



Revision of Scottish Welfare Fund guidance: Briefing from CPAG in Scotland, Poverty Alliance and Citizens Advice Scotland, March 2020

Introduction

CPAG in Scotland, the Poverty Alliance and Citizens Advice Scotland strongly welcome the Scottish Government's commitment to providing an additional £45 million for the Scottish Welfare Fund, in response to an expected increase in demand as a result of the impact of Coronavirus. This commitment should support local authorities in better managing this increased demand and support people experiencing income crisis.

We also welcome the Scottish Government's commitment to updating guidance for local authorities on the delivery of the Fund. This provides an ideal opportunity to – as well as make amendments required to facilitate the increased investment – also amend a number of other points in order to ensure the increased investment has the maximum impact. This briefing outlines a number of these points in order to help inform the revision of the guidance.

Key issues to be considered

Repeat applications and presumption against longer term awards

The existing guidance contains a presumption in favour of shorter-term awards, with the guidance suggesting a default period of two-week awards. At least for the period of dealing with COVID-19, this presumption should be removed.

As well as considering awards that are longer-term to provide a degree of stability to claimants, it would be helpful to consider the "repeat applications" rule which can be inconsistently applied by decision-makers, in order to ensure as much consistency as possible. It is essential that people know what to expect when accessing the Fund, and they should not have to make more than one application if it is likely that they will require more than two weeks of living expenses.

Relaxation of three applications rule

Given the high likelihood that COVID-19 will push people into severe hardship, we strongly welcome the Cabinet Secretary's commitment to removing the rule that prevents people from accessing more than three crisis grants in one year.

We believe, though, that immediate clarification will be required about what "exceptional circumstances" are during the pandemic, otherwise significant numbers of applicants could be excluded on the basis of para 7.23 of the guidance (that the circumstances are "now normal for the applicant"). For instance, experiencing hardship as a result of the pandemic could be specifically excluded as being 'normal' for the duration.

Level of awards

To meet people's needs, further consideration must be given to the level of awards. For example, para 7.24 of the existing guidance states that non-householders (e.g. people who are generally not responsible for rent, mortgage or primary utility bills) can be awarded 30% of the Income Support personal allowance rate plus the full rate of the Income Support Allowance rate for each dependent child on a pro rata basis for the number of days until their next benefit is due. This compares with 60% for applicants who are liable for rent, mortgages or primary household bills, or who are without accommodation.

This means that someone who does not pay rent but who may still be expected (informally, for example) to contribute towards utility bills may receive just under £22 a week – less if they are a young person. For most applicants this will be entirely insufficient and will not meet their needs.

Consideration should therefore be given to increasing the level of awards provided to different categories of applicants.

Promotion of Fund

The existing guidance, in para 2.18, advises that local authorities *“should take steps to engage with organisations dealing with vulnerable or under-represented groups in their area, to raise awareness of the Fund.”*

The guidance also stated, in para 2.6, that local authorities *“should ensure that people in need know that their local authority can help them by making sure that other services which have contact with people in crisis have up to date information about the SWF and materials such as posters or leaflets to raise awareness of the Fund, as well as displaying these in LA premises.”*

Given current circumstances, this work will be even more critical and consideration should therefore be given to strengthening the language used in the guidance. For example, para 2.18 should require local authorities to engage with organisations dealing with *all* groups that may be at heightened risk of experiencing income crisis, and to undertake extensive engagement with these groups to highlight the additional resources now available via the Fund.

Para 2.6 should also be strengthened and updated in light of current circumstances, and given that posters and leaflets located in services may not be the most effective routes for promoting awareness of the Fund. Instead, local authorities – in partnership with the Scottish Government – should undertake media and online campaigns signposting people to the Fund. Work should also be undertaken to engage with individuals who may not access information via these means, e.g. by posting written information to households.

Support for precarious/'gig economy' workers

We welcome the Scottish Government's commitment to ensure that the Fund can fully support people in financial crisis, including workers in the 'gig economy'. Workers in the 'gig economy' may encounter crisis as a result of a loss of income from employment or self-employment.

These include, but are not limited to – people who experience a delay in receiving payments from the Coronavirus Retained Workers Scheme or equivalent for self-employer workers; workers who are unable to access these schemes due to their employer's non-participation or due to the nature of their employment; zero hours contract workers or those with an unpredictable income; zero hours workers with caring responsibilities who are no longer able to accept shifts because of a lack of suitable childcare due to the pandemic; people in 'bogus self-employment'; self-employed people without a tax return or 'cash in hand' workers.

This might be achieved by a strengthening and expansion of the reference to zero hours contract workers in para 7.15, as well as a recognition that a sudden loss of earned income due to the pandemic should constitute a crisis for the purposes of the Fund.

Individuals with no recourse to public funds

Current guidance (para 6.7) recommends **no award** for those with no recourse to public funds in order not to affect their legal status. However, all those who suddenly find themselves with no or reduced income as a result of the pandemic must be able to access some support.

We recommend the Scottish Government works with the Home Office to enable those who have No Recourse to Public Funds to access the Scottish Welfare Fund without affecting legal status.

Explanatory note for local authorities

In addition to revising the actual guidance, we recommend the Scottish Government send out an explanatory note to all local authorities explaining clearly where the guidance has changed. Local authority workers administering the Fund are likely to a huge increase in applications to the Fund – based on circumstances caused by Coronavirus – and are unlikely to have capacity go through detailed guidance looking for changes. This may also help to reduce incorrect decisions as well.

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