

The role of the Scottish Welfare Fund during the COVID-19 pandemic

Introduction

In March 2020, the Poverty and Inequality Commission set up a working group to look at short term responses to COVID-19. Our initial work focused on emergency food aid and ensuring people had dignified access to food during the pandemic. Now we are focusing on the Scottish Welfare Fund, arguably the next most important Scottish Government policy to prevent people in poverty being pulled under during the pandemic.

Background

The Scottish Welfare Fund provides support to people in crisis and to people who need help to live independently in the community. It is a national scheme which is provided by local authorities. It pays out two types of grant, a crisis grant (provided to people who have an immediate financial need as a result of an emergency or a disaster) and a community care grant (for those who need financial help to assist them to live independently in the community or to ease exceptional pressures on themselves or their family).

Local authorities have extensive discretion over how the scheme is delivered in their area, from taking and processing applications to fulfilment of grants. This is to allow the scheme to be tailored to specific local needs.

At the start of lockdown, the Scottish Government announced it was adding £45 million to the Scottish Welfare Fund. So far £22 million of this has been allocated to local authorities. Local authorities were given more flexibility in how it is used to ensure they can fully support people in financial crisis, including workers in the 'gig economy'.

Scottish Welfare Fund During COVID-19 crisis

The impact of this pandemic on people on low incomes is stark. In April, more than one in five people across Scotland said they were very or extremely concerned about being able to pay bills.¹ The Independent Food Aid Network reported a 246% increase in food parcels given out by food banks in April 2020 compared with April 2019.² Aberlour has seen a 1400% rise in applications to its own Urgent Assistance Fund during the pandemic, and since mid-April One Parent Families Scotland have provided 3500 emergency energy grants to single parents. Clearly, many people

¹ <https://www.gov.scot/publications/covid-19-framework-decision-making-supporting-evidence/pages/5/>

² <https://uploads.strikinglycdn.com/files/378499b3-c557-4d97-879e-a3a1692bed01/Scotland%20breakdown%20for%20IFAN%20data%20release%20June%20160620V2.pdf>

found themselves in desperate need of assistance to meet even their basic living costs and to prevent them becoming further trapped in poverty.

The Scottish Government provided the extra funding for the Scottish Welfare Fund, precisely to help meet this need. To explore how the fund was deployed over this time period, we have examined the most recent published data which provides information on applications and expenditure of the Scottish Welfare Fund up to June 2020.

Table 1: Scottish Welfare Fund applications and expenditure April – June 2020³

	Apr	May	Jun	% change Apr-Jun 2019- Apr-Jun 2020
Community care grant applications	4,811	4,790	5,349	-21%
Community care grant expenditure	£1,110,641	£906,853	£1,430,575	-49%
Crisis grant applications	33,106	23,855	21,709	54%
Crisis grant expenditure	£2,406,238	£1,442,583	£1,310,839	75%

Reflecting the high numbers of people trapped in poverty during this pandemic, the table shows that applications and expenditure for Crisis Grants were considerably higher in April – June 2020 than for the same period in 2019. In contrast, applications and expenditure for Community Care Grants were lower in 2020 compared with the same period in 2019.

Overall, the total expenditure on the Scottish Welfare Fund was £8.6 million in April, May and June 2020. Not only is this lower than the £9.7 million spent over the same period in 2019, it is only 15% of the £57.6 million available for 2020/21. If spending were proportionate, we would have expected to see 25% of the budget spent. We are shocked that more of the funding available was not used to provide a much-needed lifeline for people battling hardship during this pandemic.

We recognise that the £57.6 million available is for the whole 2020/21 financial year and that local authorities will want to keep some funds in reserve in case of a second wave or to help combat further unemployment and crises that families are likely to face the longer this pandemic goes on. There is also likely to be a time-lag between applications and expenditure, particularly on Community Care Grants which take longer to process. Nevertheless, in the 3 months at the epi-centre of the biggest public health crisis in over a century, it does not seem right that the money allocated to the Scottish Welfare Fund is not being used to maximum benefit.

³ Data from this table was taken from the spreadsheet available at <https://www.gov.scot/publications/swf-monthly-management-information/>

Table 1: Use of Scottish Welfare Fund in April and May 2020 by local authority

	% of budget spent in 20/21 (April/ May)	% of applications awarded for Crisis Grants during Apr/May	% of applications awarded for CCG during Apr/May	Average award amount for Crisis Grants Apr/May	Average award amount for CCG Apr/May
Aberdeen City	17%	60%	90%	£75	£273
Aberdeenshire	7%	65%	31%	£91	£272
Angus	9%	70%	45%	£89	£449
Argyll & Bute	5%	55%	47%	£104	£390
Clackmannanshire	15%	65%	42%	£132	£440
Dumfries & Galloway	11%	73%	58%	£95	£273
Dundee City	11%	69%	63%	£98	£534
East Ayrshire	8%	61%	60%	£62	£368
East Dunbartonshire	12%	92%	62%	£97	£318
East Lothian	12%	68%	66%	£98	£462
East Renfrewshire	4%	72%	34%	£97	£435
Edinburgh, City of	18%	78%	32%	£84	£386
EileanSiar	4%	87%	*	£99	*
Falkirk	9%	60%	45%	£93	£693
Fife	17%	80%	95%	£111	£314
Glasgow City	8%	75%	36%	£106	£146
Highland	7%	61%	61%	£67	£385
Inverclyde	10%	85%	89%	£100	£443
Midlothian	9%	72%	55%	£94	£277
Moray	8%	51%	52%	£117	£535
North Ayrshire	7%	56%	55%	£79	£416
North Lanarkshire	7%	77%	68%	£90	£337
Orkney Islands	10%	*	81%	*	£250
Perth & Kinross	16%	72%	64%	£106	£577
Renfrewshire	11%	81%	64%	£97	£430
Scottish Borders	8%	66%	55%	£80	£915
Shetland Islands	4%	*	*	*	*
South Ayrshire	9%	62%	51%	£127	£416
South Lanarkshire	9%	42%	40%	£93	£842
Stirling	12%	72%	59%	£100	£316
West Dunbartonshire	12%	89%	48%	£68	£225
West Lothian	11%	72%	55%	£80	£363
Scotland total	10%	72%	54%	£94	£389

Notes on table:

This table was compiled from data provided by the Scottish Government to the Poverty and Inequality Commission on 21 July 2020 and from data available at <https://www.gov.scot/publications/scottish-welfare-fund-statistics-update-to-31-march-2020/>.

The Scottish Government made us aware of certain caveats with the data.

Figures marked with a * have been suppressed for disclosure control.

Main data quality issues as described in the monthly MI publication.

<https://www.gov.scot/publications/swf-monthly-management-information/>

Some local authority data is missing and has been estimated based on the % change in the other local authorities.

Estimates are highlighted in grey.

This holds true across almost all local authorities (see Table 1). Spend in local authorities ranges from 4% to 18% of their annual budget in April and May (local data is currently only available for these two months).⁴ As this data only covers two months of the year, we would expect to see 17% of budgets spent if spending was proportionate. However, only three local authorities spent 17% or over of their budget. (Note that there are caveats with this data which are noted at the bottom of Table 1).

Looking at the data does not show a clear pattern for why the spend varies. For example, some of the local authorities with low expenditure have a high proportion of successful applicants. Others do appear to be turning down high numbers of applicants.

The table also shows variation across local authorities in the value of grants which are given out. For Crisis Grants the average grant value for local authorities ranges from £62 to £132. Given that some local authorities have relatively low average award values, it would also be helpful to see the range of awards given out for each individual local authority.

The range is greater across local authorities for Community Care Grants, however, this may be due to the different ways in which local authorities provide support. What is more striking here is the low success rate of applicants, with just over half of applicants receiving a Community Care Grant across the whole of Scotland.

Potential reasons why a low proportion of the Scottish Welfare Fund was spent during April - June

The Poverty and Inequality Commission has been speaking to a range of third sector organisations who have similar concerns about the Scottish Welfare Fund. Some of these are working closely with the individuals and families who have either accessed or tried to access the fund, and have provided insight into how the fund is operating. We have also conducted our own analysis of local authority websites to explore how well they are promoting the fund. Based on these combined sources of evidence, we

⁴ Local data is provided at <https://www.gov.scot/publications/scottish-welfare-fund-statistics-update-to-31-march-2020/>

have identified five possible reasons why more grants are not being provided to people in need.

1. Lack of knowledge and awareness of the Scottish Welfare Fund

There is a lack of awareness of the Scottish Welfare Fund, among those who are in need of financial assistance but also among organisations and people who are in a position to advise those seeking financial assistance.

The Independent Food Aid Network⁵ has reported that many more people have been supported by food banks during this crisis than during the same period last year. They believe that many people who might be eligible for a crisis grant have been referred or are self-referring to food banks without making an application because referral agencies and people in the community are unaware a) of the Fund's existence or b) any changes to the Fund during this exceptional circumstance to make it more accessible. In some cases, food bank teams themselves are not aware of the Scottish Welfare Fund or how it could be used to provide more appropriate support for people needing their support and usually facing a financial emergency.

During the pandemic, food bank managers and volunteers have reported mixed experiences of how their local authority has promoted the Fund, especially regarding communication about changes made to improve access to this cash-first measure (e.g. three award guidance not in operation).

2. Variation in how local authorities promote the Scottish Welfare Fund

The Commission's own analysis found differences in how local authorities are promoting the Scottish Welfare Fund on their websites. This is presented in full in Annex A.

We found that while almost all local authorities have created dedicated Covid-19 pages providing information about help and assistance, there were some which did not have information about Scottish Welfare Fund Crisis Grants on dedicated Covid-19 pages. Many local authorities were also not clearly communicating the changes to the Scottish Welfare Fund as a result of coronavirus (e.g. the expectation that more than three Crisis Grants could be given out in a year).

The language used to talk about the fund on websites can be unnecessarily complex. This leads us to conclude that in many local authority areas people in need would be unlikely to easily find out about the Scottish Welfare Fund if they didn't already know it existed.

3. Barriers in applying for the Scottish Welfare Fund

⁵ Figures for April 2020 as compared to April 2019 show a 184% percentage rise in the number of people supported. From March 2019 to March 2020 they show a 77% rise and from February 2019 to February 2020 the increase was 14%. (<https://uploads.strikinglycdn.com/files/378499b3-c557-4d97-879e-a3a1692bed01/Scotland%20breakdown%20for%20IFAN%20data%20release%20June%20160620V2.pdf>)

Third sector organisations tell us that, in some local authorities, the application process for the Scottish Welfare Fund is creating further barriers. Some local authorities appear to have moved to online applications only. However, we know that those who are likely to be digitally excluded are the very ones who are most likely to require assistance from the fund. The Scottish Household survey tells us that, in 2018, over one in four (27%) disabled people do not use the internet. Similarly, one in three (31%) households with an income of under £10K pa had no access to the internet at home.⁶

Other local authorities are reported to be processing telephone only applications. However, the people trying to access the fund say that phone lines are regularly busy and advisors unavailable. Furthermore, not all phone numbers are freephone numbers creating further costs to families already struggling financially.

4. Apparent suspension of Community Care Grants

There have also been reports that Community Care Grants were suspended during the early months of this pandemic in some local authorities. Amongst the families Aberlour has supported who have unsuccessfully applied to the Scottish Welfare Fund for Community Care Grants, most were refused due to that element of the fund reportedly being closed. Many supporting organisations are also reporting that they were hearing by word of mouth that this is the case, and therefore were not advising or supporting families to apply to the Scottish Welfare Fund.

5. Local authorities not having the resources to properly administer the Scottish Welfare Fund during the crisis

When the extra £45 million was made available for the Scottish Welfare Fund, it was made clear to local authorities that this money was to be used for grants, and was not to cover costs of administering the fund. It is not clear what impact this had on local authorities ability to successfully administer the fund. However, at the beginning of lockdown local authorities were facing substantial pressures, so it is likely their ability was somewhat hampered which may have impacted on the number of grants they were able to award.

Recommendations

The Poverty and Inequality Commission believe that a cash first approach is the most dignified way of helping those in need and that it should be easily accessible to all, regardless of the local authority you live in. Therefore, we are making five recommendations which we believe will lead to the Scottish Welfare Fund operating more effectively as the essential lifeline it has the potential to be during this pandemic.

Our recommendations are:

⁶ <https://www.gov.scot/publications/scotlands-people-annual-report-results-2018-scottish-household-survey/pages/7/>

- 1. The Scottish Government should provide more money to local authorities to administer the Scottish Welfare Fund to a high standard. The Scottish Government should consult local authorities to determine the budget needed. In return for this additional help, local authorities should be expected to improve their communication and publicising of the fund, application processes and administration of the fund to specified standards.**
- 2. The Scottish Government should set a legal duty for basic minimum standards for local authorities to meet on the Scottish Welfare Fund. This should cover minimum requirements around publicising of the fund and clear communication of its purpose; training and awareness of staff to ensure potential applicants are treated with dignity and respect; and accessibility and ease of applying for the fund – i.e. people should be able to apply for the fund in a range of ways that suit them, and should not be restricted to making online applications.**

A fundamental reason for the fund not being fully utilised during this crisis is the variation that is present across local authorities. There needs to be greater consistency across local authorities in how the fund is promoted, the application procedures and administration of the fund.

We are also concerned about reports that local authorities are requiring applications to be made online, particularly when we know that many people remain digitally excluded.

- 3. The Scottish Government should set minimum award amounts for Crisis Grants and take a cash-first approach.**

We were surprised at the considerable variation in the average Crisis Grant values across local authorities. The amount of support that someone receives should not be dependent on their postcode. Therefore, as part of the legal duty referenced in recommendation 2, we recommend that there should also be standardised minimum award amounts for Crisis Grants. This should be applied formulaically with a minimum spend set per day, per adult and per child. The calculation should be irrespective of when the applicant is next due to get money.

- 4. The Scottish Government needs to improve its monitoring and evaluation of the Scottish Welfare Fund. The current approach is not sufficient to ensure that best practice is being delivered across Scotland. Local authorities should be required to provide standardised data to support this monitoring and evaluation. Where issues are identified, the Scottish Government should raise this with local authorities and provide additional support to overcome these issues, where required.**

A large investment of an additional £45 million was put into the Scottish Welfare Fund at the start of the crisis (with £22 million allocated to local authorities so far). Therefore, there needs to be systematic monitoring and robust evaluation to ensure that it is operating as it should. Given the range of challenges we have identified with the fund, it is clear that the Scottish Government's monitoring and evaluation needs

to do better in picking up potential issues and making adjustments to rectify them. It is concerning for example, that some local authorities were “closing” applications for Community Care Grants.

5. The Scottish Government should work with CoSLA to develop a national policy on the provision of support to those with no recourse to public funds through local authorities.

Concluding comments

We make these recommendations with a view to them leading to immediate and rapid change in how the fund gets money into the pockets of those who need it during this pandemic. We urge the Scottish Government to take appropriate action in response.

During the course of our investigation of the Scottish Welfare Fund, we have identified some more fundamental issues with the fund. This pandemic provides us with the opportunity to tackle questions such as whether the fund is currently fit for purpose and whether the overall design of the fund, i.e. two types of grant offered for different purposes, is meeting the needs of those requiring its assistance. As part of this, we think that how the fund is administered could be further explored. Essentially we need a system where the people who need financial assistance know where to go to get it and can then access it easily and with dignity. We think it is worth noting how quickly the third sector have risen to the challenges presented by this pandemic and how rapidly they have provided emergency support to those in need. It is also relevant that the statutory landscape has changed since the Scottish Welfare Fund was introduced. At that time there was not a national body which could administer the fund, hence local authorities were given the responsibility. We now have such a national body – Social Security Scotland. We have not yet reached a position on these issues but they are things we would like to discuss exploring further with the Scottish Government.

Annex A: Promotion of the Scottish Welfare Fund across local authority websites

The Commission analysed all local authority websites to explore how well the fund was being promoted by investigating the following:⁷

- How many layers of the website do you have to click through to find information?
- How clear is the communication about the fund on local authority websites – would people be able to find help if they didn't already know it existed?
- Is information about the fund tailored to a Covid-19 context?
- Are councils communicating changes to the fund in response to Covid-19?
- What sort of help are councils providing?

Table 2 shows our findings.

It needs to be easy for people to find information quickly when they're experiencing a crisis. The more layers of a website that people have to search through, the less likely they are to find what they need. We found that almost all local authorities have created dedicated Covid-19 pages providing information about help and assistance. More specifically:

- 26 local authorities have information about SWF Crisis Grants on the dedicated Covid-19 pages.
- Information about the Scottish Welfare Fund could be found within two clicks on 18 local authorities, on 4 websites it was possible with one click
- Among the 6 local authorities don't have information about Scottish Welfare Fund Crisis Grants on dedicated Covid-19 pages, 1 didn't have dedicated Covid-19 pages, the other 5 didn't carry information despite having pages with titles such as "support for people", "coronavirus: benefits and welfare advice" and "financial support for individuals".

When experiencing a crisis people need to find information that that is clear and simple to understand. We found:

- Communication about the fund in plain language is uncommon. In many local authority areas people in need would be unlikely to easily find out about the Scottish Welfare Fund if they didn't already know it existed.
- Some local authorities actively seek to draw people into their Scottish Welfare Fund pages with questions and statements such as "What financial support is available?", "Money worries?" and "We know that many households may be struggling financially at this time..."
- Others simply provide a link saying "Scottish Welfare Fund" with no explanation of what or who it might be for.
- Other still introduce the fund with complex or process-focused statements such as "Given the government's recent announcement for people to stay at home we have changed the way we process Scottish Welfare Fund applications.", "Note that council advice services and the Scottish Welfare Fund continue to provide essential services through the Covid-19 crisis"

⁷ This analysis was conducted at the beginning of June 2020.

- Running the website text through a readability testing tool (<https://readabilityformulas.com/free-readability-formula-tests.php>) finds only 1 local authority has Scottish Welfare Fund information that is “fairly easy” to read, a further 7 are “standard/average”. Most are fairly difficult (14) or difficult (10).

Given the scale of the coronavirus pandemic, we were also keen to explore whether the fund was tailored to a Covid-19 context. Making the connection between the Crisis Grants and impacts of Covid-19 clear will help people to quickly find the information they need. Some local authorities have sought to contextualise the Scottish Welfare Fund in light of the Covid-19 pandemic by including statements such as “if you’re no longer able to work or had hours reduced because of Covid-19...” and “Some examples include: your circumstances have changed due to redundancy or a change in income...”

The Scottish Government has increased funding for the Scottish Welfare Fund and relaxed the rules about only being able to receive 3 Crisis Grants in one year (other than in exceptional circumstances). This is important information for people to know – especially those that have already received Crisis Grants. Are councils communicating changes to the fund in response to Covid-19?

- Only 5 local authorities state that the amount of funding available has increased.
- Only 3 state the rules around the maximum number of grants in one year have been relaxed, and 16 still reference the old rules.

Providing cash is usually the most dignified way to help people in times of crisis. Nine local authorities state that Crisis Grants will be cash (often a code so cash can be withdrawn from a PayPoint), one explicitly will not give cash, one will only give cash in “exceptional circumstances” and the remainder either do not state their policy or simply say the grant could be in the form of cash, vouchers or goods.

Table 2: Scottish Welfare Fund: Local authority website analysis

	Number of clicks from local authority homepage to information about SWF	Communication rating*	Provides information on COVID-19 updates to Scottish Welfare Fund	Stated what help was available
Aberdeen City	2	Green	Yes	Cash (paypoint code)
Aberdeenshire	2	Amber	No	Not stated
Angus	2	Green	No	Could be cash vouchers or goods
Argyll and Bute	*	Red	No	Cash (paypoint code)
Clackmannanshire	1	Amber	No	Could be cash vouchers or goods
Dumfries and Galloway	2	Amber	No	Could be cash vouchers or goods
Dundee City	3	Red	No	Could be cash or in kind depending on circumstances
East Ayrshire	2	Red	Yes	Goods vouchers or "cash in certain circumstances"
East Dunbartonshire	2	Amber	No	Cash or goods depending on circumstances
East Lothian	3	Amber	No	Cash or in-kind
East Renfrewshire	1	Amber	No	Not stated
Edinburgh	4	Green	Yes	Cash (electronic transfer or paypoint code)
Eilean Siar	2	Red	No	Not stated
Falkirk	4	Amber	No	Vouchers or goods, no cash
Fife	1	Green	No	Pre-payment card, goods or vouchers
Glasgow	2	Red	No	Not stated
Highland	2	Red	No	Not stated
Inverclyde	*	Red	No	Not stated
Midlothian	2	Amber	Yes	Not stated

Moray	2	Red	No	"Financial help" or goods
North Ayrshire	**	Red	No	Cash (paypoint code)
North Lanarkshire	3	Amber	No	Not stated
Orkney Islands	4	Red	No	Cash, voucher or goods
Perth and Kinross	2	Amber	Yes	Cash (electronic transfer or paypoint code)
Renfrewshire	3	Amber	No	Cash
Scottish Borders	2	Green	No	Cash (via paypoint code, otherwise vouchers)
Shetland Islands	**	Red	No	Cash, voucher or goods
South Ayrshire	**	Red	No	cash
South Lanarkshire	1	Amber	No	Cash, voucher or goods
Stirling	**	Amber	No	Payment card or goods
West Dunbartonshire	2	Red	Yes	Cash (paypoint code)
West Lothian	3	Red	No	Not stated

* The Communication rating is a subjective rating based on whether the first mention of the SWF explains clearly what it is, whether plain language is used to describe the SWF, on the readability of the text about the SWF and whether the information is presented on the website or requires downloading further documents.

**On these websites it was not possible to find information on SWF by clicking through from the main homepage.