

SOCIAL SECURITY COMMITTEE

SOCIAL SECURITY SUPPORT FOR HOUSING

SUBMISSION FROM Scottish Public Services Ombudsman

Background

1. The SPSO has a wide remit, covering a variety of functions and services. Her powers and duties come from the Scottish Public Services Ombudsman Act 2002 which gives her three distinct statutory functions:
 - 1.1. the final stage for complaints about most devolved public services in Scotland including councils, the health service, prisons, water and sewerage providers, Scottish Government, universities and colleges,
 - 1.2. specific powers and responsibilities to publish complaints handling procedures, and monitor and support best practice in complaints handling,
 - 1.3. Independent Review Service for the Scottish Welfare Fund with the power to overturn and substitute decisions made by councils on Community Care and Crisis Grant applications.

This information is also available at 'About us' on the following link:
<http://www.spsso.org.uk/about-us>.

Scottish Welfare Funds Independent Review Service

2. Our response is based on our experience as the Scottish Welfare Funds Independent Reviewer.
3. The Committee's review is focussed on the impact of welfare changes on housing costs and the options potentially available to help support people. We have been informed by some applicants that they are considering using Scottish Choices to help them budget but applicants do not regularly refer to this or discretionary housing payments.
4. Notably, we have seen a significant and sustained increase in the number of people requesting we review decisions on crisis grants. The numbers of cases we receive are low in proportion to the numbers applying for crisis grants. This limits the statistical information we can provide. However, there are two specific areas of Universal Credit practice and administration which, in our experience are causing specific budgeting problems for costs generally, including housing costs.

Advance payments and budgeting

5. The first is the lengthy delays before Universal Credit is awarded. This can be mitigated by advance payments but these are a loan that need to be repaid, and there can be delays in people accessing this form of assistance. We are also finding that the deductions made later to pay for those advance payments are leading some people to end up in crisis situations because of budgeting difficulties some time after UC has been awarded. Currently, the DWP can make deductions of up to 40% of the benefit when seeking to recover an advance payment and other debts.
6. We have observed that Councils can be inconsistent when awarding crisis grants when an advance payment of Universal Credit may be possible. Some require that the applicant seek an advance first. Others will award to cover the time it may take to obtain an advance and some will simply award irrespective of whether a benefit advance may be available. We have recently advised the Scottish government about our concerns about this consistency and suggested they consider measures to address this.

Payment in arrears

7. The second relates to individuals who are moving in and out of work and the way the last wages payment is regarded, particularly when it is paid in arrears. To give a worked example:
 - 7.1. Applicant A works during the Christmas period. Their job ends in December. As they are paid a month in arrears, their last payment was received in the first week in January.
 - 7.2. They are currently receiving UC and are assessed on their income in January which includes their final wage.
 - 7.3. Their UC for February therefore, reflecting their final wage, may be as low as £10 to £20.
 - 7.4. Their UC will not be updated to include Applicant A's real income until March.
8. Practically, this means Applicant A and anyone else who is paid in arrears, may need to make their final wage last for two months. For someone on a low income, who is moving in and out of seasonal or temporary work, this can be extremely challenging and can lead to crisis. While our evidence of the impact this is having on individuals is limited in terms of numbers, we have seen cases where this practice has made housing situations extremely precarious.
9. While individuals on low incomes may struggle with budgeting from time to time, it is our view that changes could be made to the system to help reduce the numbers who end up in crisis by reducing delays, reducing the amount that can be deducted to repay an advance payments and by providing some flexibility when payments are in arrears. At present, our evidence suggests that the limited welfare fund budget is being used to resolve crises that result from issues with the system that is intended to support their income.

10. We would also recommend that the SG considers measures to improve the consistency of the support SWF provides when applicants initially apply for UC as highlighted above.