

**WELFARE REFORM COMMITTEE
FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND
WRITTEN SUBMISSION FROM COSLA**

Key Messages

- **Scotland must seize the opportunity to use its devolved powers to support and improve outcomes for the most vulnerable people in our local communities.**
- **There is a historic opportunity to develop integrated services at the local level which better support those with disabilities, caring needs and chronic health conditions.**
- **Whilst we can only work within the powers available and the financial limitations, where we have flexibilities these must be used sensibly to offset the risks where possible.**
- **A national framework for improving employability must be accompanied by local delivery which is accountable to local communities.**

Introduction

COSLA believes there should be a creative and innovative approach in how the new powers transferring to the Scottish Parliament are used. These should be used in a way that addresses longstanding inequalities that exist in Scottish society and limit individual, family and community wellbeing. COSLA has endorsed a vision of how we can collectively work to create a fairer Scotland through adopting the recommendations of the 'Commission on Strengthening Local Democracy' report. The Commission produced its final report last year after extensive engagement across civic Scotland. Key to improving outcomes for some in our most deprived communities is for decision making to be as close to these communities as possible, integrating rather than centralizing services and recognizing that the purpose of all democracy is the improvement of outcomes and opportunities for the communities and individuals that empower it.

COSLA also believes that the approach to how new powers are to be used should be informed by the ambition of the Christie Commission. This was endorsed by both the Scottish Government and COSLA. It provided a vision over the delivery of a reform programme which challenges public services in Scotland to reshape, integrate and deliver better services to those who need them. It also aimed to drive improvement activity towards reducing inequalities and improving outcomes for some of Scotland's most disadvantaged communities.

Yet, COSLA also recognises that the freedom of action for Scotland may not be as great as envisaged because of the design and interdependence of other aspects of the British Social Security System. There will also be the matter of the fiscal framework and what can be afforded. Moreover, Scotland will receive these additional powers against a background of existing and further reductions in the scope and size of social security budgets which will inevitably constrain the extent to which Scotland can develop its own system. Rather than focusing on building a new 'Scottish' bureaucracy to deliver these services, it is imperative that Scotland takes the opportunity to develop real synergies with existing devolved services in a way that simplifies access, strengthens outcomes and provides more local and personalised services.

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

The UK social security system has historically supported people with disabilities in two ways:

- By replacing earned income for those unable to work due to sickness or disability, and
- By compensating individuals for the additional costs of living with a disability.

It is important to remember that it is only benefits associated with the latter intention which will be devolved. Income replacement benefits for people with sickness or disability are now largely delivered as Employment and Support Allowance (ESA). These have been subject to increased sanctions and conditionality such as the Work Capability Assessment and will remain reserved. Nevertheless, substantial budgets are being transferred with nearly £1.5 billion spent on Disability Living Allowance in Scotland in 2013/14 accounting for almost 60% of total expenditure on the benefits to be devolved.

There are clearly challenges in Scotland's ability to pursue its own direction in how it treats people with disabilities and chronic ill health. This is particularly since the move to Personal Independence Payments (PIP) along with the intention to reduce expenditure by 20%, is likely to be largely complete in Scotland by the time transfer of responsibility occurs. Because of the budget size it is unlikely that the Scottish budget will be able to meet this shortfall in the way that money was found to compensate for the impact of the 'Bedroom tax.'

COSLA's view is that if Scotland is to improve on the UK system, it can only do so by capitalising on the direction of integrated service delivery which is already underway here through the Integrated Joint Boards working on health and social care. This was driven by an understanding that to achieve better and cost effective outcomes we must ensure that all relevant services operate as one integrated system, with shared objectives, effort and delivery thereby maximising the service investment and the access to support.

A criticism levelled at the current social security system is that its administrators narrow down on a small number of output or capability measures (e.g. number of job applications made, or a demonstration of mobility) as a means of rationing who receives benefits. This is instead of taking a more rounded outcomes focus (e.g. a focus on sustainable employment or education or participation in community). COSLA believes the devolution of the additional social security powers to Scotland could allow us to develop practices that align with the latter. This would be especially the case for benefits are paid to carers, disabled people and people who have chronic health conditions. Assessors should be engaging with people as people, allowing them to reflect on what matters to them in their life, and also why these are important. This approach and philosophy is currently being embedded in social work practice in Scotland within the context of Self-directed Support.

This is an historic opportunity to ensure that benefits for carers, disabled people and people who have chronic health conditions are properly aligned with the health and social care system. We are interested in exploring the concept of a single gateway, administered by local authorities as part of integrated joint boards, which would allow people to access appropriate levels of financial support based on need and agreed personal outcomes.

COSLA recognises that developing this approach would be complex and could not be achieved immediately. But, we are interested in developing a dialogue with the Scottish Government and disabled people's organisation on how we can collectively work towards viewing benefits and supports as a single system which avoids multiple assessments and is more personal and accountable.

Universal Credit (housing element and administrative arrangements arrangements) and Discretionary Housing Payments

COSLA welcomes the flexibilities Scotland will be able to exercise under Universal Credit (UC). Regrettably we also need to recognise that these are limited in scope and that there will be no fundamental change to the design of UC which will remain a reserved benefit.

COSLA members have been concerned for some time that monthly direct payments of UC would result in significant numbers of tenants falling into debt and increased rent arrears to social landlords affecting their cash flow and access to affordable capital. Scotland continues to have a more significant proportion of social housing than elsewhere in the UK and it is important to avoid destabilising this provision, all the more so given the importance of access to affordable housing to addressing inequality.

Using the flexibilities will help offset those risks. Scottish Local Government has not been convinced of the arguments made to stop making direct payments to social landlords as a matter of course. The final report of the Direct Payment Demonstration Projects (DWP, Dec.2014), which was a resource intensive programme and focused only on housing benefit, continued to show a number of clear problems which are likely to arise in the full rollout of UC as proposed, without these flexibilities.

COSLA therefore supports a default position in Scotland, that, the housing element of UC would be paid direct to social landlords, unless the tenant opts to have it paid to them.

We have some time to consider more frequent, e.g. bi monthly payments. We are now less convinced that this will assist claimants because of the fundamental design of Universal Credit. Essentially, the first payment, made in arrears, would only be received after 5 weeks (possibly 6 weeks – when the introduction of a 7 day waiting period is put in place). The DWP suggest that the first payment under a twice monthly regime would be about half that of the payment made under a monthly arrangement. This would heavily penalise those reliant on the payments. We had hoped that the first payment would be for the month, and then the second and following payments would be the half month in arrears. While discussions will continue on this matter, despite most people on low incomes tending to budget weekly or 2 monthly, we think the facility of bi-monthly payments should only be a default position if this is sorted out. Otherwise it should be a promoted option.

COSLA would like to see the Scottish Parliament legislate to abolish the 'bedroom tax' as soon as it able to do so. The remaining Discretionary Housing Payments should then be available to support a wider range of housing needs.

The Work Programme and Work Choice

For some time, Scotland's local authorities have made representations that the effectiveness of employability programmes here is being hampered by the existence of national programmes which fail to respond to local labour markets and service

infrastructure. The intergovernmental Scottish Employability Forum was formed several years ago to respond to such concerns and was jointly chaired by UK, Scottish and Local Government. It includes representation from the 3rd sector, further education, and the private sector.

The Scottish Employability Forum commissioned an analysis of the employability system here and discussed the findings at its February meeting. The forum agreed that the fact there are significant areas where progress is slow was worrying. In particular the plethora of various national and local funding streams and services made it a very difficult task to assess what was being spent on any particular group and how effective this spend was in achieving real outcomes. More positively, the group agreed that there were up and coming opportunities to improve the system – one of which was the further devolution of UK Government employability programmes, and the renewal of the contracts.

Local Government's views on the employability system have been consistent and clear for some years now. The "Local Government Employability Policy Statement" was developed and agreed in 2012 – and sets out Local Government views and evidence on how to achieve better integration of services and outcomes for individuals. The principles of the policy statement agreed in 2012 have now been applied to the potential devolution of employability programmes. A number of key themes/principles are set out –

- "Local by default, national by agreement" underpins our approach to the devolution of employability programmes.
- We need to maximise the scale and scope of devolution to ensure there is a meaningful prospect of policy improvement compared to the British programmes.
- Replacing one centralised system with another would represent an opportunity loss
- Integration of new devolved programmes with local skills pipelines is key.
- A number of aspects would make sense to be progressed and agreed nationally.

While COSLA recognises that the approach Scotland now develops will need to include a national framework, it is vital that the focus should be on local delivery, taking into account differences in local economies and local labour markets and developing an integrated service landscape that is firmly embedded and accountable to the communities and neighbourhoods where people work and live.

The Regulated Social Fund, new benefits, tops ups and delivery of benefits overall

COSLA also needs to discuss with the Scottish Government how the other smaller welfare budgets to be devolved, such as the Weather Fuel Payment, Cold Weather Payments, Funeral Payments and Sure Start Maternity Payments are handled. There may be merit in developing synergies with the Scottish Welfare Fund or other local authority services. However, this is not straightforward or necessarily desirable given the limited contribution payments under some of these programmes have made to underlying need. The key point is that they integrate with local services where that simplifies customer access and provides support when and where needed as the customer faces challenging circumstances.

We have no firm position on the creation or otherwise of new benefits or top up to existing benefits. We do note that it is likely given the tight fiscal framework that Scotland will be constrained in how it uses any such powers. It is important that any options considered

form part of a clear outcome focused strategy which builds on integrated approaches and would have to be considered in the context of the overall spending review.

On delivery, COSLA's preference is for locally delivered and accountable services which are sensitive to the needs of different communities across Scotland. However, we believe that we should be clear and in agreement over the objectives and outcomes we are seeking to achieve across Scottish & Local Government, prior to focussing on delivery options.

Scotland can work toward fairer, simpler and more personal services only if we take a different approach and integrate new powers into the work already underway to reform our public services, make them more accountable and responsive to the variety of needs across communities.