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Collette Stevenson MSP
Convener
Social Justice and Social Security
Committee

By email:
SJSS.committee@parliament.scot

19 February 2025

Dear Collette,

Thank you for your letter of 3 February regarding our progress with implementing the Scottish Welfare Fund Action Plan. I have provided a response below to the queries raised. I also note that the committee wish to monitor monthly administrative data on the Scottish Welfare Fund to track budget pressures. I can confirm this data is published online and is available at: [Scottish Welfare Fund and Discretionary Housing Payments: monthly data - gov.scot](#).

I note the concerns from CoSLA referenced in your letter. The changes proposed in the new statutory guidance have been reviewed by a multi-stakeholder group which includes CoSLA. In terms of having a clearer definition of the 'high most compelling' priority rating, as CoSLA themselves identify in their letter to your committee, a new section and guidance on the 'high most compelling' rating has been produced. The changes that we are making to the guidance are envisaged to help decision makers make timely decisions, with clearer guidance including the stage by stage decision making process as well as highlighting our policy intent on adopting a proportionate and trust based approach when gathering evidence.

We do understand that the Scottish Welfare Fund continues to receive a high level of demand, as an essential source of support for people in need and this pressure has been exacerbated by the effects of UK Government welfare policy decisions. We will continue to closely monitor spend and demand trends for the fund and keep the sustainability of the budget under review. We are committed to continue working in partnership with CoSLA to support people in crisis.

Responses to queries raised

- 1. the timescales for the production of tables to help decision makers determine eligibility under low-income criteria where a qualifying benefit is not under payment, with rates for all local authorities;*

These will be published alongside the statutory guidance. As noted, the revised statutory guidance is due to be published in April 2025. We have committed to review the statutory guidance on an annual basis.

2. the Scottish Government's response to the issue raised by COSLA about the provision of annual funding to cover additional costs for local authorities;

The standing statutory guidance review committee, reviewed the current methodology for calculating cost of living award rates for Crisis Grants and agreed that a fairer method for determining award rates that meets people's needs and takes into account the cost of living is needed. We have not taken away the discretion for decision makers, but the proposed guidance welcomed by the committee, will ensure that awards more closely meet needs. No other changes to the statutory guidance are expected that result in additional costs to the budget or for local authorities. The provision of an additional £20 million funding in 2024-25, including £2.5 million for administration of the fund, should assist Local Authorities with administering and delivering the fund and, as noted above, I will keep the sustainability of funding under review moving forward.

3. the planned completion dates of each of the remaining actions;

As already noted we are close to completing workstream 1 and 2. In terms of workstream 3 (Creating a New Data, Audit and Monitoring Approach), there have been improvements made against all three actions within this workstream, however two of these actions remain longer term commitments as they focus on a new process for data collection in conjunction with local authorities and development of an approach to ensure that there is a commitment to learning and improvement, a continuous focus.

4. any guidance provided to local authorities in relation to the use of the additional £20m added to the Fund for 2024-25.

Our budget allocation letter for the additional funds was reviewed with CoSLA and sent to local authorities in December 2024 (Annex A). We noted that the funding is calculated using an agreed formula of the most recent income domain of the Scottish Index of Multiple Deprivation (SIMD) and this additional funding will enable local authorities to provide more flexible local support through Crisis Grants and Community Care Grants to people in need.

I hope you find the above information helpful.

Yours sincerely

SHIRLEY-ANNE SOMERVILLE

Social Security Directorate
Social Security Policy Division



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Local Authority Directors of Finance
cc. Local Authority SWF Team Contacts

16 December 2024

Dear Sir/ Madam,

SCOTTISH WELFARE FUND TOP UP ALLOCATIONS (2024/25)

On 28 November 2024 the Cabinet Secretary for Social Justice announced an additional investment from the Scottish Government of £20 million in the Scottish Welfare Fund's 2024/25 budget. This was to provide vital support to vulnerable people over the Winter. This decision was noted by Local Authority Leaders at their meeting on 06 December 2024.

The policy intent of the allocation is to provide more vital support to people in crisis this winter. This additional funding to the SWF will enable local authorities to provide more flexible local support through Crisis Grants and Community Care Grants to people in need. The funding is provided for programme discretionary spend and administration in accordance with governance arrangements as set out in the SWF Statutory Guidance. These SWF top-up allocations are an exceptional measure to provide vital support over this winter including for pensioners in fuel poverty, however it should be noted that no additional conditions have been applied and we would encourage local authorities to maximise spend in the SWF this financial year where practicable. Local authorities should not expect this to recur in future financial years.

I have included the allocations for each Local Authority in **Annex A**. Please note that these have been calculated using the agreed distribution - most recent Income Domain of the Scottish Index of Multiple Deprivation (SIMD) methodology. The £20 million will be paid as a redetermination of 2024-25 General Revenue Grant in the last two weeks of March 2025. Please note that Local Government Finance colleagues can reprofile the weekly General Revenue Grant payments in order to assist with any cash flow issues.

I am copying this letter to John Cunningham, Social Security Policy Manager at CoSLA. If you have any questions or wish to discuss, please contact Munwar Hussain (munwar.hussain@gov.scot), Scottish Welfare Fund Manager in the Scottish Government.

The Scottish Welfare Fund is a key priority for Scottish Ministers as an essential source of support to those most in need. Thank you for your ongoing work in administering the Fund and ensuring that support reaches those most in need across Scotland.

Yours faithfully,

Ian Davidson
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Social Security Directorate, Scottish Government

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ANNEX A: SCOTTISH WELFARE FUND ALLOCATIONS 2024-25

£

| Local Authority | Total Budget | Programme | Administration |
|-----------------------|-------------------|-------------------|------------------|
| Aberdeen City | 599,000 | 524,000 | 75,000 |
| Aberdeenshire | 505,000 | 442,000 | 63,000 |
| Angus | 359,000 | 314,000 | 45,000 |
| Argyll and Bute | 258,000 | 226,000 | 32,000 |
| Clackmannanshire | 223,000 | 195,000 | 28,000 |
| Dumfries and Galloway | 522,000 | 457,000 | 65,000 |
| Dundee City | 745,000 | 652,000 | 93,000 |
| East Ayrshire | 566,000 | 495,000 | 71,000 |
| East Dunbartonshire | 236,000 | 207,000 | 29,000 |
| East Lothian | 327,000 | 286,000 | 41,000 |
| East Renfrewshire | 196,000 | 172,000 | 24,000 |
| Edinburgh, City Of | 1,362,000 | 1,192,000 | 170,000 |
| Eilean Siar | 81,000 | 71,000 | 10,000 |
| Falkirk | 551,000 | 483,000 | 68,000 |
| Fife | 1,355,000 | 1,186,000 | 169,000 |
| Glasgow City | 3,659,000 | 3,201,000 | 458,000 |
| Highland | 700,000 | 613,000 | 87,000 |
| Inverclyde | 426,000 | 373,000 | 53,000 |
| Midlothian | 297,000 | 260,000 | 37,000 |
| Moray | 248,000 | 217,000 | 31,000 |
| North Ayrshire | 705,000 | 616,000 | 89,000 |
| North Lanarkshire | 1,555,000 | 1,361,000 | 194,000 |
| Orkney Islands | 46,000 | 40,000 | 6,000 |
| Perth and Kinross | 368,000 | 322,000 | 46,000 |
| Renfrewshire | 705,000 | 617,000 | 88,000 |
| Scottish Borders | 330,000 | 289,000 | 41,000 |
| Shetland Islands | 39,000 | 34,000 | 5,000 |
| South Ayrshire | 421,000 | 369,000 | 52,000 |
| South Lanarkshire | 1,243,000 | 1,088,000 | 155,000 |
| Stirling | 249,000 | 218,000 | 31,000 |
| West Dunbartonshire | 481,000 | 421,000 | 60,000 |
| West Lothian | 639,000 | 559,000 | 80,000 |
| Total | 20,000,000 | 17,500,000 | 2,500,000 |

Figures have been rounded