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## **SCOTTISH WELFARE FUND AND DISCRETIONARY HOUSING PAYMENTS**

**Report by Service Director Customer and Communities**

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### **AUDIT & SCRUTINY COMMITTEE**

**22 October 2020**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report provides an overview and summary of the performance of both the Scottish Welfare Fund and Discretionary Housing Payments in the Scottish Borders from 1 April 2019 to 31 August 2020.**
- 1.2 The budget provided by the Scottish Government for Scottish Welfare Fund for 2019/20 was £546,737. The amount spent during 2019/20 was £541,298.78.
- 1.3 The budget provided for Scottish Welfare Fund for 2020/21 was initially £587,921 following commencement of the current pandemic, this was increased to £952,921. As at 31 August 2020, Crisis Grants totalling £48,399.32 have been made and a total of £188,032.73 has been awarded in Community Care Grants leaving a balance of £716,488.95 to spend over the remaining 7 months.
- 1.4 The Discretionary Housing Payments budget for 2019/20 (not including under-occupancy funding) was £144,095. A total of £120,639.82 of this budget was spent during 2019/20.
- 1.5 The Discretionary Housing Payment budget for 2020/21 (not including under-occupancy funding) was £180,177, however due to the current pandemic, this was increased to £217,641. At 31 August 2020, there was a commitment to spend £71,796.71 up to 31 March 2021.
- 1.6 The Scottish Government reimburse Scottish Local Authorities with 100% of Discretionary Housing Payments for applications paid in respect of under-occupancy.

#### **2 RECOMMENDATIONS**

- 2.1 I recommend that Audit and Scrutiny Committee notes the performance of the Scottish Welfare Fund and Discretionary Housing Payments in the Scottish Borders.**

### 3 BACKGROUND

- 3.1 Local Authorities administer Community Care Grants and Crisis Grants which jointly comprise the Scottish Welfare Fund (hereafter referred to as SWF) on behalf of the Scottish Government. Scottish Borders Council does this through a team within Customer Advice & Support Service. Further guidance, including the qualifying conditions and exclusions can be found at <https://www.gov.scot/publications/scottish-welfare-fund-statutory-guidance-2019/>
- 3.2 A Community Care Grant can be given to help someone start to live or carry on living a settled life in the community. A Crisis Grant can be given to cover the costs of an emergency or disaster. To get either of these grants, the person making the application needs to be on a low income either temporarily or longer term. Applications are accepted online or by telephone respectively.
- 3.3 Discretionary Housing Payments are also administered on behalf of the Scottish Government by the same team. If a tenant is in receipt of Housing Benefit or housing element of Universal Credit, they may be eligible for a Discretionary Housing Payment (hereafter referred to as DHP) to make up the shortfall between their Housing Benefit or Universal Credit and their rent or to help pay removal costs or a rent deposit. Applications can be made online.
- 3.4 Following the introduction of the under-occupancy restrictions in Housing Benefit (commonly known as the bedroom tax) from April 2013, the Scottish Government provides Local Authorities with additional DHP funding with the intention of fully mitigating the under-occupancy restrictions of Housing Benefit.
- 3.5 During 2019/20, awards of DHP were distributed as indicated in Table 1 below :

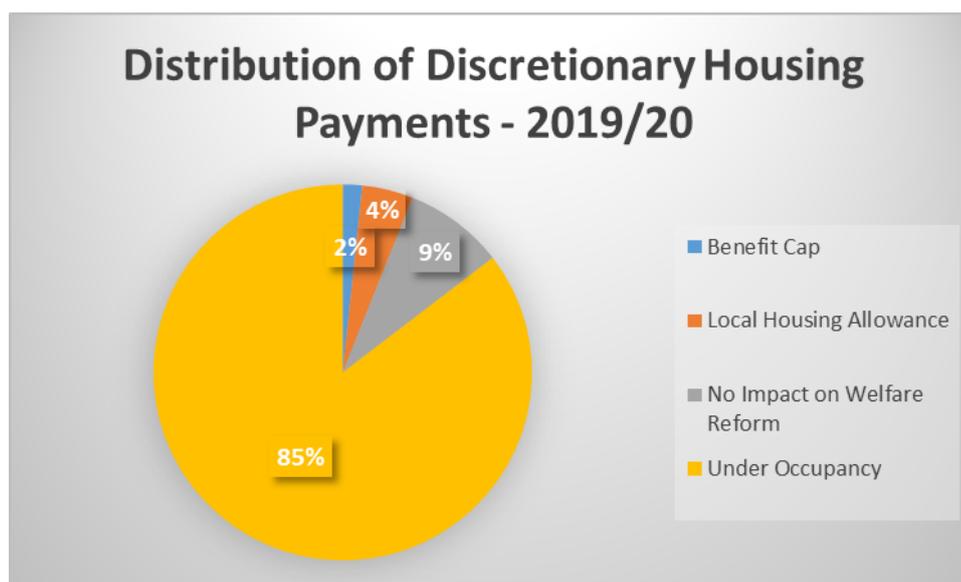


Table 1

- 3.6 It is clear that the largest area of DHP awards made are in respect of the under-occupancy restrictions (commonly known as the bedroom tax). As we are reimbursed 100% of awards made under this category, I have not included detailed analysis of under occupancy within this report. However some figures are included from section 5.10 onwards.
- 3.7 During August and September 2020 SBC Internal Audit carried out a review and reported on the Scottish Welfare Fund processing arrangements which will be commented upon separately to this meeting. The purpose of the review was to assess the adequacy of operational processes in place to administer the payment of Crisis Grants and Community Care Grants for the Scottish Welfare Fund (SWF) and that they were effective, appropriate and consistent. Discretionary Housing Payment (DHP) policy, processes and payments were also reviewed as part of that audit. In summary the outcome was that a number of areas of good practice were highlighted and no areas of concern were found.

#### 4 SCOTTISH WELFARE FUND PERFORMANCE

- 4.1 The budget available for SWF during 2019/20 was £546,737. The amount spent on Crisis Grants was £87,195.05 and £454,103.73 was spent on Community Care Grants. The budget for SWF for 2020/21 is £952,921. As at 31 August 2020, awards totalling £48,399.32 on Crisis Grants have been made and £188,032.73 on Community Care Grants leaving a balance of £716,488.95 to spend over the remaining 7 months.
- 4.2 Table 2 below shows how many Crisis Grant applications were received each month and how many were paid during 2019/20 and 2020/21 to 31 August 2020.

Crisis Grants						
Month	2019/20			2020/21		
	Received	Awarded	% awarded	Received	Awarded	% awarded
April	195	94	48	286	204	72
May	151	60	40	204	119	58
June	170	67	39	183	116	63
July	191	99	52	183	131	72
August	235	134	57	175	118	67
September	183	113	62			
October	209	150	72			
November	208	145	70			
December	186	103	55			
January	231	166	72			
February	240	168	70			
March	314	227	72			

Table 2

- 4.3 It is clearly visible that the number of crisis grants applications received and awarded increased substantially during March 2020, April and May in response to COVID-19. From June the number of applications received have been similar to that of last year and although there is not yet any published national data for comparison, anecdotally this seems to be a pattern that other Local Authorities are seeing.

- 4.4 Between April 2020 and August 2020, Scottish Borders have paid out 66.7% of Crisis Grant applications made in comparison with 48.2% during the same period of 2019/20. This is an increase of 18.5% awards. We have increased awareness on the schemes eligibility to ensure applicants and those assisting them are aware of the qualifying criteria of Crisis Grants.
- 4.5 The awards made between April and August 2020 totalled £48,399.32 in comparison to £23,888.64 during the same period of last year which is an increase of 102.6%.
- 4.6 The table below shows how many Community Care Grant applications were received each month and how many were paid during 2019/20 and 2020/21 to date.

Community Care Grants						
Month	2019/20			2020/21		
	Received	Awarded	% awarded	Received	Awarded	% awarded
April	95	39	41	55	31	56.4
May	65	37	56.9	51	27	52.9
June	53	23	43.4	60	44	73.3
July	74	35	47.3	83	47	56.7
August	63	28	44.4	83	37	44.6
September	61	34	55.7			
October	76	43	56.6			
November	76	35	45.1			
December	57	24	42.1			
January	78	52	66.7			
February	81	43	53.1			
March	88	53	60.2			

*Table 3*

- 4.7 Between April 2020 and August 2020, Scottish Borders have paid out 56% of Community Care Grant applications made in comparison with 46% during the same period of 2019/20. We have increased awareness on the schemes eligibility to ensure applicants and those assisting them are aware of the qualifying criteria of Community Care Grant.
- 4.8 There was a decrease in applications for Community Care Grants during April and May due to the COVID-19 pandemic and a reduction in the number of people moving. These picked up again during the summer months and are likely to remain higher provided there is no further lockdown.
- 4.9 Other sources of assistance were put in place during the COVID-19 such as the Furlough scheme. Given the anticipated cessation of the Furlough scheme and the general increase in unemployment it is anticipated there will be increased numbers of application for assistance from October 2020 onward and promotion of the financial support is planned to ensure awareness of the scheme is maintained.
- 4.10 When comparing how we performed during 2019/20, (which is the most recent data available from the Scottish Government) against neighbouring

Scottish Local Authorities and Local Authorities with a similar benefit caseload, it is evident that we are making a similar amount of awards based on the applications we received. The table below demonstrates this.

	CCG applications received	% CCG awarded	CG applications received	% CG awarded
Angus	1230	51	3630	68
Midlothian	995	47	4525	64
Perth & Kinross	1370	55	4605	60
Scottish Borders	890	51	2495	60
West Lothian	2820	51	8645	58

*Table 4*

4.11 The most common reason for applications for Community Care Grants over the whole of Scotland during 2019/20 was to help people stay in the community with 36% of applications being made for this reason. 35% of applications were made as a result of families facing exceptional pressure. In the Scottish Borders, 35% of applications were made as a result of families facing exceptional pressure.

4.12 In Scotland, 89% of Crisis Grant applications were made as a result of an emergency situation. 50% of these emergencies were a result of the applicant spending their benefits/income. 14% of these emergencies were due to the applicant having an unexpected expense. In the Scottish Borders, 85% of applications were made as a result of an emergency situation.

4.13 Over the whole of Scotland, 45% of applications for Community Care Grants are refused with the most common reason for refusal during 2019/20 being a result of the applicant not meeting the conditions for an award. 62% of applications were rejected for this reason. When comparing the level of refusals in Scotland with the Scottish Borders, we refused 49% of applications which is a similar rate to Scotland and neighbouring/similar Local Authorities which can be seen in Table 3.

4.14 In Scotland 36% of Crisis Grant applications were refused during 2019/20. The most common reason for a Crisis Grant being refused in Scotland during this period was due to the applicant being excluded as a result of previous application history. 31% of applicants were refused for this reason, closely followed by 23% of applicants being refused as they do not meet the conditions for an award. When comparing the level of refusals in Scotland with the Scottish Borders, we refused 40% of applications which is a similar rate to Scotland and neighbouring/similar Local Authorities which can be seen in Table 3.

## **5 DISCRETIONARY HOUSING PAYMENT PERFORMANCE**

5.1 The budget available for DHP during 2019/20 (not including under-occupancy funding) was £144,095. A total of £120,639.82 was spent during 2019/20. Under occupancy is funded at 100%, non under occupancy is capped at the level of spend. The DHP budget for 2020/21 (not including under-occupancy funding) was £180,177. However, to support tenants

financially affected by the COVID-19 outbreak to sustain their tenancies, this was increased by £73,546 making our total budget available for 2020/21 £253,723.

5.2 At 31 August 2020 we have committed to spend £71,796.71 up to 31 March 2021 which is 28.3% of this year's budget. This is a reduction of 16.4% compared to the same period of 2019/20 when we had committed to spend 44.7% of the budget. This spend is dependent upon qualifying applications being received. As expected, demand for DHP has not increased to date as house moves have been limited during the COVID-19 pandemic.

5.3 The table below shows a breakdown of the reasons for Discretionary Housing Payment applications received during 2019 and 2020 and the percentage of applications awarded during each year.

	No impact on Welfare Reform	LHA Reforms	Benefit Cap	Total received	% of applications awarded
2019	397	119	20	536	62.6%
2020	136	127	6	269	63.5%

Table 5

5.4 The following table shows a further breakdown of those applications received where the reason was that there was no impact on Welfare Reform.

	Help to secure & move to alternative accommodation, e.g. rent deposit	Short term rental costs until secure alternative accommodation	Short term rental costs until secure employment	Short term rental costs for other reasons
2019	272	8	2	115
2020	27	1	0	108

Table 6

5.5 The following table below shows a further breakdown of applications received where the reason the application was made was as a result of LHA reforms.

	Help to secure & move to alternative accommodation, e.g. rent deposit	Short term rental costs until secure alternative accommodation	Short term rental costs until secure employment	Short term rental costs for other reasons
2019	7	3	2	107
2020	2	0	0	125

Table 7

5.6 From the 269 applications received between 1 April and 23 September 2020, 36.5% of them were refused. The table below shows a breakdown of the reason these applications were refused as well as a breakdown of the 37.4% refused for 2019/20.

	Failure to provide information	No financial hardship demonstrated	No current Housing Benefit/Universal Credit entitlement	No shortfall in rent	Other/no reason recorded
2019	47	42	23	49	39
2020	27	14	18	28	11

Table 8

- 5.7 The most common reasons for an application being refused are due to the customer failing to provide information or there not being a shortfall between their rent and their Housing Benefit/Universal Credit Housing Element.
- 5.8 When comparing how we performed during 2019/20, (which is the most recent data available from the Scottish Government) against neighbouring Scottish Local Authorities and Local Authorities with a similar benefit caseload, it is evident that we are making a similar amount of awards based on the determinations made. The table below demonstrates this.

	DHP applications determined	Number of awards	% DHP awarded
Angus	1835	1375	75
Midlothian	1720	1525	88
Perth & Kinross	1850	1725	93
Scottish Borders	1935	1655	85
West Lothian	5550	5155	92.8

Table 9

- 5.9 During 2019/20 Scottish Borders were allocated funding of £627,972 in relation to under-occupancy. This amount increased to £702,254 for 2020/21 based on Scottish Borders spend the previous year.
- 5.10 The table below shows the number of DHP awards made as a result of under-occupancy from 1 April 2019 to 31 August 2020, how much was paid during 2019/20 and what we have committed to spend from 1 April to 31 March 2021.

	Number of Awards Made	Paid/Committed
2019	1411	£707,727.53
2020	1112	£698,572.98

Table 10

- 5.11 As previously mentioned, we are reimbursed 100% for awards made as a result of under-occupancy. A review is carried out each April to ensure each household in receipt of DHP due to under-occupancy still meets the criteria and the award is continued for a further year. It is unlikely that we will make the same number of awards during 2020/21 that we did in 2019/20 as a result of the COVID-19 pandemic and a reduction in the number of people moving in to properties.

## 6 SELF-ISOLATION SUPPORT GRANTS

- 6.1 The Scottish Government has committed to providing a grant of £500 to individuals in employment or self-employment, who are in receipt of low income benefits and lose income as a result of being required to self-isolate to prevent the spread of COVID-19.
- 6.2 The Scottish Welfare Fund will be the legislative and delivery mechanism for Self-Isolation Support Grants in the form of Crisis Grants, as they are

designed to provide occasional support to people facing immediate financial need which poses risk to their health and wellbeing.

- 6.3 Scottish Borders Council are developing a process to enable payments to be made to those affected in our area.

## 7 IMPLICATIONS

### 7.1 Financial

There are no further financial implications other than those within the body of this report.

### 7.2 Risk and Mitigations

Based on current budgets and predictions it looks likely that the funding available will meet the level of demand. However, as no further funding has been provided for administration of these funds, there may be a requirement to move resources from other areas to support the team. This may impact on other work streams.

### 7.3 Integrated Impact Assessment

There are no equalities issues associated with this report

### 7.4 Acting Sustainably

There are no immediate effects

### 7.5 Carbon Management

There are no effects on carbon emissions.

### 7.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required to the Scheme of Administration

## 8 CONSULTATION

- 8.1 The report is to provide information to the Audit and Scrutiny Committee on the performance of Scottish Welfare Fund and Discretionary Housing Payment therefore no consultation is required.

### Approved by

**Jenni Craig**  
**Service Director Customer and Communities**  
**Signature**

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