



Welfare Funds (Scotland) Bill

Bill Number:	SP Bill 51
Introduced on:	10 June 2014
Introduced by:	Nicola Sturgeon MSP
Passed:	3 March 2015
Royal Assent:	8 April 2015

Passage of the Bill

The Welfare Funds (Scotland) Bill was introduced in the Scottish Parliament on 10 June 2014. The Welfare Reform Committee, as lead committee, began taking Stage 1 evidence on the Welfare Funds (Scotland) Bill on 10 September 2014.

The Welfare Reform Committee published its Stage 1 report on the Bill on 8 December 2014. The Stage 1 debate took place on 16 December 2014. This was followed by Stage 2 proceedings on 27 January 2015. The Stage 3 consideration was completed, and the Bill was passed, on Tuesday 3 March 2015. The Welfare Funds (Scotland) Bill received Royal Assent on 8 April 2015, becoming the Welfare Funds (Scotland) Act 2015 (asp 5).

Purpose and objectives of the Bill

The purpose of the Bill was to give the interim Scottish Welfare Fund (SWF) scheme a statutory foundation. The objectives of the interim Scottish Welfare Fund, in operation since April 2013, 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, 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.

The SWF has been operating as an interim scheme since the Department for Work and Pensions (DWP) abolished the UK discretionary Social Fund in April 2013 and transferred the funding for community care grants and crisis loans to the Scottish Government.

Provisions of the Bill

The Welfare Funds (Scotland) Bill, as introduced, contains eight sections which sought to:

- place a duty on local authorities to maintain and administer welfare funds
- define the circumstances in which a local authority can provide financial or other assistance through the welfare fund
- provide powers for Scottish Ministers to make regulations about arrangements that local authorities are required to have in place to carry out reviews of decisions they make in relation to the provision of assistance
- place a requirement on the Scottish Public Sector Ombudsman (SPSO) to carry out reviews in relation to local authority decisions on provision of assistance from welfare funds. Currently, applicants can only ask the local authority to review its decision. The introduction of this second tier review process for appeals is the main change to the way the interim SWF scheme currently operates.
- provide a right for an individual to apply to the SPSO for a further review, beyond that carried out by a local authority. This is a new power for the SPSO and is distinct from the SPSO's current jurisdiction which involves considering whether there has been poor service or maladministration.
- give the SPSO the power, where it considers that the decision made by the local authority is not the one that should have been made, to direct the local authority to make an award or to remit the case to the local authority so that it can re-consider its decision.
- provide powers for Scottish Ministers to make regulations, and publish guidance, setting out how welfare funds should be administered.

The Bill was intended to provide a framework for welfare funds and further detail is expected to be set out in regulations and guidance made under the Act.

Parliamentary consideration

Stage 1: The Welfare Reform Committee's Stage 1 Report was supportive of the general principles of the Bill. Much of the evidence at Stage 1 concerned the detail about operational improvements to the existing interim

arrangements. The Committee's Stage 1 report reflected these concerns and made a number of recommendations for the Scottish Government to take into account during the development of the regulations and guidance that would be published under the Welfare Funds (Scotland) Act.

Stage 2: The main amendments agreed to at Stage 2 provided further detail on the role of the Scottish Public Services Ombudsman in undertaking independent review of local authority decisions on welfare fund applications. Section 3 of the Bill as introduced was also removed at Stage 2. Section 3 would have allowed a local authority to make arrangements for another organisation, including a private sector organisation, to administer its welfare fund on its behalf. The Committee heard some concerns about the potential for private sector companies to administer the fund. Further amendments introduced the introduction of a right of review of a local authority decision on a welfare fund application. A number of opposition amendments were disagreed to.

Stage 3: Two amendments were agreed to. One was a Scottish Government technical amendment. The other was an opposition amendment (lodged by Ken McIntosh MSP) which concerned timing of decisions on applications for crisis grants. The amendment required that regulations made by the Scottish Government should provide that a local authority must make a decision on an application for a crisis grant immediately after the authority has received all the information allowing a decision to be made and no later than the end of the next working day.

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