

E: [Catriona.MacKean@gov.scot](mailto:Catriona.MacKean@gov.scot)

**Sent to:**

Chief Executives  
Directors of Housing  
Directors of Finance

Copy to Chief Executive COSLA

10 September 2021

Dear Colleague,

**Tenant Hardship Grant Fund**

On 23 June 2021 the Deputy First Minister announced a new £10m Tenant Grant Fund as a way of preventing evictions as a result of COVID-19 related rent arrears.

Ministers and COSLA Leaders have agreed to distribute revenue funding of £10m in the 2021/2022 financial year across local authorities, based on a hybrid allocation methodology for the Fund of 50% homelessness and 50% DHP (Other). Allocations are set out at Annex A.

Payments will be made as a redetermination to General Revenue Grant at the end of March 2022 and £9.5m will be for use as grants, with £0.5m for administration distributed on the same basis.

The aim of the Tenant Hardship Grant is:

- that Local Authority officers - who are already well placed to provide a range of support to people facing housing problems - would use the grant fund as one of the tools for saving tenancies, creating sustainable housing solutions for individuals and preventing homelessness. We envisage this will mainly be delivered through officers working in housing and homelessness services, unless local authorities feel there is a more appropriate route for this;
- this new intervention would aim to complement the range of options local authorities already use to prevent homelessness. It is also intended to be linked to the existing pre-action requirements for rent arrears in both the social and private rented sectors; and
- the main focus of the new grant funding would be on supporting those most at risk of homelessness, where tenancies can be saved, and where this funding can support an agreement between the landlord and tenant.

It should be noted that this funding is a finite amount, made available during this financial year only.

The following summarises where the grant can and cannot be paid:

- i. The grant would be available to all tenants living in the private and social rented sector at risk of homelessness, administered by local authorities.
- ii. The grant should be targeted at highly vulnerable individuals/households.
- iii. Landlords must demonstrate that they are complying with the pre-action requirements for rent arrears and agree not to progress a repossession on the basis of rent arrears where a grant is paid and the tenant meets all future agreed rent and repayment obligations.
- iv. The grant is specifically to help repay rent arrears that have arisen due to the Coronavirus pandemic between 23 March 2020 and 9 August 2021.
- v. Arrears before 23 March 2020 would not be covered.
- vi. Arrears after 9 August 2021 (based on the current strategic framework) can only be covered in exceptional circumstances, where the local authority is satisfied that arrears relate to continued impact of the pandemic restrictions.

The Scottish Government is keen to learn from the administration of the grant and are willing to consider expanding the remit to support a wider range of circumstances, for example, if there is lower uptake than expected. Therefore, local authorities are asked to provide quarterly basic data and information to support this, which would include the number of grants made (split by tenure type), the amount of grant awarded and the number of evictions it is anticipated to have prevented (at that point in time).

### Guidance to support administration

In order to support the administration of the Tenant Hardship Grant Fund, guidance has been prepared in partnership with COSLA, ALACHO, Local Authority practitioners and housing stakeholders.

This guidance will be made available to local authorities during the week beginning Monday 13 September, with a view to the Tenant Hardship Grant Fund being officially launched during the week beginning Monday 27 September.

I look forward to engaging with you further as the impact of the fund is monitored.

Yours sincerely,



**Catriona MacKean**  
Deputy Director, Better Homes

Tenant Hardship Grant Fund AllocationFunding Allocation 2021/22

	2021/22 Allocation	
	Grant Fund	Admin
	£000s	£000s
Aberdeen City	393	21
Aberdeenshire	278	15
Angus	156	8
Argyll & Bute	93	5
City of Edinburgh	1,499	79
Clackmannanshire	138	7
Dumfries & Galloway	207	11
Dundee City	358	19
East Ayrshire	190	10
East Dunbartonshire	105	6
East Lothian	175	9
East Renfrewshire	82	4
Falkirk	218	11
Fife	615	32
Glasgow City	1,542	81
Highland	296	16
Inverclyde	93	5
Midlothian	158	8
Moray	87	5
Na h-Eileanan Siar	22	1
North Ayrshire	298	16
North Lanarkshire	562	30
Orkney Islands	21	1
Perth & Kinross	179	9
Renfrewshire	214	11
Scottish Borders	175	9
Shetland Islands	24	1
South Ayrshire	189	10
South Lanarkshire	439	23
Stirling	105	6
West Dunbartonshire	263	14
West Lothian	326	17
All	9,500	500