

## **WELFARE REFORM COMMITTEE**

### **THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND**

#### **WRITTEN SUBMISSION RECEIVED FROM NORTH AYRSHIRE COUNCIL**

North Ayrshire Council welcomes the devolved welfare powers available under the Scotland Bill 2015 and the opportunity to respond to the Welfare Reform Committee's call for evidence on the Smith Agreement.

The Council considers there is an opportunity for the Scottish Government to implement a Scottish welfare scheme that can be integrated with local services to meet the needs of vulnerable people; and a national employability programme that will stimulate local economic growth and produce positive outcomes for individuals. The Council will continue to engage with the Scottish Government over the devolved powers and ensure they are used to mitigate inequality across its local communities and improve the lives of North Ayrshire residents.

**How should the new welfare powers proposed by the Smith Agreement be used to improve or change:**

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

- The benefits to be devolved are non-means tested and each supports or has links with wider Social Care and Health policy intentions of:
  - Health and Social Care Integration;
  - Health Inequalities;
  - Care in the Community;
  - Free Personal Care;
  - Carers' Strategy; and
  - Self-directed Support.
- The Council considers there is an opportunity, through Integrated Health and Social Care Joint Boards to align and improve the delivery of these benefits through a national framework and single gateway at a local authority level. A local single gateway may simplify the application process by removing multiple assessments, improve the assessment process to ensure the benefits can be accessed based on need; and improve personal outcomes for customers. The gateway could be used to engage with customers and develop personal solutions for example participation in the local community or sustained employment within the context of self-directed support. An independent appeal process should safeguard applicants.
- The Council would advocate the creation of a new disability benefit for working age claimants to replace DLA and PIP to signify a different scheme in Scotland, with

appropriate consultation from relevant stakeholders. Retention of DLA/PIP but with different entitlement rules to other part of the UK would lead to customer confusion. Although the Bill prevents an amendment to the basic rules of entitlement there is scope to revise the current “care” or “mobility” elements and design a single award covering all aspects of disability with different levels to reflect need. The Council calls for a cessation of the current transition process from DLA to PIP and for PIP claimants to retain their current benefit and rate of payment while the new disability benefit is developed.

- The claim process of these benefits could be improved by assessing period of awards on individual circumstances and removing unnecessary reviews where, for example a person has a severe congenital disorder or progressive illness. There is an opportunity to design an administratively efficient claim process that is transparent and ensures people are treated with dignity and respect.
- Consideration should be given to ending contracting out of “medical assessments” in relation to benefit entitlement or an evaluation made of the effectiveness of the current process before deciding on future direction.
- Attendance Allowance or equivalent new benefit should include life awards for those with a progressive illness or those who are in receipt of significant care and support services; with different rates of payment to reflect the degree of impairment or support needs. Routes into Attendance Allowance for example transition from working age disability benefit or, the current assessment and service delivery processes for older people should remain. A range of medical and social care professionals already carry out person centred assessments and provide access to self-directed or supported packages of care and should form part of the new benefit. An independent appeal procedure would be required.
- The Bill provides limited scope for improvement to Carers Allowance; the current application process is straightforward and awards are not generally subject to review or reassessment; there are some very positive aspects. One area for improvement would be to improve, underlying entitlement and limitations on ability to work or attend college, which are excluded by Clause 19 of the Bill and not subject to review. To improve the value of the benefit consideration could be given to increasing the level of payment up to the equivalent of any top-up that is payable from UK reserved benefits; Scotland would need to meet the whole cost of this. Any new Carers Allowance should include a “learning account” giving access to flexible education and training opportunities for carers.
- Replacing Severe Disablement Allowance could provide an opportunity to pilot a single disability income for people with a congenital disorder, long-term condition or progressive illness. Changes to this benefit will impact on UK reserved benefits for

example a loss of entitlement for some, unless the replacement benefit is recognised as a trigger for benefit related premiums.

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

- Universal Credit (UC) is a reserved matter and variation powers under the Smith Agreement may require the development of a Scottish version of Universal Credit with the Department for Work and Pensions; this will require IT changes to existing DWP UC systems. Early agreement on the administration of the powers is therefore essential to influence system design.
- Direct payment of the Housing Element to social housing landlords should be the default position with an opt out clause for tenants; this will reduce administration of Universal Credit, protect rental income for Local Authorities and Housing Associations and safeguard tenancies for vulnerable people.
- To implement and administer direct payments will require fundamental changes to DWP systems. DWP has an Alternative Payment Arrangement facility in place to pay the Housing Element direct to landlords but this comes after the calculation of the Housing Element and both processes would need to be harmonised. There is a risk that changes in tenancy and tenants moving on and off UC could result in underpayments and overpayments of the Housing Element increasing administration complexity.
- The UK Government's spare room subsidy policy is a reserved matter. Administration of the Discretionary Housing Payment Scheme could be improved by finding an alternative way to mitigate spare room subsidy without using DHP or for the Scottish Government to seek the abolition of spare room subsidy. If the policy remains in place then variation of the Housing Element should be used to nullify the impact of spare room subsidy. The most cost effective solution would be to disregard under occupation in the calculation of the Housing Element. This would negate the need for Discretionary Housing Payment (DHP) Scheme to be used as the mechanism to address any shortfall. This would significantly reduce DHP administration by Local Authorities; remove complexity and make it easier for tenants to understand their UC entitlement without having to apply for DHP. This will ensure that remaining DHP funding can be focused on where there is most need. The Scottish Government and UK Government would need to agree a repayment mechanism for the amount of spare room subsidy in Scotland.
- Universal Credit is paid monthly in arrears and careful consideration is required to adjust the frequency of UC payments and make split payments without creating administration difficulties and affecting the income of customers; for example, keeping track of payment dates and payment frequencies for different tenants; and ensuring the housing element is paid to the tenant of the property to allow effective arrears prevention and recovery. Bi-monthly or split payments should be optional.

- Scotland Bill permitting, Scottish Government should consider using the variation powers to exclude the Housing Element from the DWP UC calculation in Scotland. Consideration should be given to the calculation of the Housing Element being carried out by Scottish Local Authorities using existing Housing Benefit and Council Tax Reduction systems. Much of the claimant income and capital information to calculate the Housing Element is collected for council tax reduction and could be captured on a single application form. The advantage of this approach is that all variation powers could be met more readily as Housing Benefit systems are already set to make direct payments to landlords, vary under occupancy charge and vary payment frequency to meet rent cycles; the IT infrastructure is in place. This approach may significantly reduce the cost and requirement for the DWP to amend its IT system to design a UC system to meet Scottish requirements.
- Removal of the 7 day waiting period for new Universal Credit claims. Non-payment of UC in the first 7 days is likely to increase Council rent arrears and private landlords may be less inclined to let their property to UC recipients exerting pressure on Council Services for example homelessness and waiting lists. Scottish Government to seek a review of the Universal Credit (Waiting Days) (Amendment) Regulations 2015.

### **The Work Programme and Work Choice**

- The Council shares COSLA's position in relation to a replacement for the work programme and work choice.
- The current national work programme does not respond to local needs, progress is slow and is not achieving the desired outcomes in North Ayrshire. The Council advocate the replacement of the work programme with a new national framework for employment programmes, delivered at a local level, with a firm focus on local economic conditions, labour markets and skill pipelines; with direct accountability to local residents and communities.
- There is an opportunity to rationalise national and local funding schemes and existing contracts, as part of the overarching framework to achieve positive outcomes.
- The Council is concerned at the level of sanctions against people participating in the Work Programme and would request that a more supportive environment is introduced under the new powers to protect vulnerable people.

### **The Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.**

- The Council administers the Scottish Welfare Fund, which is a replacement for the former discretionary elements of the DWP Social Fund and is based on underlying need; there is no natural synergy with applicants to the Regulated Social Fund; Weather Fuel Payment, Cold Weather Payments, Funeral Payments and Sure Start

Maternity Payments; and therefore a separate approach to delivery may be required. The delivery of the Regulated Social Fund could be improved by integrating it with local services and provide customers with easy access to support at a local level to ensure they receive their correct entitlement.

- Disability Living Allowance and Personal Independence Payment should be replaced by a new benefit as outlined in section 1 above. This will provide an opportunity to design a benefit that meets the needs of people with a disability in Scotland.
- The Council has no firm position on the delivery or the range of top ups to be made available except that claimants should not be financially worse off under any new schemes in Scotland or UK reserved benefits.
- Benefits should be delivered locally to provide local communities with a strategic and holistic service that meets customer needs; with clear objectives and outcomes agreed between Scottish Government and Local Authorities.