The Scottish welfare fund and changes to the DWP social fund

Introduction
The Scottish welfare fund (SWF) has replaced part of the DWP discretionary social fund. Budgeting loans remain in existence until you are transferred to universal credit, at which point you instead ask for a budgeting advance. The DWP has also introduced short-term benefit advances (STBAs). This factsheet explains all of these changes.

There have been no changes made to the payments that make up the regulated social fund. This includes payments such as Sure Start maternity grants, cold weather payments and funeral payments. However, it is planned that responsibility for the regulated social fund will be devolved to the Scottish Government, although at the time of writing it is not clear exactly when this will happen. Budgeting loans, budgeting advances and short term benefit advances will remain the responsibility of the DWP.

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/welfarereform/scottishwelfarefund/scottishwelfarefundguidance (The spelling mistake is in the correct email address).

There are two types of grant, crisis grants and community care grants. The eligibility criteria are broadly similar to the former social fund, although SWF grants do not need to be repaid. The scheme is a temporary arrangement until 2016, when legislation for a permanent scheme is due to come into force. The permanent scheme will look similar to the current one, but second-tier reviews will be undertaken by the Scottish Public Services Ombudsman.

Who can apply?
To be eligible to apply to the SWF, you must be 16 or over and accepted as having a low income 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 and should use their discretion to look at all of your circumstances.

You must be without enough money to meet your needs. For a crisis grant this means having no savings, 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 kinds of savings are ignored, including the value of your home and savings that you cannot access. See Annex D of the SWF guidance for the full list.
When you cannot get a SWF Grant

You cannot get a grant for certain excluded items, such as certain ongoing needs, work-related expenses, legal costs, educational or training needs, holidays and medical equipment or treatment. See Annex C of the 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. 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 expenses as a result of an emergency or disaster, where there is a serious risk to health and safety. A disaster is normally, but need not be, unforeseen. You can still be awarded a grant even if you could have foreseen an emergency arising (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.

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. This includes time in hospital or supported accommodation. You must normally have been in care for over three months or repeatedly. If you have been in prison for at least three months you may also be able to get a grant to help you establish yourself when you are released. You can apply up to eight weeks before you are due to move into the community, although an award can be delayed until closer to the date you move.

- 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.

- 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 if 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).

If are applying for a community care grant because you are caring for someone, you must meet the conditions above, but the person that you care for does not need to.
**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.

There are some variations across the 32 local authorities about how you apply. Check for details at [www.scotland.gov.uk/Topics/People/welfarereform/scottishwelfarefund/howtoapplytothescottishwelfarefund](http://www.scotland.gov.uk/Topics/People/welfarereform/scottishwelfarefund/howtoapplytothescottishwelfarefund).

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’ – such as disability, having experienced domestic violence or leaving local authority care. See Annex E of the guidance for the full list. Finally, the local authority checks whether there is sufficient money in the SWF budget to award you a grant. Grants can be awarded either in cash or in kind – so you may be awarded vouchers for cookers or fridges, etc, maybe to be spent at furniture recycling projects, or even supermarket vouchers.

**Interaction with DWP short-term benefit advances**

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 for a short-term advance of benefit (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 a SBTA or it has been refused.

**Is there a right of appeal?**

You can ask your local authority to review its decision if it turns down your application or awards you less than you asked for. You should ask in writing within 20 working days of the date of the decision.

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 it is awarding, but you can ask for a review of the level of priority the local authority has given your application.

If you are unhappy with the outcome of the review, you can ask for another review (this is called a ‘second-tier review’) – again within 20 working days of the decision on your first review. The second-tier review is done by the Local Authority – but by someone outside the team that made the first decision. You should provide any further evidence about why you should be awarded a grant to the review panel 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 claimed more than 21 days beforehand and you can only get one STBA while waiting for a decision on your claim. However if you are in need you can ask DWP to look at their decision on this again. 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. 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 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 and travel or 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. 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 one of you is aged 61 or over). You won’t get a loan unless the minimum you need is £100 and the maximum you can get is £1,500 if you have children, or less if you do not. This is reduced by the amount of any social fund loan that you are still paying back. You claim a budgeting loan on from SF500, available from www.gov.uk.

Budgeting advances

Once claiming UC, you cannot get a budgeting loan, and will instead apply for a budgeting advance to help with one-off expenses such as buying furniture and household goods. The loan will be
taken out of 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

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
- £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 service centre 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 SBTA but you can ask for it to be looked at again and should do so as soon as possible. The time limits 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. If you are refused a 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 first review by the DWP.

Further information

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

© Child Poverty Action Group, April 2015
Child Poverty Action Group is a charity registered in England and Wales (registration number 294841) and in Scotland (registration number SC039339), Company limited by guarantee registered in England (registration number 1993854). Registered office: 30 Micawber Street, London N1 7TB
CPAG in Scotland’s project work is funded by the Scottish Government.