

The Early Warning System (EWS) is a framework which has been developed by Child Poverty Action Group (CPAG) in Scotland to collect case studies and wider evidence from frontline workers about how ongoing changes to the social security system are affecting children, families and the communities that support them. We are currently collecting information and anonymised case studies from 86 frontline workers including welfare rights officers, housing advisers and support workers across Scotland. We are also processing evidence from our own second tier advice line, training events and by through ongoing qualitative research. Please visit [our website](#) for more information on the project. **This bulletin consists entirely of cases collected since September 2014.**

## What is the Scottish welfare fund?

DWP community care grants and crisis loans were abolished in April 2013. The UK Government transferred the relevant legislative powers and a proportion of spending on the previous fund to the Scottish Government and Parliament. The Scottish Government subsequently invested a further £9 million a year and established the replacement interim Scottish welfare fund (SWF). The interim Scottish welfare fund is delivered by Scottish local authorities following [Scottish Government guidance](#) which sets out the aims and intended general operation of the scheme. The SWF provides two types of non-repayable grant:

- **Crisis grants** to provide a safety net when someone experiences a disaster or emergency situation, such as a fire or flood and there is an immediate threat to health and safety.
- **Community care grants** to enable independent living or continued independent living and prevent the need to go into care. CCGs are also available to families facing exceptional pressures.

An Act has recently been passed which will give the SWF legislative underpinning (see page 5 below for more information on the Welfare Funds (Scotland) Bill 2015). The Act is expected to come into force in April 2016

## Concerns raised through the Early Warning System

CPAG has welcomed the development of, and investment in, the Scottish welfare fund and the vital support it has provided to thousands of families across Scotland. However our Early Warning System highlights a range of concerns about the operation of the interim SWF. The cases below were gathered through the Early Warning System between [September 2014 and March 2015](#). It should be noted that new national guidance on the Scottish welfare fund came into effect on 1<sup>st</sup> April 2015 and may help to address some of these concerns.

### Refusing to accept applications

Cases suggest that in some local authority areas certain individuals are being discouraged from making applications to the Scottish welfare fund on the basis that local authority staff do not believe their claims will be successful. This is contrary to the national guidance which states that *“even if it seems unlikely that the application will be successful, the applicant should not be prevented from applying”* (para 6.0).

- A client had his ESA stopped after failing to attend a work capability assessment because of mental health problems. He has received no benefits for three months as a result. An advice worker contacted the DWP on his behalf and was informed that they were re-examining his case but that there would be no decision for at least a week. The advice worker referred the client for a crisis grant but the local authority refused to take the application on the basis that it was *“the DWP’s responsibility to pay benefits.”*
- Some advisors report clients being put off making applications to the Scottish welfare fund because of the language used on local authority websites. One client did not apply because the website stated *“If you are not receiving a qualifying benefit, but have nowhere to turn in a crisis, the council may decide to make an exception and award you a crisis grant but this would be unusual”*.
- A client with learning disabilities had recently started work and had received his final payment after signing off JSA. He had to wait one month for his first full wage. His only income in the interim was DLA. He tried to apply for a crisis grant but he was told not to apply because he was not in an emergency. This was despite the fact he had no money for food or electricity. The local authority referred the individual to JobCentre Plus for a flexible support fund payment but he was told that this was only for uniform and travel expenses and not available to those who had already started work.

### **Prisoners on temporary release**

Several advisors have raised concerns that the families of prisoners on temporary release are struggling to access community care grants. In some cases this appears to be because the prison is in one local authority area while the family lives in another. In other cases the local authority appears to be unaware that the Scottish welfare fund could be used to support prisoners' families. National guidance has recently been changed to clarify eligibility of prisoners' families, which may help to facilitate access to the fund (para 8.22.1).

- A client was told that there was no form for his uncle to complete to apply for a community care grant for prisoners on home leave. He was informed that this grant had been stopped and was no longer available. The client is frustrated as he spent a lot of money on the phone call and wasted time trying to describe his situation before being advised that he was not even allowed to apply.

### **Speed of processing applications**

Several cases indicate that some applicants are facing delays in accessing crisis grants. While these delays may be within the two day limit prescribed in guidance (para 10.17) they often cause unnecessary hardship to applicants who are already experiencing crisis. The first case below also raises a concern that the local authority in question is fettering its discretion as to the procedure that must be followed by applicants.

- A client with a learning disability lost £80 in cash. He was assisted to apply for a crisis grant over the phone. Despite the fact this was his first application for a crisis loan as a result of lost money he was told that a decision could not be made until he had obtained a police lost property reference and waited 24 hours from the time of the report to check that the cash had not been handed in. This client was facing hardship already as his DLA has recently stopped following a PIP refusal and his next ESA payment was not due for another twelve days. He had no food or electricity on his meter. The advisor asked for the SWF decision maker to use his discretion about the waiting period but was told that, *'locally we have to have this rule and there is no flexibility to waive it'*. After trying to report the loss of the wallet to the police online the client was told by the police that anyone reporting lost property in connection with a 'crisis loan' always has to attend the police station to be interviewed. In total seven hours of advice agency staff time were taken up in order to prevent crisis for this client. This included several calls to the police and the Scottish welfare fund, physical assistance to get to the food bank and get the food home afterwards, and then get to the police station, and assistance to pick up the grant once awarded.
- A pregnant lone parent with two children aged eight and ten was claiming jobseeker's allowance when she was sanctioned for four weeks for non-completion of mandatory work search activity. This was because she could not log on to universal job match as she did not have a computer. She was informed verbally of the sanction on the Wednesday but not told about the possibility of hardship payments until the Friday morning. She tried to claim on Friday but was told that she would not get any money until Monday. She approached the local authority and was told that they could not process a crisis grant application in time for her to get money on the same day.

### **Receipt of qualifying benefits**

Although the current guidance clearly states that applicants to the Scottish welfare fund need not be in receipt of a qualifying benefit (para 6.1) some local authority staff appear to believe that this is a condition of accessing the fund. This appears to be particularly problematic for applicants on extremely low incomes who are experiencing benefit delays or suspensions in relation to their means-tested benefits.

- A client had his application for a crisis grant refused on the basis that he was not in receipt of a qualifying benefit. The client is currently pursuing the mandatory reconsideration of an ESA decision but the local authority maintain that no such claim can be found on their 'system' and as such the client is not eligible for a crisis grant.
- Another client had mental health problems and had initiated claims for PIP and ESA. Additional forms were returned to the client because the DWP required further information as a result of the individual having been self-employed and part owning a property. This caused extensive delays to his claim. The individual had no income and made an application for a crisis grant. The application was refused on the basis that the individual had not yet made a claim for means-tested benefits.

### **Persons from abroad**

Several cases suggest that persons from abroad are having particular difficulties accessing the SWF. Confusion appears to have arisen amongst local authority staff despite the fact that the current guidance states that only those who have no recourse to public funds should be denied access to the SWF (para 6.17.1).

- An advisor has reported several clients being refused awards or not being given the chance to make applications because they are EU nationals who have been found not to have a right to reside. The local authority has stated that they cannot award due to the individuals being Persons Subject to Immigration Control (a term used to refer to people from outwith the EU). The advisor referred the local authority to the Scottish Government guidance but to no avail.
- A Swedish client was unsuccessful in claiming job seekers allowance during the first three months of his stay in the UK. He made an application for a crisis grant but was wrongly told that he was ineligible because he did not have a national insurance number or a local connection to the area.

### **Address of the applicant**

The applicant's address (or lack thereof) appears to be causing difficulties for some claimants. Paragraph 10.11.4 of the guidance clearly states that a home address is not required to make an application and that where an individual is moving from one local authority to another it is the local authority s/he is moving to which should accept the application.

- One advisor reports numerous problems caused by disputes between councils caused by a client requiring a community care grant to move from one local authority area to the other. Both local authorities argued they were not responsible under the 'relevant legislation'.
- After multiple complications and mistakes being made in relation to the client's claim for jobseeker's allowance, the client was told that her JSA claim would take seven days to process and that she would not be entitled to any benefit until then. The client was advised to apply to the SWF but the local authority told her that she would be unable to make claim for a crisis grant as she had no permanent address. The client was 'sofa surfing' but using her mother's address for correspondence.

### **Unmet need**

Cases also highlighted that even where Scottish Government guidance is followed, many applicants experiencing hardship are refused access to the Scottish welfare fund. While it is accepted that local authorities have to prioritise applications these cases highlight the need to consider further investment in the fund or the development of alternative avenues of support for households in crisis.

- A single parent with two children aged twelve and eight had an accident at work around a month ago. She was injured and could not continue to work as a result. She and her family are struggling financially as their only income is from child tax credit and working tax credit. The family is also in receipt of housing benefit but as they live in private rented accommodation there is a £50 monthly shortfall in the rent. Their home has also just been deemed to be uninhabitable and the family are considering presenting themselves as homeless. The client has had to sell the family sofa to get money to cover basic living expenses. The client was told by the DWP that no other benefits are currently available to her and that she should apply to the SWF. The client was refused a crisis grant by the local authority and has been getting help from a local food bank instead.
- A couple who have complex physical and psychological health problems, were refused ESA and advised not to claim JSA as declaring themselves as fit for work might affect the chance of their ESA appeals being successful. They are described as being in an "extremely desperate situation" and are trying to sell their car to cover basic living expenses. They have already made the maximum number of permitted claims for crisis grants and received more than their permitted quote of food parcels from the food bank.

## Travel costs

Several advisors have reported clients having difficulty accessing community care grants for travel related expenses. The UK wide social fund guidance made it clear that community care grants could be made to cover travel expenses. This is less clear under the current Scottish Government SWF Guidance, para 8.23 of which states that there is no separate criterion for awarding grants to cover travel expenses although the local authority has discretion to do so where there is a crisis, threat to independent living of exceptional pressure.

- The client is in receipt of income-related ESA. Her son who is 14 and who has learning disabilities is being cared for by the client's sister in England. The client applied for travel costs from the Scottish welfare fund to allow her to collect him and bring him home for Christmas. The application was refused and the local authority told her that the fund does not cover travel costs. The adviser suspects that the local authority have just referred the client to the charitable organisation she works for because they know that it has a small fund for travel. She says this is a regular occurrence.

## Applicants' sense of dignity

Qualitative research is being conducted by CPAG in partnership with Dr Morag Treanor of Edinburgh University as part of the Early Warning System. The research involves intermittent in-depth interviews with twelve low income households in order to identify and track the impact of welfare reforms on their finances, health and wellbeing. Although awareness of the Scottish welfare fund was low amongst participants, one mother explained how difficult she had found the process of applying for and redeeming her crisis grant.

**Mary** is the lone parent of a severely disabled 17 year old. Her son recently left college which resulted in Mary's entitlement to benefits falling dramatically.

*'With the welfare fund I went through this big interview on the phone and it was very, very degrading to be quite honest.....And I thought, who are they to judge? You don't know what comes up in somebody's life. Somebody phoned me back the day later and said "we're going to entitle you to £18.63. You must buy food with it and that will have to do you until you get your income support on the Wednesday".'*

*Mary was horrified that in order to receive the £18.63 she had to go to a local shop with a Pay Point. 'I was desperate to go and get, like, essentials, milk and bread....I had to go up to the Pay Point where two of my friends work, and I'm a very private person, and it's the manager, they actually shout on the manager to come through and do it. I was so embarrassed'.*

*'I was so embarrassed. I wish I had just left it. It was so degrading. I know we all need help in life now and again, and you have to hit the bottom before you come up again, but it was so degrading'.....I'm not caring if I've got half a slice of bread I'll never do it again, never ever'.*

As noted, the latest interviews which were conducted in March this year showed low levels of awareness of the Scottish welfare fund. Several participants had not heard of the fund despite the fact their circumstances suggest they may have been eligible for an award at certain times over the past two years.

**Rebecca** is 21 years old. She lives alone with her daughter who is 16 months old. She split up with the father of her daughter last year and moved back to Inverness from a more rural location about a hundred miles away. Rebecca left home aged 17 years old and has lived on her own and looked at herself since then. Rebecca had never heard of the Scottish welfare fund. No-one at the local authority had ever mentioned it to her. She says, *'I did ask them about how I was going to get stuff for the house because I didn't have money, I have nothing but the clothes on my back. I got stuff from [a voluntary organisation providing starter packs], the stuff I got, the cutlery was rusty the pots were hanging off, the stuff I got was just shocking. That's the only thing they (the council) mentioned to me I could do was from [the voluntary organisation]'.*

The [Welfare Funds \(Scotland\) Bill](#) was passed by the Scottish Parliament on 3<sup>rd</sup> March 2015, and received Royal Assent on 8 April 2015. When it comes into force (expected to be April 2016), the Act will give the Scottish welfare fund statutory underpinning. The Act provides that each local authority in Scotland is to maintain a welfare fund and lays out broad eligibility criteria for crisis grants and community care grants. It states that local authorities must review SWF decisions when requested to do so by the applicant and that the Scottish Public Sector Ombudsman should establish a procedure to conduct second tier reviews. The Act also provides that local authorities must take steps to ensure that all applicants are treated with dignity and respect.

While CPAG in Scotland has welcomed the Bill and the legislative backing it will give the SWF, several aspects of the Act have caused concern. These include the following:

- The Act does not list families under exceptional pressure amongst those groups eligible for community care grants. CPAG is concerned that this could result in vulnerable families missing out on much needed awards. This might include, for instance, families unable to afford a washing machine to wash the sheets of an incontinent, disabled child. While the Scottish Government has noted that this group was excluded from the Bill because the Scottish Parliament has insufficient legislative powers to include them, CPAG believes more must be done to ensure this group is protected. CPAG has asked the Scottish Government to amend the Act once further powers have been secured.
- The Act does not place any limitation on the nature of awards made under the SWF. This means community care grants and crisis grants can be made in cash or in kind. In kind awards can include items such as food vouchers, curtains, cookers and second hand furniture.
- The Act does not require the Scottish Government to report to Scottish Parliament on the progress of the Scottish welfare fund.

#### Questions to consider in advance of CPAG's policy seminar:

- Are the issues raised above consistent with your experience and evidence of the Scottish welfare fund?
- To what extent could these concerns be addressed through changes to existing guidance, the Welfare Funds (Scotland) Act or future regulations? For example
  - by giving local authorities a legal duty to accept all applications to the Scottish welfare fund
  - by removing any reference to qualifying benefits from the guidance
  - by stating in regulations that SWF awards should not be made 'in kind'
- Is further investment required to ensure that the Scottish welfare fund can provide an adequate safety net for Scottish families?
- Are there operational changes that could be made by organisations such as local authorities, advice and information organisations or food banks that might facilitate access to the Scottish welfare fund for families in need? For example,
  - by ensuring staff are better trained to know how and when clients should be referred to the Scottish welfare fund
  - by providing advocacy and support for applicants

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