

REVIEW OF THE SCOTTISH WELFARE FUND: KEY OBJECTIVES AND DESIGN

1. Introduction

The Scottish Government (SG), on behalf of the Scottish Ministers wishes to commission a review of the Scottish Welfare Fund, The Scottish Welfare Fund was established in 2013 following the abolition of the UK-wide Discretionary Social Fund. It provides £35.5 million annually for discretionary grants for people facing a financial crisis or needing support to live independently and is administered by local authorities. It is underpinned by both primary and secondary legislation and applications are assessed with reference to statutory guidance¹.

The Project comprises a review of available evidence, secondary analysis of management data and qualitative research with Fund recipients, local authorities and stakeholder organisations. The contractor will be required to assess these various sources, and draw appropriate, credible recommendations for the future operation of the Fund. The contract will be managed by Scottish Government social researchers, but the contractor will be required to engage constructively with the Review Advisory Group to ensure that perspectives are taken into account. The review report will be completed by December 2022, and findings will be considered by central and local government stakeholders in shaping the future direction of the fund.

This specification sets out what is required, provides background information on the Fund and suggestions on method. Given the multi-part nature of the review, we are open to variations on the method for carrying out this work within the available budget and timescale, so long as the key source components and target groups are included.

2. Background and context

There has been growing commentary on the Scottish Welfare Fund in recent years, particularly in light of the increases in funding and casework over the course of the Coronavirus (COVID-19) pandemic. This includes a briefing paper produced in August 2020 by the Poverty and Inequality Commission's working group on responses to Covid-19,² and a recommendation from the Social Renewal Advisory Board (SRAB)³ that "the Scottish Government, working with local authorities, should review the existing provision of discretionary and crisis funds in Scotland, including the Scottish Welfare Fund and Discretionary Housing Payments systems."

In response to the SRAB the Government committed to initiate a full review of the Scottish Welfare Fund in the first year of the new Parliament. That review would include examining levels of funding, promotion, take-up and accessibility as well as the current guidelines and the administration of the Fund.

¹ [Scottish Welfare Fund: statutory guidance – March 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/statutory-guidance/march-2021/pages/1-10.aspx)

² [Poverty and Inequality Commission Scottish Welfare Fund Briefing - Poverty & Inequality Commission \(povertyinequality.scot\)](https://www.povertyinequality.scot/publications/briefing-paper-august-2020)

³ <https://www.gov.scot/publications/not-now-social-renewal-advisory-board-report-january-2021/>

Stakeholder commentary has tended to focus on the efficiency of the Fund, its effectiveness in meeting applicants' needs, and the consistency of administration across different local authority areas. Whilst there are undoubtedly good reasons for some of these criticisms, evidence is often anecdotal. A full review provides the opportunity to properly understand the impact of the fund on those who receive support from it as well as those who administer it, and to determine future objectives and how best to realise these in practice.

Given the need to conduct a systematic analysis of a range of available data, as well as a planned approach to gathering the views of local authorities, stakeholder organisations and recipients, it has been deemed appropriate to commission a research organisation to oversee this work. The contract will be managed by the Scottish Government, but with the input of an Advisory Group who can provide support and challenge to the project.

3. Aims

The aim of this project is to provide a definitive picture of the effectiveness of the Scottish Welfare Fund in meeting its aims to support people requiring discretionary support in financial difficulty or to live independently, consistently across Scotland.

Specifically, the work specified in this document has 4 aims:

- A summary of available evidence on the operation of the Scottish Welfare Fund, including management information, research and position papers.
- Identification and reporting of relevant views of all 32 local authorities in Scotland, key stakeholder organisations and recipients
- An overview of analogous schemes operating in the United Kingdom, identifying relevant lessons from available literature, including summaries of lived experience of these schemes, and published statistics
- Using the above, development of evidence-based conclusions and recommendations for future improvement of the Fund that represent a value-for money approach.

4. Objectives and Scope

There are a number of specific lines of enquiry for this Review. However, the purpose of the Review is to identify fundamental issues which either improve or hinder the wider purposes of the Fund to provide discretionary support to those in need. Accordingly, should the evidence uncover issues that are not in the following list, these should also be investigated appropriately in the different phases of the work. Similarly, assumptions should not be made that these issues are necessarily shared widely across stakeholders, and initial work should identify whether investigation of low-priority issues should be discontinued. These clarifications of scope should be discussed with the Advisory Group by the winning contractor and agreed with the Scottish Government.

The following provide a list of potential issues for the Review and narrative for why they are considered important to shed light on the fundamental aims. This is not

exhaustive. Contractors will be expected to verify the relevance of this list in the early stages of the review.

- *Delivery model* - Different fundamental delivery models are possible, broadly in the form of a local delivery model administered by local authorities, which builds in discretionary decision-making, community knowledge and wrap-around with other local services, or a centralised benefit model, which is based on rules of entitlement and eligibility and brings consistency of responses for clients.
- *Fund purposes* - The purposes for which the Fund can be used are set out in both Primary and Secondary legislation⁴ so any change to the fundamental purposes for which the Fund can be used would require a change in legislation. However the purposes for which the Fund can be used are sometimes misunderstood. Whilst there is limited evidence to suggest these purposes need to change, the review could consider this further and make recommendations, including as to how these are best explained and communicated to local communities and stakeholders.
- *Levels of funding* – including the overall annual budget, the amount allocated for programme (grants) and for administration costs, the distribution of the funding to local authorities, currently based on SIMD data and the carry forward of underspends by individual local authorities.
- *Take-up* – the utilisation of the budget currently varies widely with some local authorities spending less than their allocation whilst others regularly top-up their Welfare Fund budget from their own funds. Whilst spend in itself is not necessarily a direct indicator of need, a review that examines levels and drivers of need and demand would help us to have a much better understanding of how the Fund does or does not meet the needs of individuals who could be supported by it.
- *Promotion* – the statutory guidance encourages local authorities to promote the Fund to potential applicants and local stakeholders. However, promotion of the Fund is not co-ordinated across different local authority areas and is often ad hoc or not specifically targeted at those who may benefit from support from the Fund. Some stakeholders view promotion of the Fund as key to increasing awareness and take-up. Currently, there is no evidence base to understand how or if promotional activities have an impact on application numbers so this should form part of the research to be undertaken.
- *Accessibility* – the Covid pandemic has changed the way in which applicants have been able to access the Fund, with many local authorities forced to reduce or suspend face to face services and rely on online and telephone applications. All local authorities have seen an increase in applications over the last year, suggesting that even though the number of application routes has been reduced, many people have been able to access the Fund. Nevertheless, the reduced choice for applicants may have reduced the Fund’s accessibility for some, including those who are already digitally excluded. The review should examine

⁴ [Welfare Funds \(Scotland\) Act 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2015/12/section/1)

these issues and explore the relationship between accessibility of the Fund and application numbers as well as outcomes for applicants.

- *Administration of the Fund* – One of the key concerns raised by third sector stakeholders has been the perceived lack of consistency in decision making across different local authorities. Whilst it is true that application numbers, acceptance rates and individual award values do vary across different local authorities, the Fund is a discretionary scheme with administration and management responsibilities devolved to local authorities, so some variation is to be expected. The statutory guidance gives a framework for decision making and there is a first and second tier review process in place to enable applicants to challenge decisions. The review should therefore examine these issues further and potentially offer recommendations that may improve consistency. Consideration should also be given to how awards from the Fund are fulfilled and whether recipients benefit most from cash awards or awards in kind (e.g. white goods, furniture, floor coverings etc)
- *Outcomes for recipients of the Fund*- there is currently no evidence base to demonstrate whether or not grants awarded from the Fund actually meet the aims of the Fund and what the outcomes are for applicants. As outlined earlier, the fundamental purpose of the Scottish Welfare Fund is to provide short term, occasional support to those facing an emergency or disaster (Crisis Grants or help in kind) or to help people who may be vulnerable to homelessness or leaving institutional care to establish or maintain a settled home (Community Care Grants). Some data on applications and applicants is routinely collected within monthly management data reported to the Scottish Government. However, understanding the impact of awards on applicants' circumstances and whether or not the Fund is fulfilling its' purposes is not well evidenced or understood. Evidence gathered from recipients (or potential recipients) of awards from the Fund are therefore crucial to understanding the impact and outcomes of the Fund.
- *Guidelines* – a review would present opportunities for improvements to the Statutory Guidance. Feedback from local authorities and the Scottish Public Services Ombudsman has highlighted some areas of contradiction and confusion within the guidance. We are at the start of the first year of a biennial review of the Statutory Guidance with the next formal update due in March 2023. This timescale would allow us to take into account recommendations from the review and incorporate them into the next update of the Statutory Guidance.

The contractor will also be required to document where research participants have raised additional issues during the course of the research, and assess the extent to whether these are supported by other data.

The contractor will marshal the evidence (main sources below) that addresses the final agreed list of topics, and identify credible conclusions for what the data supports is the situation in respect of these key questions.

Finally the contractor should identify recommendations designed to improve the impacts, cost-effectiveness and fundamental working of the Fund, that are supported by evidence, practical to implement and amenable to monitoring.

5. Methods

A range of research methods are likely to be needed to address the aims above. The methodology will be agreed in detail during the inception stage of the project based on outline proposals submitted by the successful tenderer.

The following paragraphs provide an indication of the methodological approach anticipated for this work but contractors are advised to improve, build on or provide alternative suggestions, setting out their own proposals in their response. However these variations should ensure that certain requirements are met as detailed below.

Sources of evidence

We expect the Review to draw upon particular sources of evidence, both existing (as with the statistics detailed below), and primary research that the contractor will be in charge of gathering.

Should the tenderer believe that alternative sources of evidence are available, which shed better light on the aims of the project, these should be detailed in the tender.

However, we anticipate the following

- Existing management information (see Table 1 below) will be subject to secondary analysis to probe the research questions
- An evidence review will be undertaken on all available research and grey literature on the impact of the Scottish Welfare Funds, and analogous programmes in the rest of the United Kingdom (or beyond if there is a compelling argument to widen the scope.) Where available, this will include documenting of the evidence on lived experience of these funds. If necessary for triangulation or strategic overview, the contractor may wish to interview key informants with expertise in analogous schemes, however this must not compromise the resource required for the following objectives.⁵
- Primary research will take place with all 32 Scottish local authorities
- Key stakeholders will be interviewed for their expertise in the Fund and knowledge of their client base
- Recipients for the Scottish Welfare Fund will be included in this work in order to identify impact and lived experience

Primary Research

Research with recipients must be sufficiently broad enough to corroborate findings about their testimony of impact of awards, and the experience of applying for support. We are interested in the impact in a range of groups who may be more at risk of poverty. The following list are the priority groups for the Tackling Child Poverty

⁵ Note, we believe the inclusion of recipients of analogous schemes is likely to be difficult to secure with other administrations, and disproportionately costly if reliable data is to be obtained given variations within countries – we will make sure that all available evidence on lived experience of these schemes is included.

Development Plan, who should largely be identifiable through management data held by the Funds administrators.

- Lone parent families, the large majority of which are headed by women
- Families which include a disabled adult or child
- Larger families
- Minority ethnic families
- Families with a child under one year old
- Families where the mother is under 25 years of age

However, given the significant proportion of SWF recipients who do not have children, it will be important to ensure that they are also included in any in any research

Table 1: Available management information

Issue	Available statistical data (via SWF monitoring guidance) and latest statistics
Levels of funding	Award value.
Take-up	Date of application, Reason for application, Demographics/equalities (inc. gender, DoB, ethnicity, religion, disabilities), circumstantial information (e.g. fleeing domestic abuse, other vulnerability such as homelessness/illness).
Promotion	Date of application, Numbers of applications.
Accessibility	Application method (telephone, internet, in person, by post), if the applicant received help with the application and who helped with the application, family type, vulnerabilities (e.g. fleeing domestic abuse), reasons for applications (e.g. leaving prison), and equalities (inc. gender, DoB, ethnicity, religion, disabilities).
Administration of the fund	Numbers of applications, decisions, awards, award value, items awarded, reasons for rejection, reviews carried out and review outcomes.
Current guidelines	Decisions, reasons for rejection, reviews carried out and review outcomes.

6. Timescales

Tender deadline - by end Oct / early Nov 2021

Contract let – up to one month later

Inception Report and Advisory Group – by end Dec 2021

Prioritisation Report - by end Jan 2022– 20% payment

Interim Report by end July 2022 – 40% payment

Draft Final Report – by end October 2022

Final Report – by end December 2022 – 40% payment

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