

## **WELFARE REFORM COMMITTEE**

### **THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND**

#### **WRITTEN SUBMISSION FROM CITIZEN'S ADVICE SCOTLAND**

Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Adviceguide provides information on rights and helps people solve their problems.

In 2014-15 the Citizens Advice Service network helped over 322,000 clients in Scotland alone and dealt with over one million advice issues. With support from the network clients had financial gains of over £123 million and the Scottish zone of our self-help website Adviceguide received approximately 5.4 million unique page views.

#### **Summary**

Citizens Advice Scotland welcomes the opportunity to respond to the Welfare Reform Committee on the future delivery of social security in Scotland. The devolution of these powers represents an opportunity for the Scottish Government to design policies that deal with the problems that currently exist in these benefits and to design a system that is best suited for Scotland.

CAS is currently undertaking two pieces of research on future devolved benefits which we hope will feed into their design. This includes a survey of over 500 benefit claimants on their financial and digital capability and the impact that Universal Credit will have on them. The survey will provide crucial evidence on how the Scottish Government can best use its devolved powers on payment of Universal Credit. The second piece of research will examine the principles for a disability benefit in Scotland, with 16 bureaux currently undertaking local focus groups with clients. The findings and data from both pieces of research will be provided to the Scottish Government in late September and we would be happy to share this with the Committee.

Based on bureau cases and early findings from our research, we recommend that:

- The Scottish Government removes the under-occupancy charge for all Universal Credit claimants in Scotland when it acquires the power to do so
- The housing element of Universal Credit is paid to social landlords as a 'default' option, as Housing Benefit currently is.
- The Scottish Government use its devolved powers to pay Universal Credit to claimants more frequently than every four weeks (our current survey asks claimants what frequency they would prefer)
- Work Programme Providers in Scotland are given discretionary powers over referrals over what is deemed to be non-compliance of the claimant commitment (and which could lead to a sanction).
- CAS would support a move to a fixed payment amount from a funeral grant system to increase certainty for claimants in the amount of support they will receive and what this covers.

**How should the new welfare powers proposed by the Smith Agreement be used to improve or change:**

**a) Personal Independence Payments, Disability Living Allowance, Attendance Allowance and Carer's Allowance**

The Smith Agreement proposed devolving full powers over benefits for carers, disabled people and those that are ill to the Scottish Parliament. This includes existing benefits, but importantly also enables a distinct Scottish system of disability benefits to be created. Citizens Advice Scotland believe that this is an opportunity to begin with a blank sheet of paper and design a new system that is fair, responsive and equal, taking into account some of the problems CAB clients face with the current system.

Personal Independence Payment (PIP) was introduced in Scotland in June 2013 for all new claims for people aged 16-64, to eventually replace Disability Living Allowance (DLA). Since January 2014, the process of reassessing certain existing DLA claimants began in some areas of Scotland, however the majority of existing claimants will not be invited to claim PIP until after October 2015 and the process will not be complete until October 2017.

CAS has called for the rollout of PIP to be halted in Scotland, given the imminent devolution of disability benefits, the stress and upheaval for DLA claimants who will be forced to undergo a reassessment for a benefit that may be replaced by a new Scottish system shortly afterwards, with the additional administrative costs this will incur<sup>1</sup>. However, the Department for Work and Pensions (DWP) have announced that the rollout of PIP will continue as originally planned.

A central assumption behind the introduction of PIP was that it would reduce forecast working age DLA expenditure by 20 per cent<sup>2</sup>. These savings are expected to be achieved primarily through the new eligibility criteria for PIP, which should result in a caseload reduction (disabled people losing the benefit entirely) and a reduction in some entitlements (disabled people being moved from higher to lower benefit rates).

According to Scottish Government analysis, an estimated 55% of existing DLA claimants will lose some or all of their disability benefits by 2018, and including new and reassessed claims around 66,000 fewer individuals in Scotland will be in receipt of DLA or PIP by 2018. Whilst some individuals may benefit from an increased award under PIP, the overall impact on sick and disabled people of the changes will be adverse.

Moreover, benefit reassessments are inherently problematic and stressful for claimants. Since its introduction, PIP has rapidly increased as an issue for citizens advice bureaux in Scotland, with the number of new issues for clients rising by 93%

---

<sup>1</sup> Voice from the Frontline: Halt the roll-out of PIP in Scotland – Citizens Advice Scotland, March 2015  
<http://www.cas.org.uk/publications/voices-frontline-halt-roll-out-pip-scotland>

<sup>2</sup> Budget 2010 policy costings – HM Treasury  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/junebudget\\_costings.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/junebudget_costings.pdf)

in 2014/15 compared with the previous year. In March 2015, PIP surpassed Employment and Support Allowance (ESA) as the most common new issue that CAB clients seek advice on.<sup>3</sup>

The most significant issue for clients has been considerable delays in the assessment process. One of the key changes in the move from DLA to PIP is the introduction of a face-to-face assessment with an independent healthcare professional. Bureau clients have experienced considerable delays in arranging this face-to-face assessment.

According to official DWP figures the median clearance time for new PIP claims peaked at 30 weeks in June and July 2014. CAS has previously reported on the severe impact of lengthy delays on claimants, with their health suffering as a result of having to wait up to a year for an assessment in some cases.<sup>4</sup>

- A North of Scotland CAB reports of a client who applied for PIP in August 2013. He received a face-to-face assessment in May 2014, and finally got a decision in July 2014, 47 weeks after first applying.
- A South of Scotland CAB reports of a client who made a claim for PIP in May 2014 and had still not received an appointment for his assessment by December 2014. When the CAB called Atos, it was told that the client could expect a letter in January 2015 but Atos could give no indication of when the assessment might take place.

This has since reduced to a median of 11 weeks for cases by April 2015<sup>5</sup>, although this masks a number of claimants who had to wait considerably longer, with 9% of claims taking longer than 16 weeks in January 2015<sup>6</sup>. The delays appear to have been caused by a number of factors, but in large part due to an underestimation of how long face-to-face assessments would take to complete. CAS believes lessons must be learnt from this process to prevent excessive delays in any future assessment process.

---

<sup>3</sup> Between January and March 2015 there were 4,964 new issues related to the Daily Living element of PIP and 4,077 to the Mobility element, a total of 9,028, compared with 8,701 new ESA issues. As a number of clients require advice on both PIP components, this does not necessarily mean there were more individuals advised – the figure reflects CAB workload.

<sup>4</sup> Voices from the Frontline: Personal Independence Payments: The impact of delays – Citizens Advice Scotland, October 2014  
[http://www.cas.org.uk/system/files/publications/Personal%20Independence%20Payment%20delays%20Voices%20from%20the%20Frontline%20September%202014\\_0.pdf](http://www.cas.org.uk/system/files/publications/Personal%20Independence%20Payment%20delays%20Voices%20from%20the%20Frontline%20September%202014_0.pdf) and  
Voices from the Frontline: Halt the roll-out of PIP in Scotland – Citizens Advice Scotland, March 2015  
<http://www.cas.org.uk/system/files/publications/Voices%20from%20the%20frontline.%20Halt%20the%20migration%20of%20PIP%20130315.pdf>

<sup>5</sup> Personal Independence Payment: Official Statistics to April 2015 – Department for Work and Pensions, June 2015  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/434838/pip-stats-apr-2013-apr-2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/434838/pip-stats-apr-2013-apr-2015.pdf)

<sup>6</sup> Personal Independence Payment: Statistical Ad Hoc – Department for Work and Pensions, January 2015  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/398595/pip-ad-hoc-statistics-new-claims.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398595/pip-ad-hoc-statistics-new-claims.pdf)

Bureaux have also seen other issues such as clients being required to travel long distances for an assessment, and struggling with short timescales for the return of forms.

To inform the development of a new disability benefits system in Scotland, Citizens Advice Scotland is currently undertaking a substantial programme of consultation with CAB advisers and clients who claim disability benefits. We are focussing on what the purpose of disability benefits should be; how people should apply for disability benefits; how eligibility for disability benefits should be assessed; how any assessment should be conducted; and what the Scottish Government's priorities should be in developing a new system, one which we hope will be fairer, more responsive and more equal than the existing system. Once the outcomes of the consultation are known in the early Autumn, we would be more than happy to share them with the Committee.

## **b) Universal Credit and Discretionary Housing Payments**

The Smith Agreement and Scotland Bill propose to give the Scottish Parliament the power to vary the housing cost elements of Universal Credit (UC), including varying the under-occupancy charge and local housing allowance rates, eligible rent and deductions for non-dependents. It proposes that the Scottish Government will be given the administrative power to change the frequency of UC payments, vary the existing plans for single household payments, and pay landlords direct for housing costs in Scotland. It also it proposed that the system of Discretionary Housing Payments is devolved.

These powers are welcome, and give the Scottish Parliament and Government the ability to make changes in areas which Citizens Advice Scotland and other organisations have identified as areas of concern. CAS is currently conducting a large-scale survey of over 500 benefits claimants who sought advice from a CAB to find out what their preferences for some of these new powers are, and how the changes brought by Universal Credit are likely to affect them. We would be more than happy to share the results with the Committee when the survey is complete.

### **Universal Credit housing element**

The under-occupancy charge – the so-called 'Bedroom Tax' – caused significant issues for clients when it was introduced in 2013. In the first eight months of the Bedroom Tax (April – November 2013):

- Bureaux advised on 13,783 new Housing Benefit issues – an increase of 29% on the same period in 2012
- Bureaux dealt with 1,735 new issues specifically related to the Bedroom Tax
- Discretionary Housing Payment issues rose by 249% compared to the previous year
- Local authority rent arrears issues increased by 34%
- RSL rent arrears issues increased by 47%
- Access to accommodation issues increased by 16%

In particular the Bedroom Tax has an unfair impact on a number of client groups who are not able to move to a smaller property in the foreseeable future and would be likely to require permanent DHP support, including people living in significantly adapted housing, couples who are not able to share a bedroom due to medical conditions, people who require space for medical equipment or treatment and people in temporary homeless accommodation.

- A West of Scotland CAB reports of a client whose Housing Benefit has been reduced due to a charge for under-occupancy. She was given tenancy of her present home on medical grounds because of her debilitating conditions. At the time she was entitled to full Housing Benefit, however, she has now been asked to pay a contribution towards the weekly rent which the client cannot afford. Her husband is her carer, as she is disabled, unable to work and receives middle rate care DLA. The house is adapted for her needs and the possibility of being allocated a suitable one bedroom property is very small.
- A North of Scotland CAB reports of a client affected by the 'bedroom tax' who requires the extra bedroom for kidney dialysis. The client has a kidney condition that requires dialysis three to four times a day, with each session lasting around 90 minutes. The client uses her spare bedroom for dialysis which must be kept sterile and which contains specialist equipment. At the time of seeking advice, the client's Discretionary Housing Payments had just run out and she was applying for a new payment.

As at May 2015, 72,026 people in Scotland are affected by the Bedroom Tax, losing on average £12.08 per week.<sup>7</sup> Following the Scottish Government's welcome mitigation funding, these claimants can get Discretionary Housing Payments (DHP) to cover their full losses, which has been largely successful in reducing the impact on vulnerable people.

However, as DHPs must be regularly re-applied for and are not designed to provide long-term support, a more robust solution would be to remove the under-occupancy charge for all Universal Credit claimants in Scotland. **CAS recommends the Scottish Government does this when it acquires the power to do so.**

### **Direct payment of housing costs**

Unlike Housing Benefit, which is paid to a claimant's landlord if they live in social housing, under Universal Credit a housing element is paid directly to claimants as part of their monthly payment. Early evidence from social landlords in Inverness has shown that this has led to an increase in rent arrears amongst Universal Credit claimants, with Highland Council reporting that all their known tenants on Universal Credit were in rent arrears, with an average of £669 owed per tenant<sup>8</sup>.

In areas where Universal Credit has been rolled out, evidence from citizens advice bureaux suggests that the move has caused rent arrears for a number of clients. In some cases, this is because a client has quickly accrued arrears at the start of their

---

<sup>7</sup> Stat-Xplore tool – Department of Work and Pensions <https://stat-xplore.dwp.gov.uk/>

<sup>8</sup> Universal Credit Roll Out The Highland Experience – Highland Council presentation, May 2015 [http://www.sfha.co.uk/index.php?option=com\\_docman&task=doc\\_details&qid=4345&Itemid=75](http://www.sfha.co.uk/index.php?option=com_docman&task=doc_details&qid=4345&Itemid=75)

claim, such as in the five week period between their Universal Credit claim being accepted (assuming no administrative delays) and receiving their first payment. Bureaux have also advised clients where DWP administrative errors have led to them receiving no housing element included with their Universal Credit payment.

Some CAB clients, despite completing the UC application process have been left unaware that they are required to pay rent out of their benefits payment, as well as others who have struggled to cope with a combination of priority debts, bills and rent payments from their monthly lump payment.

- A North of Scotland CAB reports of a client who is having £62.93 taken off his Universal Credit for rent arrears and is also paying £40 from the money he receives. He is struggling to pay for essentials because of this.
- An East of Scotland CAB reports of a client who was told to apply for Universal Credit three months ago after previously being in receipt of JSA and Housing Benefit. He has received his first payments, but the housing element has not been included. When the adviser called the Universal Credit Support Centre it emerged that supporting information from the client's landlord had been received but not processed. The client now has two months' rent arrears.
- A North of Scotland CAB reports of a client who came in for a food bank voucher. She works 16 hours per week and was claiming Universal Credit, but closed her claim after receiving a monthly payment of £0.01 which left her without money for food or fuel. She now has rent arrears and wishes to claim Housing Benefit instead and look for alternative work rather than rely on Universal Credit.

The current system, where Housing Benefit is paid to the social landlord rather than the tenant works relatively well, and prevents many of these scenarios from occurring. CAS is concerned that direct payments to claimants, coupled with monthly payments presents a new challenge to often-stretched finances, and leaves them susceptible to accruing substantial rent arrears due to maladministration or poor communication by the DWP.

It is also important to note that many of the most vulnerable CAB clients are not yet eligible for Universal Credit due to the current 'knock out' factors<sup>9</sup> and we would expect further difficulties as the number of claimants increases. **CAS would recommend that the housing element of Universal Credit is paid to social landlords as a 'default' option, as Housing Benefit currently is.**

---

<sup>9</sup> Eligibility for Universal Credit – Department for Work and Pensions  
[https://about.universalcredit.service.gov.uk/kms/Pages/Eligibility\\_for\\_Universal\\_Credit.htm](https://about.universalcredit.service.gov.uk/kms/Pages/Eligibility_for_Universal_Credit.htm)

## Frequency of payments to claimants

CAS has concerns around the introduction of monthly payments in arrears to Universal Credit claimants, a change from the current system of fortnightly payments under the legacy benefits of Jobseekers Allowance (JSA), Employment and Support Allowance (ESA) and Income Support; and payments at a frequency of tax credit claimants' choice (either weekly or four-weekly).

Citizens advice bureaux routinely advise clients who have difficulty budgeting on a very low income. These struggles often result in clients who are in debt, and who require support from the Scottish Welfare Fund, or even from a food bank. This is particularly the case with vulnerable clients, many of whom are currently ineligible for Universal Credit (due to the knock out factors). Some CAB clients who are already struggling with fortnightly payments will be even more severely affected by having to manage on a single monthly sum.

- An East of Scotland CAB reports of a client who came in looking for assistance with benefits. The client is an alcoholic and finds it very difficult to manage his money as his addiction takes over and he finds with fortnightly payments he runs out of money in a few days. The client says he is currently reduced to finding food in skips at the back of shops. He wanted to know if he could get paid weekly rather than fortnightly. The client also enquired regarding getting a foodbank voucher.

Early evidence suggests that clients claiming Universal Credit have had issues with running out of money before their next monthly payment is due. In some cases, this is due to the five-week period before the first payment, which the Scottish Government will have no devolved control over due to the way Universal Credit is designed. However, this can lead to hardship and borrowing from the outset, and a more frequent payment may help claimants avoid going without income for lengthy periods of time.

- An East of Scotland CAB reports of a client who was at the Jobcentre the day before seeking advice where he signed on for unemployment benefit. He was told that he would be on Universal Credit and that his first payment of around £250 would be in around five weeks' time. His application was successful as far as he knew, but he was given no indication of how to survive until then. The handling of the client's cashflow needs from sign-on until payment date were ignored by DWP, as is their policy, but he was also given a misleading Scottish Welfare Fund leaflet. Furthermore, no short term benefit award can be applied for until after Capita verification of client, which has an unknown timescale.

**CAS is currently inclined towards recommending that the Scottish Government use its devolved powers to pay Universal Credit to claimants more frequently.** However our ongoing survey of benefit claimants specifically asks clients about how frequently they budget; how they manage their money; how frequently they would prefer benefits payments to be made; and how they think they would cope with a single monthly payment. CAS will be able to provide more evidence once this is complete in early October.

## Single household payments

If a couple both claim Universal Credit, then they will receive one single household payment paid to one of them only, as opposed to each receiving individual payments. Concern has been raised that in households where the single payment is made to a man, that women will lose independent income, money is less likely to be spent on children's needs, and that it could mark the start of a return to a 'male breadwinner' household model.<sup>10</sup>

There is also concern that this system may exacerbate situations of domestic abuse or financial abuse and make it harder for claimants to leave an abusive partner.<sup>11</sup> Under current rules, where domestic or financial abuse has occurred and a couple decide to stay together an Alternative Payment Arrangement can be applied for, providing for split payments.<sup>12</sup> However, where abuse is ongoing it may not be possible for a person to safely inform the DWP to put this arrangement in place. There may also be significant problems caused if one partner struggles with a drug or alcohol addiction and is in receipt of a single household payment.

Evidence from Scottish citizens advice bureaux on the impact of the single household UC payment has been limited so far. Currently, new claims for couples are only being taken in the Inverness Jobcentre Plus area (since 30 June 2015), and only a minority of claimants will have a partner who is also eligible for Universal Credit. CAS' survey of benefit claimants asks respondents who would be in this situation whether they would prefer a single household payment or individual payments. The results of this will further inform our view on whether changes to the current system are necessary.

## Discretionary Housing Payments

Since the Scottish Government lifted the cap on the amount that could be spent on Discretionary Housing Payments (DHPs), and committed an additional £35 million to local authorities, this system has been successful in mitigating the effects of the Bedroom Tax. CAS recommends that Housing Benefit claimants who are affected by the Bedroom Tax should be able to receive a DHP mitigating their full losses until such time as it is fully replaced by Universal Credit.

Households affected by the Benefit Cap are also able to make a claim for a DHP, with some funding from the Department for Work and Pensions being allocated for this purpose. At present, the numbers affected by the Benefit Cap in Scotland are relatively low, with 769 households being affected in May 2015<sup>13</sup>. However, following the UK Government's plans to reduce the Benefit Cap from £26,000 to £20,000 per

---

<sup>10</sup> The Gender Impact of Welfare Reform – Scottish Government Communities Analytical Services Division, August 2013 <http://www.gov.scot/resource/0043/00432337.pdf>

<sup>11</sup> Housing Policy and Welfare Reform – Women's Aid <http://www.womensaid.org.uk/page.asp?section=00010001001000320002&sectionTitle=Housing+Welfare>

<sup>12</sup> Personal Budgeting Support and Alternative Payment Arrangements Guidance – Department for Work and Pensions, March 2015 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418485/personal-budgeting-support-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418485/personal-budgeting-support-guidance.pdf)

<sup>13</sup> Stat-Xplore tool – Department of Work and Pensions <https://stat-xplore.dwp.gov.uk/>

year (from £18,200 to £13,400 for single people), many more households in Scotland will be affected<sup>14</sup>, and those already capped face a further reduction in their income of £6,000 per year. In light of this, CAS recommends that people affected by the Benefit Cap are considered a priority for DHP support.

At present the UK Government contributes a total of £13,331,287 to Scottish local authorities' DHP funds, and has indicated they will commit a total of £800 million across Great Britain over the next five years<sup>15</sup>. Clarification over whether this funding will be transferred to the Scottish Government following the devolution of DHPs would be welcome.

The devolution of Discretionary Housing Payments gives the Scottish Government an opportunity to revise existing guidance<sup>16</sup> for their award. However, some groups of people who may be affected by social security changes will not be eligible for support under the terms of the Scotland Bill – for instance people under 21 who will no longer be entitled to Housing Benefit, or people who incur rent arrears because of the five week waiting period for a first Universal Credit payment.<sup>17</sup>

### **c) The Work Programme and Work Choice**

The Smith Commission proposed that the Scottish Parliament will have all powers over support for unemployed people through the employment programmes currently contracted by DWP (which are presently delivered mainly, but not exclusively, through the Work Programme and Work Choice) on expiry of the current commercial arrangements.

Though CAS is concerned that the Scotland Bill currently restricts the powers devolved to employment support programmes that last at least a year or the existing Access to Work scheme<sup>18</sup>, devolution of employment support programmes presents an opportunity to create a new system, responsive to the needs of unemployed people in Scotland, and improving on the well-documented problems within the current system.

---

<sup>14</sup> No estimate for Scotland is currently available, but the UK Government estimates that an additional 92,000 households across Great Britain will be affected by the lowering of the Benefit Cap. Welfare Reform and Work Bill: Impact Assessment for the Benefit Cap – Department for Work and Pensions, July 2015 <http://www.parliament.uk/documents/impact-assessments/IA15-006.pdf>

<sup>15</sup> Welfare Reform and Work Bill: Impact Assessment for the Benefit Cap – Department for Work and Pensions, July 2015 <http://www.parliament.uk/documents/impact-assessments/IA15-006.pdf>

<sup>16</sup> Discretionary Housing Payments Guidance Manual – Department for Work and Pensions, August 2015 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/453392/discretionary-housing-payments-guide-aug-15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/453392/discretionary-housing-payments-guide-aug-15.pdf)

<sup>17</sup> Universal Credit is paid monthly in arrears and seven 'waiting days' are applied before a claimant is eligible for support.

<sup>18</sup> Written evidence to the Devolution (Further Powers) Committee: Implementing the Smith Agreement – the UK Government's Scotland Bill – Citizens Advice Scotland, August 2015 <http://www.cas.org.uk/publications/implementing-smith-agreement-%E2%80%93-uk-government%E2%80%99s-scotland-bill>

However, with conditionality and sanctions within Universal Credit, Jobseekers Allowance (JSA) and Employment and Support Allowance (ESA) remaining reserved, a number of challenges exist. CAB clients engaged with the current Work Programme have sought advice because they have been sanctioned, in some cases in harsh circumstances.

- An East of Scotland CAB reports of a client who missed a mandatory interview with a Work Programme provider agent, due to being interviewed by the police at the time of the interview after having her windows smashed and suffering a 'campaign of harassment'. She explained this to the agent, but her benefits were sanctioned. The first she was aware that there was a problem was not receiving her payment on the day it was due.
- A West of Scotland CAB reports of a client who was referred to a Work Programme provider during his JSA claim. He is now claiming ESA and is in the assessment phase. He wants to end his involvement with the Work Programme and receive assistance from the local authority employability service because he feels they would help him more. However, he is being told by both agencies that he cannot do this. Additionally, his involvement with the Work Programme provider should technically no longer be compulsory, but he is still being advised to attend by them or face a sanction.

CAS remains concerned about how this structure will sit alongside the current discredited sanctions regime which remains reserved. At the moment, Work Programme Providers have to refer ESA and JSA claimants for a possible sanction in every case where they fail to comply with their conditions; they have no discretion and are not able to consider whether the person had good reason for failing to comply – even though they know the claimant and might be sympathetic to, or in agreement about why non-compliance took place – e.g. a sick relative; transport problems; hospital appointments. Work Programme Providers should be there to support people into work rather than monitor conditionality.

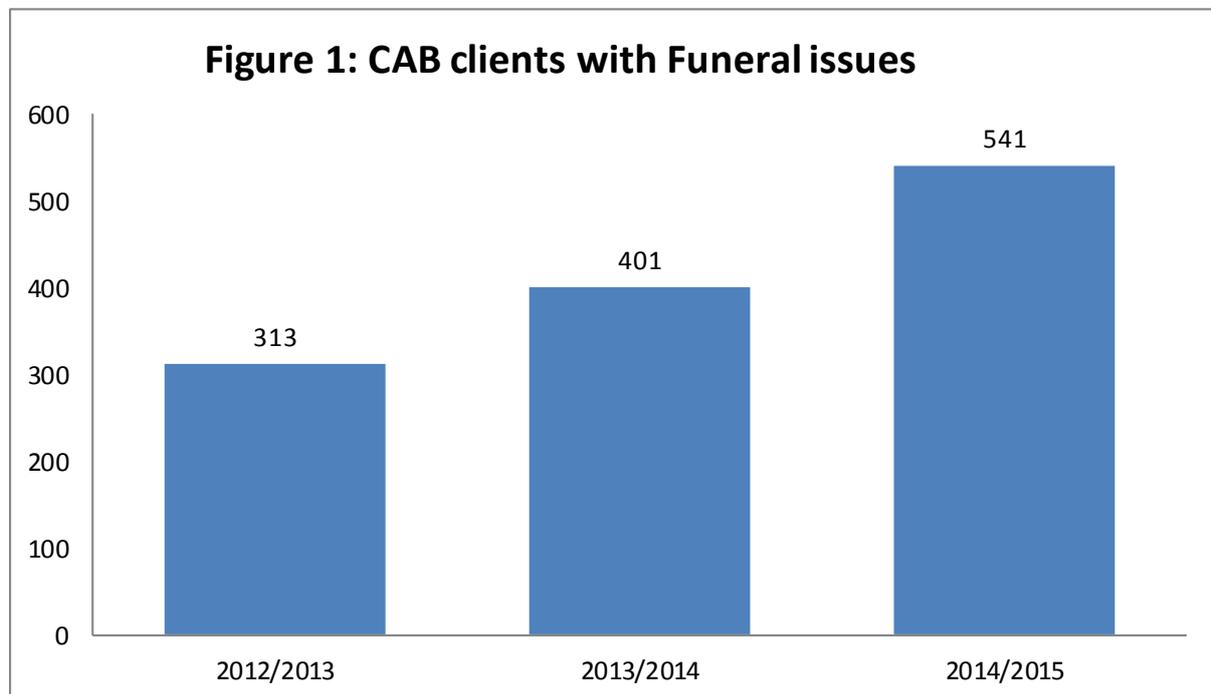
In our view, maintaining a requirement on a Scottish Government-devised employment support programme to continue to refer people for sanctions will result in a massive strain between Governments which have a different view of the sanctions and conditionality regimes put in place by the UK Government.

**CAS recommends that Work Programme Providers are given discretionary powers over referrals over what is deemed to be non-compliance of the claimant commitment.**

#### d) The Regulated Social Fund, new benefits, top-ups and delivery of benefits overall

##### Regulated Social Fund Funeral Payments

As a result of people struggling to pay funeral costs CAB across Scotland are helping more people than ever before who find themselves in funeral poverty (figure 1).



CAS has seen a number of cases at CAB where the current funeral payments system fails to meet the needs of those struggling to meet the costs of a funeral. Often it can be unclear to those claiming whether or not they will be successful in their claim and decisions can take a prolonged period of time. There is evidence that the unclear eligibility criteria and application process means there is a high refusal rate in applications. UK Government figures show there were 66,000 applications to the fund in 2012-2013 however only 53% were successful.<sup>19</sup> Added to this difficulty is the need for a deposit up-front (frequently £500-£1000) to funeral directors regardless of whether the person organising the funeral will be successful in their application to the social fund. This is because of the uncertainty of whether the individual will be successful in getting an award even if it appears that they may on the face of it qualify.

**CAS therefore recommends that the criteria for any new funeral support is much more clearly defined to reduce the number of unsuccessful applications and give certainty to the majority of applicants**

---

<sup>19</sup> House of commons library, Social Fund Funeral Payments, 2013

Payment amounts for certain costs have also been frozen for a number of years not taking into account the quickly rising costs of funerals across the UK<sup>20</sup>. This has left even those who are successful in applying short of the money needed to pay for a respectful funeral.

A number of applicants to the funeral grants fund are often unclear as to what will be paid for and what is not covered as payment amounts can vary and are often opaque. This can mean individuals can act on the assumption that the entire funeral will be paid for by the DWP when in fact only a small payment will be made to any costs that are not core charges (e.g. transport, flowers, memorials etc).

- A South of Scotland CAB reports of a client whose sister had died leaving very little money to contribute towards the cost of a funeral. The client has taken responsibility for organising the funeral and has approached a local funeral directors to help make arrangements. The client paid £1,000 of her own money as a deposit with the total cost coming to £2,611. She is retired and receives the basic state pension and pension credit with no other income. The client states that they have organised the most basic funeral the directors could manage and kept costs to a complete minimum to help the client. They signposted the client to the CAB for help with how to cover the costs. The maximum grant available from the social funeral fund is £1,200 leaving the client well short of the costs despite being on a very low income.

**CAS would support a move to a fixed payment amount from a funeral grant system to increase certainty for claimants in the amount of support they will receive and what this covers.**

Funeral Directors also collect deposits as local authority disbursement costs (cremation or burial fees) must be paid in full upfront. CAS have shown over the last two years how these local authority charge vary substantially across Scotland and how they have increased, in some cases, by as much as 42% in one year.<sup>21</sup> If costs continue to increase at the current rate the majority of funding for a new funeral support system will quickly be eroded by fewer applications or mean less funding for each individual leaving them to make up the shortfall.

“Last year I had to arrange the funeral of my older brother who passed away suddenly as I was his closest living relative. This was a really difficult time for me as my mother had only past away the year before and I was still struggling with the grief and losing my brother made this harder. The local funeral director helped me apply for a grant [Social Fund Funeral Payment] after I told him I received Employment and Support Allowance. It was a difficult form that I didn’t understand at the time because I was upset but the girl in the undertakers took her time to help me. She said she helped people like me all the time.

“It looked like I would be successful in getting [social fund] money to help, but I still needed to find £700 for a deposit to give to the funeral company. The undertaker

---

<sup>20</sup> Additional funeral expenses have been capped at £700 since 2003. University of Bath (2012)

<sup>21</sup> CAS, The Cost of Saying Goodbye, 2015

kept costs low so I wouldn't be out of pocket and the [Social Fund] grant would cover it. The undertaker told me that the funeral couldn't go ahead without the deposit but I didn't have the money. I went home upset and worried what would happen about my brother's funeral, I really didn't want him to go into an unmarked grave.

"After speaking to other family members I only managed to get together half what was needed (£350). I almost considered taking out a payday loan to get the rest of the money but my wife said that would only make things worse as she had read about what can happen when these go wrong.

"I then went to my local CAB who helped me apply to a local charity for a grant to make up the rest of the deposit as I didn't want to delay the funeral any longer. The funeral director promised to refund this if my [social fund] application was successful. The funeral went ahead and the undertakers and local priest provided a great service.

"I was really stressed until the DWP [social fund] came back saying my application had been approved as I was worried that I would need to find all the other money to give to the funeral director which I couldn't afford.

"I think any new funeral cost support should stop people needing to find big deposits that people like me and my family don't have, it's really unfair and upsetting to not have the money when all you want is a bit of respect for your brother or whoever. It needs to be less stressful to apply and find out the result."

**CAS recommends that alongside the introduction of a Scottish funeral support funding system that rising costs must be addressed by the Scottish Government as a matter of priority. One option to be considered would be to cap the amount that can be charged to those in receipt of funeral grants for the disposal of a body.**

A further complication with regard to social fund funeral payments is for the DWP to consider a wide number of family members financial circumstances even where these people are estranged before making an award. Not only does this slow down the process of confirming any award but it can mean a refusal for payment despite the fact that the individual organising the funeral, who can be the closest relative, would be eligible.

- A West of Scotland CAB reports of a client who is the next of kin and legal representative of his late father who died unmarried and had no other children. The client advises that there was no estate but only debts. The client has to borrow money to pay for the funeral for which he has accepted responsibility. The CAB is assisting to make an application to the social fund.

**CAS recommends a defined system of deciding who is the responsible next of kin who will be tested for eligibility. We would recommend using the 'nearest**

**relative' test that is currently used in the Human Tissue (Scotland) Act 2006<sup>22</sup>. This is the recommended test by the Burial and Cremation Review Group as to who should be responsible for disposal of a body. Any application process should allow for a deviation from this set list on reasonable grounds e.g. a child applies as spouse is incapacitated or estranged.**

---

<sup>22</sup> Nearest relative test is the first on this list that is living: (a) spouse/civil partner; (b) lived with partner of more than 6 months; (c) child; (d) parent; (e) brother/sister ; (f) grandparent; (g) grandchild; (h) uncle/aunt; (i) cousin; (j) niece/nephew; (k) longstanding friend