SUBMISSION FROM COSLA

[This is a copy of the submission provided by CoSLA to the Finance Committee on the Bill's Financial Memorandum.]

Introduction

COSLA welcomes the opportunity to respond to the Scottish Parliament Finance Committee's call for evidence in relation to the Welfare Reform (Further Provision) (Scotland) Bill - Financial Memorandum.

COSLA accepts that, since the Scottish Parliament only agreed to a partial Legislative Consent Motion in relation to the UK Welfare Reform Act, it is necessary for the above enabling Bill to confer powers to Scottish Ministers to make changes to devolved matters, primarily passported benefits affected by that Act.

This Bill does not cover new arrangements for example for the administration of Council Tax support, following abolition of Council Tax Benefit and devolved elements of the Social Fund, both of which require to be in place by April 2013. Therefore, whilst we look forward to a future discussion with the Parliament about these critically important areas, in our response we are not making any further comment on these.

The Committee should also take note that it is too early for COSLA to offer anything other than broad comments on the financial implications of the elements contained in the Bill, as the level of detail needed to quantify the impacts is not yet available. Nonetheless the Committee should appreciate that where the response below refers to additional costs these will need to be addressed and, as the detail begins to unfold, COSLA will seek to work in partnership with the Scottish Government to quantify and seek ways to mitigate any financial impacts on Local Government.

Taking account of the caveats provided above, COSLA has set out the following responses to the Finance Committee Questionnaire which was attached with the request for evidence.

Costs

The Financial Memorandum covers the costs of existing statutory passported benefits in Scotland. We do not anticipate the costs of this existing provision changing as a result of the Bill, however any subsequent change to eligibility arising from regulations would have financial implications for Councils and these would need to be understtod and quantified.

The Financial Memorandum also refers to possible increases in administration costs for Councils if more complex assessment schemes need to be put in place to maintain existing entitlements, without the same ability to use benefit entitlement as a proxy for income levels.

In response COSLA would wish to draw the Committte's attention to the fact that the costs are very much dependent on whether information on the breakdown of claims for Universal Credit is available and is shared with Councils by the Department of Work and Pensions. Until the position becomes clear as to whether this breakdown will be available it is too early to quantify meaningfully the level of these costs.

Even if a breakdown of benefit information is readily available to Councils there will be costs associated with maintaining the schemes and these could include publicity, devising new assessment forms and procedures, changes to IT systems and electronic claim forms and increased assistance to claimants, but these examples are not exhaustive. We do not consider that Local Government can accommodate these additional administrative costs and therefore further discussion would be required with Scottish Government about how these costs can be addressed. Without the breakdown of Universal Credit, Councils will have to devise much more complex assessment procedures and these could have significant costs attached.

Therefore, whilst COSLA is working closely with the DWP on the implementation of Universal Credit and the issue of having a breakdown of costs is well understood, we would welcome the support of Parliament in pursuing this issue.

Additionally since most claimants will only gradually move on to new benefits between 2013 and 2017, parallel systems of entitlement will need to operate during the transition period and this is likely to further increase the administrative burdens on Councils.

Wider Issues

COSLA understands that the Scottish Government is dependent on further information from the UK Government on how Universal Credit and Personal Independence Payments (PIP) will operate in practice, before it is able to finalise the regulations governing passported benefits. However we would be concerned if sufficient time is not allowed to adjust operational arrangements and to be able to communicate changes. COSLA will however seek to work with the Scottish Government as necessary to ensure the necessary arrangements are put in place timeously.

Councils also provide non statutory passported benefits, for example, school clothing grants which are linked to free school meals, admission to leisure centres and other concessionary entitlements. It is anticipated that additional administration costs may be incurred to continue this provision as a consequence of the move to Universal

Credit and PIP but these are not quantifiable at this stage until the detail of the new schemes are available.