

# THE SCOTTISH WELFARE FUND AND ADVANCE PAYMENTS OF BENEFITS



Child Poverty Action Group works on behalf of the one in five children in Scotland growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good.

We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights.

## INTRODUCTION

The Scottish Welfare Fund provides crisis grants and community care grants to people on low incomes in specific circumstances. People who have claimed a benefit or had a recent change may also be able to get help through a loan or advance from the DWP.

This factsheet explains more about these types of help. They have replaced parts of the DWP social fund. Other parts of the fund are being devolved to the Scottish Parliament (see below).

## FUTURE CHANGES

The payments that make up the regulated social fund are being devolved to the Scottish Parliament. This includes:

- Sure Start maternity grants
- funeral payments
- cold weather payments
- winter fuel payments

At the time of writing it is not clear exactly what changes will be made and when.

The following payments will remain the responsibility of the DWP:

- budgeting loans
- budgeting advances
- short term benefit advances

These payments are explained later in this factsheet.

## THE SCOTTISH WELFARE FUND

The Scottish Welfare Fund (SWF) is delivered by local authorities, with the Scottish Government allocating ring-fenced funds to each authority. The national guidance on eligibility is here: <http://www.gov.scot/Topics/People/fairerscotland/scottishwelfarefund/scottishwelfarefundguidance> (The spelling mistake is in the correct website address).

There are two types of grant, crisis grants and community care grants. On 1 April 2016 the interim scheme was replaced by a statutory scheme under the Welfare Funds (Scotland) Act 2015. The most important change is the introduction of independent reviews by the Scottish Public Services Ombudsman. To apply for a review you must have been sent a decision about your application for a grant, asked the local authority to review its decision, and received a response to your review request.

Another change is that there are now time limits within which the local authority must decide your application. The rest of this section explains the SWF in more detail.

## Who can apply?

To be eligible to apply to the SWF, you must be 16 or over and accepted as having a low income or not able to access your money by the local authority. You should be treated as having a low income if you get certain means-tested benefits – income support, income-related employment and support allowance, income-based jobseeker's allowance, pension credit or universal credit. Your local authority may award you a grant even if you do not get one of these benefits. It should consider if you have a similar level of income or get other benefits, have high outgoings or are in insecure work in deciding whether you have a low income.

You must be without enough money to meet your needs. For a crisis grant this means having no savings that you can access, and for a community care grant it means having no savings above £700 if you are under pension age, or £1,200 if you are over pension age. Some resources are ignored in calculating the level of your savings, including:

- disability benefits and housing benefit payments;
- the value of your home;
- the assets of a business that you run;
- personal possessions (unless you only bought them so you were eligible to apply for a grant);
- certain grants paid to refugees and prisoners; *and*
- some local authority social work payments.

See Annex B of the SWF guidance for the full list.

## When you cannot get a SWF grant

You cannot get a grant for certain excluded items including:

- certain ongoing needs that are likely to become a feature of your expenditure;
- work-related expenses;
- legal costs;
- educational or training needs;
- holidays;
- medical equipment or treatment;
- payments of debts or debt interest;
- a television or TV licence (unless you have a particular need for a television or radio as you have mobility problems or are socially isolated, for example);
- a telephone or line rental (unless you are using it for a personal alarm);
- any payment to meet the needs of a person with 'no recourse to public funds'; *and*
- costs relating to a funeral.

See Annex A of the SWF guidance for the full list.

You cannot get a grant if it is within 28 days of a failed application for the same thing, unless there has been a relevant change in your circumstances. Living expenses for two different periods should not be treated as repeat applications under this rule. The local authority must not have a duty to provide for your needs using other statutory powers.

## Crisis grants

Crisis grants can be awarded for living expenses as a result of an emergency or disaster, where there is a serious risk to health and safety. You can also be awarded furniture or other household items after a disaster.

A disaster is normally, but need not be, unforeseen. You can be awarded a grant whether or not you could have foreseen or avoided an emergency (for example, you spent all of your money on other things – such as trips to hospital). You can be awarded a grant even if you are subject to a DWP sanction.

Crisis grants are limited to a maximum of three awards in any 12 month period, although the local authority can make an exception to this rule if your circumstances are exceptional and you are not to blame for the repeated applications. If you are part of a couple, each of you can be awarded three crisis grants in a 12 month period.

A crisis grant must be made as cash or a cash equivalent (including bank transfers, paypoint or vouchers that can be used in several shops) unless the local authority thinks another method would better suit your needs. You should explain what method of paying you a grant would be best for you when you apply.

## Community care grants

These grants are awarded to support 'independent living', in the following circumstances.

- To enable you or someone you care for to get established in the community following a period in care or prison. Care includes time in hospital or supported accommodation. You must normally have been there for over three months or repeatedly within the previous nine months.
- To help you, or someone you care for, to remain in the community rather than going into care. This could include help to avoid becoming homeless, or to move into more suitable accommodation. The risk does not have to be immediate, although this will be a factor in how likely a grant is to be awarded.
- To enable you to set up a home, if you have been homeless or had an unsettled way of life and are getting or will get support to sustain a tenancy.
- To help you to maintain a settled home if you or a member of your family is facing exceptional pressures. The definition of 'family' is very broad and you will count if you are responsible for a child, part of a couple or in other circumstances.
- To help you care for a prisoner or a young offender who is on temporary release (that is, someone who is still serving a prison sentence, but has been allowed out for a period of a day or more). The person you care for must normally have been in prison (or care) for three months or repeatedly within the nine months before you apply.

If you are applying for a community care grant because you are caring for someone, you must meet the financial conditions above, but the person that you care for does not need to. If you (or the person you are going to care for) are in prison, hospital or care, you can apply up to eight weeks before you are due to move into the community (or the date of temporary release). An award can be delayed until closer to the date of the move.

## How do you apply?

You must apply for an SWF grant. Your local authority should accept an application from you and send you a decision even if it thinks that you are unlikely to qualify. Complain if you are not allowed to apply for a grant, or refused a decision in writing.

There are variations across the 32 local authorities about how you can apply. Check for details at <http://www.gov.scot/Topics/People/fairerscotland/scottishwelfarefund/howtoapplytothescottishwelfarefund> or use the CPAG search tool at [www.cpag.org.uk/lwas](http://www.cpag.org.uk/lwas).

Not everyone who meets the conditions will get a grant as there is a limited budget. When you apply, the local authority first decides if you meet the eligibility conditions. Next, it decides if your application is high, medium, or low priority – depending on the severity of your need and the impact that an award would have on your well-being. One important factor that is taken into account is your 'vulnerabilities', including:

- being a lone parent;
- being a kinship carer;
- having a large family;
- domestic violence;
- old age;
- disability or illness; *and*
- addiction problems.

See Annex C of the SWF guidance for the full list.

Finally, the local authority checks whether there is sufficient money in the SWF budget to award you a grant. Community care grants can be awarded either in cash or in kind – so you may be awarded vouchers for cookers or fridges, etc, to be spent at furniture recycling projects, or even supermarket vouchers.

## Interaction with DWP payments

See below for the types of help that you may be able to get from the DWP. You should not be required to apply for a budgeting loan before you can access the SWF. Generally speaking, if you are waiting for a benefit claim to be processed you will be expected to apply to the DWP office handling your claim for a short-term benefit advance (STBA), but the guidance is clear that exceptions can be made. When applying to the SWF you should explain if there has been a problem with your application for an STBA or it has been refused.

If your DWP benefit has been sanctioned you can apply for an SWF grant as normal. Your local authority should not tell you that you must apply for a hardship payment before you can apply for a grant.

## Is there a right of appeal?

You can ask your local authority to review its decision if you are unhappy with the decision on your application. You should ask in writing within 20 working days of the date of the decision. The local authority should give you a decision in writing telling you how to request a review and the address to write to. Contact them if you do not receive a decision on your application.

The level of priority that the local authority is meeting when you apply may not be high enough for an award to be made. For example, it may only be making high priority awards that month and may have decided that your application has medium priority. You cannot challenge the level of priority the local authority is awarding, but you can ask for a review of the level of priority it has given your application.

You can challenge the decision to award you items or furniture rather than cash. You can challenge a decision completely refusing your application, or a decision awarding you less than you asked for. The local authority cannot reduce an award that it has already made you if you request a review of the decision.

If you have any additional evidence that shows how important an award would be to you, you should provide it as soon as you can.

## Independent reviews

If you are unhappy with the local authority's decision on your review request you can apply to the Scottish Public Services Ombudsman (SPSO) for an independent review. This only applies if your application was made on or after 1 April 2016. For applications made before this date, contact your local authority and request a second-tier review.

You can apply to the SPSO online, by phone on **0800 014 7299** or in writing. For more details see <http://www.spsso.org.uk/scottishwelfarefund>. You must have received a response to your request for a review from the local authority, and must normally apply within one month of the date on the review response. This time limit can be extended. If applying late it is important to explain why you missed the time limit.

The SPSO has the power to re-make the local authority's decision or refer your case back to the local authority with directions for how to decide your application. There is also a power to hold interviews or oral hearing, although in the majority of cases this will not be necessary. You should provide any extra evidence or information relevant to your application as soon as you can.

## DWP ADVANCES OF BENEFIT

### Short-term benefit advances

If you are waiting for your first payment of benefit, you can ask for a short-term benefit advance (STBA) to tide you over until payment is made. This is particularly important if you are claiming universal credit (UC), as your first payment will not be made until more than a month after you claim. You must have made a claim for benefit and also show that you are 'in financial need', which means that there is a serious risk to the health and safety of you or your family. The DWP must agree that you are likely to get the benefit claimed and that you can afford to repay it.

You can request an STBA when you first claim – either by phone or in person during a meeting at a Jobcentre Plus office (or online in the case of UC). In universal credit cases you cannot get an STBA if you ask within three working days of the end of the one month UC assessment period, and you can only get one STBA while waiting for your first payment. However if you are in need you can ask DWP to look at their decision on this again, as this is set out in guidance rather than the regulations.

You can also get an STBA if there is a change in your circumstances that increases your entitlement but you have not yet been paid the increased amount of benefit; or if a technical problem prevents a scheduled payment from being made to you. STBAs can be paid of most benefits (including UC, but excluding disability living allowance, personal independence payment and attendance allowance).

You must normally pay back the advance within 12 weeks, although 24 weeks can be allowed in exceptional circumstances. For UC you are allowed 6 months to repay the advance. The usual method is by deductions from your ongoing benefit payments.

### Budgeting loans

You can claim a budgeting loan if you have been claiming one of the means-tested benefits in the following list for over 26 weeks (different periods on benefit separated by less than 28 days can be added together) and you need help with certain types of expenses. You (and not your partner) must get either:

- income support;
- income-based jobseeker's allowance;
- income-related employment and support allowance; or
- pension credit.

The eligible expenses are:

- furniture and household equipment;
- clothes and footwear;
- maternity or funeral expenses;
- rent in advance;
- travel expenses;
- removal costs;
- improvements to your home; *and*
- expenses related to looking for work.

You can also get a loan to help repay debts for any of the above items. To be given a budgeting loan it must be accepted that it is 'affordable'. This normally means that the decision maker thinks that you will be able to repay the loan within 104 weeks. Any award of a budgeting loan is reduced by any capital that you or your partner have over £1,000 between you (or £2,000 if you - or your partner if you have one - are aged 61 or over). You will not get a loan unless the amount you need is at least £100. The maximum you can get is £812 if you have children, £464 if you are part of a couple and £348 if you are single. This is reduced by the amount of any social fund loan that you are still paying back. You claim a budgeting loan on form SF500, available from [www.gov.uk](http://www.gov.uk).

## Budgeting advances

Once claiming UC, you cannot get a budgeting loan, and must instead apply for a budgeting advance to help with one-off expenses such as buying furniture and household goods. The loan will be repaid from your future UC entitlement. To be eligible you need to have been on UC for six months (time on means-tested benefits before being transferred to UC also counts). If you need an advance for work-related expenses you can apply before the six months is up. You are not eligible if, during the six 'assessment periods' (months) before applying you worked and had:

- earnings over £2,600; or
- joint earnings over £3,600 if you are part of a couple.

If you are self-employed it is your actual earnings that are important, not the amount that you may be treated as earning under the UC 'minimum income floor' rules.

The minimum amount you can be awarded as a budgeting advance is £100. The maximum amount depends what kind of household you live in. It is:

- £812 if you are responsible for a child;
- £464 if you are part of a couple; or
- £348 if you are single.

The amount you are awarded will be reduced by the amount of any savings that you have over £1,000. If this rule means that your award would be less than £100, you are not eligible for an advance. The usual method of paying back your loan is by deductions from your future benefit payments. It is not possible to get another budgeting advance until your previous one has been repaid in full.

Apply for a budgeting advance by contacting the UC helpline on **0345 600 0723** (textphone **0345 600 0743**).

## Is there a right of appeal?

You cannot appeal against a decision to refuse you a budgeting advance, budgeting loan or STBA but you can ask for it to be looked at again. The time limits to make a request are one month for budgeting advances and STBAs and 28 days for budgeting loans, but they can be extended.

However, you can appeal against the decision about how an STBA is recovered from you, after requesting a revision ('mandatory reconsideration') of the decision. If you are refused an STBA you can also ask for a judicial review if the way that the DWP made its decision was unlawful, but this is complex and you will need a solicitor. If you want a further review of a budgeting loan decision that you do not agree with you can ask the Independent Case Examiner to do this – but you must do so within 28 days of the decision on your first review request by the DWP.

## FURTHER INFORMATION

- Information about the Scottish Welfare Fund on the Scottish Government website:  
<http://www.gov.scot/Topics/People/fairerscotland/scottishwelfarefund>
- Information about short-term advances and budgeting advances including resources for advisers to use is available from [www.cpag.org.uk](http://www.cpag.org.uk)
- Information about the Independent Case Examiner:  
<https://www.gov.uk/government/organisations/independent-case-examiner>

## CHILD POVERTY ACTION GROUP IN SCOTLAND

Advice line for frontline advisers and support workers  
0141 552 0552  
Monday – Thursday 10am – 4pm; Friday 10am – 12 noon

Email: [advice@cpagscotland.org.uk](mailto:advice@cpagscotland.org.uk)

CPAG in Scotland's advice line is only for frontline workers in Scotland. If you are having problems with your own tax credit or benefit claim and are in need of advice you should contact your local Citizen's Advice Bureau or other local welfare rights service.

### FURTHER INFORMATION

- View our full range of factsheets online at: [www.cpag.org.uk/scotland/factsheets](http://www.cpag.org.uk/scotland/factsheets)
- CPAG publishes the *Welfare Benefits and Tax Credits Handbook*, a comprehensive guide to benefits and tax credit for claimants and advisers. Find out more at: [www.cpag.org.uk/bookshop](http://www.cpag.org.uk/bookshop)
- We run a wide range of training courses on benefits and tax credits for workers of different levels of experience. Find out more at: [www.cpag.org.uk/scotland/training](http://www.cpag.org.uk/scotland/training)
- Follow us on Twitter [@CPAGScotland](https://twitter.com/CPAGScotland)

### EARLY WARNING SYSTEM

The Early Warning System (EWS) was developed by CPAG in Scotland to collect and analyse case studies about how changes to the benefit system are affecting the wellbeing of children, their families and the communities and services that support them. The case studies are helping us develop an in-depth understanding of the impact of changes to the benefit system and to identify how policies and services in Scotland can continue to contribute to the delivery of better outcomes for children.

Find out more about EWS at: [www.cpag.org.uk/scotland/early-warning-system](http://www.cpag.org.uk/scotland/early-warning-system)

The logo for Child Poverty Action Group in Scotland is located in the bottom left corner. It consists of a blue trapezoidal shape pointing downwards. Inside the shape, the words "CHILD POVERTY ACTION GROUP" are written in white, bold, uppercase letters, stacked vertically. Below the blue shape, the words "IN SCOTLAND" are written in a smaller, blue, uppercase font.

CHILD  
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IN SCOTLAND

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