

WELFARE REFORM COMMITTEE  
WELFARE FUNDS (SCOTLAND) BILL  
SUBMISSION FROM CRISIS

Crisis is the national charity for single homeless people. We are funded by the Scottish Government to increase access to the private rented sector in Scotland for vulnerably housed individuals and those on low incomes through the use of Rent Deposit Guarantee Schemes, and we work to facilitate shared tenancies.

Crisis is pleased to respond to this call for evidence on the Welfare Funds (Scotland) bill. We welcome the bill and the Scottish government's decision to put on a statutory basis the interim SWF arrangements. We have some comments on the operation of the SWF and recommendations for how local authorities can ensure they are using the funding in the most effective way. We are particularly concerned that awarding grants for rent in advance is explicitly outside the remit of the SWF and we call on the Scottish government to give further thought to this.

We particularly welcome the Scottish government's commitment to continue to fund emergency welfare assistance long term. Similarly, we strongly support the decision to ring-fence the funding.

Prior to the abolition of the social fund, Crisis Loans acted as a lifeline for people on low incomes who needed money for rent in advance to secure a new private rented sector (PRS) property. They were vital to the important work of Deposit Guarantee schemes, which work to support vulnerable people into PRS accommodation. We have heard anecdotal reports from the schemes we work with in Scotland that there has been an increase in landlords asking for several weeks rent to be paid in advance. We are disappointed therefore that local authorities are not allowed to meet this need through their SWF programmes and that this prohibition will be continued as part of the Welfare Funds (Scotland) bill.

It is crucial that people on low incomes, including those in receipt of benefits, can access money to help them pay rent in advance on new accommodation. For people who have been homeless, being able to access a stable home is vital in enabling them to move on in their lives. Although Discretionary Housing Payment (DHP) is available for rent in advance, these budgets are under a great deal of pressure due to cuts to housing benefit. In Scotland, 72% of DHPs have been used to support people affected by the bedroom tax.<sup>1</sup> This means it is unlikely that there will be much funding available for people who need rent in advance.

If people cannot get financial help with rent in advance, they will be less likely to be able to access the PRS and their homelessness is likely to be prolonged. Homelessness is a devastating and isolating experience, with grave consequences for the individual as well as the public purse. The Scottish government have made significant steps in reducing rates of homelessness in recent years - 36,000

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<sup>1</sup> DWP (2014) DHP statistics

households applied for homelessness assistance in 2013/14, 8% lower than the previous year<sup>2</sup> – but this could be set back if homeless people are not properly supported into permanent accommodation.

There is also a very real risk that people will turn to loan sharks and unscrupulous lenders if they cannot obtain financial help for rent in advance, leading to problematic debt.

Crisis strongly recommends that the SWF regulations are amended so that grants are available to assist with rent in advance. As a minimum, we would like to see councils encouraged to use part of their DHP allocation for rent in advance. This could involve new guidance being drafted and disseminated. Crisis would be very happy to play a role in this.

We are also concerned that the interim SWF did not generally allow people who had their benefits sanctioned to be awarded a grant. In Scotland in 2013, almost 100,000 people received a JSA or ESA sanction, some of these lasting over a year.<sup>3</sup> Crisis' research has shown that sanctions are often applied inappropriately or unfairly. They can leave people with little or no money at all, with our clients reporting turning off their heating, borrowing money, visiting food banks and even begging to get by.<sup>4</sup>

Whilst we recognise that hardship payments are available and that the primary purpose of the SWF is not to support people who have been sanctioned, we believe that consideration needs to be given to how the Scottish government and local authorities can best help people who are experiencing hardship due to their benefits being stopped. If people apply to the SWP for assistance with expenses that are not related to their sanction, such as costs involved with moving to a new house, they should be treated like all other applicants.

Finally, although we generally support the continuation of the interim SWF arrangements subject to the points made above, we do believe that better guidance is needed to help local authorities deliver support that meets a full range of needs. The feedback we have received from charities and community groups we work with in Scotland is that there is often low awareness of the help that is available, with councils not promoting or signposting to their schemes properly. There are inconsistencies between the support offered in different areas, even for applicants with very similar circumstances. Most support is offered in the form of vouchers or goods in kind rather than cash grants – we believe that the latter should be available as it would empower people to make choices and manage their money as well as avoiding stigma. It is very welcome that the bill enables local authorities to administer their schemes jointly across local boundaries, and it is essential that this provision is made use of.

We recommend that new guidance is drafted to accompany this bill to support local authorities to further develop and improve their schemes. Crisis would be very happy to feed into such guidance. Work should be undertaken to source and disseminate

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<sup>2</sup> Scottish government (2014) Homelessness statistics

<sup>3</sup> DWP (2014) 2013 sanctions statistics

<sup>4</sup> Crisis (2013) Dashed hopes, lives on hold: single homeless people's experiences of the work programme

best practice between local authorities. Organisations like COSLA would be very well placed to support this.

### **About Crisis**

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change. Our innovative education, employment, housing and well-being services address individual needs and help people to transform their lives.

As well as delivering services, we are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience. Crisis has ambitious plans for the future and we are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own but we take a lead, collaborate with others and, together, make change happen.

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