

SCOTTISH WELFARE FUND

Assistance with Housing Costs for 18-21 year olds

STANDALONE GUIDANCE FOR USE BY LOCAL AUTHORITY STAFF AND SUPPORT WORKERS

Purpose

1. This note provides information about the Scottish Welfare Fund (SWF) for local authority staff and support workers working with young people aged 18-21 years who have been affected by the changes to housing costs within Universal Credit (UC) which were effective from 1 April 2017. It sets out what to take into account in processing their applications.
2. This standalone should be used in conjunction with SWF Statutory Guidance – April 2017 (<http://www.gov.scot/Resource/0051/00516158.pdf>)

Changes to housing costs through Universal Credit and the impact on young people aged 18-21 years

3. The UK Government laid regulations on 3 March 2017 to change entitlement for housing costs within UC for people aged 18-21 years. These regulations came into force on 1 April 2017. The policy **only applies to new claimants, claiming UC on or after 1 April 2017, in an area using the full, digital service**. Those in “live” areas who are transferring to the full service will not be affected. Existing claimants will not be affected, regardless of whether they receive live/ full UC, unless their claim ends and they are required to make a new claim for UC in a full service area.
4. The change means that unless the individual is covered by an exemption, he/she will no longer be entitled to receive assistance with housing costs through UC from the UK Government. A full list of the exemptions is at **Annex A**. It is also available on the DWP website:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604884/adm6-17.pdf

Scottish Welfare Fund

5. The Scottish Government has agreed with CoSLA that it will extend the Scottish Welfare Fund (SWF), on an interim basis, to help 18-21 year olds adversely affected by the UK Government’s changes and support landlords. The intention is to use the provisions for Community Care Grants (CCGs) which enable local authorities to help people establish or maintain a settled home where, without a grant, there is a risk that they would be unable to do so. The Scottish Government is continuing to work to develop a longer-term solution.
6. The Scottish Government has committed to funding programme and administration costs to ensure the effective delivering of this policy. Subject to

agreement by Scottish Ministers and CoSLA's Settlement and Distribution Group, local authorities will be informed shortly of the mechanisms and arrangements for reimbursement of costs.

Application process

7. Applicants should apply using the current SWF application form via their local authority. Local authorities retain discretion on how this information is captured and processed.

Establishing eligibility

8. Applicants should be aged 18-21 years old, live in a full service UC area (see **Annex B**), be claiming UC as a single person, be subject to all work-related requirements, and not be covered by a DWP exemption (see **Annex A**).

9. The applicant should be setting up or attempting to maintain an established home in the community. There must be some risk that this may not be possible without a grant. That risk does not need to be immediate for an applicant to qualify. Decision makers should use their discretion in deciding what constitutes a 'risk' or 'exceptional pressure', for example, denial of support from DWP with housing costs would be an example of exceptional pressure. The applicant does not need to be in arrears to be considered.

10. For the purposes of providing assistance with housing costs for this particular group the qualifying condition as detailed in the SWF Statutory Guidance – April 2017 is:

“To enable qualifying individuals to maintain a settled home in a situation where that individual or another individual in the same household, is facing exceptional pressure”.

which falls under the CCG provision.

11. The applicant will have no means of paying rent and will be at risk of homelessness without an award.

12. A decision maker may contact the applicant for more information or **subject to the applicant's agreement** check with third parties, such as landlords. When this type of contact takes place, it should be recorded.

13. Where an individual is not eligible for a SWF award for assistance with their housing costs because they fall within the exempt categories under the DWP policy eg in receipt of a disability benefit, they should be referred to a welfare advice service. The aim is for the individual to get the right support in order to be able to successfully demonstrate their exemption to DWP staff and receive housing costs through their UC claim.

14. It is important in all cases that the **DWP option for support through the exemptions in the UK Government regulations is exhausted before an application for the SWF is deemed eligible.**

15. There may also be circumstances in which a referral to advice services is appropriate even where a SWF award is payable. This may include where the qualifying individual will require assistance or support in any future transition into the UC system e.g. finding work or turning 22 years old.

Data sharing

16. Personal information about individuals should be held in confidence and in accordance with local data protection policy and practice. Information provided in connection with an applicant should not be passed on without consent.

17. Local authorities should consider the legalities and practicalities of using data they already hold on applicants to streamline the application and verification process.

Querying an award with DWP

18. There may be circumstances where an individual has been advised they are not entitled to a DWP exemption, however, based on the information they have provided local authority staff believe they meet one or more of the DWP's exemption criteria. In these circumstances local authorities should liaise with DWP through their usual channels.

19. Local authorities have discretion as to whether an award should be made in the interim.

20. DWP staff will continue to refer individuals to the SWF as per existing local arrangements. Local authority staff are encouraged to use the UC operational forums, which are already in place locally, to regularly discuss and review issues relating to the operation of the SWF with their Job Centre Plus counterparts.

Level of awards

21. SWF awards should be made in line with the amount payable had a claim for housing benefit been made for the same period, e.g. from the commencement of a UC claim to the date of the SWF award, or for the period in which access to housing support was not available. Local authorities should disregard any deduction that would otherwise be made for the application of size criteria in the social sector (i.e. the bedroom tax / removal of the spare room subsidy). The amount used in the calculation of eligible housing costs will be determined using normal rules around tenancy type and household composition.

22. Some illustrative examples are on the next page.

Social sector

Philip is 18 years old and rents a two bedroom flat from a housing association for a weekly rent of £90 (£390 a month) payable on the 1st of the month in advance. He moved in on 1 April and applied for Universal Credit (UC) on 3 April. Philip receives an award of UC on 15 May - this includes the standard allowance but does not include an amount for housing costs. Philip applies for support from the SWF on 22 May. He has already missed rent payments due on 1 April and 1 May, and if he is unable to make the payment on 1 June he will then owe £1,170.

If Philip had been aged 22 years old he would have received a housing cost element, subject to the bedroom tax payable, to cover the period from 10 April. Philip would have been eligible for a housing benefit or UC payment of his full rent less the bedroom tax at the 14% rate, because he is under-occupying by one bedroom. UC includes 7 waiting days and so Philip would not have received any housing support for the period before 10 April, even if he had been eligible. The local authority disregards the bedroom tax and makes an award to cover the full rent for the 8 weeks from 10 April, or £720, this is paid as supervised spend direct to the landlord. As Philip is on a low income, and still has some arrears the local authority put him in touch with a money advice service.

On 26 June, Philip starts a new job at the minimum wage for twenty hours; he is now eligible for housing costs for UC, starting from the next assessment period (10 July). He makes a further approach to the local authority who make a second SWF award, this time to cover the five weeks (£450) until the UC housing costs element will be payable. Philip will continue to be in regular arrears as his rent is due in advance, and because of the seven initial waiting days. The local authority again directs him to money advice so he can start to pay back his outstanding arrears, and understand the income he will receive from the combination of his earnings and his UC award. The local authority also recommends he apply for a Discretionary Housing Payment to mitigate the bedroom tax, which will now be applied to his UC award.

Private rented sector

Elizabeth is 21 years old and rents a one bedroom flat from a private landlord for a monthly rent of £450, payable in advance on the 1st of the month. She has paid some of her rent previously through a combination of savings, money borrowed from family and friends, by missing meals and failing to pay other bills. She receives an award of UC consisting of the standard allowance but no housing costs. She applies for support from the SWF on 31 August because she will not be able to pay anything towards her rent the next day, and she already owes the equivalent of a month's rent, she is afraid that she will be evicted if she falls further behind.

If Elizabeth had been 22 years old she would have been eligible for the shared room rate, which in her area is £66 a week (£286 a month). The local authority considers that Elizabeth should receive a payment covering two months. The local authority also considers that a payment of £286 a month will not be sufficient to prevent a housing crisis, so they use their discretion and make the payment in respect of her

full rent for those two months. Because Elizabeth is nearly 22 she will soon be able to receive housing costs from UC, but only to the shared room rate, the local authority refers her to money advice to ensure that she will be able to meet her rent when she is receiving only the shared room rate.

23. In applying the housing benefit calculations, please note that anyone in temporary or supported accommodation should be exempt from the DWP policy, and as such claimants in this accommodation should be referred to support in claiming a DWP exemption.

24. The DWP policy also contains the same exemptions as are applied for exemptions from the Shared Accommodation Rate of Local Housing Allowance (LHA). This means that if the calculation of housing costs find that a higher rate of LHA is payable, the claimant should also be referred to support in claiming an exemption through UC.

25. Local authorities retain discretion in determining awards. In exercising this discretion they should be aware those receiving support through SWF will not have access to Discretionary Housing Payments. Local authorities should also note that where individuals have earnings they will be subject to a tapering of their UC award at a rate of 63 pence in the pound.

26. Therefore, it will be appropriate in some circumstances to pay above the level that would have been payable under housing benefit. This is likely to be the case if it is clear that the level of support would otherwise be insufficient to enable the maintenance of a tenancy, or to prevent a housing crisis. The exercise of this discretion should not be time limited, but relate to any period on which the basis of an award is calculated.

27. Local authorities will wish to put in place processes to ensure that this discretion is applied consistently within an authority, for instance by ensuring all higher awards are approved by a senior decision maker.

28. Where a higher award is put in place it may be appropriate to refer the claimant to money advice or other third party advice services to ensure that the claimant will be able to adjust to the transition to UC eg on finding work or attaining the age of 22.

29. Payments can only be made to cover housing costs for the period that the claimant has been in receipt of UC. If a claimant was already in rent arrears prior to UC then they should also be referred to a money advice service for support in relation to this debt.

Method of payment and payment frequency

30. Local authorities retain discretion as to what support will be given, the amount of any grant and the frequency in which this is paid.

31. Local authorities are encouraged to make best use of the **supervised spend** provision in the SWF guidance which enables local authorities to make payments

directly to landlords and so prevent the spiral of rent arrears, eviction and homelessness.

32. Utilisation of the supervised spend provision should be discussed in full with the applicant, and only implemented **once the local authority has sought the relevant permission** their landlord (after the applicant's agreement).

33. There may be exceptional circumstances in which local authorities deem it more appropriate to make payment directly to the applicant rather than use the supervised spend provision.

34. SWF teams can use their discretion to determine the exact form of any payments, whether it is paid in advance, or in arrears, and payment frequency.

35. **The overall aim is an award which maximises support available for individuals whilst remaining within the scope of the SWF legislation and the Scotland Act 2016.**

Making a decision and notification of award

36. Local authorities will normally make a decision and, if a person is entitled, a payment within 7 days of the applicant's providing evidence of their UC decision and all other appropriate evidence required to assess their claim.

37. As detailed in SWF Statutory Guidance – April 2017 (<http://www.gov.scot/Resource/0051/00516158.pdf>) all applicants should receive an official decision and that should be in writing, unless the applicant requests otherwise.

38. Local authorities should follow their existing processes to notify an applicant about the outcome of their application, being mindful any decision taken under this guidance is still subject to review via existing SWF processes.

39. If local authorities make payment directly to landlords, using the supervised spend provision after seeking permission from the applicant, notification of the payment(s) should also be sent to the landlord.

Review process

40. The existing review process for SWF as detailed in the SWF Statutory Guidance – April 2017 should be followed (<http://www.gov.scot/Resource/0051/00516158.pdf>)

Management information

41. Local authorities are required to record the total number of applications, number of successful applications, as well as total spend on a monthly basis. An additional spreadsheet for this purpose will be provided by the Scottish Government to local authorities assisting with housing costs for 18-21 year olds. The recording of application reference numbers of all applications relating to housing costs for 18-21

year olds in this spreadsheet will allow the statistics for these types of applications to be separated from the main quarterly SWF statistics in the official Scottish Government statistics publication. The additional spreadsheet should be completed and submitted at the same time as the SWF Management return.

Key actions for local authorities and support workers

- To use this standalone guidance if your local authority is operating full service UC and you are providing assistance with housing costs to 18-21 year olds.
- To use this standalone guidance in conjunction with the SWF Statutory Guidance – April 2017.
- To ensure the 18-21 year olds who are seeking help with housing costs through the SWF are not covered by a DWP exemption before processing the application.

DWP HOUSING COSTS GUIDANCE FOR UC CLAIMANTS AGED 18- 21 YEARS OLDS: EXEMPTIONS

Extract from UK Government website: <https://www.gov.uk/guidance/housing-costs-for-18-to-21-year-olds>. The website provides more detail on the duration for which the exemption applies.

- You are claiming Universal Credit in a live service area
- You are responsible for a child or a qualifying young person
- You get the care component of Disability Living Allowance at the middle or highest rate
- You get the daily living component of Personal Independence Payment
- You have a physical or mental impairment and are not expected to work more than 35 hours a week
- You are a relevant carer and are not expected to work more than 35 hours a week
- You were a care leaver before the age of 18
- You are a victim of domestic violence
- You live in temporary accommodation
- You have no parent
- You cannot live with your parents because they do not have a home in Great Britain or it is inappropriate for you to live with them for another reason
- You cannot live with your parents because of a serious risk to your physical or mental health or significant risk of harm
- You earn the monthly equivalent of 16x National Minimum Wage for 18 to 20 year olds in your Universal Credit assessment period
- You have a contract as an apprentice on the last day of your Universal Credit assessment period. Continuing entitlement is dependent on you earning the monthly equivalent of 16x National Minimum Wage for apprentices during each assessment period
- You have made a new claim to Universal Credit and earned the monthly equivalent of 16x National Minimum Wage for 18 to 20 year olds each month for the 6 calendar months before the month in which you made your claim to Universal Credit
- You have made a new claim for Universal Credit and you have been contracted as an apprentice for the 6 months before the month in which you claim Universal Credit and you were earning the monthly equivalent of 16X National Minimum Wage for apprentices throughout that period
- You are an existing Universal Credit claimant and: a) earned the monthly equivalent of 16x National Minimum Wage for 18 to 20 year olds in each of the 6 previous assessment periods, or b) have received Universal Credit for less than 6 months and have earned the monthly equivalent of 16x National Minimum Wage for 18 to 20 year olds in each of the previous assessment periods and in any additional calendar months within the last 6 months but before the month in which you claimed

- You are an existing Universal Credit claimant contracted as an apprentice and: a) earned the monthly equivalent of 16x National Minimum Wage for apprentices in each of the 6 previous assessment periods, or b) have received Universal Credit for less than 6 months and have earned the monthly equivalent of 16x National Minimum Wage for apprentices in each previous assessment period and in any additional calendar months within the last 6 months but before the month in which you claimed
- You are a member of a couple who claim Universal Credit as a couple While you are a member of a couple
- You are covered by multi-agency public protection arrangements (MAPPA) - for example: registered sex offenders, violent and other types of sexual offenders, offenders who pose a serious risk of harm to the public, certain claimants in Scotland who may cause serious harm to the public
- You are a prisoner in custody or on remand
- You are attending a court or tribunal as a party to any proceedings or as a witness
- You are under protection arrangements because you are involved in criminal investigations or proceedings
- You are getting treatment for alcohol or drug dependency
- You are abroad for no more than 6 months to get treatment for an illness or physical or mental impairment or for medically approved convalescence or care, or are accompanying a partner, child or qualifying young person for whom you are responsible and they are receiving such treatment, convalescence or care
- Your partner or child has died in the last 6 months
- You are taking part in activity that is in the nature of a public duty, for example jury service
- You are expecting a baby within 11 weeks
- You miscarry or your baby is stillborn after the 24th week of pregnancy
- You are unfit to work for up to 14 days
- You are not subject to 'all work-related requirements' conditionality as part of your Universal Credit claim
- You are a Housing Benefit claimant who moves into a Universal Credit full service area or are transferred into Universal Credit full service by DWP and are entitled to Housing Benefit at the point that you move or are moved
- You moved into a Universal Credit full service area or are transferred from Universal Credit live service to Universal Credit full service after 31 March 2017 and were receiving the Housing Costs element when you moved or were transferred
- You have been claiming in Universal Credit full service since before 1 April 2017 and your claim includes the Housing Costs element

Table: Local Authorities: UC Full Service Roll out and estimated impact of UK Government regulations

Cohort	LA	Date on full service	Max predicted affected caseload	
Before April 2017	East Lothian	201603	20	
	Highland (Inverness)	201606	20*	
	East Dunbartonshire	201611	6	
	Inverclyde	201611	8	
	Midlothian	201703	12	
Apr-Sep 17/18	Clackmannanshire	201706	13	
	Stirling	201706	9	
	Highland (Rest)	201707	0*	
Oct-Mar 17/18	East Ayrshire	201710	30	
	South Lanarkshire	201710	32	
	Angus	201711	23	
	Dundee City	201711	33	
	North Ayrshire	201711	30	
	Fife	201712	65	
	Dumfries & Galloway	201802	14	
	South Ayrshire	201802	18	
	West Lothian	201802	19	
	Aberdeenshire	201803	20	
	Falkirk	201803	24	
	Scottish Borders	201803	11	
	After April 18	Moray	201804	14
		North Lanarkshire	201804	40
		Perth & Kinross	201804	12
Argyll & Bute		201805	14	
Na h-Eileanan Siar		201805	0**	
Orkney Islands		201805	6	
Renfrewshire		201805	37	
Shetland Islands		201805	0**	
Aberdeen City		201806	35	
East Renfrewshire		201806	7	
Edinburgh, City of		201806	39	
West Dunbartonshire		201806	35	
Glasgow City		201809	122	

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Source: SG analysis of data from DWP Stat Xplore (<https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml>). It is based on current latest caseload data (Nov 2016) for Housing Benefit/UC (UC where available/ appropriate).

* Data available at LA level only, all cases for highland notionally allocated to Inverness.

** Data not available for LAs with fewer than 5 cases.