

WELFARE REFORM COMMITTEE
THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND
WRITTEN SUBMISSION FROM HIGHLAND COUNCIL

The Highland Council area covers a third of the land area of Scotland including the most remote and sparsely populated parts of the United Kingdom. We have the 7th highest population of the 32 authorities in Scotland. It is 10 times larger than Luxembourg, 20 per cent larger than Wales, and nearly the size of Belgium

Only 25% of the population live in settlements of over 10,000 people and 40% in settlements of over 1,000 people. Residents in the Highlands or other rural areas in the UK face many more complexities when accessing support and digital services for their benefits compared to someone living in an inner city, for instance.

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

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

The Highland Council strongly believes that the disability benefits system must meet customer needs. Individuals who require additional support due to health conditions need to know that there is a reliable and effective system available where appropriate, whether it is time-limited support or lifelong help. The protection of the most vulnerable and marginalised service users should therefore be guaranteed.

Disability benefit recipients may require extra financial support to arrange for specific services to be delivered to meet their needs and ensures that their most basic human rights are respected and it significantly improves their quality of life too. These two outcomes should constitute the core of any disability benefits system.

In Great Britain, it is reported by the DWP* that a substantially higher proportion of families with disabled members live in poverty, compared to families where no one is disabled. 19% of families with at least one disabled member live in relative income poverty, on a before housing costs basis, compared to 15% of families with no disabled member. *[Disability facts and figures - GOV.UK](#)

The Highland Council believes the Smith Commission affords the opportunity to develop a future disability benefits system to be built upon the concept of personalisation and improve the current assessment process which is to the detriment of claimants. This may include:

- *Introduce a holistic assessment of individuals to include supporting medical evidence which would determine if a face to face assessment is required – This would identify claimants whose conditions are significant enough to award PIP without the need for a face to face assessment.*
- *Where a face to face assessment is required a local Assessment Centre is available - The Highland geographical area compounded by the small number*

of Assessment Centres means claimants have further to travel and in some instances is an expense which they cannot afford. It is noted a claimant will have their fares re-imbursed when they attend their assessment. However, if they do not have the money in the first instance to pay the fare then the added burden can exasperate an already stressful experience.

- *Where appropriate re-introduce indefinite awards for degenerative and incurable conditions* - PIP does not currently offer indefinite awards meaning claimants are faced with systematic reassessments of their condition which given the very nature be demeaning and cause additional distress to already difficult circumstances.
- *Introduce an additional PIP daily living allowance comparable to the Care lower rate currently available to existing DLA* – PIP only has standard and enhanced daily living rates. In the Highland Council area approximately 2,170 working-age claimants are in receipt of the DLA lower rate care - currently £21.80 per week – which enables eligibility to premiums when claiming additional benefits. If a DLA claimant is unsuccessful at their PIP re-assessment in addition to losing their DLA lower rate care, a working-age claimant would no longer be entitled to disability premiums which would have a significant financial impact annually. For example
 - *Loss of DLA lower care & tax credit disability premium - £6,066 per annum*
 - *Loss of DLA lower care & HB/CTR disability premiums - £2,628 per annum*

The above 2 examples are dependent on the claimants individual circumstances based on the loss of DLA lower care

Finally any new disability benefits system should support not stigmatise its beneficiaries. The current system results in greater demands for individuals to prove their disability. Scotland should grasp the opportunity to offer support whilst focusing on what people can do and work towards maximising their skills and strengths, not diminishing their ability and confidence.

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

The Universal Credit (UC) proposals to enable the Scottish Government to change the payment frequency, vary the housing cost elements, pay housing costs direct to landlords and modify the existing plans for single household payments are welcomed by The Highland Council.

In Scotland, The Highland Council was the first Local Authority to go live with UC in November 2013. Our experience has highlighted some of the challenges faced by residents in the Highlands when negotiating this complex benefit system to make a claim. Claimants regularly require support from various organisations including the Council to resolve their benefit entitlement. In addition, as a social landlord, the Council has experienced significant challenges in the management of rent collection levels from some UC recipients.

The existing system already has some of the functionality to meet and apply the proposed policy changes e.g. direct payments to landlords, frequency of payments

and split single household payments can already be applied. Legislation could be extended to allow the override of the under occupancy criteria for residents residing in Scotland.

Currently tenants affected by the under occupancy rules are required to make a separate application to the local authority for a Discretionary Housing Payment (DHP). Adopting an 'at source' approach would ensure all claimants particularly those who are vulnerable would receive assistance and be treated equally. This change would also remove any complexity around the allocation of DHP funding to local authorities and reduce the administrative cost of applying the DHP scheme.

The implication of monthly assessment periods on direct payments to landlords has been evident in some cases in Highland. The monthly assessment period is arguably even more significant than monthly payments in its implications. It means that any change is treated as occurring from the beginning of the month, regardless of when it actually occurred. This 'whole-month' approach can lead to some losses and 'rough justice' for landlords. For example:

A claimant moves to new accommodation just before the end of his/her assessment period. He/she notifies the change immediately to DWP including the new landlord details and direct payments are approved. The new landlord will receive housing costs payment for the whole of the past assessment period and the previous landlord will not receive any payment.

In reality this means that even with direct payments in place there are no guarantees that a landlord will receive a payment. Landlords require assurances they will receive the expected rent payments for tenants in their properties.

Similarly monthly assessment periods are proving particularly problematic for UC recipients residing in temporary accommodation. Due to the classification of some temporary accommodation, not all properties fall within the exempt accommodation criteria and therefore are subject to local housing allowance rates. The transient nature of some tenants in this accommodation type has resulted in cases where a tenant has moved out of the property just before the end of the assessment period resulting in no housing cost element being paid for the whole month. This approach is leaving tenants with increasing rent arrears and a burden on Local authorities who have a duty to provide accommodation.

Local Authorities need some assurances that they will receive payments towards the rent in cases where tenants are entitled to claim benefits. In considering the proposed policies The Highland Council would ask that steps are taken to remove this type of accommodation from Universal Credit policy and allow it to continue under Housing Benefit.

c) the Work Programme and Work Choice

In any national framework, it is important that the focus is on local delivery, taking account of differences in local economies and local labour markets and developing an integrated service which is entrenched within, and responsible to, the people of the Highlands for local accountability.

The Council expressed concerns about the introduction of both these programmes at their introduction, principally concerns about how they would operate in rural areas with scattered populations and low incidence of eligible clients. Another principle consideration has been to avoid “double funding” – to ensure that Scottish Government / Local Authority resources were not being used to substitute for investment that should more properly be part of the DWP Programmes.

During this period many Local Authorities, including Highland, have been providing a range of services often supported by EU funding. These have identified the need for greater integration and coordinated leadership in recent policy initiatives within Scotland in recent years where “employability” is increasingly being recognised as one of a range of anti-poverty measures. The introduction of the measures to be devolved provides a major opportunity to develop a set of coherent and integrated approaches designed to deliver at a more local level.

The Cabinet Secretary for Fair Work, Skills and Training has also launched a discussion paper on the future of Employability Support in Scotland. The Highland Council will respond by the deadline of 9th October 2015. The Scottish Government and Local Authorities have recognised that further devolution of employability funding and programmes provides Scotland with an opportunity to make real progress.

d) the Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.

A modern welfare system should meet customer needs; the current system is not fit for purpose. This can be highlighted by a variety of different forms/applications which are complex and lengthy, requiring to be completed for a plethora of benefits. We have no firm position on the creation or otherwise of new benefits. However, the opportunity to rationalise the number of available benefits, most with very complicated qualifying criterion, should be explored.

This not only simplifies the system for customers but it can also reduce administrative and advisory costs which should be reinvested into the actual payment sums/entitlement to customers. Another key factor in any revised welfare system is that it is likely that the tight fiscal framework in Scotland will constrain some options in this regard. It is important that any options considered form part of a clear outcome and customer focussed strategy which builds on integrated approaches with services delivered locally and considered in the context of the overall spending review.

The Smith Commission provides the Scottish Government with the opportunity to design a system which has less bureaucracy, more flexibility and a move towards maximising resources to deliver and manage a successful social security system to our customers in Scotland. Within this system, Local Authorities can deliver a single point of contact service which can provide information, holistic support and benefit delivery to claimants.

This model would remove the need for claimants being forced to try and contact various numbers, email addresses and/or websites for assistance and enhance the

localism aspect. In consolidating the point of contact the ambiguity over who to contact when some event happens, or need arises, is removed. Claimants can immediately reach an adviser who is able to offer assistance and will understand the potential issues and problems faced within The Highland Council area.

For over 30 years, Local Authorities have demonstrated through the processing of Housing Benefit and associated Council Tax schemes the ability to provide and deliver effective and efficient local processing functions. Local Authorities also administer benefit/welfare-related claims including Educational Maintenance Allowance, Free School Meals (P4+) and School Clothing Grants. More recently, following the abolition of specific parts of the Regulated Social Fund, Councils in Scotland have played a pivotal role in the successful implementation and delivery of the replacement scheme - the Scottish Welfare Fund.

Delivered locally, this has seen Local Authorities provide increased support accessibility for significantly vulnerable groups, as well as delivering innovative and joined up preventative solutions and services. Councils have achieved this despite challenging budgetary pressures.