

Scottish Welfare Fund Action Plan

June 2023

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Ministerial Foreword

“The Scottish Welfare Fund provides a lifeline of occasional support to those most in need and the Scottish Government is committed to ensuring that it works in the best way possible. This is why we undertook a Review into the SWF, delivering on our commitment within the Bute House Agreement. The Review outlined a comprehensive evidence base for the Scottish Government to examine and identify improvements for delivery in partnership with stakeholders.



Today, I am pleased to publish the outcome of this work. The following Action Plan commits to **22 actions** across **7 themes** from the Review. These actions will safeguard the SWF and ensure that it continues to be a robust and reliable service for the most vulnerable in Scotland.

As the Review highlights, the increased demand for the SWF has been fuelled by the inadequacy of UK Government benefits, particularly within the context of the cost of living crisis. The Review highlights the critical importance of the SWF in providing emergency support, and we can be proud that we have the SWF to provide this vital safety net. To date, over £380 million has been paid to more than 500,000 households in Scotland. Following engagement with key stakeholders, I am confident that our Action Plan will address the findings and advance the areas for improvement identified in the Review. The Scottish Government will deliver these actions to improve the SWF alongside other policy initiatives to address the cost of living crisis and ease pressure on families across Scotland, despite the absence of necessary support from UK main benefits.

Within our fixed budgets and limited powers of devolution, we have transformed social security provision in Scotland. We are investing £5.2 billion in benefit expenditure in 2023-24, supporting over 1 million people. This includes funding for the Scottish Welfare Fund of £41 million. We are also investing £405 million in the Scottish Child Payment this year - the most ambitious child poverty reduction measure in the UK, with around 370,000 children eligible.

All Scottish benefits have been updated in line with inflation by 10.1% to help meet the rising cost of living, and we have tripled our Fuel Insecurity Fund to support anyone at risk of self-disconnection, or those rationing their energy use. Over the past year we have allocated almost £3 billion to support policies which tackle poverty and protect people as far as possible during the cost of living crisis. These measures will all offer much needed additional support to families in Scotland, and they should also play an important role in easing some of the demand for the SWF so it can continue to meet its intended policy purpose.

The publication of this Action Plan demonstrates the Scottish Government's dedication to strengthening our social security system and working to best meet the needs of people in Scotland. The improvements that this Action Plan will bring to the SWF will help to build a fairer Scotland, working to tackle poverty in all forms.”

Shirley-Anne Somerville MSP
Cabinet Secretary for Social Justice

Acknowledgements

This Action Plan is published in response to Ipsos Scotland's independent review (the 'Review') of the Scottish Welfare Fund (the 'SWF')¹.

Scottish Ministers would like to thank the Policy Advisory Group who supported the Scottish Government in reviewing the findings and suggested improvements from the Review and considering policy proposals in response.

The Policy Advisory Group included representatives from the Convention of Scottish Local Authorities (CoSLA), Local Authority delivery partners, Scottish Public Service Ombudsman (SPSO), Scottish Prison Service (SPS), Citizens Advice Scotland, Trussell Trust, and Child Poverty Action Group who all provided valuable and varied contributions to the policy development process.

The improvements identified within this Action Plan have been developed and considered with the Policy Advisory Group. Responsibility for their implementation lies with the Scottish Government.

¹[The Scottish Government \(2023\) - Review of the Scottish Welfare Fund Final Report](#)

Summary of Actions

The Scottish Government will work with stakeholders to:

1. **Investigate and introduce** further training for Local Authority decision-makers, in partnership with the SPSO, third sector and other agencies.
2. **Re-establish** regular Practitioners' Forums to facilitate the sharing of best practice across Local Authorities. The Scottish Government will act as the secretariat in order to develop and implement a programme of work. We will include the opportunity for the third sector and other agencies to share their knowledge on particular issues and topics.
3. **Improve** Local Authorities' direct communication with applicants by investigating feasibility of:
 - i. **Establishing and resourcing** a freephone number;
 - ii. **Requiring** decision-makers to phone applicants, where it is in line with the applicant's needs and any reasonable adjustments, in the first instance to communicate their application decision, answer questions, and signpost other services.
4. **Develop and provide** standardised communication messages to Local Authorities and Scottish Prisons for SWF advertisement and information sharing. This information will detail the Fund's purpose, eligibility requirements, avenues for application, what to expect during the application process and the right to review.
5. **Review** the Statutory Guidance to provide clearer definitions on eligibility and what constitutes 'exceptional circumstances' with regard to repeat applications.
6. **Update** the Statutory Guidance to include the principles of the Social Security Scotland 'Our Charter' to ensure that the approach to decision-making is grounded in dignity, fairness and respect, including during the evidence gathering process.
7. **Investigate and examine** options for more centralised support for Local Authorities, recognising resourcing limitations and need to maintain discretion.
8. **Investigate** if language barriers are a significant and widespread issue for applicants to the SWF and work to implement long-term solutions with Local Authority delivery partners.
9. **Prepare** standardised decision letters to all applicants with details on the right to review and referral to national welfare debt services.
10. **Explore and implement** more specific requirements for advertisement beyond what is currently required within the Statutory Guidance to address unmet need across applicant demographics, while recognising resource implications.
11. **Develop and implement** a refined and standardised application form to be used across all Local Authorities and in all application avenues.
12. **Provide guidelines** for application referrals regardless of whether their application was successful or not.

13. **Review** timescales and assessment prioritisation within the Statutory Guidance revision, subject to future funding considerations.
14. **Restructure** the Statutory Guidance for improved accessibility and ease of use for decision-makers, organisations and service users.
15. **Review** the income thresholds for applicant eligibility and consider alignment with those used by the Self Isolation Support Grant, while recognising the need to firstly assess financial implications and the ways that Local Authorities can efficiently verify income. This review will also consider the removal of current requirements for applicants to first investigate other avenues for financial support, such as applying for an overdraft, or asking family and friends for help before applying to the SWF.
16. **Assess** the type and quantity of evidence required for decision-making and provide further guidance to Local Authorities to ensure that the assessment process embeds the principles of fairness, respect and trust.
17. **Review and develop guidance** on the methodology to calculate the cost of living award rates to ensure they are adequate to meet the increased cost of goods and services. This includes assessing the removal of the under 25-rate of payment and maximum daily award rate from the Statutory Guidance.
18. **Implement** guidelines and standards for Tier-One Reviews to include a focus on learning from the outcomes of review and sharing this learning.
19. **Introduce** a requirement for the Statutory Guidance to be reviewed annually, with a standing Statutory Guidance Review Committee established.
20. **Review and establish** a new process for data collection in partnership with Local Authorities based on an agreed set of standards. The new process will be developed to include:
 - i. Consistent and complete reporting of equalities characteristics;
 - ii. Detailed reporting of decision outcomes, including for those who are in and leaving prison, accessed the review system as part of their application or had an onward referral;
 - iii. Regular estimations of Local Authority SWF total budgets remaining.
21. **Strengthen** the usefulness of annual reporting undertaken by the Scottish Government through assessing and publishing further information relating to applicant characteristics and outcomes. This will help to ensure consistency and assist learning and development across Local Authorities, which will be central to shared efforts in tackling child poverty across Scotland.
22. **Develop** an approach, in partnership with SPSO, for ensuring there is a commitment to learning and improvement. This will include quality measures and consistent approaches to the way in which application and review information is monitored, reviewed and reported.

Introduction and Context

The Scottish Welfare Fund (SWF) was established in 2013. It is a national scheme underpinned by legislation and supported by Statutory Guidance². The SWF is administered by Local Authorities and provides two forms of discretionary grants:

Crisis Grants support eligible individuals facing a disaster of emergency.

Community Care Grants support eligible individuals to establish or maintain a settled home.

As set out in the Statutory Guidance, SWF grants are “intended to meet occasional or short-term needs and not to provide an alternative source of regular income”³.

The Scottish Government committed to an independent review (the ‘Review’) of the SWF as part of the 2021 Bute House Agreement. This was in the context of heightened pressure on the SWF during the Covid-19 pandemic.

The Review of the SWF published on 24 March 2023. The Scottish Government then worked to establish a Policy Advisory Group (the ‘Group’). The role of the Group was to advise the Scottish Government on proposed actions using the Review findings as the evidence base. The Group consisted of representatives from CoSLA, Local Authority delivery partners, Scottish Prison Service, Citizens Advice Scotland, the Trussell Trust, and Child Poverty Action Group. The diversity of the members ensured a robust variety of viewpoints fed into the policy development process.

This Action Plan was informed by the evidence base from the Review, as well as the consultation with the Group. The publication of both the Review and this Action Plan delivers upon the Scottish Government’s Bute House Agreement commitment.

Vision for the Future

The First Minister set out a new vision for Scotland in April this year, committing this Government to tackle poverty in all its forms and improve the life chances of people across Scotland. Within the strategy, *Equality, opportunity, community: New leadership - A fresh start*⁴, the Cabinet Secretary for Social Justice emphasised the vital importance of addressing child poverty as enshrined in statutory child poverty targets by 2030, including through delivering devolved Scottish Government benefits to around 2 million people.

The Cabinet Secretary outlines continued work to maximise household incomes through provision of services such as childcare, transport and free school meals, and delivering support to disabled people and carers. Further work will also be undertaken to reduce child poverty rates through delivery of the Scottish Government’s tackling child poverty plan *Best Start, Bright Futures*⁵, including the further investment of £1.3 billion in the game-changing Scottish Child Payment. This

² [The Scottish Government \(2021\) - Statutory Guidance for the Scottish Welfare Fund](#)

³ [The Scottish Government \(2021\) - Statutory Guidance for the Scottish Welfare Fund](#)

⁴ [The Scottish Government \(2023\) - New Leadership, Fresh Start Strategy](#)

⁵ [The Scottish Government \(2022\) - Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022 to 2026](#)

benefit is forecast this financial year to lift 50,000 children out of poverty⁶. Additional work such as delivering affordable homes across Scotland, including through a *Remote, Rural and Island Housing Action Plan*, and working with Local Government on action to address temporary accommodation, will help to assist those on low-incomes to have a safe and affordable home. The Scottish Government has also strengthened its response to hardship through the recently published *Cash First: Towards Ending the Need for Food Banks in Scotland*⁷. This sets out the Scottish Government's human rights approach to food insecurity and 9 actions to improve access to cash and wider help in a crisis, including through a £1.8m Cash-First Programme.

It is in the context of wider Scottish Government action that the SWF will continue to provide occasional assistance to those in crisis or seeking to re-establish their home when they need it. While the Scottish Government continues to use all of its levers to mitigate overarching issues with the UK benefit system, we must be honest and realistic that the SWF cannot sustainably act as a sticking-plaster for wider challenges presented by UK Government policies.

The Review into the SWF does not demonstrate a need for a wholesale policy reset, but rather, it outlines areas for improvement and refinement to ensure the SWF works in the best way possible. As this Action Plan demonstrates, we will undertake work to improve consistency, communication, promotion, timescales, the application process, and long-term work through data collection and audit. The Scottish Government will separately assess long-term funding sustainability of the SWF in future budget processes. As part of this work, we will ensure that the SWF aligns with existing social security support, housing policy, and homelessness prevention policy. This will bolster a well-connected and holistic social security system that ensures the SWF is not delivered in isolation. This work, alongside this Action Plan, will ensure that the SWF continues to work in the best way possible for the people of Scotland.

Action Plan Aims

The aim of the Action Plan and the engagement with the Group was to detail improvements to the SWF in collaboration with stakeholders and informed by the Review's evidence base. The objectives include:

- a) **Assess** the evidence base and **develop** policy improvements in collaboration with stakeholders including through a Policy Advisory Group;
- b) **Improve** the relationship with delivery partners in Local Authorities and the Scottish Public Services Ombudsman, ensuring that policy improvements can be implemented effectively;
- c) **Implement** policy improvements in a sustainable way and **establish** an outcome auditing process to measure ongoing effectiveness;
- d) **Support** the sharing of best practice and communicate positive outcomes driven by the Scottish Welfare Fund policy improvements in the longer-term;
- e) **Improve** the alignment with broader Scottish Government policy drivers and social security benefits offered.

⁶ [The Scottish Government \(2023\) - New Leadership, Fresh Start Strategy](#)

⁷ [The Scottish Government \(2023\) - Cash-First: Towards Ending the Need for Foodbanks: Plan](#)

Part A: Immediate/ Short Term Improvements

The following actions will be developed and implemented in partnership with stakeholders from Autumn 2023 until the end of Spring 2024:

Theme 1: Improving Clarity and Consistency of Communication and Promotion

We will work with stakeholders to:

1. **Investigate and introduce** further training for Local Authority decision-makers, in partnership with the SPSO, third sector and other agencies.
2. **Re-establish** regular Practitioners' Forums to facilitate the sharing of best practice across Local Authorities. The Scottish Government will act as the secretariat in order to develop and implement a programme of work. We will include the opportunity for the third sector and other agencies to share their knowledge on particular issues and topics. (This action cross refers to other policy improvements considered within Theme 2 on consistency of decision-making).
3. **Improve** Local Authorities' direct communication with applicants by investigating feasibility of:
 - i. **Establishing** and **resourcing** a freephone number;
 - ii. **Requiring** decision-makers to phone applicants, where it is in line with the applicant's needs and any reasonable adjustments, in the first instance to communicate their application decision, answer questions, and signpost other services.
4. **Develop** and **provide** standardised communication messages to Local Authorities and Scottish Prisons for SWF advertisement and information sharing. This information will detail the Fund's purpose, eligibility requirements, avenues for application, what to expect during the application process and the right to review.

A key area of focus of the Review is the need to improve communications by Local Authorities in terms of clarity, consistency, and tone. A key finding within the Review is that the Local Authority in which an applicant applies has a "significant impact on their likelihood of success" (p. 49), even when controlled for other factors. Applicants to the Fund and external groups also noted difficulties understanding the eligibility criteria and reasons for decision-making.

Discretion is built into the Fund. It rightly allows Local Authorities to carry out decisions that best suit the needs of their community and maintain connections with organisations local to the area. The Review demonstrates that analogous schemes within the UK that are centralised do not necessarily have better outcomes than localised schemes such as the SWF. While there will always be some variation with a discretionary scheme, it is important that there is consistency in messaging for applicants across Scotland.

To this end, the Scottish Government will work to close the communication gap and ensure consistency across Local Authorities in how they interact and communicate with applicants to the SWF. This will include providing standardised communication messages and materials for the SWF – including on eligibility, avenues for application, what to expect during the application process and the right to review.

The Scottish Government will also work to ensure there is consistent messaging around referrals to longer-term support, particularly given that the social security landscape in Scotland has transformed in recent years and the role of the SWF as an occasional support grant needs to be positioned in that context. Local Authorities will still be able to tailor their communications to provide local support contacts. Improved referrals should lead to Crisis Grant and Community Care Grant applicants having an improved chance of being connected into support that can more sustainably and effectively target and resolve their financial difficulties.

Theme 2: Increasing Consistency of Decision-Making

We will work with stakeholders to:

5. **Review** the Statutory Guidance to provide clearer definitions on eligibility and what constitutes 'exceptional circumstances' with regard to repeat applications. (This action cross-refers with other proposed policy improvements considered within Theme 6 on Statutory Guidance).
6. **Update** the Statutory Guidance to include the principles of the Social Security Scotland 'Our Charter' to ensure that the approach to decision-making is grounded in dignity, fairness and respect, including during the evidence gathering process (This action cross-refers with other proposed policy improvements considered within Theme 4 on application form and process).
7. **Investigate and examine** options for more centralised support for Local Authorities, recognising resourcing limitations and need to maintain discretion (This action cross refers to other policy improvements considered within Theme 1 on consistency of communication).

Related to Theme 1 is the need to strengthen the consistency of decisions made by Local Authorities. There is a clear tension between delivering consistency and maintaining discretion. The Scottish Government is clear on the benefits of Local Authority discretion to meet the needs of their individual communities, however, it is important that extreme variations between Local Authorities are addressed. The Scottish Government will take steps through this Action Plan to investigate more enhanced centralised support for Local Authorities subject to future funding deliberations.

The re-implementation of regular Practitioners' Forums as outlined in Theme 1 will also ensure there is improved sharing of best practice between Local Authorities to enhance consistency. By implementing clear guidelines for application evidence gathering, we can also ensure that Local Authority decisions are being based on the same threshold of evidence and are implemented in a framework grounded in trust, consistent with the Scottish Government's Social Security Charter⁸. Further actions outlined in Theme 6, such as more regular updates to the Statutory Guidance will ensure that the Guidance remains relevant and promotes greater consistency.

The Scottish Government will also take steps to ensure that there are clear definitions in the Statutory Guidance. While the discretionary nature of the SWF will be maintained, providing more clarity to Local Authorities will ensure that both applicants and decision-makers are clear on the circumstances in which the SWF can provide support.

⁸[The Scottish Government \(2019\) - Social Security Scotland: Our Charter](#)

Theme 3: Increasing Awareness and Improving Accessibility

We will work with stakeholders to:

8. **Investigate** if language barriers are a significant and widespread issue for applicants to the SWF and work to implement long-term solutions with Local Authority delivery partners.
9. **Prepare** standardised decision letters to all applicants with details on the right to review and referral to national welfare debt services (this action cross refers with other proposed policy improvements considered in Theme 4).
10. **Explore and implement** more specific requirements for advertisement beyond what is currently required within the Statutory Guidance to address unmet need across applicant demographics, while recognising resource implications (this action cross refers with other proposed policy improvements considered in Theme 6).

The Review highlights a need for improved promotion of the SWF in terms of general publicity as well as the right to review a decision by Local Authorities and the Scottish Public Service Ombudsman (SPSO). Many of the applicants interviewed in the course of the Review noted that they only found out about the SWF “by chance” (p. 40). Local Authorities stated that given the high demand for the SWF they felt that general awareness was already widespread. The Review also noted that more work needs to be undertaken to investigate the impact of language barriers for SWF applicants.

Despite Local Authorities acknowledging high demand for the SWF, a key issue is the need to ensure that the SWF reaches those who currently have an unmet need and the role of promotion in achieving this. For example, the Review highlights that older people were less likely to apply to the SWF. Recent research by *Independent Age* also demonstrated the unique financial pressures for pension age individuals in Scotland and limited uptake to the SWF from research participants⁹, while the *Scottish Women’s Budget Group* and *Poverty Alliance* found a lack of awareness of SWF support among women¹⁰.

The Scottish Government recognises that social security support needs to be delivered alongside a concerted promotional effort. In the last four years, the Scottish Government has published two Benefit Take-Up Strategies to ensure people are aware of, and enabled to access the financial support that they are entitled to. The Scottish Government recognises that actions taken within this Action Plan must support this holistic and preventative approach to income maximisation.

Given that the SWF is delivered by Local Authorities, rather than centrally through Social Security Scotland, the Scottish Government has to ensure that measures to support awareness are balanced with Local Authority discretion and tailored to their area. With that said, the Scottish Government will work with stakeholders to improve awareness of the SWF and consistency in approach throughout the country on a national level. These messages will be tailored to meet the needs of specific groups, such as those soon to be liberated from prison. Enhanced promotion will also place

⁹ [Independent Age \(2023\) - Not Enough to Live On: Pension Age Poverty in Scotland](#)

¹⁰ [Scottish Women's Budget Group and Poverty Alliance \(2022\) - “It’s hard work being poor” Women’s Experiences of the Cost-of-Living Crisis in Scotland](#)

those experiencing unmet need, such as older individuals, at the centre of improvement work, ensuring that awareness of the Fund is boosted and the language used is fully accessible.

Theme 4: Simplifying and Streamlining the Application Process

We will work with stakeholders to:

11. **Develop and implement** a refined and standardised application form to be used across all Local Authorities and in all application avenues.
12. **Provide guidelines** for application referrals regardless of whether their application was successful or not.

The Review highlights the need for the application form to be shortened and simplified, with intrusive questions removed. Beyond the Review, the Scottish Government's engagement with the Scottish Prison Service has uncovered issues with the standardised physical application form used by prisons and compatibility with the information required by Local Authorities.

It is for these reasons that the Scottish Government will work with stakeholders to create a simplified, streamlined, and standardised application form for use across all Local Authorities. The Group members noted that this form should be trauma-informed and simplified. Further, they noted that personal questions on the form should serve the purpose of providing a welfare-check on the applicant, as opposed to acting as a gatekeeping mechanism. Having a shortened and standardised form that incorporates this feedback from the Group will simplify the process for applicants. In addition, it will reduce the inconsistencies across Scotland and tighten communication on the SWF. These measures will support the improvement actions set out in Theme 3 around awareness and accessibility by ensuring that those who apply to the SWF receive the same information on the application process and are required to respond to the same questions on their application form, no matter what Local Authority they apply to, and irrespective of the application avenue.

For those applying within prisons, having a streamlined physical application process will reduce delays to applications. In the longer-term, the Scottish Government will explore with the Scottish Prison Service how online applications could be facilitated within the institutional setting to enable for quicker processing and decisions from Local Authorities on applications.

The inclusion of guidelines for referral contacts will also ensure greater awareness of the application process and next-steps. Referrals play an important role in ensuring applicants receive income maximisation advice and obtain further support with the aim of addressing the root cause of the applicant's need, reducing the likelihood that applicants will need to return to the SWF. Research from the *Trussell Trust* and *Save the Children* demonstrates the importance of referrals noting:

“One applicant we heard from through this research had made repeated applications for Crisis Grants over the past two years because of persistent problem debt. Until they were pointed to debt advice services through a support worker at their local food bank, the financial challenges driving them into destitution were not addressed. The participant felt that had they been pointed to independent advice services earlier, they would not have been in a

position of needing to regularly rely on Crisis Grants to meet food and fuel costs (p. 42).¹¹”

It is therefore, crucial that referrals and holistic support is provided to every applicant to the SWF. Many Local Authorities already have excellent referral practices in place, including that of North Lanarkshire Council’s referral gateway system. The Scottish Government will work with Local Authorities to encourage the sharing of best practice. We will also implement guidelines and work with Local Authorities to ensure that clear referrals are always offered to SWF applicants, including by maintaining localised connections to support services.

Theme 5: Reducing Processing Timescales and Assessment Prioritisation

We will work with stakeholders to:

13. **Review** timescales and assessment prioritisation within the Statutory Guidance revision, subject to future funding considerations. (This action cross-refers with other proposed policy improvements considered within Theme 6 on updating Statutory Guidance).

The Review details a preference among applicants and external stakeholders for quicker decision-making and delivery of grants. Local Authority delivery partners questioned whether guide timeframes could be more flexibility applied to enable greater prioritisation based on the decision-makers assessment.

Crisis Grants by their very nature need to be delivered at pace by Local Authorities. This is due to the negative outcomes on applicants and their families if left waiting out of pocket in an emergency or disaster situation. Similarly, Community Care Grants should be delivered as soon as possible to allow applicants to re-establish themselves in the community or remain in the community, preventing the need for institutional care. Those applying to the SWF are often in an extremely vulnerable position and the Scottish Government wants to ensure they can receive support as soon as possible.

With that said, the Scottish Government recognises the additional administrative pressure that would be placed on Local Authorities if application timeframes were shortened. It is for this reason that decision-timescales and assessment prioritisation must be considered in the round as part of a Statutory Guidance review, as committed to within Theme 6. At present, Crisis Grant decisions must be made within 48 hours. Community Care Grant decisions must be reached within 15 working days. While we acknowledge that heightened demand for the SWF has meant that not all decisions are made within the Statutory Guidance timeframes, the vast majority of applicants receive a decision within the target timeframes – 93% of Crisis Grants and 86% of Community Care Grants¹².

Members of the Group advised that as part of this work, the Scottish Government should ensure consistency for Community Care Grant decisions in principle. Further, they noted that flexible timeframes should be allowed when it is in the best interests of the applicant. For example, when the applicant requires more time to gather supporting evidence for their application. These points will be considered further during the Statutory Guidance revision.

¹¹ [The Trussell Trust and Save the Children - Tackling Child Poverty and Destitution](#)

¹² [The Scottish Government \(2022\) - Scottish Welfare Fund Statistics Annual Update 2021-2022](#)

Other actions, such as investigating options for more centralised support, set out in Theme 3 should reduce the administrative pressure on Local Authorities and will assist in meeting target timescales. Improved communication messages, set out in Theme 2, will also ensure that applicants have a clear idea of the likely timeframe to receive a decision, providing more certainty to applicants.

Theme 6: Updating Statutory Guidance

We will work with stakeholders to review the Statutory Guidance, with a particular focus to:

14. **Restructure** it for improved accessibility and ease of use for decision-makers, organisations and service users.
15. **Review** the income thresholds for applicant eligibility and consider alignment with those used by the Self Isolation Support Grant, while recognising the need to firstly assess financial implications and the ways that Local Authorities can efficiently verify income. This review will also consider the removal of current requirements for applicants to first investigate other avenues for financial support, such as applying for an overdraft, or asking family and friends for help before applying to the SWF.
16. **Assess** the type and quantity of evidence required for decision-making and provide further guidance to Local Authorities to ensure that the assessment process embeds the principles of fairness, respect and trust.
17. **Review** the methodology to calculate the cost of living award rates to ensure they are adequate to meet the increased cost of goods and services. This includes assessing the removal of the under 25-rate of payment and maximum daily award rate.
18. **Implement** guidelines and standards for Tier-One Reviews to include a focus on learning from the outcomes of review and sharing this learning.
19. **Introduce** a requirement for an annual review to take place, with a standing Statutory Guidance Review Committee established.

The Review finds that the Statutory Guidance is viewed positively on the whole, however, there were substantive suggestions for improvement by stakeholders. These included the need for more regular reviews of the Guidance, an update of the Guidance to ensure it meets equalities expectations, as well as a desire for the Guidance to be restructured for the ease of use for decision-makers.

The Review also notes that Local Authorities that have a more self-critical approach to Tier-One reviews are less likely to have decisions overturned by SPSO for Tier-Two reviews. After further engagement with SPSO, we have determined that the Statutory Guidance should include guidelines for undertaking Tier-One reviews to reduce the likelihood of overturned decisions. This will reduce some of the administrative pressure for SPSO and will ensure greater consistency across Local Authorities in how they approach the review process.

As suggested in the Review, the Scottish Government will also commit to review the income thresholds to better reflect current income levels, while factoring in financial implications. We will also assess the removal of the under-25 rate of payment, as goods and services cost the same amount irrespective of age. We will also explore removal of the current requirement for applicants to first exhaust all other avenues of support before applying for a Crisis Grant, such as by asking friends and family for

money or applying for an overdraft. The Scottish Government recognises that this requirement may be impacting financial independence and having an impact on those who are already struggling to make ends meet. The revised Statutory Guidance will address this and ensure that equalities considerations are embedded in the SWF administration and delivery.

The Statutory Guidance was last updated in March 2021. It has not been updated since due to the ongoing Review. With the publication of this Action Plan, the Scottish Government will restructure and update the Statutory Guidance for ease of use and accessibility. Going forward as part of this Action Plan, the Scottish Government will also establish a standing Statutory Guidance Review Committee with stakeholders to review the Guidance on an annual basis. This is to ensure the Statutory Guidance remains relevant and is responsive to emerging issues.

Part B: Long-Term Improvements and Future Safeguards

The following actions will be developed and implemented in partnership with stakeholders by the end of Summer 2024:

Theme 7: Creating a New Data, Monitoring and Audit Approach

We will work with stakeholders to:

20. **Review and establish** a new process for data collection in partnership with Local Authorities based on an agreed set of standards. The new process will be developed to include:
 - i. Consistent and complete reporting of equalities characteristics;
 - ii. Detailed reporting of decision outcomes, including for those who are in and leaving prison, accessed the review system as part of their application or had an onward referral;
 - iii. Regular estimations of Local Authority SWF total budgets remaining.
21. **Strengthen** the usefulness of annual reporting undertaken by the Scottish Government through assessing and publishing further information relating to applicant characteristics and outcomes. This will help to ensure consistency and assist learning and development across Local Authorities, which will be central to shared efforts in tackling child poverty across Scotland.
22. **Develop** an approach, in partnership with SPSO, for ensuring there is a commitment to learning and improvement. This will include quality measures and consistent approaches to the way in which application and review information is monitored, reviewed and reported.

The Review highlighted that “the quality and range of data on the SWF collected by Local Authorities and collated by the Scottish Government far exceeds that available publicly for analogous schemes in the UK” (p. 83). With that said, the Review also points out gaps in the data collection, particularly with respect to the equalities characteristics of applicants. The Scottish Government recognises the importance of collecting applicant characteristics information. This is crucial for understanding who is accessing the SWF, and where there are unmet needs that could be addressed. The Scottish Government has already undertaken work in this area following the Review publication and we are currently working to update gender categories in the annual review of the SWF data. We will continue to assess how we can enhance equalities data collection as we go forward.

We will also work to ensure detailed and fulsome collection of information on decision outcomes, spend and budget to also ensure that Local Authorities and the Scottish Government can monitor trends and be alerted to potential issues. We will commit to using this improved data collection to strengthen the annual reporting undertaken by the Scottish Government. This will provide the opportunity for more in-depth examination of patterns and anomalies in the data, enabling more targeted support, learning and development to take place across Local Authorities.

We also recognise the need to improve the consistency in which application and review information is monitored, reviewed and reported across Local Authorities. We will work in partnership with the SPSO to develop an approach to ensuring that data is used to help inform learning and improvement. This will drive greater consistency across Local Authorities and help to safeguard the SWF in the long-term.

Conclusion

The Scottish Government is committed to implementing these 22 actions in partnership with stakeholders in a sustainable and effective way. Table 1 provides an overview of the workstreams and timescales for implementing improvements, ensuring that the SWF continues to work as well as possible in the years ahead and delivers for those most in need across Scotland.

Table 1: Delivering Improvements to the Scottish Welfare Fund		
Delivery from Autumn 2023 to the end of Spring 2024		Delivery from Autumn 2023 to the end of Summer 2024
Workstream 1: Improving Fund Administration, Accessibility and Experience	Workstream 2: Updating Statutory Guidance	Workstream 3: Creating a New Data, Monitoring and Audit Approach
<i>Action 1:</i> Investigate and introduce further training for Local Authority decision-makers.	<i>Action 5:</i> Provide clearer definitions on eligibility and what constitutes 'exceptional circumstances'.	<i>Action 20:</i> Review and establish a new process for data collection.
<i>Action 2:</i> Re-establish regular Practitioners' Forums.	<i>Action 6:</i> Incorporate principles of the Social Security Scotland 'Our Charter'.	<i>Action 21:</i> Strengthen the usefulness of annual reporting.
<i>Action 3:</i> Improve Local Authorities' direct communication with applicants.	<i>Action 13:</i> Review timescales and assessment prioritisation.	<i>Action 22:</i> Develop an approach for ensuring there is a commitment to learning and improvement.
<i>Action 4:</i> Develop and provide standardised communication messages.	<i>Action 14:</i> Restructure to improve accessibility and ease of use.	
<i>Action 7:</i> Investigate and examine options for more centralised support for Local Authorities.	<i>Action 15:</i> Review income thresholds for applicant eligibility.	
<i>Action 8:</i> Investigate if language barriers are a significant issue and implement long-term solutions.	<i>Action 16:</i> Assess the type and quantity of evidence required for decision-making.	
<i>Action 9:</i> Prepare standardised decision letters to all applicants.	<i>Action 17:</i> Review methodology to calculate cost of living award rates.	
<i>Action 10:</i> Explore and implement specific requirements for advertisement.	<i>Action 18:</i> Implement guidelines and standards for Tier 1 Reviews.	
<i>Action 11:</i> Develop and implement a refined and standardised application form.	<i>Action 19:</i> Introduce annual review and establish Statutory Guidance Review Committee.	
<i>Action 12:</i> Provide guidelines for application referrals.		



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Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-83521-060-4 (web only)

Published by The Scottish Government, June 2023

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1315302 (06/23)

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