

WELFARE REFORM COMMITTEE

THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND

WRITTEN SUBMISSION RECEIVED FROM SOUTH LANARKSHIRE COUNCIL

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

Welfare reforms have had a cumulative impact on many people, including carers and those with disabilities. Even where they have not had a financial impact, they have caused families worry, stress and anxiety, resulting in worsening physical and mental health as well as additional strain on relationships.

Improvements or changes must first and foremost do nothing to make things more difficult or confusing for claimants. They should not be faced with the worry of reassessments, forms to complete, medical assessments and waiting weeks or months for decisions.

In the short term the main opportunities may be around the assessment for disability benefits, with more cognisance taken of reports by applicants' own GP/consultant/other health care provider. Opportunities may also be available for making medical reports readily available for the decision maker with the applicant's permission. Decision making by people with expert knowledge of the medical condition, reasonable expected impact of that person's condition, taking into consideration the stage it is at and proper consideration of medical history would also result in better decision making.

Better assessments and decision would mean less stress on claimants, including carers, which would undoubtedly have a more positive impact on people's mental and physical health. If more decisions are right in the first place, there will be less need for reconsiderations and appeals, thereby reducing strain on the appeals service, advice services, integrated health and social care services and the DWP.

Health and Social Care integration could provide opportunities to work with whoever administers AA/DLA/PIP and Carers Allowance to streamline applications for the relevant benefits, ensuring that those who have care and/or mobility requirements are automatically referred for a claim for benefit along with anyone who is caring for them. This could reduce the risk of people getting into financial difficulties over time as they cope with the additional costs of having a disability and of caring.

Opportunities to increase payments for carers without having an impact on non devolved welfare benefits should be explored. Any increase in payments should be consistent across Scotland. Consideration of opportunities to increase the amount of money that a carer can earn before their carers allowance is withdrawn should also be considered.

Where someone with severe disabilities requires day and night time care, consideration of paying benefits for two carers should be explored.

It is vitally important that IT systems are in place to ensure that means tested benefits linked to DLA/AA/PIP and Carers Allowance are also communicated properly to ensure correct payment and to avoid overpayments. For this reason, at least in the short term until effective systems are in place, it will be better for the DWP to continue to administer these benefits.

Personal Independence Payments are relatively new and we know that there have been some administrative and other difficulties in the early stages. It seems likely that the migration of existing DLA claimants to PIP will be well underway before the relevant benefits are devolved under the Smith Proposals. It may be useful to investigate PIP effectiveness in meeting the needs of severely disabled people in Scotland by way of a review process and to consult widely on recommendations and proposed changes in tandem with the independent review recommendations for improvement.

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

General Comment

Before providing detailed comments on Universal Credit, we would wish to raise a general concern regarding the timescale for implementation of this new benefit. As the Scotland Bill progresses through Westminster, Councils and Registered Social Landlords across Scotland will be directing considerable resources on preparing for the introduction and continued expansion of Universal Credit under its current format.

Given that the Scotland Bill provides significant scope to vary key aspects of Universal Credit, it is essential that ministers and officials at Westminster and Holyrood work together to establish early agreement on the likely date of commencement of the provisions once enacted. Indeed consideration should be given to suspending the roll out of those aspects of the programme, which will, over the next couple of years, come within the remit of the Scottish Parliament. This should assist in preventing any unnecessary work being undertaken in areas which may change due to the Scotland Bill.

Universal Credit: Payment of Housing Costs to Social Landlords

We are supportive of this proposal and feel there is a strong case for rent to be continued to be paid directly to the local authority or Registered Social Landlords. The move towards paying the housing cost element direct to the tenant will place considerable burdens on landlords, increase the cost of rent collection and the level of rent arrears. In addition to the costs to the Council there is significant concern that non payment of the rent will increase the likelihood of tenancy breakdown and homelessness.

Universal Credit: Persons to whom, and time when, paid

This proposal to give power to Scottish Parliament to vary the frequency/period of payment on which Universal Credit paid is welcome

As with a number of other organisations we have concerns about Universal Credit being paid in one monthly lump sum. Additionally there will undoubtedly be cases where it would be appropriate for payment to be made to more than one household member. Currently Universal Credit provides very limited scope to vary who is paid and the frequency of payment and we would be supportive of using this clause to promote greater flexibility, and ensure that payment arrangements are appropriate to the circumstances of the individual and their household. The power to vary the housing cost element of UC, particularly in relation to the under-occupancy charge and non-dependant deductions, would be greatly welcomed by this authority. However the extent to which it can be varied requires clarification. In relation to non-dependant deductions, the current proposal under UC is one flat rate Housing Cost Contribution irrespective of the non-dependant's age and/or income, any power to vary this to a fairer system would be welcomed.

Transfer of responsibility for Discretionary Housing Payments (DHP) to the Scottish Parliament

The transfer of responsibility for DHP to Holyrood provides scope for the system to be used more flexibly to reflect the Scottish context. However, at the same time there is a clear need for the UK and Scottish Governments, to work together to establish a longer term financial commitment in terms of the level of support to be provided.

The use of DHP to mitigate the impact of under occupancy has brought about a wholesale change in the system and has created significant administrative burdens. The proposed powers to "top up" Housing Benefit and Universal Credit, as noted at section (d), could be a better way to replace the amount of money, in Benefits, reduced due to under occupancy rather than the current use of DHP. However, this will be dependent on any new administrative requirements surrounding the "top up" scheme. Replacing the current practice with "top up" would also enable DHP to return to its intended objective, where it focused upon supporting a relatively small number of households facing hardship, as opposed to the current cumbersome bureaucratic system for reinstating the money removed from Housing Benefit of households affected by under occupancy.

The Work Programme and Work Choice

How should the new welfare powers proposed be used to improve or change the Work Programme and Work Choice?

Given that the UK Government renewed Work Programme contracts in 2014, there would seem little scope for improvement or change before these run out in 2017.

At present the Work Programme and Work Choice and other UK DWP programmes; running in tandem alongside Scottish/LA level employability support presents a complex operating environment which can confuse both clients and employers.

As a Local Authority, we play a lead role in the coordination and delivery of the local 5 stage Employability Pipeline in South Lanarkshire. Since the Work Programme, Work Choice etc. were introduced, we have had no insight into what is being

delivered given the "black box" nature of these contracts which is unhelpful and very limiting in relation to partnership working .

The Scottish Government decision on European and other national level employability programmes not to be used to support the Work Programme therefore limits choice and opportunity to Work Programme / Work Choice participants who cannot access local market led employability opportunities.

Thinking towards the contract end dates in 2017, it is our belief that the new powers albeit limited have the potential to create a simpler and more efficient labour market aligned service to those out of work.

Whilst the Work Programme and Work Choice are mentioned explicitly these are not the only programmes or funding provided by DWP in Scotland and **all other** DWP non-core spend should be included i.e. Flexible Support Fund, Support Contract and Youth Contract.

Devolution of these activities / funds to the Scottish Government and ultimately to Scottish Local Authorities will maximise the effectiveness of employability programmes in Scotland by operating local programmes which reflect and respond to local labour markets and service infrastructure. Over and above improving the employment outcomes for programme participants, their experience / journey towards employment will be improved as they progress through an integrated model of support that is flexible and responsive to their needs as well as those of local employers.

The services required at a local level are those which are integrated and allow clients of all ages to access employability services and exit to sustainable employment quickly. Community Planning Partnership management of the targeted local resources will facilitate this.

The following position statement as agreed with the SLAED (Scottish Local Authority Economic Development) employability network sets out the key themes / principles in relation to the devolution of powers –

'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 deviation from UK programmes – i.e. better reflect local circumstances.
- Replacing one centralised system with another would be an opportunity lost i.e. replacing a 'UK one size fits all with a Scottish one size fits all' would remain unsatisfactory.
- Integration of new devolved programmes with established local 5 Stage Employability Pipelines is key.

Finally, clarity is required around the issue of benefits and sanctions linked to participation in the future delivery model, given that powers linked to these have not been devolved.

Current local and national (Scottish Govt managed) programmes are not mandatory, and do not include a risk of loss of benefits to participants. By proposing we have a fully integrated Scottish Employability programme, designed, procured and delivered at a local authority / Community Planning Partnership level, (and including DWP devolved budgets) further consideration is required about the implications of including mandatory programmes for participants and for partners.

Our services are supporting residents every day who are in crisis following being sanctioned. We are well aware of the significant challenges this is presenting a wide range of services including money advice; housing; social work; health; education and others let alone the impact on individuals and families. Our interest is in reducing or removing these challenges and certainly not in co-producing them.

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

Regulated Social Fund

The Smith Commission report recommended that the benefits which currently comprise the Regulated Social Fund (Cold Weather Payments, Funeral Payments, Sure Start Maternity Grants, and Winter Fuel Payments), all of which are currently administered by the DWP, be devolved to the Scottish Parliament.

In view of the links these benefits have with the Scottish Welfare Fund, which is administered by local authorities in Scotland, devolution of this power would be beneficial. However, a lack of clarity over how and by whom it would be administered prevents further comment at this stage.

Power to top-up of reserved benefits

This proposal to give the Scottish Parliament the power to legislate to top up benefits which are reserved to Westminster is welcome. The discussion on the use of this provision has focused on giving the Scottish Parliament the power to top up Housing Benefit or Universal Credit for households subject to the under occupancy deduction.

The Council continues to be highly successful in ensuring that the DHP funding available is accessed by eligible households and achieved 100% spend in both 2013/14 and 2014/15. This achievement however, continues to require the Council to direct significant staffing resources towards the assessment and administration of both, the "Bedroom Tax" and the promotion and administration of DHP.

We would be strongly supportive of using this provision to "top-up" the under occupancy deduction as it would be a far more effective use of staff resources. Having to direct staffing resources to this issue at a time when budgets are under severe pressure is, and will continue to be a significant challenge.

In the context of the under occupancy reduction, it is important that this clause is established as a standing provision and not on a time bound basis. This would provide reassurance for those affected, and the stability that social landlords require for planning services over the longer term.

It would also be worthwhile considering whether the power to top up benefits could also be used in relation to households subject to the Benefit Cap. There will be instances e.g. in relation to homeless households, where it would be appropriate to use this power to support Councils to discharge their statutory duties towards larger households in terms of the providing appropriate temporary and permanent accommodation whilst tenants. This is specifically relevant in this sector as rent charges will, in most cases, be greater than the allowable housing costs, resulting in significant rent arrears accruing.

Homelessness Temporary Accommodation

Temporary accommodation which the council owns and manages does not meet the criteria for specified accommodation. Accordingly council owned supported accommodation will have to be funded through Universal Credit, with payment capped at Local Housing Allowance level.

South Lanarkshire Council is concerned that this will significantly restrict its ability to meet the needs of homeless households, as the level of funding which will be provided through UC means that it will not be viable to provide council owned supported accommodation. The Council has worked with a number of organisations, including the Association of Local Authority Chief Housing Officers (ALACHO), to highlight its concerns regarding this matter.

If this matter is not resolved by the DWP, consideration should once again be given to using the proposed power to top up benefits, or the power to create new benefits, to ensure that adequate funding is available to individuals to meet the costs this vital service.