

WELFARE FUNDS (SCOTLAND) BILL

POLICY MEMORANDUM

INTRODUCTION

1. This document relates to the Welfare Funds (Scotland) Bill introduced in the Scottish Parliament on 10 June 2014. It has been prepared by the Scottish Government to satisfy Rule 9.3.3 of the Parliament's Standing Orders. The contents are entirely the responsibility of the Scottish Government and have not been endorsed by the Parliament. Explanatory Notes and other accompanying documents are published separately as SP Bill 51–EN.

2. The Bill makes provision for the establishment of welfare funds which will be maintained by local authorities and will be established to reflect the amendment of Schedule 5 to the Scotland Act 1998 made by the Scotland Act 1998 (Modification of Schedule 5) (No.2) Order 2013: SI 2013/192. The Bill is comprised of eight sections. It confers duties on local authorities to maintain and administer welfare funds in particular fashions. It confers powers on the Scottish Ministers to make regulations, and publish guidance which will set out how welfare funds should be administered. It also requires the Scottish Public Services Ombudsman (SPSO) to carry out reviews in relation to local authority decisions on provision of assistance under welfare funds.

3. The detail of how welfare funds will be administered is not set out in the Bill. However, the intention is that the package of the Bill, associated regulations and guidance which the Scottish Ministers intend to make, will set out in legislation arrangements that have been in place on an interim basis since April 2013. Those interim arrangements are known as the Scottish Welfare Fund (SWF) and the intention is that the legislative package will allow for these arrangements to continue, notwithstanding a change in how second tier reviews will be undertaken. A summary of the interim scheme is provided in paragraphs 7 - 14.

Legislative background

4. The Scotland Act 1998 (Modification of Schedule 5) (No. 2) Order 2013 provided a new exception to the social security reservation, which is set out as Section F1 in Part 2 of Schedule 5 to the Scotland Act 1998. This meant that following the abolition by the Welfare Reform Act 2012 of community care grants and crisis loans for living expenses from the Social Fund operated by the Department for Work and Pensions (DWP), the legislative competence of the Scottish Parliament was widened so that it can legislate in relation to the provision of welfare assistance in case of a crisis or to help establish or maintain a settled home.

5. The Scottish Ministers, in consultation with the Convention of Scottish Local Authorities (COSLA) and other stakeholders, decided that local authorities were in the best position to provide local welfare assistance in case of a crisis or to help establish or maintain a settled home.

6. To do that, local authorities have, since April 2013, been using their powers under section 20 of the Local Government in Scotland Act 2003, known as their power to advance well-being, to deliver an interim SWF. To do so they have been following Ministerial guidance – [Scottish Welfare Fund Guidance](#)¹ - issued under section 21 of that Act. The interim SWF is based on a voluntary agreement between Scottish Ministers and COSLA. The Bill will put welfare funds on a statutory footing in Scotland.

POLICY OBJECTIVES OF THE BILL

7. The policy objective of the Bill is to provide a framework which, along with the associated regulations and guidance that the Scottish Ministers intend to make, will put the interim SWF arrangements on a statutory footing.² The following paragraphs provide a summary of the interim scheme. The objectives of the interim SWF are to—

- provide a safety net in an emergency when there is an immediate threat to health and safety, through the provision of a non-repayable grant which is known as a Crisis Grant (CG); and
- enable people to live independently, or to continue to live independently, preventing the need for institutional care, through the provision of a non-repayable grant which is known as a Community Care Grant (CCG). This includes providing assistance to families facing exceptional pressures. For example where there has been a breakdown in family relationships, perhaps involving domestic violence, which is resulting in a move.

8. CGs are awarded to meet expenses that have arisen as a result of an emergency or disaster in order to avoid serious damage or serious risk to the health or safety of the applicant or their family.

9. CCGs are awarded to—

- help people establish themselves in the community following a period of care where circumstances indicate that there is a risk of the person not being able to live independently without this help;
- help people remain in the community rather than going into care where circumstances indicate that there is a risk of the person not being able to live independently without this help;
- help people set up home in the community, as part of a planned resettlement programme, following an unsettled way of life;

¹ <http://www.scotland.gov.uk/Topics/People/welfare/welfarereform/scottishwelfarefund/scottishwelfarefundguidance>

² Detail on the provisions of the Bill is set out in the Explanatory Notes

- help families facing exceptional pressures such as the breakdown of a relationship, or repair and replacement of items damaged by behavioural problems within the family; and
- help people to care for a prisoner or young offender on release on temporary licence.

The aim of the interim SWF

10. The aim is to support individuals, families and communities to manage better in the longer term and promote resilience. CCGs generally provide household items. They align well with the overall Scottish Government approach of early intervention, through targeting transitions which increase risks of adverse outcomes, such as leaving prison, moving out of care, or taking on a tenancy. They also support specific Scottish Government policies such as care in the community, tackling child poverty and reducing homelessness. CGs are generally smaller payments for food and fuel until the next regular income is received. They do not fit the early intervention approach but have a role in preventing further harm, reducing the longer term impact on other services.

Operation of the interim SWF

11. The interim SWF operates on a discretionary, budget-limited basis, with applications being prioritised according to need. Local authorities should manage expenditure in such a way as to ensure effective budgetary management of funds over the financial year. They are able to supplement funding from the Scottish Ministers, but are not obliged to do so. The interim SWF links to other local services with the aim of providing relevant support to address underlying issues which have resulted in a crisis or the need for a CCG. The most common services that applicants are signposted or referred to are advocacy, welfare rights, housing and money or debt management.

12. The interim SWF was designed to take advantage of local delivery, while maintaining a national character. The Scottish Government has sought to standardise the decision making and notification process for the interim SWF by providing comprehensive guidance, a standard application form, a guide for decision makers and model documentation. In addition to this a national training programme and funding for a dedicated COSLA Development Officer in order to promote consistency and support implementation has been provided by the Scottish Government. However, local authorities have full discretion over local arrangements for delivery i.e. the arrangements for taking and processing applications and the arrangements for paying grants or fulfilling them by other means. This allows local authorities to align the SWF with other relevant services, make effective links with local organisations and to ensure that their delivery meets local needs, for example in terms of geography. The intention is that the package of the Bill, and regulations and guidance under the Bill, will allow for these arrangements to continue.

13. The Scottish Government produced a detailed data specification for IT systems used to administer the SWF and [publishes quarterly statistics](#)³. This information is allowing local authorities to identify trends and anomalies and is intended to drive improvement and inform

³ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/swf>

equality monitoring. There is a wide range of other activity under way which is intended to support local authorities in implementation of the SWF in its early stages so that operation is as effective as possible by the time the Bill passes and the permanent welfare funds come in to operation. This includes regular meetings of a SWF practitioners group to resolve problems and share practice, an online knowledge hub, a quality improvement officer who undertakes case sampling and feeds back to the local authority, a two day initial training course on the SWF and regular decision-making workshops for local authority staff.

14. Heriot Watt University has also undertaken an [independent evaluation of the SWF⁴](#) (the Heriot Watt evaluation) which is feeding into the on-going improvement of the interim scheme and the development of the permanent arrangements.

CONSULTATION

15. There has been extensive consultation on both the interim scheme and the draft Bill. This section provides details on these consultations and other stakeholder engagement activity in relation to both the interim scheme and the Bill.

Devolution of Community Care Grants and Crisis Loans: Consultation on Successor Arrangements

16. A consultation paper, [“Devolution of Community Care Grants and Crisis Loans: Consultation on Successor Arrangements”⁵](#) (the successor arrangements consultation) was published in August 2011. The consultation closed in February 2012. There were 50 responses. Forty-six responses were from organisations, with four individual responses from people with professional experience of the issues. Twenty-nine responses were from third sector organisations, thirteen from local authorities and four 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. The responses are available online at <http://www.scotland.gov.uk/Publications/2012/02/1585/downloads⁶>.

17. The successor arrangements consultation asked for views on how the successor arrangements might operate in Scotland. The Scottish Ministers had concluded that the successor arrangements should continue to address similar needs as those which were met by the discretionary Social Fund, as these remained current, so did not seek views on alternative uses for the successor arrangements. It did however, consider different ways to deliver support, in particular—

- whether the successor arrangements should combine the current systems of grants and loans into one grant fund;
- whether the Scottish Government should use a centralised or local delivery system;
- which organisation or organisations might deliver a locally based scheme

⁴ <http://www.scotland.gov.uk/Publications/2014/05/8469>

⁵ <http://www.scotland.gov.uk/Resource/Doc/355084/0119885.pdf>

⁶ <http://www.scotland.gov.uk/Publications/2012/02/1585/downloads>

- re-focussing scheme eligibility;
- providing goods (e.g. using furniture re-cycling, white goods purchased through government procurement) rather than cash grants; and
- including other support such as budgeting or other advice and encouraging savings.

18. The Scottish Ministers decided, on the basis of the successor arrangements consultation, to establish a single Fund, delivered by local authorities based on national guidance issued by the Scottish Ministers. The Fund was established for a two year period from April 2013, with the intention that it should be made permanent through legislation. This has allowed for the running of the interim scheme to influence the approach taken in the Bill. Since the interim scheme has been running, there have been changes made to the guidance to take account of feedback from local authorities and third sector organisations representing the interests of users. In particular, eligibility was broadened, removing the requirement for applicants to be on a specified benefit and broadening community care grants for exceptional pressure to families without children.

19. The decisions made on the interim scheme are covered in detail in the paragraphs 26 - 50, which outline alternative approaches that were considered in relation to the introduction of the interim scheme. An [analysis of the responses to the successor arrangements consultation](#)⁷ was published on the Scottish Government website.

Informal consultation on draft guidance and Equality Impact Assessment for the SWF

20. An informal consultation on [draft guidance](#)⁸ and a draft [Equality Impact Assessment \(EQIA\)](#)⁹ for the interim SWF took place during August 2012. The consultation was issued to the mailing list of stakeholders including all local authorities, organisations which had responded to the public consultation in October 2011, organisations which attended the stakeholder events in June 2012 and a number of umbrella organisations for groups which share protected characteristics for which the Scottish Government had little or no evidence.

21. There were 49 responses to the consultation despite the short timescale. 24 were from local authorities, 15 from the third sector, three from Scottish Government policy interests and six from other, mainly national, organisations. The responses gave constructive and detailed feedback on the guidance which allowed for improvements to be made to its focus and enabled the elimination of impacts which the Scottish Government had not intended. Many of the comments made in relation to the EQIA reflected issues raised in the initial public consultation and at subsequent stakeholder events. Respondents welcomed the move to more holistic support through local authorities and their partners. The information gathered was used to inform the high level principles of the SWF and the guidance and advice and training for local authorities on how they should deliver the service.

⁷ <http://www.scotland.gov.uk/Publications/2012/02/1585/downloads>

⁸ <http://www.scotland.gov.uk/Topics/People/welfarereform/socialfund/draftguidance/draftguidance>

⁹ <http://www.scotland.gov.uk/Topics/People/welfarereform/socialfund/EQIAsummary>

Consultation on draft Welfare Funds (Scotland) Bill and options for challenging decisions made by local authorities on applications to the Scottish Welfare Fund

22. A further consultation paper [“Consultation on draft Welfare Funds \(Scotland\) Bill and options for challenging decisions made by local authorities on applications to the Scottish Welfare Fund”](#)¹⁰ (the Bill consultation) was published on 15 November 2013. This set out plans to put the current interim scheme onto a statutory footing. This consultation closed on 7 February 2014. There were [58 responses to this consultation](#)¹¹ from a range of respondents – COSLA, 18 local authorities, 24 third sector organisations, four other public sector bodies, nine social enterprises, one business and an individual.

23. The consultation responses suggested that the Bill contained the elements that would be expected. There were a number of requests to include a section in the Bill setting out more clearly the scope and intentions of the funds and there were calls for the Bill to reflect the current guidance in relation to the types of people who can qualify for support, i.e. families under pressure, dependent children and definitions of disaster and emergency. These suggestions were not reflected in the Bill as any attempts to identify subgroups within those identified in section 2 of the Bill may only serve to narrow the scope of the funds.

24. There were suggestions that consultation on changes to the guidance should be widened beyond local authorities to include third sector organisations and members of the public where appropriate. There were also suggestions that the guidance should apply to all local authorities and that the Scottish Ministers should not have the power to direct guidance to individual local authorities. The Bill was redrafted prior to introduction to take account of these suggestions.

Scottish Government and COSLA led Reference Group

25. The Scottish Government has, jointly with COSLA, established a Reference Group, comprising third sector, local authorities and Scottish Government representatives to help steer the development of the legislation. Scottish Government officials have also attended a number of stakeholder meetings, as well as holding a dedicated stakeholder workshop, to discuss the interim scheme and plans for the Bill and associated regulations and guidance.

ALTERNATIVE APPROACHES

Requirement for a Bill

26. A legislative approach is considered to offer the best solution to delivering a national framework, with local delivery. It will ensure there is nationwide coverage in the future which is not reliant on a voluntary agreement between the Scottish Ministers and COSLA. This will give certainty to all parties that the vital support offered by welfare funds will be available across Scotland on a continuing basis.

27. The legislative approach also helps to strengthen the national nature of the scheme. Under the interim scheme, the guidance regarding the operation of the scheme has no status

¹⁰ <http://www.scotland.gov.uk/Publications/2013/11/5175>

¹¹ <http://www.scotland.gov.uk/Publications/2014/03/9878>

beyond the agreement reached between the Scottish Ministers and COSLA. The package of the Bill and regulations, and guidance under the Bill, will provide a sound legislative basis for the delivery of the welfare funds that could not otherwise be achieved. The regulations will provide a framework for the elements of the funds that should be approached consistently across local authorities. Guidance will provide more detailed explanation of what the Scottish Ministers intend, good practice and how to handle specific situations. However, local authorities will still have the scope to integrate access to the funds with other local services and make sure that the way in which they fulfil their grants fits local need and takes advantage of local opportunities, for example in furniture re-use.

28. There is no fundamental difference between the principles of the interim arrangements, the draft Bill issued for consultation in November 2013 and the Bill as introduced. The only proposed change is to the process for undertaking second tier reviews. Paragraphs 42 - 50 cover second tier review, which was a key element of the Bill consultation.

29. The following paragraphs detail the significant alternative approaches that were considered when making decisions regarding the content and delivery of the interim scheme, on which the permanent arrangements will be based. These issues were all covered in the successor arrangements consultation.

Grants not loans

30. It is expected that local authorities will provide grants and not loans. Provision of grants alone reduces complexity, improves effectiveness, lowers delivery and administration costs and avoids putting vulnerable people into debt. Proposals were made in the responses to the successor arrangements consultation which suggested running a scheme which encompassed both grants and loans. The key advantage of loans was seen as providing an opportunity to recycle funds back into the scheme. However, while DWP recovered crisis loans from benefit income at source, it advised that loans would be unsustainable for local authorities and devolved administrations providing local welfare as recovery costs were likely to exceed repayments. Responses to the successor arrangements consultation gave a qualified endorsement of the proposal that the successor arrangements should operate a single grant fund. The key advantages of operating a grant fund as opposed to loans, or a mixture of grants and loans, were financial benefits, both to applicants and organisations.

Delivery

31. The Bill establishes a system where local authorities will administer welfare funds.

32. The successor arrangements consultation asked for views on delivery models. Local authorities were considered the most appropriate delivery vehicle for local welfare because they offer a national delivery network and already deal with many of the client groups which used the Social Fund. They also had the necessary links, through their own services or those of community planning partners, to provide the holistic service that adds value to the one-off grants given by the SWF.

33. Prior to the start of the interim arrangements, consideration was given to different delivery models. Operating standard arrangements across Scotland with a centralised system was considered. This could have reduced the costs of implementation and ongoing delivery. However, it would have been more difficult to achieve a client-focussed and joined-up approach which is sensitive to local circumstances. This is one of the key aims of the welfare funds.

Refocusing scheme eligibility

34. The successor arrangements consultation asked for views on refocusing eligibility of the scheme to focus on particular groups, such as ex-offenders or homeless people, or supporting older people to remain in the community. Respondents to the consultation challenged the idea that either groups or events should be the focus of eligibility. The suggestion was that prioritisation should be based on individual need and the immediacy and extent of any threat to the individual and their families' health and wellbeing. This ties in with the discretionary nature of the funds and is the approach that has been adopted in the Bill.

35. Section 2 of the Bill sets out the general circumstances in which welfare funds may be used to assist qualifying individuals. This section reflects the amendment of Schedule 5 to the Scotland Act 1998 made by the Scotland Act 1998 (Modification of Schedule 5) (No.2) Order 2013. The exact scope of the funds will be set out in regulations.

Goods rather than cash or grants

36. The Bill allows for the provision of financial or other assistance. This allows local authorities to provide goods as well as cash or other forms of grant. The advantage of providing goods rather than cash grants is that local authorities would expect to be able to deliver the same support for less money, or to provide more support for the same money. Also, some vulnerable people find it an additional burden to have to shop for items following a cash award, especially if they live in a remote area or do not have access to transport and, therefore, welcome items. However, providing goods rather than grants reduces choice which is a disadvantage to some recipients.

37. In place of cash, some local authorities are providing cash equivalents such as loaded cards, barcodes or vouchers under the SWF. These can be an efficient way of making awards quickly but some stakeholders have concerns that they are stigmatising. The Bill does not require local authorities to provide either grants or goods, but will allow them to provide support in the manner they believe is most appropriate, taking into account the specific needs of the applicant, for example any disability.

38. This approach was generally supported by respondents to the successor arrangements consultation. Those in favour of the provision of goods saw the potential for savings through bulk purchasing and through avoiding the potential for inappropriate spending of cash payments. The main perceived disadvantage of providing goods was that it limited individual choice and personal responsibility.

39. The current guidance for the interim scheme requires local authorities to ensure that goods that are provided are suitable for the applicant. This requirement will be replicated under

the new legislative framework to ensure those with genuine needs for non-standard goods are not disadvantaged. The Heriot Watt evaluation, as mentioned in paragraph 14, suggests that there is support for awards in kind as long as they are appropriate for the need and that goods are in a good condition, preferably new.

Include other support such as budgeting or other advice and encouraging savings

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

41. This type of support will, therefore, not be compulsory in relation to the welfare funds and as a result, is not referenced in the Bill. Rather, the holistic nature of the funds which allow local authorities to integrate welfare funds with other services will allow for joining up with provision of other services that may be offered in the local area, particularly where the pattern of application may suggest an underlying problem.

Second tier review model

42. As mentioned previously at paragraph 28, second tier review was a key part of the Bill consultation. If an applicant disagrees with the decision on their application, they can ask for a review of their case. This is a first tier review and is carried out by another member of the welfare fund team within the local authority. Following this first tier review, if the applicant is still unhappy with the decision, they can ask for a second tier review.

43. Second tier review is an important protection for applicants. It provides an impartial check on local decision-making processes, ensuring administrative justice for the applicant, drives improvement in decision making and gives stakeholders confidence in the integrity of the funds. Under the interim scheme second tier reviews are carried out by an impartial panel made up of local authority staff who are separate from the SWF team and, in some cases, independent members. Providing for welfare funds in primary legislation means that there are more options for second tier review under the permanent arrangements than has been possible under the interim arrangements.

44. As part of the Bill consultation, three options for second tier review under the permanent fund were considered. These were—

- panels, convened by local authorities, with mandatory independent membership. This is based on the current practice under the interim SWF, with some alterations to make it fit better with the desired characteristics of review;
- second tier review by SPSO, probably with additional powers to consider the merits of cases rather than just maladministration and service failure; and
- a tribunal, supported by the Scottish Tribunals Service (STS).

45. The options were considered with the purpose and characteristics of second tier review in mind. In relation to welfare funds, second tier review purposes are—

- to ensure that both initial decisions and decisions on first tier review are consistent with the legislation and guidance for the funds and that discretion has been reasonably exercised;
- to identify any deficiencies in local authority decision-making and give feedback to local authorities on the quality of their decision-making;
- to give confidence to applicants for review and to the wider public that the arrangements for second tier review are independent and impartial and that there is an effective remedy for defective decisions by local authorities; and
- to identify where the regulations, guidance or local policies appear to be having unintended consequences and highlight these as appropriate.

46. Desirable characteristics for first and second tier review are to—

- be transparent, fair and accessible system;
- be timely, recognising the circumstances of the applicant;
- be high quality, impartial, free to use and independent;
- operate quickly, making sound and accurate decisions;
- communicate effectively; and
- be proportionate and cost effective.

47. The SPSO has been identified as the preferred option for second tier review and this has been reflected in the Bill. It most closely fits the desirable characteristics for the review process and purpose of second tier review. In particular, it is independent of local and central government, providing a credible effective check on local authority decisions which will give users and stakeholders confidence in the funds. The inquisitorial approach used by the SPSO is appropriate to the types of questions that are most likely to be raised by applicants, the majority of which are likely to relate to discretionary decisions. It will effectively support quality improvement and drive improvement in decision making.

48. The main concern regarding the SPSO acquiring this function is that its current processes and culture might not be suitable for the quick turnaround required for welfare fund cases. This is a point which the SPSO acknowledges and will seek to address.

49. Based on the results of an options assessment and stakeholder views, a tribunal was not deemed suitable for second tier review. It is not the most appropriate approach for the type of decision being made, it is less likely to result in a good flow of improvement information to decision makers, and it would be very difficult to achieve satisfactory turnaround times. While there were positive comments expressed in the consultation about the independence of a tribunal and the fact that this would fit with appeal processes for DWP welfare benefits, there was also concern that a tribunal would be slow and overly complex for welfare fund cases.

50. The local authority option was rejected mainly because any option based in, or facilitated by, local government has the fundamental disadvantage that it is not independent. In discussion with COSLA, consideration was given as to how the arrangements for the interim scheme could

be developed to increase the independence of panels and provide access to an oral hearing. However, this would have meant the loss of some of the key advantages of local panels such as knowledge of local arrangements and the ability to provide quick turnaround and feedback to welfare fund teams.

EFFECTS ON EQUAL OPPORTUNITIES, HUMAN RIGHTS, ISLAND COMMUNITIES, LOCAL GOVERNMENT, SUSTAINABLE DEVELOPMENT ETC.

Human rights

51. The Bill is considered to be fully compatible with the European Convention on Human Rights (ECHR). The only substantive ECHR issue arising relates to whether Article 6 of the Convention applies to a decision as to granting financial assistance out of a welfare fund. If it does (because the decision would involve a determination of a person's civil rights and obligations), then Article 6 would require the availability of a process allowing decisions to be tested by an independent and impartial tribunal. It has yet to be established conclusively that decisions on welfare benefits of a purely discretionary nature fall within Article 6, but in any event the provisions in the Bill concerning review by the SPSO ensure that the Bill complies with that Article.

Equal opportunities

52. An [EQIA](#)¹² was carried out when the decision was taken to introduce the interim SWF. The EQIA identified relatively limited impact on groups who share protected characteristics from the change in delivery from the DWP to local authorities, but highlighted some potential for improvements in service to applicants as a whole.

53. The SWF took the DWP eligibility criteria as a starting point but made some changes to simplify and to respond to criticisms of the Social Fund, and to achieve a better fit with the Scottish policy context. For example, the initial SWF criteria for families under exceptional pressure gave priority to families with children with the intention of contributing to the reduction of child poverty. This had the effect of disadvantaging families which included disabled adults who might previously have had awards under this category. However, from October 2013, revisions to the guidance have allowed some of the impacts identified in the EQIA to be reversed. Since the revision of the guidance, exceptional pressure awards have been available to all families, not just those with children. Further changes to the guidance also provided greater clarity on when payments to people who have had their benefits stopped or reduced by DWP because they have not complied with the conditions related to the benefit in question can be made, decreasing impacts in an area which may have disadvantaged people with poor mental health.

54. Another key finding of the EQIA was that there was not sufficient data gathered by the DWP on the Social Fund to allow for effective analysis. This informed the design of the Scottish Government data specification for SWF IT systems.

¹² <http://www.scotland.gov.uk/Topics/People/welfarereform/socialfund/EQIAsummary>

55. The EQIA was updated in May 2014 to take account of the progression from the interim scheme to the statutory scheme. This involved considering the impact on equalities groups of introducing independent review of local authority decisions by the SPSO, and reviewing equalities monitoring information from the first 9 months of operation of the interim SWF to see what early lessons are to be learned and what further action is required. The [updated EQIA and a summary of it](#)¹³ have been published on the Scottish Government website. The key areas of activity as a result of the EQIA are—

- a programme of work to improve data quality;
- on-going data monitoring to identify long term trends;
- working with local authorities to promote good practice in relation to equalities groups; and
- promoting the fund to groups where data suggests that groups may be under-represented.

56. As the SPSO service does not yet exist, there is no data to look at in relation to the statutory scheme. However, the SPSO is bound by the Equality Act 2010 and has substantial processes in place for equalities planning, monitoring and reporting and the Scottish Government has not found indications that equalities groups would be disadvantaged by the introduction of the independent review service. Equalities considerations will be taken into account in designing its new service.

57. In practice, the regulations and statutory guidance will have a greater impact on equalities groups than the Bill itself. So, the Scottish Government intends to undertake a further EQIA at a relevant point in the development of the regulations.

Island communities

58. The Scottish Government has not identified any specific impacts on island communities through the introduction of the Bill.

Sustainable development

59. The Scottish Government has not identified any specific impacts in relation to sustainable development through the introduction of the Bill, though the framing of the interim scheme and guidance encourages local authorities to make use of furniture re-use schemes to fulfil awards under the SWF and this will apply in the proposed legislative framework.

Local government

60. The Bill will directly impact on local authorities. This has been set out in this Policy Memorandum and in the other accompanying documents to the Bill.

61. The Scottish Government has worked closely with COSLA through the introduction of the interim SWF. This close working relationship has been carried on with the implementation

¹³ <http://www.scotland.gov.uk/Topics/People/welfarereform/scottishwelfarefund/welfarefundsbill>

This document relates to the Welfare Funds (Scotland) Bill (SP Bill 51) as introduced in the Scottish Parliament on 10 June 2014

of the joint COSLA/Scottish Government Reference Group comprising third sector, local authorities, and Scottish Government representatives to help steer the development of the legislation.

62. The Scottish Government also funds a development officer post in COSLA whose role is dedicated to supporting local authorities in implementing the SWF.

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