

**REPORT TO:** CITY GOVERNANCE COMMITTEE – 5 MARCH 2026

**REPORT ON:** REDUCTION IN COUNCIL CONTRIBUTION TO THE SCOTTISH WELFARE FUND (SWF) GRANT BUDGET

**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**REPORT NO:** 65-2026

## **1.0 PURPOSE OF REPORT**

1.1 This report seeks approval for a reduction in Dundee City Council's contribution to the Scottish Welfare Fund (SWF) grant budget by £103,000 from financial year 2026/27, as part of wider financial sustainability measures within the Council's budget planning framework.

The report outlines the anticipated impacts of this reduced funding on grant provision and describes measures that the SWF team will take to minimise risks to vulnerable residents.

## **2.0 RECOMMENDATIONS**

2.1 The Committee is asked to:

- (i) Approve the proposal to reduce the Council's contribution to the SWF grant budget by £103,000 per annum from 2026/27 onwards.
- (ii) Note that reduced funding will constrain the number of grants awarded but the SWF team will prioritise the most urgent cases and seek to implement any operational efficiencies.
- (iii) Note that this report instructs officers to oversee implementation and monitor impacts of the reduction in grant funding and report back to Committee should further mitigation be required.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 The proposals outlined in this report would result in a recurring saving of £103,000 per annum within the Digital & Customer Services division of the Corporate Services Revenue Budget. There are no staffing reductions associated with this proposal.

## **4.0 BACKGROUND**

4.1 The Scottish Welfare Fund (SWF) is a discretionary, demand-led national scheme delivered locally by all Scottish local authorities. The SWF provides non-repayable Crisis Grants and Community Care Grants to people on low incomes who are facing exceptional financial hardship or who require support to establish or maintain independent living. Local authorities receive an annual programme allocation from the Scottish Government, but decision-making sits entirely with councils, who must manage demand within the resources available in the financial year.

4.2 The Scottish Government programme allocation for 2026/27 is expected to be £1.324m. On 8 January 2026 the First Minister announced an additional non-recurring investment from the Scottish Government of £0.204m in Dundee's Scottish Welfare Fund's 2025/26 programme allocation. In addition to the above Scottish Government funding, DCC provide a further

discretionary top up funding of £0.103m further supporting clients that require welfare support. For financial year 2025/26 it is anticipated this expenditure will be fully required.

4.3 The SWF provides 2 elements of assistance to communities:

**Crisis Grants** which are a safety net in an emergency when there is an immediate threat to health and safety in the form of Crisis Grants (CG). Claims for assistance will meet national performance indicators of award decisions within 1 working day.

**Community Care Grants** which enable independent living or continued independent living, preventing the need for institutional care. Claims for assistance will meet national performance indicators of award decisions within 15 working days.

4.4 Users of the scheme are generally people with disabilities, lone parents, unemployed people, care leavers, homeless people, ex-offenders and carers. Applications to the fund can be either referral from an agency or self-referral with eligibility criteria primarily based on current SWF statutory guidance. Assistance is offered via Paypoint payments, provision of white goods, furniture, floorcoverings etc.

## 5.0 DISCRETIONARY NATURE OF THE FUND

5.1 The discretionary status of the SWF is fundamental to how it operates. Local authorities have flexibility in how awards are determined, provided decisions align with national statutory guidance. Awards are not entitlements and therefore decisions must consider:

- (i) The applicant's circumstances and vulnerabilities
- (ii) The urgency and severity of need
- (iii) The likely impact on health and wellbeing of making (or not making) an award

5.2 Councils can exercise some local discretion on:

- (i) The type and value of items awarded
- (ii) The operating priority level (High, Medium, Low) applied to manage awards in line with budget constraints

5.3 As is the case in Dundee, local authorities may also top up the fund from their own budgets, although this is not required. Dundee City Council have continued to top up the Scottish Government Grant funding to maintain the pre 2017/2018 level of funding previously received prior to when this grant allocation was redistributed across local authorities. This additional funding has helped in recent years to meet sustained demand pressures. Budget pressures require reassessment of local top-ups in line with other council priorities. Although the proposed reduction of £103,000 may limit the number of awards made, prioritisation will continue to focus on the most critical need. Referrals will be increased through triage of more SWF applicants and increased use of income maximisation and debt advice support from Council Advice Services.

Council Advice Services will continue to work closely with procurement colleagues to ensure best value is achieved from the available funding, thereby mitigating the impact of any reduction in programme funding.

## 6.0 CONSULTATIONS

6.1 The Council Leadership Team were consulted in the preparation of this report.

## **7.0 POLICY IMPLICATIONS**

7.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of / mitigating factors for them is included as an Appendix to this report.

## **8.0 BACKGROUND PAPERS**

8.1 None.

**PAUL THOMSON**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**DATE: 15 FEBRUARY 2026**

# Integrated Impact Assessment

Committee Report Number: 65-2026

Document Title: Reduction in Scottish Welfare Fund grant budget (Current Council contribution)

Document Type: Other

Description:

The proposal aims to remove the Council contribution to the Scottish Welfare Fund (SWF) of Â£103,000 for the financial year 2026/27 and subsequent years. This reduction is part of a broader effort to manage budget constraints while maintaining essential services. The rationale for this reduction is based on the historical allocation of additional funds by the Council, which have supplemented the Scottish Government's annual funding.

Intended Outcome:

Reduce the Council contribution to the Scottish Welfare Fund (SWF) by Â£103,000 for the financial year 2026/27 and subsequent years.

Period Covered: 01/04/2026 to 31/03/2027

Monitoring:

By the Scottish Welfare Fund Operational Team and Council Advice Services. Numbers of claims, award levels and cost per application will be monitored compared to previous years, based on type of grant and impact on budget month to month. SWF already monitor these stats on a daily basis and have historical data over several years with which to compare future demand.

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# Equality, Diversity and Human Rights

## Impacts & Implications

### Age: Negative

The evidence indicates that a reduction in SWF grant funding would have a disproportionate negative impact on specific age groups, particularly children and young people (indirectly), working-age adults facing economic instability, and older people experiencing fuel poverty or health-related transitions. These impacts arise from unequal levels of exposure to poverty, crisis events, and reduced resilience across age groups. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals with agencies such as Aberlour will be reviewed to see if any improvements can be made to support vulnerable customers in this group.

### Disability: Negative

The reduction in SWF funding is not disability-neutral due to the Fund's role in offsetting disability-related financial vulnerabilities. The impact is disproportionately adverse, particularly for disabled people with low incomes who rely on discretionary crisis and community care support to maintain independence. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed to see if any improvements can be made to support vulnerable customers in this group.

### Gender Reassignment: No Impact

### Marriage & Civil Partnership: No Impact

### Pregnancy & Maternity: Negative

The Scottish Welfare Fund is a needs-based, discretionary scheme and does not apply eligibility criteria on the basis of pregnancy or maternity status. However, evidence shows that households affected by pregnancy or recent childbirth are more likely to experience financial vulnerability, meaning reductions in funding may have disproportionate indirect impacts for this protected group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase number of referrals to Council Advice Services and cross reference customers with the clients already received via the maternity and health visitor referrals to CAS. Partnership referrals with NHS will be reviewed to see if any improvements can be made to support vulnerable customers in this group.

### Race / Ethnicity: Negative

Evidence indicates that people from minority ethnic communities may experience disproportionate levels of socio-economic disadvantage, meaning that reductions in available funding could have indirect negative impacts. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed to see if any improvements can be made to support vulnerable customers in this group.

### Religion or Belief: No Impact

### Sex: Negative

However, equality monitoring shows that men and women experience different patterns of vulnerability, meaning that reductions in grant funding may have unequal indirect impacts. There is evidence that lone parent households and households with caring responsibilities are particularly vulnerable to financial shocks. As women are more likely to be lone parents and primary carers, reductions in SWF grant funding may reduce access to short-term crisis support, increase household stress and hardship and exacerbate existing income inequality and poverty. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed to see if any improvements can be made to support vulnerable customers in this group.

### Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

## Fairness & Poverty

### Geographic Impacts & Implications

Strathmartine:

Negative

Lochee:

Negative

Coldside:	Negative
Maryfield:	Negative
North East:	Negative
East End:	Negative
The Ferry:	Negative
West End:	Negative

Negative Implications & Mitigations: The Scottish Welfare Fund (SWF) supports people in crisis across every ward in Dundee, providing essential help with food, fuel, and the basic items required to establish or maintain a safe home. Because need exists in all communities, a reduction in funding risks increasing unmet crisis demand everywhere, not just in the most deprived areas. This would negatively affect the fairness and poverty outcomes of all Dundee wards by deepening existing inequalities and reducing the city's ability to provide consistent, safety-net support to households experiencing sudden financial hardship. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals to community organisations will be reviewed to see if any improvements can be made to support vulnerable customers in communities.

## Household Group Impacts and Implications

Looked After Children & Care Leavers: Negative

SWF guidance states that SWF teams should be "aware of the likelihood of how/when Care Experienced Young People might apply to the SWF". The Local Authority should promote their interests and take action to help them access support. Care Leavers apply regularly for assistance and are at higher risk when transitioning from care to independent living as they often lack sufficient support networks around them to help provide emergency financial help and help to buy essential household goods. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed to see if any improvements can be made to support vulnerable customers in this group.

Carers: Negative

Caring responsibilities often place households under higher financial strain, and carers typically experience increased household costs, such as higher utilities and transport costs, reduced earning opportunities due to limits on employment, higher likelihood of crisis, particularly when care needs change suddenly and emotional and physical pressure, increasing vulnerability if basic needs aren't met. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as the Carers Centre to see if any improvements can be made to support vulnerable customers in this group.

Lone Parent Families: Negative

Lone parents appear across multiple overlapping vulnerability categories, including large families, children living with a disabled adult and young parents. Since there is only one income to meet all household costs they experience higher rates of poverty, insecure employment and benefit interruptions. Childcare responsibilities limit working week flexibility. As a result lone parent households therefore have a disproportionately high reliance on SWF crisis and community care grants. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Aberlour and One Parent Families Scotland to see if any improvements can be made to support vulnerable customers in this group.

Single Female Households with Children: Negative

As mentioned above lone parents appear across multiple overlapping vulnerability categories, including large families, children living with a disabled adult and young parents. Since there is only one income to meet all household costs they experience higher rates of poverty, insecure employment and benefit interruptions. Childcare responsibilities limit working week flexibility. In addition women are six times more likely to be a single parent and twice as likely to have disability in the family (adult or child). As a result single female households with children have an even more disproportionately high reliance on SWF crisis and community care grants than lone parents in the general sense of lone parent families (above). Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Aberlour and One Parent Families Scotland to see if any improvements can be made to support vulnerable customers in this group.

Greater number of children and/or young children: Negative

Large families appear across multiple vulnerability indicators and face proportionally higher household costs for food, utilities, clothing and essentials. Community Care Grants are often needed to establish safe living conditions for larger numbers of children, especially when rehoused or fleeing crisis. Reduced SWF funding risks leaving families unable to afford essential items such as beds, white goods or carpets, which can directly affect children's wellbeing and increase overcrowding and stress. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Aberlour to see if any improvements can be made to support vulnerable customers in this group.

Pensioners - single / couple: Negative

# Household Group Impacts and Implications

Older people, particularly those living alone, already experience higher levels of fuel poverty and may rely on Crisis Grants for heating, food and emergencies. Reduced funding increases the risk of colder homes and the impacts this will have on pensioner health, which may lead to increased costs for NHS and Dundee Health and Social Care Partnership. While older households may not be the largest SWF user group, the consequences of unmet need can be more severe. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Age Concern to see if any improvements can be made to support vulnerable customers in this group.

Unskilled workers or unemployed: Negative

Although not always highly visible in SWF statistics, low-income workers and those unemployed and out of work often rely on Crisis Grants to bridge periods of sudden financial stress—such as short-term income shocks or unexpected essential costs. Reduced funding increases financial vulnerability, potentially pushing households into unsustainable debt or crisis escalation. This may indirectly increase demand for debt advice and money support services and increase levels of public debt. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Aberlour and employability to see if any improvements can be made to support vulnerable customers in this group.

Serious & enduring mental health problems: Negative

SWF statutory guidance explicitly identifies people experiencing mental health problems as applicants who commonly require support. Documents such as the Fairness Action Plan have already highlighted strong associations between poverty, financial instability, and deteriorating mental health, noting their interaction as a driver of inequality. Households affected by serious and enduring mental health problems often have low incomes, experience financial instability and have a higher risk of crisis due to illness-related needs. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with the Mental Health and Wellbeing Primary Care group and mental health organisations to see if any improvements can be made to support vulnerable customers in this group.

Homeless: Negative

Homelessness is one of the most prevalent vulnerabilities for male applicants, although it affects all demographics. Community Care Grants play a central role in securing and sustaining new tenancies by providing furniture, flooring, and essential household goods. Reduced funding may increase tenancy failures, rough sleeping, repeat homelessness, and wider pressure on homelessness services. This group is especially dependent on SWF for stability during transitions. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with Lily Walker Centre and organisations such as Shelter to see if any improvements can be made to support vulnerable customers in this group.

Drug and/or alcohol problems: Negative

SWF statutory guidance again identifies “people experiencing addiction problems” as a group who commonly apply for crisis or community care assistance. Households impacted by substance use often experience unstable or low incomes, periods of illness or recovery that may disrupt employment and regular benefit claims, making it harder to manage routine bills or absorb unexpected costs. The group is also likely to be more likely to experience crises. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as DDARS to see if any improvements can be made to support vulnerable customers in this group.

Offenders & Ex-offenders: Negative

Offenders and ex-offenders are explicitly recognised in SWF guidance as a key user group of the Fund. SWF support is closely linked to stabilisation, preventing homelessness, and reducing risks associated with reoffending. Cuts to SWF therefore have specific, material implications. Reduction in overall grant income will adversely affect this group. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with relevant organisations to see if any improvements can be made to support vulnerable customers in this group.

## Socio Economic Disadvantage Impacts & Implications

Employment Status: Negative

SWF grants often bridge the gap between payments for those on the lowest incomes with some of the most insecure employment contracts. Reducing the grant income total will reduce the accessibility for income supports available through the SWF at times when applicants are under exceptional pressure. This can in turn impact on the affordability of jobseeking and/or costs associated with remaining in employment. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Employability Services to see if any improvements can be made to support vulnerable customers in this group.

Education & Skills: Negative

# Socio Economic Disadvantage Impacts & Implications

Reduced SWF funding risks leaving families unable to afford essential items such as beds, white goods or carpets, which can directly affect children's wellbeing and increase overcrowding and stress. Reduction in overall grant income will indirectly adversely affect those in education. Poverty and attainment are inextricably linked and the SWF helps mitigate some of the impacts of poverty that correlate with lower attainment. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with schools to see if any improvements can be made to support vulnerable customers in this group.

Income: Negative

The SWF provides emergency financial support to people on low incomes who are facing a crisis or who need help to live independently. It is a safety net, designed to prevent hardship from escalating by providing short term income in crisis situations or longer term provision of goods and/or services to help people remain in the community or establish a home in the community after coming out of care. Low income families struggle to cope with the financial shock and cost to their incomes caused by crises or the costs associated with setting up home. SWF provides valuable income or meets the cost of necessary furniture/carpeting in times on need. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with relevant organisations to see if any improvements can be made to support vulnerable customers in this group.

Caring Responsibilities (including Childcare): Negative

Carers often face exceptional pressure due to higher living costs, reduced capacity for paid work, and sudden changes in care needs. A reduction in SWF funding may prevent carers from accessing essential household goods or crisis assistance, placing caring arrangements at risk and increasing the likelihood of burnout. Kinship carers, who may take children into their care with little notice, could face acute financial strain if they cannot access Community Care Grants to provide bedding, flooring, furniture or safety equipment, leading to instability in placements and increased pressure. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Aberlour and One Parent Families Scotland to see if any improvements can be made to support vulnerable customers in this group.

Affordability and accessibility of services: Negative

On occasions affordability of floor covering and/or white goods installation can make it difficult for families to properly furnish or equip their homes. SWF grants allow successful applicants to have these services put in place without undue financial shock. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services.

Fuel Poverty: Negative

Again the SWF provides emergency financial support to people on low incomes who are facing a crisis. More and more this is linked to the energy costs and families experiencing fuel poverty. SWF provides a safety net in the form of energy costs, normally payable through crisis grants. Reducing the SWF grant income adversely affects the ability to assist more people in fuel poverty. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services, in particular DEEAP. Partnership referrals will be reviewed with organisations such as SCARF to see if any improvements can be made to support vulnerable customers in this group.

Cost of Living / Poverty Premium: Negative

A reduction in Scottish Welfare Fund grant funding would have a direct and immediate impact on household cost of living by increasing unmet crisis need for food, fuel and basic household items. It would also exacerbate the poverty premium by forcing low income households to rely on higher cost coping strategies during financial shocks. SWF mitigates both immediate hardship and longer term costs by preventing crisis escalation. Reduced funding would deepen inequalities, increase repeat crises and place additional pressure on wider public services during an ongoing cost of living crisis. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with relevant organisations to see if any improvements can be made to support vulnerable customers in this group.

Connectivity / Internet Access: Negative

A reduction in SWF grant funding is likely to have secondary impacts on digital connectivity, particularly for low income households experiencing financial crisis. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with relevant utility companies offering low cost connectivity to see if any improvements can be made to support vulnerable customers in this group.

Income / Benefit Advice / Income Maximisation Negative

A reduction in grant funding may undermine access to and engagement with benefits advice and income maximisation support by reducing stability at points of crisis, particularly for households with limited financial resilience. It is therefore crucial that systems are put in place to encourage access to income maximisation as a way of mitigating the worst impacts of any reduction in SWF grant budget. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Brooksbank and Dundee CAB to see if any improvements can be made to support vulnerable customers in this group.

Employment Opportunities: Negative

A reduction in grant funding is likely to indirectly limit access to and sustainability of employment opportunities by increasing financial instability at points of crisis, particularly for individuals facing existing labour market barriers. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Employability Services to see if any improvements can be made to support vulnerable customers in this group.

#### Education: Negative

A reduction in grant funding is likely to indirectly affect educational engagement by increasing household instability during financial crises, with disproportionate impacts on children and young people experiencing poverty. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as local schools where advisers are co-located to see if any improvements can be made to support vulnerable customers in this group.

#### Health: Negative

The Scottish Welfare Fund (SWF) does not directly provide health services; however, it plays an important preventative role in protecting physical and mental health by addressing essential living needs at points of financial crisis. A reduction in SWF grant funding is therefore likely to have indirect but material impacts on health outcomes, particularly for households experiencing poverty and financial insecurity. A reduction in funding would increase the likelihood of food insecurity and fuel poverty, both of which are associated with poorer physical health outcomes, particularly among children, older people and individuals with long-term conditions. Reduced availability of crisis support is also likely to increase mental health pressures since financial insecurity and unmanaged crisis are strongly linked to stress, anxiety and deterioration in mental wellbeing. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as NHS services and Primary Care to see if any improvements can be made to support vulnerable customers in this group.

#### Life Expectancy: No Impact

#### Mental Health: Negative

As mentioned above in relation to health generally reduced availability of crisis support is also likely to increase mental health pressures since financial insecurity and unmanaged crisis are strongly linked to stress, anxiety and deterioration in mental wellbeing. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Primary Care Mental Health and Wellbeing Group to see if any improvements can be made to support vulnerable customers in this group.

#### Overweight / Obesity: Negative

SWF plays an indirect role in influencing factors associated with obesity and overweight through its impact on household financial stability and access to essentials. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as NHS Tayside public health and the Type 2 Diabetes Prevention and Remission Programme to see if any improvements can be made to support vulnerable customers in this group.

#### Child Health: Negative

Again as mentioned above in relation to health generally the Scottish Welfare Fund (SWF) does not directly provide health services; however, it plays an important preventative role in protecting physical and mental health by addressing essential living needs at points of financial crisis. A reduction in SWF grant funding is therefore likely to have indirect but material impacts on health outcomes such as a protective role in stabilising household conditions that support child health, particularly during periods of financial crisis. A reduction in SWF grant funding is therefore likely to have indirect but meaningful impacts on child health outcomes, especially for children living in poverty. Household overall stress during crises can also contribute to poorer child mental and emotional wellbeing. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with organisations such as Primary Care partners to see if any improvements can be made to support vulnerable customers in this group.

#### Neighbourhood Satisfaction: No Impact

#### Transport: Negative

Reduced SWF capacity may also affect the ability of households to afford upfront or short-term transport costs, such as public transport fares, which can act as a barrier to accessing services or opportunities during periods of financial instability. For individuals reliant on public transport or living in households without access to private vehicles, even small additional costs can significantly reduce mobility. As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. Partnership referrals will be reviewed with relevant organisations such as to see if any improvements can be made to support vulnerable customers in this group.

## **Environment**

### **Climate Change Impacts**

#### Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

## Resource Use Impacts

Energy efficiency & consumption: Negative

SWF provides crisis-level support that helps households maintain energy consumption at a basic, safe level and acts as a referral gateway to wider energy advice and efficiency support. A reduction in SWF grant funding is therefore likely to have indirect impacts on both energy consumption patterns and households' ability to engage with energy efficiency measures.

As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services especially the DEEAP energy advice service. Partnership referrals will be reviewed with relevant organisations such as SCARF to see if any improvements can be made to support vulnerable customers in this group.

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: Negative

SWF is not a procurement programme in itself; however, it supports sustainable procurement outcomes indirectly through the way essential goods and services are sourced, reused and linked into wider Community Wealth Building and environmental objectives. A reduction in SWF grant funding is therefore likely to have secondary impacts on sustainable procurement objectives.

In Dundee, SWF delivery includes the procurement of essential household items, such as beds, floor coverings and white goods, alongside the reuse of goods where appropriate. This approach supports sustainable procurement by reducing waste, encouraging reuse and promoting value for money through planned purchasing and established supplier relationships. A reduction in grant funding may limit the scale or consistency of this approach, increasing reliance on ad-hoc or emergency solutions that are less able to incorporate sustainability considerations.

As mitigation, highest risk cases are already prioritised under the terms of the Scottish Welfare Fund Guidance. The service will look to increase referrals to Council Advice Services. It will also look to maximise value of goods and services through procurement efficiencies,

## Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

## Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

## Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

## Corporate Risk

## Corporate Risk Impacts

Political Reputational Risk: Negative

The Scottish Welfare Fund (SWF) is a visible and highly tangible form of crisis support for people experiencing financial hardship. A reduction in SWF grant funding is therefore likely to present political and reputational risks for the local authority, particularly in the context of ongoing cost-of-living pressures and public expectations around fairness and protection for vulnerable households.

Economic/Financial Sustainability / Security & Equipment: Negative

While the Scottish Welfare Fund does not provide ongoing financial support, a reduction in grant funding is likely to indirectly undermine household financial sustainability and equipment security by reducing the ability of low-income households to absorb financial shocks and maintain essential living conditions.

Social Impact / Safety of Staff & Clients: Negative

A reduction in Scottish Welfare Fund grant funding is likely to increase social and safety risks by prolonging crisis situations, heightening client distress and increasing pressure on frontline staff, with potential implications for safeguarding and staff wellbeing.

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

There are moderate levels of risk associated with the subject matter of this report. However, having undertaken a full analysis of the upside and downside risks there is a clear benefit in what is proposed and we are satisfied that adequate controls are available to mitigate the downside risks. The downside financial exposure to the Council is less than £250,000 and this together with other areas of risk can be effectively managed