibility.[8]

1.9   Amongst the main findings, the literature review highlighted criticism of the way in which the Social Fund was administered. The accessibility of the application process for some users was a particular concern. Approximately one-third of all initial applications were unsuccessful largely due to applicants failing to meet the eligibility criteria; however, many of these decisions were revised on appeal, which may be indicative of poor decision-making at the earlier stages. There were also found to be difficulties with the repayment of Social Fund loans, resulting in further debt and increased financial hardship among loan recipients.

1.10   The literature review also found that Community Care Grants were mostly used by lone parents and disabled people, whilst unemployed people accounted for the largest share of Crisis Loans. Low take-up was evident amongst older people. In relation to the benefits of the Social Fund, the research found that the fund often had a significant impact on people's personal situation, allowing them to purchase essentials, pay bills and improve their homes. The review also found a lack of evidence on the use of the Social Fund in Scotland.

1.11   Devolution of the Social Fund is part of a wider UK package of welfare reform that is likely to have major impacts on the people, services and economy of Scotland. Reassessments and loss of entitlements to a range of other benefits including sickness benefit, disability benefits and housing benefit will mean that the Social Fund may come under more pressure than ever before. There are also likely to be additional demands on public and voluntary services, which are already facing acute financial pressures.

Consultation on successor arrangements in Scotland

1.12   The consultation paper on the successor arrangements was published in August 2011 by the Scottish Government. In seeking views, the consultation paper made it clear that the devolved funding should continue to address similar needs to those of the current system, administered by Jobcentre Plus.[9]

1.13   The paper sought views on different ways to deliver support and how appeals should be organised. There was particular interest in whether:

- The successor arrangements should combine the current systems of grants and loans into one grant fund

- There should a centralised or local delivery system, and if local, which organisations might deliver a locally based scheme

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[8] Scottish Government (2010) *The Social Fund: a review of selected literature*, Research Findings, No 5, December. http://scotland.gov.uk/Publications/2010/12/22083549/2.

[9] Scottish Government (2011) *Devolution of Community Care Grants and Crisis Loans: Consultation on Successor Arrangements*. August. http://www.scotland.gov.uk/Publications/2011/07/29104056/9.

- Eligibility for the scheme should be re-focused

- Goods might be provided rather than grants, for example, through furniture recycling or government procurement

- Other support or advice might be provided, such as budgeting and encouraging savings.

The consultation process

1.14 All organisations and individuals with an interest were invited to respond over a 12-week consultation period, closing at the end of October 2011. An online consultation questionnaire with 13 questions was provided.[10] The launch of the consultation was notified directly to those on the Scottish Government's standard distribution lists for consultations and to the policy team's stakeholders. These lists include MSPs, local government, the health service and equalities organisations. It was also included in the Employability and Tackling Poverty Learning Network e-bulletin and several stakeholders included information on the consultation in e-bulletins to their networks.

1.15 A small number of stakeholder events were arranged during the consultation period. These were facilitated by key non-Government organisations and drew on the views of people with direct experience of the current system. The findings from these events have been submitted as organisational responses. In addition, some organisations conducted specific research activities, such as focus groups or consultation events and some cited others' reports as evidence.

1.16 The majority of responses were reported to be based on direct experience of applications to the Social Fund and made reference to the views and experiences of staff or service users. There were a number of brief individual case studies with offers to provide further material on request.

Analysis of consultation responses

1.17 There were a total of 50 responses.[11] Table 1.1 shows that 46 responses were from organisations, with 4 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 Social Fund Commissioner. Amongst the third sector respondents, almost two-thirds were organisations with a national remit and a third were more locally focused. Third sector responses include those from social enterprises.

1.18 Whilst there were responses from organisations that represent a number of equalities groups and from umbrella groups or alliances with a broad membership, there were no direct responses from black and minority ethnic organisations or from those working with the elderly. The main gaps were in relation to direct commentary on how the successor arrangements may impact

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[10] http://www.scotland.gov.uk/Publications/2011/07/29104056/9.

[11] Note that the DWP/DCLG consultation for England in Feb-April 2011 received 125 responses.

on black and minority ethnic communities, and to a lesser extent, the elderly. There was also little commentary from a health service perspective.[12]

Table 1.1: Consultation responses by type

Respondent type	No. of responses
Third sector	29
Local authority*	13
Other public sector	3
Individuals	4
Social Fund Commissioner	1
Total	**50**

* 12 individual local authorities responded.

1.19   The consultation process invited anyone who wished to respond to do so; as such, the responses are not based on a representative sample and no attempt has been made to identify an overall consensus. The data was largely qualitative and the report highlights the nature of the responses and the themes that emerged across responses, including whether responses supported or challenged the underlying premises of the consultation document and where people have not answered the question.

1.20   All respondents are listed in Appendix 1; their full responses are also available on the Scottish Government website where permission has been given.[13] The consultation response document is included in Appendix 2. Further details of the approach to the analysis of consultation responses are included in Appendix 3.

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[12] Respondents did not always make a clear distinction between Community Care Grants and Crisis Loans. Wherever the distinction was made it has been reported.

[13] www.scotland.gov.uk

2   Grants versus Loans

2.1   The consultation paper expressed a clear view from the Scottish Government that the successor arrangements should combine the current systems of grants and loans into one grant fund. This view was based on the evidence that providing loans to those on very low incomes simply increases their problems and results in further debt. Whilst loans provide monies for recycling to other claimants, this currently operates through deduction from benefits at source by DWP. This option would not be available to new delivery partners under the successor arrangements and a considerable new infrastructure for the recovery of loans would have to be implemented to support a loans scheme. This would be costly and challenging to deliver by the timescale of 2013.

2.2   The consultation paper asked for submission of any evidence on the operation of the current system that would be relevant to the consideration of the successor arrangements. These comments are discussed below before going on to present respondents' views on the successor arrangements.

Evidence from Independent Review Service cases in Scotland, 2010-11

2.3   The Social Fund Commissioner submitted a substantial annex which provided an analysis of data from the Independent Review Service (IRS) casework in Scotland.[14,15] Altogether, in 2010-11, the IRS dealt with 6,645 cases from people in Scotland. The evidence that was submitted focused on 251 applications for independent review which were submitted in a one-month period (March 2011).

2.4   The IRS evidence showed that almost half of the 251 applications for independent review included an adult with a mental health condition; a similar proportion included an adult with a physical health condition and about a quarter included an adult with both a mental and physical health condition. Applications also included a small number of cases of children with mental or physical health conditions.

2.5   A significant number of the 251 review applicants saw a healthcare professional regularly. About a fifth had some form of third-party support from people or organisations such as Citizen's Advice, welfare rights organisations, law centres, debt advice services, housing organisations, rehabilitation workers and probation officers. About one in seven review applicants had a representative working on their behalf to help them deal with their review. This was either a family member or friend, or a third party such as Citizens Advice or NACRO.

2.6   The average amount requested by review applicants in this one-month period was £1,113.89. This covered a range from £30 to £9,847.99. The median figure was £805.

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[14] The Social Fund Commissioner's statutory duties and powers are set out in primary legislation at section 37 of the Social Security Act 1998 and include appointing Social Fund Inspectors and other staff; arranging training; monitoring the quality of Inspectors' decisions; providing advice and assistance to improve standards; and reporting annually to the Secretary of State for Work and Pensions.

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

2.7   Over eight in ten of the 251 cases examined by the Independent Review Service already had an existing Social Fund debt, either budgeting or crisis loans. Of those with loan debt:

- Eighty-four applicants owed more than £1,000.
- The average combined budgeting and crisis loan debt was £706.23, which was repayable at an average repayment rate of 12.24% of a household's income. Amongst the 85 family units, the average Social Fund debt increased to £1,000.83.

Respondents' views about the problems with the existing scheme

2.8   In commenting on the overall system, respondents consistently made a link between the need for the Social Fund and the current low level of welfare benefits which do not cover the basic costs of living, rather than people's inability to manage their finances. Delays in processing benefits payments also give rise to the need for crisis loans.

2.9   Access to credit or grants from the Social Fund was described as '*a vital lifeline for vulnerable people'* as people living in poverty have few other options available to them. They might otherwise turn to lenders who charge extremely high rates of interest. This can compound existing debt problems, and can lead to eviction and homelessness.

2.10 Some of the vulnerable groups reported to be using the Fund were:

- Young people, aged 16-25, experiencing or at risk of homelessness
- People leaving long-stay hospitals, residential care homes or schools and those living in pressured family circumstances
- Social housing tenants (of any age)
- Lone parents on low incomes
- People who are already in debt or who are otherwise financially excluded
- Individuals with mental health problems (including mental illness, personality disorder, learning disability and dementia).

2.11 Young people experiencing, or at risk of homelessness, were said to be *'reliant'* on Community Care Grants to purchase furniture and other items for new tenancies. From an organisational perspective, such grants were seen as *'a vital tool in increasing tenancy sustainment'.* Single parents on low incomes were reported to need credit to pay for basic necessities such as household appliances, clothing, and furniture, and to pay bills.

2.12 An agency that provides support to people with complex needs noted a declining success rate for Community Care Grants over the past few years, despite applications being completed by professionals on behalf of their clients.

2.13 Many of the identified problems with the current system corroborated the evidence from the literature view discussed in Section 1. Such problems, which can have a substantial impact on Social Fund applicants, include:

- A lack of clarity about which element of the Social Fund is most appropriate for different needs and wide variation in amounts awarded between grants and loans
- Problems of access and getting through on the telephone
- A failure to treat claimants with dignity and respect
- Lengthy waits for decisions and payments, particularly for Community Care Grants causing further personal and financial hardship
- A large and increasing number of rejections, many of which were successful on appeal
- Insufficient resources and reducing levels of awards
- No safeguarding mechanism to ensure the money is spent appropriately, particularly by vulnerable young people.

2.14 For example, the evidence showed that delays in decision-making and payment of Community Care Grants can cause serious difficulties for young people and formerly homeless people moving into new tenancies. Delays create a risk of accumulating rent arrears for accommodation that people cannot live in because it is unfurnished. Housing Benefit regulations mean that most people are not entitled to help with their rent until they physically move into a property. As a result, a significant proportion of new tenants start their tenancy in rent arrears due to delays in the Community Care Grant system. Delays also create bottlenecks in the temporary accommodation system, as people will not leave temporary accommodation until they are in receipt of a grant.

2.15 Given these difficulties with the existing system, devolution of the Social Fund was seen as an opportunity for the Scottish Government to remedy these issues and secure better integration with other aspects of welfare and public policy.

> *"With the proposed devolution of parts of the Social Fund, the Scottish Government has an important opportunity to tackle both the shortfalls in the current system for claimants and the way in which the current welfare system undermines other aspects of Scottish Government policy."* (Third sector)

2.16 Respondents commented that these existing difficulties and the consequent opportunities for the successor arrangements will have to be tackled in the broader context of forthcoming UK-wide changes in the welfare system. There is a need to consider how these different elements will interact and what their potential impacts will be on the wellbeing and welfare of vulnerable people in Scotland.

A single grant fund

2.17 Twenty-nine respondents agreed that the successor arrangements should operate as a single grant fund. Table 2.1 shows the pattern of responses by respondent type. A significant number of respondents gave no direct response to this question and expressed uncertainty about the merits of a single grant fund or generally felt that they did not have sufficient information about the parameters of the future system to voice a preference.

Table 2.1: Do you agree the successor arrangements should operate a single grant fund?

Respondent type	Yes	No	Don't know	No Data	Total
Third sector	17	4	7	1	29
Local authority	8	4	—	1	13
Other public sector	1	—	1	1	3
Individual	3	1	—	—	4
Social Fund Commissioner	—	—	—	1	1
Total	**29**	**9**	**8**	**4**	**50**

The advantages of grants

2.18   Respondents saw a number of advantages of offering a single grant fund, in terms of:

- *Simplicity:* A single scheme would reduce confusion, both among applicants and the people supporting them, about which scheme to apply for.

- *Effectiveness:* Grants would reduce financial pressures on claimants by avoiding the need to repay loans from benefits, with consequent increased debt and stress.

- *Ease of administration and lower costs:* A grant scheme would be easier to administer and reduce decision-making time. Loan recovery would have high initial and ongoing administration costs. A standardised grant system would be cheaper to set up and administer and a higher proportion of the budget could be used to directly benefit those in need.

2.19   Those supporting the single grant scheme thought that it fitted well with other key Scottish Government strategy documents, for example, *Achieving our Potential*[16] and the *Child Poverty Strategy for Scotland*[17] with their focus on maximising household incomes and protecting people from poverty. There was more limited reference to the fit with the policy principle of early intervention, but a desire to ensure that this did not detract from the need for a safety net for times of crisis.

2.20   Some respondents in favour of a single grant fund nevertheless pointed out that there is a risk that the fund could be exhausted quickly in the current economic climate unless clear and strict eligibility criteria were set for its use. In particular, those local authorities that supported a single grant fund were concerned that potential changes in the number of applicants could give rise to a situation whereby the demand for grants would legitimately exceed supply:

> *"Although the Council has responded by saying yes to this question there are caveats attached. The amount of non-repayable community care grants and repayable crisis loans under the current Social Fund*

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[16] Scottish Government (2008) *Achieving our potential. A framework to tackle poverty and income inequality in Scotland.* November. http://scotland.gov.uk/Publications/2008/11/20103815/6
[17] Scottish Government (2011) *Child poverty strategy for Scotland.* March. http://scotland.gov.uk/Publications/2011/03/14094421/6

> *system for [our] residents is unknown. The current economic climate*
> *may increase the demand beyond the funding levels available and*
> *therefore there may be a financial risk to the Council."* (Local Authority)

2.21   Local authorities were also concerned about any continuation of a loan element and potential financial risk to councils in terms of administration costs.

2.22   In addition, as noted above in section 2.3, evidence was provided by the Independent Review Service, that showed high levels of existing Social Fund (loan) debt among review applicants.

2.23   A single grant fund was seen as making budgetary sense with the potential to be managed more efficiently and to create more impact for the vulnerable people of Scotland. However, it was also this aspect that was seen as most challenging: respondents wanted a fund which was adequately resourced to meet greater needs, ring-fenced, demand-led and not fixed in size.

2.24   Respondents expressed concern that a potential pitfall of a single grant fund might be that eligibility criteria would be higher and more tightly targeted to those deemed most in need. This was seen to contradict current policy thinking on preventative spending, emphasised as crucial by the Christie Commission report.[18] Given this, it was suggested that it may be prudent to offer a single grant fund initially, with a loan fund as a longer term goal.

2.25   Respondents felt a grant fund should be used to facilitate the purchase of otherwise unaffordable items by those with no savings or ability to access affordable credit. It should also be able to be used to cover (often unexpected) costs arising from specific situations, for example, immediate expenses, emergency or crisis and transition from care. There were also concerns about the options remaining for people who may be ineligible for grants. These individuals may nevertheless require access to affordable credit in a financial crisis and might otherwise resort to doorstep lenders.

2.26   One view suggested two grant funds — one for crisis and one for resettlement — in order that tightening criteria for grants does not exclude those who might previously have qualified for a loan.

2.27   Respondents favouring a single grant fund specified features they would want to see in place. These included:

- It should be a last resort and applicants should have been supported to find alternative solutions prior to claiming.
- There should be legal entitlement based on need, with flexibility within the budget to ensure that eligible claimants will receive an award.
- A percentage of any new grant scheme should be reserved for immediate and emergency living costs previously eligible for Crisis Loans.

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[18]Scottish Government, Christie Commission (2011) Commission on the future delivery of public services. June. http://scotland.gov.uk/Publications/2011/06/27154527/0

Uncertainty about grants or loans

2.28 Table 2.1 shows that there was notable uncertainty about the merits of grants or loans, with 12 out of 50 unable or unwilling to give a direct response to the question posed. Comments from these respondents tended to weigh up the potential respective benefits of grants and loans.

2.29 Uncertainty was also underpinned by concerns about equalities and accessibility. Respondents highlighted the Scottish Government duties under the Equality Act and felt it should be clearer how the successor arrangements will address the needs of people with protected characteristics under the Equality Act. It was suggested that this could be addressed by actively engaging equalities groups in the development of the scheme from an early stage. This was seen to be relevant in relation to publicising the scheme, giving accurate and relevant advice, developing eligibility criteria and ensuring that those organisations delivering the scheme have an in-depth understanding of the people using its service and their needs.

2.30 Respondents sought further details about the following specific issues:

- Information on possible models for delivery
- The legal status of loan agreements
- How repayments of loans would be recovered
- Whether claimants would have access to the advance of benefits facility proposed under Universal Credit, which will mitigate the impact of loss of access to affordable short-term credit if Crisis Loans were no longer available.

Preferences and arguments for loans

2.31 Respondents who disagreed with the option of a single grant fund mainly argued that the successor arrangements should continue to offer *both* loans and grants, since loans may be suitable for some individuals and grants better for others. Others who were in favour of a single grant fund suggested there may be scope to introduce low-cost loans at a later stage. One view was that the successor scheme should operate entirely as a loan scheme, with no grants.

2.32 In discussing the pros and cons of loans, respondents endorsed those arguments put forward in the consultation paper, particularly in relation to their effects on claimants and the costs of administration. In expanding these arguments, they highlighted wider issues including the adverse impact of loans on wellbeing and mental health. There were also concerns about the likely increased scale of demand in the current financial and welfare climate and given lower benefits entitlements.

2.33 Those respondents in favour of loans saw their advantages as:

- *Limiting demand:* A loan facility provides a check on the volume of requests.

- *Maximising resources:* Loans enable money to be recycled back into the system, and so help to avoid a situation whereby the fund runs out of money before the end of the financial year.

- *Easier to administer:* Current arrangements suggest that grants take significantly longer than loans to administer.

- *Supporting self-reliance:* Loans fit better with the intention of helping people to reach independence.

2.34   In addition, respondents who did not endorse the option of a single grant fund were concerned about the potentially finite nature of any such fund, and that once exhausted, people would have no alternative but to seek loans with high interest rates.

2.35   Moreover, there were concerns from local authorities that *'overstretched'* Social Work Departments might come under pressure in two ways. First, there may be an expectation that Social Work will administer the grant fund (which would require additional resources). Second, existing funding might be further stretched to pick up any short-fall in the new grant fund.

2.36   Again, it was felt that, as yet, there was insufficient information available about both the current system and the nature and extent of any future budget, to be able to state a preference for a successor single grant system.

2.37   Local authorities against the idea of a single grant fund emphasised concerns about the potential future administrative burden and timescales of a grant scheme. In particular they felt that there were already mechanisms in place at Local Authority level for recouping money from loans. There was also potential for these mechanisms to be enhanced but this might require additional legislation.

2.38   One respondent saw potential to use loans to enhance financial capability through a loans and savings combination, perhaps involving Credit Unions.

2.39   Exceptionally it was felt that the successor scheme should operate entirely as a loan scheme. If any element of grant funding were to be maintained then there should be a professional involvement in the applicant's support network, for example by a Social Worker or Key Worker, and professional oversight ensuring that any acquisitions made through grants were appropriate.

2.40   Whatever succession arrangements are put in place, respondents proposed that they must focus on providing a simple, fair, fast and transparent service that can respond quickly to people in crisis. However the system should also be able to meet different needs and purposes with attendant timescales.

Access to other sources of funding or low cost-credit

2.41   In discussing the merits of grants or loans, issues about access to other sources of funding or low cost-credit were raised.

2.42   Evidence was provided that those most in need of credit are subject to a *'poverty premium'* or extra cost through higher levels of interest (not paid by people in a more secure financial situation), with long-term impacts on other areas of public spending. This issue has been examined in detail by a short-life working group

led by the *Tackling Poverty Stakeholder Forum* (TPSF) organised by the Evidence Participation Change project of the Poverty Alliance.[19] The group's findings reported that the Social Fund is often the only form of affordable credit that people have access to and it is used predominantly because there are no other options other than high-interest lenders or selling items from the home. People often cited that the money was needed in an emergency situation so they needed quick access to cash. Many people had no bank account as they had no identification and no salary to be paid in, thus presenting a barrier to accessing affordable credit.

2.43 Respondents in favour of a single grant fund requested that the Scottish Government give full consideration to other sources of affordable funding for low income families and individuals in need, with specific reference to the potential for integration with other grants administered by local authorities and also to sources of affordable credit:

> *"If a grant system is adopted the Scottish Government should look to incorporate other grants currently administered by local authorities, so that there is no duplication and so that the most vulnerable can be identified and help targeted accordingly. There will still be a need for low cost loans for people who fall outwith the criteria for a grant. The Scottish Government needs to work with existing providers, such as credit unions, to promote and increase access to their services."* (Third sector)

2.44 Respondents suggested that a Scotland-wide approach was needed to working with the voluntary, community and private sectors to ensure access to and delivery of affordable credit, including consideration of repayment arrangements so that the provision of credit does not worsen a household's financial situation. There was support for a continued role for Credit Unions. Low-interest credit or Credit Union schemes would be best linked to the provision of reputable support and advice on financial capability and to ensure people know the options available to them.

Summary of views on grants and loans

2.45 Devolution of the Social Fund was seen as an opportunity for the Scottish Government to remedy a range of difficulties with the existing system and secure better integration with other aspects of welfare and public policy.

2.46 There was qualified endorsement of the proposal that the successor arrangements should operate a single grant fund, with funds available for both daily living and crisis needs. A single grant fund would deliver 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 as fitting well with other key Scottish Government policies.

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[19] This group was made up of community activists with experience of the issues of poverty, and representatives from Save the Children, Oxfam and the Routes out of Prison project. The group also sought advice from organisations with expertise in the issues such as Citizens Advice Scotland.

2.47   There was a common desire to have more information about the parameters of the future system. Respondents in favour of a single grant fund nevertheless expressed caveats in relation to: the level of funding available; tightening eligibility criteria; the need to balance demand and supply; and nature of any ring-fencing of funds. There was fear of potential financial risk to councils if a loan element was continued.

2.48   Those who did not express a clear preference for a single grant fund had similar reservations and required more detailed information on models, legal status of loan agreements, plans for loan recovery, and forthcoming changes concerning Universal Credit and the proposed advance of benefits facility. Uncertainty was also underpinned by concerns about equalities and accessibility.

2.49   In general, respondents who disagreed with the option of a single grant fund did so because they saw benefits in running a system of *both* grants *and* loans. The key advantage of loans was in recycling funding back into the system; additionally loans were perceived as potentially quicker to administer and local authorities already had mechanisms for recouping monies.

2.50   A major concern was that successor arrangements would not address the current lack of affordable credit resulting in applicants being forced to turn to high-cost and risky options for borrowing. Respondents called for a Scotland-wide approach to support the development of affordable credit.

3   Delivery arrangements

3.1   The consultation paper proposed that the successor arrangements operate Scotland-wide, but could be organised either as a centralised system or be locally delivered. A centralised system was seen as offering the advantages of standardisation and lower implementation costs, potentially to the detriment of a client-focussed and more joined-up approach capable of being sensitive to local circumstances. Whilst local delivery may offer these features more readily, it would also introduce local variation.

3.2   The paper noted the relationship between the Scottish Government and local authorities through the Concordat and suggested that, with additional funding, local government would be well-placed to provide local delivery arrangements that would provide a client-focused and integrated package of support. It also noted that local authorities have experience of making emergency payments under Section 12 of the Social Work (Scotland) Act 1968 and Section 22 of the Children Scotland) Act 1995.

3.3   The paper acknowledged that whilst funding to local government is not ring-fenced, it might be possible to agree common parameters for eligibility with local government. It also signalled that other national and local delivery partners would be likely to be involved in service delivery, including health and third sector organisations, to deliver client-focused support.

3.4   The paper sought views about appropriate delivery channels, whether in a centralised or local system, including online, telephone or face-to-face. These were noted to present different administrative costs and risks of fraud, and to raise issues of access for applicants, particularly those who are disadvantaged.

Overview

3.5   Table 3.1 shows that around two-thirds of all respondents expressed a clear preference for either central or local delivery arrangements, with a majority of those giving a clear view in favour of local delivery.

Table 3.1: Do you favour centralised or local delivery of the successor arrangements?

Respondent type	Local	Central	No preference/ both	No Data	Total
Third sector	9	11	6	3	29
Local authority	9	—	2	2	13
Other public sector	1	—	—	2	3
Individual	2	1	—	1	4
Social Fund Commissioner	—	—	—	1	1
Total	**21**	**12**	**8**	**9**	**50**

3.6   Views about the relative merits of central or local delivery were frequently hedged by reference to a need for adequate and safeguarded funding. Table 3.1 also shows that 17 respondents did not give a clear view about whether central or local delivery would be most appropriate; rather the relative merits of both

approaches were discussed. Others did not address the question directly and it was suggested that there was insufficient information to make a judgement particularly around the level of funding to be available:

> *"It would be useful to see some proposals of how each approach could be implemented and the possible cost implications of each. Whatever approach is adopted it needs to be efficient to ensure the maximum amount of grant money goes to the people who need it."* (Third sector)

3.7   One non-local authority respondent queried the loss of potential economies of scale if a single system were to be devolved to 32 local authorities. This respondent raised questions about whether the contributions of other partners would be included within existing contracts or new commissions and how the costs of administration would be met. Uncertainty amongst respondents was attributed to the lack of a clear statement in the consultation paper about whether local authority administration costs would be funded under any arrangements for local delivery. In addition, respondents were concerned more broadly about the wider impact on local government resources.

3.8   Reference was also made to the changing broader welfare reform context which would have local implications, including housing benefit changes, the introduction of Universal Credit and limiting of Crisis Loans.[20]

3.9   Central or local delivery were not always seen as mutually exclusive options. A number of respondents, who broadly favoured local delivery as a way of ensuring a client focus, suggested that there should be a national framework to ensure consistency across local authorities with flexibility for local specific variations.

3.10   The point was also made that the costs of delivering the successor arrangements may vary across Scotland particularly in remote and rural areas.

3.11   General principles that should apply to social care or welfare provision were summarised as:

- The provision of high-quality support
- Transparency about the type of assistance which is available
- Clarity about the situations in which help can be given and who to approach
- Consistency of objectives across locations, so there is actual and perceived fairness between different groups of citizens and
- Safeguards to protect the needs of vulnerable people.

Arguments in favour of local delivery

3.12   Amongst those prepared to indicate a choice between central and local delivery, the option of local delivery was preferred, particularly for local authorities, none of which clearly supported central delivery.

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[20] From April 2011, crisis loans were not available for items such as beds or cookers, the rate paid for living expenses reduced from 75% to 60% of benefit rate, to align with Job Seekers Allowance (JSA) paid at hardship rate, and there is a maximum of three awards for general living expenses in a rolling 12-month period.

3.13 Local delivery was seen to offer less scope for economies of scale, but better value for money:

> *"Although implementation costs could potentially be reduced in a centralised system, any system that does not achieve a client focused outcome cannot be argued to give value for money if it does not successfully reach the group it has been set out to target."* (Third sector)

3.14 Local delivery was widely cited as the best way to ensure a more client-focused or person-centred approach, linking clients' needs to locally available services and support, whether from the local authority or third sector organisations. This approach would be more adaptable to specific local circumstances and be able to address the needs and priorities of local communities. This view was adopted by a range of types of organisations.

3.15 Respondents felt that deployment of such local knowledge and discretion could also play a role in ensuring better judgements and targeting, potentially avoiding misuse of funds (for example, in relation to transport issues in rural areas). Greater help at the point of application to advise on eligibility would reduce appeals, and hence administrative costs, thus allowing more funds to be available to applicants.

3.16 Whilst either approach might allow for a variety of delivery channels, only local delivery offers the prospect of face-to-face contact and was seen as vital for ensuring equity of access, improving the quality of customer service and decision-making. A local service was 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.

3.17 Those supporting local delivery thought local organisations could also play a larger role in assisting with administration than at present: the Post Office was given as an example of a trusted intermediary agency that would be able to take on a role in verification of identity.

3.18 On the other hand, they also acknowledged that a local approach would bring added layers of bureaucracy and costs, and a risk of inconsistency and lack of clarity for clients.

Arguments in favour of central delivery

3.19 Table 3.1 shows that 12 out of 50 respondents favoured central delivery. Whilst there was no consensus amongst third sector respondents about the most appropriate form of delivery arrangements, almost all of those clearly favouring central delivery were third sector organisations, largely those working at a national level.

3.20 The main arguments in favour of central delivery suggested that it is likely to be a more cost-efficient and fairer model. Central delivery would consequently allow greater funds to be available to meet need and would avoid a *'postcode lottery'*. A number of respondents made reference to plans for England:

> *"To avoid variations between localised schemes, we urge the Government to create clear, national eligibility criteria and the right to an independent review of decisions on whether the criteria are met. This will make centralised delivery a more cost-effective option, particularly in relation to the review function. Any system will need to make creative use of community organisations throughout Scotland to facilitate access to the scheme for all. Whilst the phrase 'postcode lottery' is chronically overused, it seems to be the only apt description of the picture emerging of the plans for a replacement scheme in England from 2013".* (Third sector)

3.21 It was also noted that this approach was the one most likely to be *able* to be implemented by April 2013.

3.22 The current centralised system was said to be *'efficient, fair and gives a speedy response; [ensuring that] a substantial proportion of the money reaches the needy'.* A contrasting argument was also made that, whatever its merits, the existing centralised model does not actually produce equitable outcomes in different parts of the country because these are the result of local budget constraints rather than a response to distinct local factors.

3.23 A centralised system was thought to potentially allay concerns that local funding would not necessarily be ring-fenced for the Fund. It was also suggested that unless eligibility criteria changed radically, it would be unlikely that the types of needs would vary significantly across the country. However this situation would need to be monitored to ensure local needs, for example, in rural areas, were being appropriately met.

3.24 Central delivery was also seen as easier and more efficient to regulate and to adjust, than *'a proliferation of local schemes and providers'.* It would also offer greater opportunities to develop data verification protocols, for example, with DWP, to avoid the need for applicants to repeatedly provide the same information.

3.25 It was proposed that any adoption of a centralised approach should not simply be a reproduction of the existing system:

> *"It is important that the devolved system isn't simply a rebranded version of the existing system with large, impersonal call-centres dealing with applications producing the same frustrations and inconsistencies that people experience engaging with the current system".* (Third sector)

3.26 It was suggested that some of the noted difficulties with the existing centralised system, including the need for better quality in decision-making, could be tackled by staff training to ensure consistency and fairness in implementation. Within a centralised system, there could be a role for local partners to provide face-to-face advice and support. This was seen to be particularly important for people for whom a national gateway (primarily suited to telephone and online applications) is not easily accessible.

Appropriate local delivery organisations

3.27 In considering how local delivery might operate, local authorities were most widely cited as being suitable or obvious vehicles to take on the successor arrangements. Most of the local authorities responding thought they would be the most suitable local delivery vehicle, noting that this could be done in partnership with local Community Planning Partnerships and Credit Unions. Third sector organisations that supported local delivery did not necessarily propose that local authorities should take this role on. Other suggestions included the third sector, Credit Unions, local job centres and Her Majesty's Revenue and Customs (HMRC).

3.28 One local authority suggested that they had insufficient information about staffing and financial resources to make this judgement and raised a number of concerns about possible conflicts of interest in relation to public sector staff who currently assist people to claim from the Social Fund.

3.29 It was less common for respondents to suggest that the delivery role should be taken on solely by third sector organisations:

> *"Several charities or organisations already exist in most geographical areas, whose focus or purpose is the recycling and refurbishment of household items. It would make sense to use and develop these to meet the local needs. This would also help to increase volunteer and employment opportunities in-line with the increase in skill requirements."* (Third sector)

3.30 Respondents did not always explicitly identify who they thought should deliver local arrangements, although potential benefits were identified.

3.31 The rationale for such a role for local authorities related to access and consistency across Scotland; the experience of administering financial payment systems and cash transactions, including out-of-hours emergency payments; quality and assurance issues; and the link with social work.

3.32 Issues of implementation for local authorities that were highlighted included training needs:

> *"Delivery organisation(s) need to be chosen carefully. On the whole councils seem best placed to deliver given their extensive network of offices, but only if those offices are equipped to operate the system. This means that all staff must be trained in inequalities sensitive practice."* (Individual)

3.33 Local authority delivery seemed to enable a fit with local solutions and local policy agendas. At the same time there were concerns about the inability to ring-fence funding and any potential deterrent effect of social work services involvement.

3.34 The point was made that existing discretionary payment schemes show that eligibility and the exercise of discretion can vary widely across local authorities.

Therefore, if local authorities were to become delivery agents, there would be an issue of defining the limits of discretion within national parameters, leaving sufficient scope for them to take into account local factors, such as rural poverty.

3.35 In supporting the idea of common parameters for eligibility across local government, a third sector respondent raised the issue of the need for monitoring and analysis of how grant payments are used and the levels of need recorded.

3.36 Whilst some respondents urged the government not to consider local delivery at all, others saw it as an opportunity for co-production through the involvement of a consortium of organisations, including Credit Unions and the Third sector, delivering services for the Community Planning Partnership. Local authorities also already have mechanisms for communication with all households in their area which could help to address low take-up amongst certain groups.

3.37 Other comments suggested that regardless of who delivers the service, local delivery should not be fragmented, but channelled through one organisation for simplicity. The need for inclusive communication to ensure full accessibility for disabled people was also identified.

3.38 As before, the issue of resourcing in relation to delivery by local authorities was an important caveat:

> *"If Local Government is the preferred delivery mechanism for Community Care Grants and Crisis Loans under the consultation on successor arrangements, the Scottish Government must work to further explore and discuss detailed proposals for delivery arrangements that meet the concerns of Local Authorities — this should include detailed consideration of financial risks and liabilities, quantified costs and resources for delivery arrangements, and confirmation of funding levels and distribution rationale."* (Local authority)

Ensuring a client-focused approach with central delivery

3.39 The consultation paper asked those that supported central delivery how a client focus would be maintained. Respondents linked the issue of client focus to the adequacy of overall funding for the successor arrangements and the need for clarity about where these costs will fall. There was an expectation that even within a centralised system, a number of local authority services and other support providers would still be involved.

3.40 It was suggested that clear national standards for eligibility, procedures for applications and decision-making, and a right of appeal should all underpin a client focus under a centralised system. Delivery and administration could then be locally based:

> *"....national criteria setting out how local conditions should impact on decision-making, coupled with support with applications for those who need it in their local area will maintain a better client focus than a vaguely defined duty, with the potential to be interpreted differently in different areas."* (Third sector)

3.41   The challenge of a central system was seen as the need to design simple, effective and proportionate processes that can ensure people are not disadvantaged by any lack of face-to-face contact. There was a clear view across a range of organisations that this should be achievable. A centralised system could offer online and postal applications for those able to apply independently, backed up by a central, dedicated customer service team offering telephone support. The existing tax credit system was cited by one respondent as appearing to be working well in this respect. A centralised system was also seen as being able to provide tailored local information to both successful and unsuccessful applicants.

3.42   A client focus would need to be based on strong links with local service providers including Social Work Services, Housing Services (through local authorities and Registered Social Landlords (RSLs)), Community Health Partnerships and the Voluntary Sector. Respondents made the case for a local support structure, including advocacy support, within a centralised system:

> *"We see a key role for an effective system of advocacy support, to ensure that everyone is able to access the system. This kind of support would help to ensure that the clients needs were communicated effectively, and that the clients understood fully the decisions that were being made."* (Third sector)

3.43   Respondents felt that local support organisations were able to offer more bespoke support, particularly, face-to-face support for people unable to navigate the central system independently or for those who might choose to seek assistance with an application or appeal. These organisations would have a key role to support vulnerable customers in making applications or acting as the channel through which applications should be submitted:

> *"....such agencies would interface with their clients, as well as with the central delivery team; thus each agency would have not only the relevant knowledge of their clients, but also well-developed personal relationships with both parties. This would mean 'getting it right first time' since each agency would send in only effective applications, thereby saving time, money, appeals and client stress."* (Third sector)

3.44   Staff training was also seen to be key to providing a client focus. Respondents felt that staff involved in the delivery of the fund should have the required skills and values, and should have flexibility in the exercise of their discretion. Other suggestions for improving central delivery included use of named officers to handle a person's claim all the way through. All organisations involved in delivery, whether central or local, should adhere to principles of *Inclusive Communication*.[21]

3.45   Within such a 'hybrid' approach, respondents suggested that local channels might also offer additional benefits as trusted individuals or organisations. Roles

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[21] Scottish Government (2011) *Principles of inclusive communication. An information and self-assessment tool for public authorities.* September.
http://www.scotland.gov.uk/Publications/2011/09/14082209/17.

might cover the opportunity for local verification of identity or documents; expedited referrals; delegated decision-making; acting as alternative payees; or in cases where they are already giving considerable support to an applicant, Social Work Services may be authorised to act an intermediary for the applicant or do a *'supervised shop'* with the applicant.

Channels for delivery: local or central

3.46 Views on the issue of delivery channels were linked to the ability to maintain a client focus. Respondents commented that, in light of the vulnerability of people who will apply to the Social Fund, it will be important to offer a choice of access methods. In general, respondents advocated the idea of a blend of delivery channels to ensure that a tailored service could be provided to assist the most vulnerable, as well as to comply with equalities legislation.

3.47 Whilst online applications may be efficient and cost-effective for organisations, some people are likely to engage better with other methods of access. Having a range of ways in which to access the Fund was seen as particularly essential for disabled people including those with sensory impairments, learning difficulties and mental health problems.

3.48 Respondents also suggested that there would need to be continuous publicity about how to apply.

3.49 The issue of adequate resources for local support and the risks of false economy by a failure to resource local support were also raised:

> *"Any central delivery which fails to resource localised face-to-face support, increases demand levels within local money advice services which are already stretched."* (Local authority)

3.50 Face-to-face delivery was valued as allowing for a full assessment of needs in both routine applications and emergencies. This could also reduce the number of applications because the applicant can be made aware of other options for support. It was also valued as a way to 'humanise' the service and ensure all need are met.

3.51 Respondents' experience with the current system suggested that there were clear benefits of providing one-to-one assistance:

> *"Experience with the current system indicates that although clients can fill in the application form, more often than not it is a struggle, therefore one-to-one help is a guaranteed way of ensuring an accurately completed application is submitted. This in turn could contribute to a reduction in the number of refusals and ultimately appeals."* (Third sector)

3.52 In this way, face-to-face services can be more cost-effective than telephone applications, which can be time-consuming and more open to potential fraud. Face-to-face options were also favoured as allowing better access to translating

and interpreting services, independent advocacy and support for those with sensory impairments.

3.53   However, respondents consistently emphasised the need for flexibility and choice. The diversity of needs means that face-to-face delivery does not suit everyone. Some people find it a good way to put across their case; for others the interaction can be intimidating and stressful. Given this, there is still scope for misunderstanding and people may not get the support they need. Some people with mobility needs or with care support may find it physically difficult to attend a face-to-face meeting. Those living in areas without accessible public transport may need a home visit. Others may have communication problems which may mean that both face-to-face and phone delivery are unsuitable, while others may have limited dexterity which will make online or paper applications difficult.

3.54   It was suggested that special attention would need to be given to enabling access in remote areas of the country and for particularly vulnerable claimants. Local services such a Citizens Advice Bureaux and Credit Unions could help to make paper applications.

3.55   Respondents also stressed the importance of making telephone access more reliable by ensuring it is suitably resourced so there is less difficulty getting through (than is presently the case) and so it can be free for all, including mobiles. The issue of staff training was seen to be particularly important in relation to telephone applications:

> *"...telephony has its problems; in particular it is easier to be rude to claimants on the phone than when dealing with them face-to-face. This could be overcome by training. Training could be provided on how to deviate from a script when necessary."* (Local authority)

3.56   The cost-effectiveness and efficiency advantages of online applications were acknowledged. Respondents proposed a number of ways of making good use of online services. Such services could help make the application process clearer to claimants, allow them or a professional working on their behalf to access up-to-date information on their claim or review and speed up the delay between initial decisions and the receipt of decision notices.

3.57   However, access to and use of IT can also be a significant barrier to claims, particularly for older people.

> *"Although it has been suggested that an online approach is cheaper, it could be argued that it is a barrier to making a successful application for certain client groups. Older people are a group who have already been identified as less likely to apply for a grant or loan under the current system and are often unlikely to have access to the internet."* (Third sector)

3.58   Although applicants may not always have access to the internet, respondents felt it was important to retain the option to apply online, in combination with other methods which include support. These include telephone access, face-to-face,

home visits, access to British Sign Language signers, postal applications to a freepost address and faxed applications. There should be a range of alternative formats, including Easyread and Braille.[22]

3.59   Respondents suggested that those most likely to need assistance will struggle with both online and telephone applications. These access issues could be addressed by linking face-to-face services with support, alongside local facilities for applicants to access online or phone channels, ideally with people on hand to help, for example at advice centres. It was noted that services do not always have computers in the rooms where meetings with clients take place.

3.60   Access to online services by advisers or intermediaries might also provide the potential to link the application to available support and refereeing or endorsement for applications, thus allowing them to be processed more quickly. Concerns about the potential for fraud with online applications could be addressed by the inclusion of local verification checks, perhaps by Registered Social Landlords or social work services. A further advantage of a blended system of delivery channels is that it could link to local IT systems allowing real-time booking of appointments and data gathering, such as financial information or caseworker notes, ahead of face-to-face meetings. This would allow decisions to be made at the face-to-face appointment as well as facilitate exploring other options.

Summary of views on central or local delivery

3.61   Around two-thirds of all respondents expressed a clear preference for central or local delivery arrangements. However, discussions of the relative merits of central or local delivery were frequently hedged by reference to a need for adequate and safeguarded funding. About a third of respondents gave no clear view on this aspect of the successor arrangements. 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.

3.62   Overall where a view was given, the option of local delivery was preferred, particularly by local authorities, none of whom clearly supported central delivery. Overall, 12 out of 50 respondents favoured central delivery. Whilst there was no consensus amongst third sector respondents about the most appropriate form of delivery arrangements, almost all of those clearly favouring central delivery were third sector organisations.

3.63   Key points were:

- Central or local delivery were not always seen as mutually exclusive options. There was an expectation that even within a centralised system, a number of local authority services and other support providers would still be involved.

- A client focus under a central or local system was seen to be inextricably linked to the issue of adequacy of funding and the need for clarity about where these costs will fall.

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[22] Easyread is uses simple word, symbols and pictures to make documents accessible.

- Central delivery is likely to be a more cost-efficient and fair model, allowing greater funds to be available to meet need and avoid a *'postcode lottery'*.

- Local delivery was seen to offer less scope for economies of scale, but better value for money by achieving a client-focused outcome.

- A range of types of organisations cited local delivery as the best way to ensure a more client-focused or person-centred approach.

- Only local delivery was seen to offer the prospect of face-to-face contact, 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.

- 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 included training needs.

3.64 Clear national standards for eligibility, procedures for applications and decision-making, and a right of appeal should all underpin a client focus under a centralised system.

3.65 In relation to delivery channels, under a central or local system, respondents endorsed the idea of a blend of delivery channels to 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. In light of the vulnerability of people who will apply to the Social Fund it will always be important to offer a choice of access methods. Having a range of ways in which to access the Fund was considered to be essential for disabled people including those with sensory impairments, learning difficulties and mental health problems.

4 Refocusing scheme eligibility

4.1   The consultation paper sought views about whether there should be measures to re-focus scheme eligibility. It highlighted a concern about a lack of clarity of the current eligibility criteria, which results in a high volume of appeals, consequent high administrative costs and diversion of funds away from directly meeting needs. The paper suggested that the criteria could be modified to focus on particular groups or life events.

4.2   At present, eligibility for Community Care Grants is restricted to those already getting certain benefits or likely to start getting one of these benefits within the next six weeks because of moving out of care[23]. Applicants must also meet one of the following criteria although there are also a substantial number of exclusions:[24]

- Needs help because the applicant or family is facing exceptional pressure, such as family breakdown or because one of them has a long-term illness
- Needs help to stay in home and not go into residential care or hospital
- Is moving out of residential or institutional care to live independently
- Is moving to a new home which will be more suitable following an unsettled period in life and are being resettled by an organisation like a local council or voluntary organisation
- Needs help with certain travelling expenses, e.g. visiting someone who is ill, or to attend a relative's funeral
- Looks after someone who is ill or disabled, or has been released from custody on temporary licence.

4.3   Eligibility for Crisis Loans is not linked to receipt of particular benefits. The applicant must either not have enough money to meet their own (or their family's) immediate short-term needs in an emergency or as the result of a disaster and there is serious damage or risk to their own (or their family's) health or safety without the loan, or they must have been getting a Community Care Grant, be moving out of institutional or residential accommodation and not have enough money to pay advance rent to a non-local authority landlord.

Groups as a focus of eligibility

4.4   Respondents agreed that eligibility under the successor arrangements needs to be very clear. However, there was a desire to ensure that a national system would have the flexibility and sensitivity to be able to assess and identify changing patterns of need and respond accordingly. The idea that either groups or events should be the focus of eligibility was challenged. There were potential problems with defining eligibility both too narrowly or too widely, with potential to create unequal treatment in both cases.

> *"The Scottish Government has repeatedly championed the benefit of taking an early intervention approach to poverty and hardship and we*

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[23] Income Support, income-related Employment and Support Allowance, income-based Jobseeker's Allowance, Pension Credit, or payment on account of one of these benefits

[24] These criteria are listed in descending order of the percentages of cases for GB in 2009/10.

would urge it to remember this in its development of a devolved social fund. By taking an overly limited approach to eligibility, the Government would risk pushing people into further poverty, exclusion and ill-health." (Third sector)

4.5　It was argued that labels, categories or target groups run the risk of homogenising very disparate needs and can become rigid in their interpretation. This may cut across the need to consider each claim on its merits and take into account changing needs over time. Any categorisation of eligibility is bound to have omissions:

> *"Categorisation of eligibility is the only rational way to administer a cash limited fund. However it puts at risk other individuals in need. Interestingly the mortality rate in the west of Scotland showed that deaths of young men from suicide were a cause for concern. Often this group are categorised as least vulnerable."* (Third sector)

4.6　Instead of naming groups which causes disadvantage and discrimination, it was argued that 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.

4.7　It was proposed that the groups currently targeted for Community Care Grants or Crisis Loans are adequate and remain appropriate for inclusion in the successor arrangements. An outcome focus was also suggested to be appropriate and any definitions should be seen as providing guidance rather than being prescriptive. Defining eligible events or circumstances was seen as potentially less restrictive than specifying groups.

Proposed groups and reasons

4.8　Despite reservations, many respondents of all types did name groups or events that they felt should be the focus of the successor arrangements. It was acknowledged that it is difficult to produce an exhaustive list of groups or events; respondents made the link to the need for training of staff to ensure their understanding of the circumstances of applicants in exercising their discretion. Groups and events were often intertwined. The kind of groups mentioned included:

- The disabled
- Those with life-limiting illnesses
- Those with mental health issues
- Older people
- Younger people
- Households with children at higher risk of severe poverty
- The homeless
- Those experiencing fire or flood or other emergency
- People resettling after leaving prison, long-term hospital care, a womens' refuge, residential care or after a period of homelessness

- People leaving the armed forces.

4.9 In giving their rationale for naming specific groups, the impact of welfare reform for disabled people was referred to, suggesting that this group would be particularly vulnerable to loss of income, financial and personal hardship.

4.10 A focus on families with children was suggested as a high priority for assistance within a wider scheme of eligibility.

> *"A key focus of the scheme should be families with children. Children do not make their own circumstances nor control them, and they are more likely to live in poverty than either working age adults or pensioners. A key aim of the Scottish Government is early intervention, and recent research demonstrates the importance of ensuring that our children get the best possible start in life."* (Third sector)

4.11 Families with children are more likely to live in poverty than other family types. There are a number of groups of children at higher risk of severe poverty, including those children:

- Living in workless families
- Living in single parent families
- Who live in social rented housing
- Who are disabled or live with a disabled adult
- Living with young parents aged under 25
- Living in large families with three or more children.

4.12 Abolition of UK-wide grants for specific circumstances was also a concern that highlighted pregnant women as another potential eligible group.

4.13 In proposing the homeless as an eligible group, several third sector organisations submitted evidence highlighting the important role of Community Care Grants in the move from temporary to permanent accommodation, weaknesses in the current system and the potential for the successor arrangements to contribute to reaching the Scottish target that, by the end of December 2012, all unintentionally homeless households will have the right to settled accommodation.

4.14 Respondents' comments on the difficulties in the interface between Community Care Grants and Housing Benefit are discussed in paragraph 2.14. Based on this evidence, it was proposed that the successor arrangements should have the flexibility to address these issues and thereby support local policies on homelessness prevention. For example, it was noted that an 'in principle' decision by DWP would allow an initial award of the grant, thus preventing rent arrears.

4.15 Similar unintended impacts of the current administrative systems for other groups were also cited by respondents, including substantial delays between the date of claim and a decision despite the urgency of the needs which require that the

award of grant is made quickly. Claimants with similar family circumstances and income levels were also reported to often receive widely differing awards. There was also a perception that claims are granted on appeal with no additional information.

4.16 These examples illustrate how administrative systems can distort the assessment of need, lead to different outcomes for apparently similar groups and result in perceptions of a lack of transparency.

4.17 In other cases, the groups and events currently targeted for Community Care Grants or Crisis Loans were seen to be adequate and respondents suggested that they remain appropriate for inclusion in the successor arrangements. One exception was the preference for eligibility criteria to refer to *'people (rather than families) experiencing exceptional pressures'*.

4.18 Others made the case that the current groups should be extended and that those in work should not be treated any less favourably:

> *"All groups as at present, plus people on low income and contribution-based benefits should be included. It is unfair that people who have been or who are currently in work are treated less favourably. All groups facing extra pressure that could be alleviated by a grant should be included; not just families as at present."* (Local authority)

4.19 It was suggested that the consultation paper had been unclear about whether Crisis Loan applications (as well as Community Care Grant applications) should also be focused on specific eligible groups. An example was given of clients that require financial assistance as a result of an emergency, such as a lost wallet or purse or where benefit has been spent before the next payment date, but who are not within the eligible groups.

4.20 Local authorities were also concerned about increased claims for Social Work funds by those outwith eligible groups creating an *'unrealistic demand on limited social work budgets.'*

Proposed events and reasons

4.21 In considering whether events should be the focus of successor arrangements, respondents proposed a number of categories based largely on key life stages and transitions where there is vulnerability. Respondents identified the following as important and expensive life events that households on a low income or in persistent poverty will struggle to manage:

- Pregnancy, birth or adoption
- Redundancy
- Eviction / repossession
- Homelessness
- Looking after a relative
- Long term illness or accident
- Family breakdown

- Lack or failure of household goods
- Moving from a care setting; or to avoid going into care; moving between homes in the community, moving into a home after a period of homelessness or imprisonment.

4.22 In addition, unexpected costs (often transport-related) at the time of a crisis, such as hospital admission, family member detention or bereavement were also highlighted.

4.23 Whilst life events were recognised as creating a need for a substantial financial outlay, it was suggested that it is not always events that are a *'trigger for need'* ; rather this arises out of everyday wear and tear made more difficult by a long period of living in poverty.

Other views on eligibility

4.24 In discussing eligibility, respondents generally agreed with a focus on early intervention, with the caveat that it should not be at the expense of those in the most desperate need. There was also a desire to see support to individuals and families to reduce ongoing costs and support their wellbeing in the medium to longer term, as well as the short term.

4.25 Other principles of eligibility identified were in relation to helping families remain together, reinforcing the capability and resilience of those eligible for help, enabling people to stay in their home rather than be in hospital, and ensuring that people have the basic practical necessities for dignity.

4.26 Recognising the limitations of any categories of eligibility, it was suggested that there should be *'a catch-all criterion',* along the lines of *'faces a substantial risk to health or well-being if not supported with current financial needs'.*

4.27 Several respondents suggested that it could be possible to incorporate other locally administered schemes with adequate safeguards to protect the overall level of funds and eligibility.

4.28 It was also proposed that decisions on eligibility should be devolved to the local level to ensure that decisions can take a range of local issues into account. Local authorities would also undertake Equality and Poverty Impact Assessments.

Summary of views on eligibility

4.29 The idea that either groups or events should be the focus of eligibility was challenged. Ideally, 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 but felt that should not prevent providing assistance to those in greatest need.

4.30 Despite these caveats, respondents did name groups or events that they felt should be the focus of the successor arrangements. Groups included:

- Those with physical or mental health problems
- Older people and younger people
- Households with children / single-parent households
- People experiencing fire, flood or other emergency
- Homeless people and those at risk of homelessness
- People in transition (from prison, hospital care, or armed forces).

4.31 Respondents suggested a number of life events that households on a low income or in persistent poverty would struggle to manage, including:

- Pregnancy, birth or adoption
- Looking after a relative
- Redundancy
- Eviction, repossession or homelessness
- Long-term illness or accident; family breakdown
- Lack or failure of household goods
- Moving house.

5   Provision of goods, grants and other support

5.1   The consultation paper suggested that in providing goods rather than cash grants, the same support might potentially be delivered for less money, or more support might be provided within the same budget. The paper discussed how the successor arrangements might contribute to the Scottish Government's Purpose and the National Performance Framework outcomes, including the three social frameworks of *Equally Well*, *Achieving our Potential* and the *Early Years Framework* which promote an assets, rather than a deficits, approach, to tackling poverty and inequality. In addition it was anticipated that furniture re-cycling would contribute to delivering climate change carbon reduction targets.

5.2   The paper noted that providing goods rather than grants might reduce the choice available to recipients and was potentially at odds with an assets-based approach; the paper suggested that Community Care Grants and Crisis Loans are not aligned to this approach because they provide no support to build capacity, for example, by including budgeting or other advice, or encouraging saving.

5.3   The consultation asked whether respondents agreed that the successor arrangements should provide goods rather than grants, and if so, what goods should be considered for inclusion and why.

Overview

5.4   Table 5.1 shows that in general, respondents wanted the scheme to offer both goods and grants. Seven respondents preferred grants. In relation to goods, the caveat was made that goods should be an option only if there was a very strong element of desire and choice for applicants. Fewer preferred goods only. All local authorities that responded to this question felt the scheme should offer both goods and grants.

Table 5.1: Do you agree that the successor arrangements should provide goods rather than grants?

Respondent type	Both goods & grants	Grants	Goods	No Data	Total
Third sector	19	5	4	1	29
Local authority	12	—	—	1	13
Other public sector	—	1	—	2	3
Individual	2	1	—	1	4
Social Fund Commissioner	—	—	—	1	1
Total	**33**	**7**	**4**	**6**	**50**

5.5   The main arguments in favour of providing both goods and grants are that it enables the individual circumstances of the claimant to be addressed, gives people choices and offers flexibility to meet different circumstances. Relevant issues affecting which option is offered might include the individual waiting for a benefit decision needing money to meet immediate general living expenses or to buy specialised medical items, whereas at other times goods may be more appropriate and easier for organisations to ensure that people get the goods they

need. However, choice for the applicant is important and more aligned to other policies.

> *"[We] believe that individuals (where they feel confident and are able to do so) should be given the opportunity to choose whether they want the arrangements to cover goods or grants. The approach fits better with the Government's policies giving greater power to clients to choose services — for example self-directed support and personalisation of services."* (Third sector)

Views on provision of goods

5.6   Those respondents who called for the devolved arrangements to offer *both* goods and grants highlighted a range of reasons supporting the provision of goods. The potential for bulk purchasing by local authorities or other larger organisations, using public sector procurement arrangements, centrally or from local supply charities offered the possibility of savings on the goods themselves. It was also suggested that the provision of goods may reduce inappropriate spending.

5.7   Respondents suggested that to make goods an attractive option it would be important to make it an easy process. This means ensuring that items are always in stock, are delivered directly and free of charge. This would be particularly beneficial to those who rely on public transport and removes the stress and cost of delivery from commercial retail outlets. In more remote areas there was also potential for savings on the usually higher delivery charges.

5.8   It was suggested that consideration be given to online ordering mechanisms to underpin bulk procurement and improved delivery.

5.9   Examples of where provision of goods were particularly relevant included major changes in health or community care accommodation:

> *"There will be occasions where it is appropriate that goods are provided and this option should be left available. An example of this would be long stay hospital closures, care home reconfigurations."* (Third sector)

5.10   It was suggested that provision of goods could be administered by third sector or community organisations. This might have the benefits of enhancing local economic development and *'could be a spur to reopening or expanding sheltered workshops'*. Local supply organisations might also attract private donations of goods thus enabling discounts.

5.11   Provision of goods would help to ensure that applicants had choice, but also that they made appropriate applications. This in turn would help to generate savings. It would ensure less frequent repeat claims and would act as a disincentive for applications for things people do not actually need. It would avoid the inappropriate spending of cash payments, for example, to reduce or clear an applicant's overdraft.

5.12 A stated preference for goods *only* was associated with a minority of third sector organisations and from within the housing sector or those supporting disabled people. The reasons echoed those above and related to the advantages of bulk purchasing and discounts on donated goods, the availability of choice and prevention of inappropriate use of cash payments. There was also a suggestion that an alternative to goods-only provision would be to offer vouchers or a supervised-spend system.

> *"A voucher or supervised spend system may be a suitable compromise, e.g. vouchers for decorating materials. This would mean the customer would get to choose and also ensure the money was spent on its intended purpose."* (Third sector)

5.13 In addition it was noted that the provision of goods-only would encourage the development of local furniture recycling organisations and this in turn would contribute to climate change objectives.

5.14 The main disadvantages of offering goods only concerned the limiting of individual choice and also the potential reduction in personal independence and responsibility.

> *"I think it's important to give people the dignity of choice (and risk), because people struggling with financial difficulty have so little choice about what happens to them. Providing goods is fine, if consistent supply can be guaranteed."* (Individual)

5.15 Arguments against the provision of second-hand goods were made based on the lack of quality, inconsistent quality between re-cycling schemes or risk. Respondents also suggested that second-hand goods may not always be energy-efficient. A short life span was perceived as a real problem with the current system where there was a limit set on the number of applications which could be made in a year.

5.16 Second-hand goods could be acceptable as long as they were of good quality and could meet health and safety requirements. However there was also a view that there can be stigma associated with receiving second-hand goods.

5.17 There were different views about whether the provision of goods would be easier or cheaper to administer than cash grants. The provision of goods would require contractual obligations with providers and recipients and raise issues about how any difficulties with the goods would be handled, for example, if they were damaged and needed replacement.

5.18 A minority of respondents specifically argued against the provision of goods although among these, it was also conceded that goods could be offered if specifically requested by the client.

Views on the kind of goods that should be considered for inclusion

5.19 There was a great deal of consistency among respondents in their suggestions about the types of goods that should be provided. Many were necessary but

higher cost items for which it can be difficult to budget. They also included the idea of standard 'home-start' packs particularly for those making transitions such as care leavers.

5.20 Those mentioned most commonly were:

- White goods – for example, washing machines, dryers, refrigerators, freezers, cookers and microwaves
- Furniture – beds, chests of drawers, sofas/suites, dining tables and chairs
- Household utensils – including cutlery, crockery, pots & pans
- Carpets or other floor coverings
- Bed linen (including bedding for infants & children) and towels
- Small household electrical items including lamps, kettles and toasters.

5.21 White goods, should be energy-efficient and, if second-hand, should be good-quality and safety-assured. Free delivery and installation should be included. Respondents commented that furniture should be new or good-quality recycled furniture. It was suggested that soft furnishings and bedding were more a matter of personal choice and therefore it was less appropriate to provide these items as goods. One respondent specifically argued that mattresses, bedding and towels should not be second-hand.

5.22 Items mentioned less frequently were: curtains, heaters or fires, cleaning products, decorating materials, clothing and mirrors. There was also a suggestion that vouchers could be offered.

5.23 It was important that goods meet the specific needs of individuals with differing disabilities which might incur an extra cost and that this may be the reason funding was required. Examples included: a need for non-standard seating; washing machines and tumble driers for those with incontinence issues; kitchen appliances at the right height; and suitable floor coverings to enhance mobility around the home.

Views on provision of grants

5.24 The main advantage of grants, as seen by respondents favouring grants-only, or goods and grants, was that grants enable personal choice. Personal choice helps empower and protect the dignity of individuals, develops their financial capability and promotes greater responsibility. People might also be less likely to complain about the goods if they had chosen and purchased them.

5.25 Grants would also enable continued funding for living, travel and removal expenses and the category 'easing of family pressure' which is not easily remedied by the provision of goods.

> *"Easing of family pressure can include such things as breaks and respite for families where this would help restore the family dynamic. If only goods were provided it is difficult to see where alternative provision for this would come from."* (Third sector)

5.26 Respondents in favour of grants welcomed the potential for money to be spent in the local economy thereby supporting local jobs. One respondent commented that block procurement of goods could potentially result in the Government diverting funds away from the Scottish economy entirely. It was also proposed that grants would be easier to administer than goods (see paragraph 5.17).

5.27 An alternative to giving people cash might be to provide a voucher, referral letter or purchase order that people could take with them to relevant retail outlets.

The inclusion of other types of support

5.28 The consultation paper asked whether respondents agreed that the successor arrangements should include other support such as budgeting advice and to give reasons for their response. If respondents agreed, it asked what support should be considered for inclusion.

5.29 Table 5.2 shows that respondents were generally in favour of the successor arrangements including other types of support. Most of the local authority respondents were in favour of offering other types of support as part of the successor arrangements.

Table 5.2: Do you agree that the successor arrangements should include other support such as budgeting advice?

Respondent type	Yes	No	Don't Know	No Data	Total
Third sector	17	6	1	5	29
Local authority	11	—	1	1	13
Other public sector	1	—	—	2	3
Individual	2	—	—	2	4
Social Fund Commissioner	—	—	—	1	1
Total	**31**	**6**	**2**	**11**	**50**

5.30 However, there was a commonly held view that such support should not be mandatory; it should be offered to people who would like it and should be free. Respondents argued that an application to the Social Fund should not be seen to imply that the person has difficulties with budgeting or financial management. In some cases, the person simply has a very low income. It was feared that a requirement to receive budgeting advice as part of the scheme would deter people from applying, and that a requirement for mandatory support could result in delays in processing applications and might lead people to approach high-interest lenders instead:

> *".. There are hard-pressed families across Scotland who need financial support with both unexpected and foreseen expenses, and whose income is simply not adequate to provide a cushion against such shocks. This will not change as a result of advice about budgeting. A particular worry is that any move towards mandatory advice on budgeting will have the potential to cause delays in the processing of applications. This is completely inappropriate in a scheme that provides help in times of crisis or disaster."* (Third sector)

"It is critical that relevant advice, information and support is available to people who may require grants or loans. Each area must ensure that there are appropriate services availed to support those most in need…. However, this advice should not be linked to entitlement for a grant or loan and should be voluntary rather than mandatory." (Local authority)

5.31 Those who were opposed to providing additional support as part of the successor arrangements gave two reasons for their views:

- Respondents were concerned that the intention might be to make such support mandatory as part of the scheme — and they felt it should not be; or

- They felt that such support was already available at a local level, and therefore, did not need to be provided separately to individuals applying for grants or loans through the Social Fund.

5.32 The main point seemed to be that none of the funding available to support people in crisis should be diverted for the purpose of providing additional support and budgeting advice when: (a) this support / advice may not be needed; and (b) services providing this type of support were already available at a local level.

5.33 A contrasting view came from one respondent (a local authority) which specifically stated that the receipt of budgeting advice *should* be a mandatory part of the successor arrangements — *'to prevent recipients falling into same need in the near future.'*

Types of support that should be offered

5.34 Respondents generally agreed that the following types of support should be offered, or that applicants should be signposted to this support locally.

- Financial advice (including budgeting, financial education, debt advice, ways of saving money)
- Support to maximize income (including benefits advice, and support in applying for benefits)
- Signposting to other services and other information (including information about fuel efficiency, loft insulation, safer homes, etc.)
- Mediation and advocacy support (including citizen and welfare rights)
- "Resilience" support (including befriending, building local networks, education, training and employability support)
- Support for housing and tenancy issues.

5.35 Other types of support advocated were: support for mental health issues, drug and alcohol rehabilitation and local recycling and transport schemes. One respondent suggested a need for better education in life skills and financial literacy at school.

5.36 Another specifically suggested that a similar approach could be adopted to that used by the Energy Assistance Package for promoting access to financial capability advice.[25]

5.37 The point was made that many applicants to the Social Fund do already have links with other support services, and that many advice and support services are already available. Therefore, there is no need to create an additional layer of support; the applicant should simply be signposted to existing services and advice centres. In addition, one respondent suggested that the type of support a person needs will depend on their circumstances. In some cases, people's needs for support will be complex.

Summary of goods versus grants and other types of support

5.38 In general respondents wanted the successor arrangements for the devolved Social Fund to offer both goods and grants. This was to enable individual circumstances to be addressed, while giving people choice and offering flexibility.

5.39 Those in favour of the provision of goods saw 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.

5.40 There was a great deal of consistency between respondents in their suggestions about the type of goods that should be provided. These included a range of white goods, furniture and other household items seen as essential to furnish a home. It was seen to be important that goods provision was flexible to meet the specific needs of individuals with disabilities.

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

5.42 Respondents were generally in favour of offering other types of support (such as budgeting advice) with the successor arrangements. However, there was a strong feeling that such support should not be compulsory.

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[25] http://www.energysavingtrust.org.uk/scotland/Take-action/Grants-and-offers/Home-Energy-Scotland/Energy-Assistance-Package

6　Ensuring effective appeals

6.1　The consultation paper outlined the principle that the successor arrangements must aim to minimise the level of appeals and suggested that this would be achieved by openness and transparency. It acknowledged the importance of effective appeals arrangements for those for whom the process does not operate as it should.

The current system

6.2　The existing appeals process for applicants who are dissatisfied with decisions made in Jobcentre Plus is provided through the Social Fund Commissioner and the Independent Review Service.

6.3　Evidence has shown that within the existing system over half of applications for Community Care Grants are refused and there have been high rates of revised decisions on appeal. Applications for review are much higher for Community Care Grants than Crisis Loans or Budgeting Loans.[26]

6.4　Reflecting this situation, there were concerns amongst respondents about the large volume of appeals being lodged within the current system:

> *"[We] note with dismay the number of appeals, nearly 50% of which the Independent Review Service identified that contained important errors in 2009-10. This is a shocking statistic and suggests there is clearly a problem at the initial decision-making stage."* (Other public sector)

6.5　The successor arrangements were seen to offer an opportunity to *'get it right first time'* and thereby reduce the volume of appeals. It was felt to be important to tackle the situation where initial rejection followed by appeal has almost become routine (often with claims granted on appeal with no additional information). The wider consequences of the delays in the appeals processes (even if the revised decision is in favour of the applicant), for example, by causing rent arrears on a new tenancy, were noted again (see paragraph 2.14).

The essential characteristics of the appeals process

6.6　There was consistency in respondents' desire to see an independent, quick and timely, fully accessible and transparent appeals system. Within this, there was variation across responses in their focus upon the particular stages and aspects of any potential new appeals system. Particular areas of comment ranged from pre-initial claim through publicity and general awareness, to the workings of the current system and a need to improve application forms and decision-making, to processes for a replacement system and audit and evaluation of a new system.

6.7　In describing the essential features of the appeals process, respondents argued that putting in place a high-quality service would also generate value for money. It was proposed that the appeals process should be:

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[26] Scottish Government (2010) *The Social Fund: A review of selected literature*. *Research Findings.* December. http://www.scotland.gov.uk/Publications/2010/12/22083549/2

- Publicised, accessible and easy to use with as few layers of bureaucracy as possible and with resolution at the earliest opportunity
- Focused on the needs of users and consistent in approach
- Free to the user
- High-quality, independent, impartial and promoting public confidence
- Proportionate and fair in processes and treatment, addressing any power imbalance between the customer and the decision-maker, and ensuring the dignity and human rights of claimants
- Efficient by achieving closure in a high proportion of cases, in order to keep disputes out of the courts or tribunal system
- Cost-effective for the taxpayer
- Audited to measure levels of satisfaction and to understand the customer experience.

6.8 Respondents emphasised the need to improve the focus on the initial application process and decision-making and they stressed the importance of speedy resolution at the lowest level to provide a more cost-effective service. This approach would need to be implemented by skilled, motivated and supported staff with appropriate training.

6.9 The eligibility criteria need to be clearly explained; it was suggested that they could be set out in legislation, *'in order to support the effectiveness of a right of appeal'*. A list of exclusions could also be supplied with application forms.

6.10 Simplified application forms were also suggested as a way to reduce error, along with easy access to support to assist completion of application forms.

6.11 Timeliness was stressed. This had several facets including the need for clear, realistic and short timescales. Time limits were proposed. Without tight timescales for appeals, the process may inadvertently contribute to further hardship. Timescales therefore need to be proportionate and appropriate, for example, *'it should not take three months to have an appeal decision for money to stop a fuel disconnection'*.

6.12 The appeals process would be improved by increased clarity at a number of stages. At the pre-appeal stage:

- There needs to be clear notification of decisions, with reasons or explanations for refusals of the initial requests so that it is easy to understand the grounds upon which any appeal may be based and where it will not be available.

- There should be a demonstrated understanding of the individual's circumstances that have led to the original application.

- There should be further investigation of the individual's circumstances as required.

- The rights of appeal should appear in the first paragraph of decision letters, with further information provided about how and when claimants can lodge an appeal.

- The right to seek representation or independent advocacy must be clear and provided at the earliest opportunity.

- An individual should be able to request the attendance of an independent advocate to support them at any meetings, or for the independent advocate to meet and provide information on their behalf to those processing their application.

- Frontline staff need to be authorised to correct mistakes immediately they are identified, without the need for a formal appeal.

- The appeals process itself needs to be clearly set out in a range of accessible formats.

6.13 At appeal itself, the following features were emphasised:

- Hearings must be fair and impartial.
- Cases must be examined in detail with a commitment to the applicant's needs. The process should be both informal and inquisitorial, but deal with decisions on legally enforceable rights to financial assistance.
- The process must be fully accessible and not overly complicated by procedure or jargon.
- Any appeals process should be open to the submission of additional evidence.
- Any decisions made should be clear, concise and understandable for applicants, including the reason for an appeal decision.
- The appeal system must take account of any conflict of interest between the decision-making body, for example, a local authority and the right to appeal representation for the appellant.

6.14 After the appeal process, the outcomes must indicate that the appeal process has:

- Demonstrated a fresh perspective on the original application and decision
- Considered all the information presented and the likely consequences of the decision
- Provided information about the onward right of appeal on points of law. Such onward appeal should be accessible without cost to claimants.
- Signposted unsuccessful appellants to other sources of help
- Given active feedback to the agency that awards grants to ensure any repeated errors are rectified.

6.15 It was also proposed that the successor arrangements should allow for late appeals for those who have been unable to make their appeal on time.

The need for independent review

6.16   There was a general call for provision for independent review under the successor arrangements. Respondents saw this as critical to a discretionary fund of this kind. There was variation in emphasis on whether this might be a one- or two-stage process and how this might best be operationalised.

6.17   Respondents suggested that in the first instance, a review process, conducted by a second separate decision-maker from the first, would reduce the need for claimants to use more costly appeal routes. It was stressed that this second decision-maker must be independent and impartial, with provision for a further and final appeal to an appropriate person or body whose decision would be binding. Independent reviewers need to have a good knowledge of the administration of the grant and budget constraints.

6.18   It was suggested that a model based on the existing IRS or Her Majesty's Courts and Tribunal Service could hear appeals. In discussing the need for independent review, there were positive comments on the effectiveness of the existing Independent Review Service:

> *"An appeals process must be truly independent, and accessible to claimants. We would suggest that the Government does further work to analyse the reasons for the success and popularity of the Independent Review Service, and replicates these features in the new scheme. [We] believe that the speed with which IRS reaches decisions is a key part of this popularity."* (Third sector)

> *"Currently, the Independent Review Service performs a vital function and is one of the only parts of the existing system that we would recommend replicating".* (Third sector)

6.19   Others suggested that it was too soon to comment on the detail of appeals; this concern was linked to the potential role of local authorities and therefore potential scope for variation in interpretation:

> *"From our experience of other appeals systems operated by local authorities they tend to operate separately from each other and interpret national regulations differently across the country".* (Other public sector)

Independent representation

6.20   Respondents commented that independent representation would ensure an opportunity for the appellant to gather further supporting evidence for their case and would also ensure that they can make representations, face-to-face if desired, to explain why a decision should be reconsidered. 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:

> *"It is important to emphasise the role of independent advice in supporting access to justice. This is a key issue. Whilst there may be*

an official view that tribunals are accessible and informal, this should not be accepted without conclusive evidence that the vulnerable people who will need to use the system agree that this is the case in practice. The barriers faced by vulnerable people are demonstrated by the increased success rates at appeal when there is a representative to assist the claimant in arguing their case." (Third sector)

6.21 The provision of independent representation or advocacy would recognise the real barriers faced by vulnerable people. Evidence was cited by Citizens Advice Scotland in relation to Employment Support Allowances appeals, that 70% of clients who had adviser representative had appeals upheld, compared to 40% with no representation.

6.22 Respondents argued that the appeals system also needs to be adequately resourced. Potential conflicts of interest amongst different sections of a local authority, for example, welfare rights teams and revenues and benefits staff, may reduce the availability of impartial professional representation in an area, and hence, an increased need to resource the voluntary sector to step into this role.

Audit, evaluation and improvement

6.23 Respondents proposed the need for transparent scrutiny of appeals processes, including the level of appeals, reasons for appeal and monitoring of trends in decisions. This information must be used to inform future training for staff and also to inform policy makers.

6.24 The evaluation of the appeals system must include an assessment of customer satisfaction. In addition, decisions must be subject to formal audit and the performance of the appeals agency should be published.

Summary of views on effective appeals

6.25 The successor arrangements were seen to offer an opportunity to establish an independent, quick and timely, fully accessible and transparent appeals system. At the same time, by getting it right at the application stage, the volume of appeals could be substantially reduced.

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

6.27 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.

6.28 The appeals system also needs to be adequately resourced. Decisions about delivery arrangements will have implications for the appeals process, and the resourcing of independent representation.

6.29 There is also a need for transparent scrutiny of appeals processes, including the level of appeals, reasons for appeal and monitoring of trends in decisions. This information must inform future training for staff and also to inform policy makers.

7 Other views on the succession arrangements

Tackling poverty and improving the service

7.1 The establishment of successor arrangements was seen as presenting an opportunity to address the deficiencies and complexities of the current Social Fund scheme, whilst retaining its positive elements. A new scheme shaped to the needs of people living in Scotland, would enable tackling poverty, and target those who need help the most and help reduce dependency. At the same time, efforts could be made to increase the efficiency and effectiveness of the new service and to ensure that the best use is made of existing service provision.

Integrating welfare, social and financial inclusion

7.2 Furthermore, the successor arrangements were seen as an opportunity to tackle the way in which the current welfare system undermines other aspects of Scottish Government policy, including policy on financial inclusion. One respondent argued that the process should go further with devolution of the entire benefits system to the Scottish Parliament.

7.3 Respondents felt that the Social Fund has an important role in early intervention and prevention of poverty. Respondents argued against a view that the Social Fund promoted dependency, and instead suggested that the current level of benefits was inadequate. The Scottish Government was seen to have the power and the opportunity to increase the funding to provide sufficient grants and potentially also interest-free loans, which could play a major role in preventing people being subjected to *'insurmountable'* levels of high interest:

> *"Preventative investment in the Social Fund would have major benefit in cutting back and / or mitigating against the costs of increasing levels of poverty and indebtedness. There is a concern that the Social Fund sustains a level of dependency but this is due to the inadequacy of level of benefits, not to the existence of the fund itself."* (Third sector)

7.4 The new Fund was seen as an opportunity to integrate different forms of support more effectively and to implement wider strategies for social and financial inclusion. It was suggested that the new system could be a key element of a more holistic agenda of early intervention, preventative spending and financial inclusion.

7.5 It was suggested that the Scottish Government should give careful consideration to the name of the new scheme, to avoid the stigma of the Social Fund: it was suggested that the low take-up rates of some groups could be improved by such a simple measure.

Funding issues

7.6 In providing further comments, respondents often reiterated their earlier concerns around structural and systemic issues. Key issues included: establishing the scope and costs of new successor arrangements; providing an assessment and rationale for distribution amongst local authorities; putting in place arrangements for meeting need where demand may legitimately exceed supply; and addressing

concerns about the inability to ring-fence funding and a lack of confidence that funds would not be absorbed into other budgets affected by cuts.

A need for further information

7.7   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. There was a desire to have seen statistical analysis of the number, type and success rate of Social Fund applications made by area.

7.8   Respondents sought further information and more consultation to understand how the devolved fund would work in practice. Both legal and resource requirements were also said to require further assessment.

7.9   There were very few responses from non-local authority public organisations such as the NHS. The implications for public health may not necessarily have been evident and again, more information would have been welcome.

7.10   Respondents also highlighted a need for high-quality accessible information and staff training to ensure that those responsible for delivering the successor arrangements understand the purpose of the Fund, the application and appeal processes and the equalities implications.

Issues regarding the timescales for implementation

7.11   A number of practical issues regarding implementation were also raised, particularly given the '*ambitious'* proposal to have a fully-operational grant system in place across Scotland by 1 April 2013 at the same time as other major welfare reforms.

7.12   The new scheme will require:

- Defined national eligibility criteria
- A new national or local grant application form
- The procurement of a fully-tested national or local IT system to record and control the expenditure. This will then need to be fully tested.
- A mechanism for making a grant payment or the payment of goods
- Establishing working arrangements with supplier(s) of goods
- Appropriate levels of staffing — which will possibly require a recruitment process
- Staff trained on the new procedures and new system
- A communication strategy to inform the public of the scheme.

7.13   A further suggestion was that the development of any new arrangements should include a mechanism to provide clear indicators against which performance can be measured. This suggestion was not intended to replace or remove any statutory powers of review or appeal from benefit claimants. Performance measurement should incorporate the mechanisms for people who receive support to give feedback about their experience and to raise on-going issues to continuously improve delivery.

Wider contextual issues

7.14 Respondents also highlighted broader contextual issues, particularly in relation to the impact on Scottish households of the introduction of Universal Credit. These included concerns that the replacement of a range of benefits with a single Universal Credit will mean that any mistake or delay in payment could result in people being deprived of all of their benefit, rather than just one part of it. Whilst payments on account can be made, respondents suggested that the DWP have tended to refer people to the Social Fund rather than make such provision, causing distress and financial hardship:

> *"[We are] concerned about the plans made by DWP 'for payments on account' of universal credit. DWP have a long history of administration and benefit issues which have caused distress and financial hardship for many of our clients in Scotland."* (Third sector)

7.15 These concerns suggest that 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.

7.16 Recent changes to the existing Social Fund were also felt to be pertinent to consideration of the successor arrangements, including restrictions on Crisis Loans made in April 2011 and changes to the rules about repeat awards introduced in July 2011. One local authority's housing service reported the impact of these restrictions:

> *"Prospective tenants on Incapacity Benefit, Job Seekers Allowance (contribution based), and Employment and Support Allowance are not eligible to apply for Community Care Grants and Budgeting Loans. In addition, Crisis Loans no longer cover household items except following a disaster. [Such tenants] have no options open to them when being re-housed."* (Local authority)

7.17 Respondents suggested that the successor arrangements need not include these current restrictions.

7.18 A review and strengthening of the existing local authority powers to provide cash assistance to those temporarily without resources was also proposed.

7.19 Respondents saw scope for expanding recent initiatives giving access to credit:

> *"For the past four years, Government has given Credit Unions funds to offer small loans to people on benefits [without requiring them to save first] as an alternative to applying to the Social Fund, giving quicker access [to a Credit Union loan]. This trial could be expanded on."* (Third sector)

7.20 Other respondents noted moves in Scotland towards universalism in areas such as prescriptions and school meals and wished to extend that approach.

7.21 Respondents stated that as Social Fund is often the only form of affordable credit available, it is important to consider this support alongside measures to widen

access to affordable credit as a way of tackling the higher credit costs faced by those in poverty. Furthermore, there will be an increased need for access to affordable credit in the future as a result of wider changes to the welfare system and economic hardship:

> *"Changes to housing benefit, increases in fuel and food prices, decreases in welfare payments (now up-rated according to CPI rather than RPI) as well as cuts to tax credits and a wide range of children's benefits will all result in ever increasing needs for affordable credit."*
> (Third sector)

The need for further development

7.22   Some respondents expressed a willingness to be involved further in any working group or 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.

8 Conclusions

8.1 Devolution of the Social Fund was welcomed 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.

Qualified endorsement for a single grant fund

8.2 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.

A need for more information and concerns about funding

8.3 There was a common desire to have more information about the parameters of the future system and a number of caveats in relation to the level of funding, eligibility criteria, the balance of demand and supply; ring-fencing of funds, financial risk to local authorities and the interface with forthcoming welfare benefit changes. Concerns about equalities and accessibility contributed to uncertainty; respondents wanted more clarity about how the successor arrangements will address the needs of people with protected characteristics under the Equality Act.

Access to low interest loans

8.4 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.

8.5 A major concern was that successor arrangements would not address the current lack of affordable credit, resulting in applicants being forced to turn to high-cost and risky options for borrowing. Respondents called for a Scotland-wide approach to support the development of affordable credit.

Scope for both: preferred delivery arrangements and channels

8.6 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. 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.

8.7 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 delivering 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.

8.8   Overall, 12 out of 50 respondents favoured central delivery; almost all of which were third sector organisations. Central delivery was seen to be a more cost-efficient and fair 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.

Retain a client focus: delivery channels

8.9   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 disabled people including those with 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.

8.10   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: a focus on needs

8.11   The idea that either groups or events should be the focus of eligibility was challenged. Ideally, 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 but felt that should not prevent providing assistance to those in greatest need.

8.12   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 grants and goods

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

8.14   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.

8.15   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.

8.16   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. It was seen to be important that goods provision was flexible to meet the specific needs of individuals with disabilities.

Provide optional support and advice

8.17   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.

Effective appeals

8.18   The successor arrangements were seen to offer 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.

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

8.20   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.

8.21   The appeals system also needs to be adequately resourced. Decisions about delivery arrangements will have implications for the appeals process, and the resourcing of independent representation.

8.22   There is also a need for transparent scrutiny of appeals processes, including the level of appeals, reasons for appeal and monitoring of trends in decisions. This information must be used to inform future training for staff and also to inform policy makers.

Other issues and next steps

8.23   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 at the same time as other major welfare reforms. These reforms will themselves need to be taken into account, particularly the introduction of Universal Credit and 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.

8.24   It was suggested that the Scottish Government should give careful consideration to the name of the new scheme, to avoid the stigma of the Social Fund. There was a view that the low take-up rates of some groups could be improved by such a simple measure.

8.25   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 and sought further information and more consultation to understand how the devolved fund would work in practice, including details about how it might impact on specific equalities groups. There were very few responses from non-local authority public organisations such as the NHS.

8.26   Some respondents expressed a willingness to be involved further in any working group or 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.

Appendix 1: List of respondents

Third sector respondents
Barnardo's Scotland
The Butterfly Trust
Child Poverty Action Group in Scotland
Citizens Advice Scotland
Dumfries and Galloway Citizens Advice Bureau
Ecas, Edinburgh
Gardeen Housing Association
Glasgow Homelessness Network
Glenrothes YMCA — YWCA Housing Services
Nairn Citizens Advice Bureau
One Parent Families Scotland
The Poverty Alliance
Quarriers
Rights Advice Scotland
Royal National Institute for Blind People RNIB Scotland
Save the Children UK
SAY Women
Scottish Campaign on Welfare Reform
Scottish Council for Single Homeless
Scottish Council on Deafness
Scottish Federation of Housing Associations
Scottish Independent Advocacy Alliance SIAA
Scottish Women's Aid
Sense Scotland
Shelter Scotland
Starter Packs Glasgow

Another 3 responses came in from the Third Sector without permission to publish.

Local authority respondents
Aberdeen City Council, Social Care and Wellbeing
Aberdeen Works
Angus Council, Social Work and Health Department
Argyll & Bute Council, Community and Culture, Welfare Rights
Dundee City Council, Corporate Planning
Falkirk Council, Community Planning
Glasgow City Council, Social Work Services
North Ayrshire Council, Revenues and Benefits
Perth and Kinross Council, Welfare Rights Team
Renfrewshire Council, Chief Executive's Service
Scottish Borders Council, Welfare Benefits Service
Stirling Council, Community Care
West Dunbartonshire Council, Community Planning

Other public sector respondents
Convention on Scottish Local Authorities (COSLA)
NHS Dumfries & Galloway
The Scottish Committee of the Administrative Justice & Tribunals Council

Other
Social Fund Commissioner

Individual respondents
Anthony Cannon
Archie MacArthur
Director of Public Health and Health Policy, NHS Lothian
Iain Fisk, School of Applied Social Sciences, Robert Gordon University

Appendix 2: Consultation Questions

Q1 Do you have any other evidence on the operation of the current system which would be relevant to consideration of successor arrangements?

>

Q2 Do you agree the successor arrangements should operate a single grant fund?

Yes   ☐

No   ☐

Don't know   ☐

> Please give the reasons for your response. If you don't agree with the statement, please outline your preferred alternative arrangements below.

Q3 Do you favour centralised or local delivery of the successor arrangements?

Central delivery   ☐

Local delivery   ☐

No preference   ☐

> Please give reasons for your response.

Q4 If you support local delivery, which organisation or organisations should deliver the successor arrangements?

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Q5 If you support central delivery, how would a client focussed approach be maintained?

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Q6 Which delivery channels are most appropriate? For example, face-to-face, online, etc.

6a) For central delivery

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6b) For local delivery

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Q7 What groups (e.g. older people) and life events (e.g. moving back into the community) do you consider should be the focus of the successor arrangements?

7a) What groups (for example older people)

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7b) Which events (for example moving back into the community)

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Q8 Do you agree that the successor arrangements should provide goods rather than grants? Should the arrangements provide:

Goods   ☐

Grants   ☐

Both   ☐

Don't know   ☐

> Please give reasons for your response.
>
>
>

Q9 If you agree that the successor arrangements should provide goods, what goods should be considered for inclusion?

> Please give reasons for your suggestions.
>
>
>

Q10 Do you agree that the successor arrangements should include other support, such as budgeting advice?

Yes   ☐

No   ☐

Don't know   ☐

> Please give reasons for your response.
>
>
>

Q11 If you agree, what support should be considered for inclusion?

>
>
>

Q12 What do you consider are the essential characteristics of an effective appeals process?

Q13 Do you have any other views on the succession arrangements?

Please send your response to Catriona McKay at catriona.mckay@scotland.gsi.gov.uk by Friday 28 October 2011.

Appendix 3: Methodology

The analysis of responses followed the *Consultation Good Practice Guidance* provided by the Scottish Government.

Most responses broadly followed the structure of the consultation document providing a mix of structured and unstructured responses.

The analysis was approached systematically by reading all responses and developing a coding framework to capture the range and nature of responses. Respondents were categorised by type using information provided on the Respondent Information Form submitted with responses.

A database was created and checks made for duplicate or very similar responses.[27] Responses to each question were then analysed to capture the range and nature of views expressed, including the commonalities and uniqueness of responses. Responses were cross-referenced across questions to ensure that the nuances of responses were not lost, particularly where respondents had chosen not to respond using the structure of the consultation questions. Responses to individual questions were also analysed to see if there was any pattern of response across several questions by particular groups of respondents. All three report authors have been involved in the analysis of responses to allow for cross-checking and validation of the interpretation of the data.

The consultation process invited anyone who wished to respond to do so; as such, the responses are not based on a representative sample and no attempt has been made to identify an overall consensus. The data was largely qualitative and the report highlights the nature of the responses and the themes that emerged across responses, including whether responses supported or challenged the underlying premises of the consultation document and where people have not answered the question. Quantitative analysis is reported for the 4 closed questions. In the tables reported here, in some cases where respondents have not directly answered the closed question, we have used any accompanying text response to infer views and have added them to the appropriate category.

In reporting, the analysis of each question has been integrated around the main themes evident in the consultation responses. These largely focused on the questions that were asked in the consultation paper. Quotes are used selectively to illustrate the nature of responses from across the range of respondents. These are reported anonymously.

Respondents were also invited to submit any evidence about the operation of the current system that they considered could have bearing on the successor arrangements. This material has also been useful in enhancing the interpretation of responses and has been used to illustrate respondent themes.

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[27] A single response was found to be a duplicate and removed.

Whilst there were no responses directly from people who identified themselves as having personal experience of poverty or as applicants to the Social Fund, a number of organisational responses were explicitly based on wider consultative processes and evidence derived from working directly with people with such experience. In this respect, some third sector responses were quite detailed — for example, providing case study material and accounts from service users and casework experience.

Some local authority responses also cited casework evidence. Local authority respondents mainly came from social care or social work departments, from community planning or corporate planning. Four local authority responses came from welfare benefits or welfare rights services, and one was submitted by a local authority on behalf of a multi-agency forum focusing on employment issues. One of the local authority responses addressed only the first question in the consultation questionnaire.

Whilst some of the third sector responses were from organisations that represent a number of equalities groups and from umbrella groups or alliances with a broad membership, the main gaps are in relation to direct commentary on how the successor arrangements may impact on black and minority ethnic communities, and to a lesser extent, the elderly. There were also few responses from a health service perspective. Commentary on any obvious gaps or 'silent voices' in the responses is provided where relevant throughout the reporting.