

## **Scottish Social Security Consultation Response**

### **Report by Dr Mary Smith, Director, Education, Communities and Economy**

#### **1 Purpose of Report**

To provide Council with the background to the Scottish Government's initial consultation on proposed Scottish social security legislation, and to ask that it notes the attached response submitted by the community planning partnership, to meet the deadline of 28 October 2016.

#### **2 Background**

2.1 A New Future for Social Security in Scotland was published in March 2016. In that paper, the Scottish Government made a commitment to work with people across Scotland to determine how best to use the new social security powers which will be devolved by the Scotland Act 2016.

2.2 The proportion of the Scottish social security budget that will devolve to Scotland amounts to £2.7 billion or 15% of the total £17.5 billion spent from this budget here every year.

2.3 The Scottish Government proposes to:

- Draw up a 'claimant's charter' embedding core principles of dignity and respect for the individual and an initial presumption of the validity of claims.
- Increase Carer's Allowance to the level of Jobseekers Allowance, and replace Sure Start Maternity Grants with a new, expanded Best Start Grant.
- Establish a Scottish approach to social security matters such as helping to ensure that the user's experience reflects the core principles, reviewing and appealing decisions and taking care of each individual's information and personal data.
- Establish a new Scottish Social Security Agency that will work alongside the Department for Work and Pensions.

2.3.1 Powers are being devolved over the following benefits:

- Ill Health and Disability Benefits which means - Disability Living Allowance (DLA), Personal Independence Payments (PIP), Attendance Allowance (AA).
- Severe Disablement Allowance (SDA) and Industrial Injuries Disablement Benefit (IIDB).
- Carer's Allowance.
- Sure Start Maternity Grants (to be replaced by a Best Start Grant).
- Funeral Payments.
- Winter Fuel and Cold Weather Payments.
- Discretionary Housing Payments.
- Some powers in relation to Universal Credit (i.e. to split payments between household members).

- 2.3.2 The Scottish Government also proposes to use its new powers in order to introduce a new job grant for young people, who have been unemployed for more than 6 months, and who are entering the labour market.
- 2.3.3 Given the complexities resulting from the introduction of a parallel benefits system operated by a separately managed agency in Scotland alongside the DWP; the Scottish Government has stated that it intends to work closely with the publicly funded advice sector, including Councils, to assess its current capacity and capability and identify strengths, weaknesses, opportunities and key risks.

### **3 Report Implications**

#### **3.1 Resource**

Whilst the impact of a parallel benefits system cannot at this stage be calculated in any detail it is clear that there will be a higher level of demand for advice and support to claimants making claims to both DWP and the proposed new SSA. The provision of high quality and accurate advice and support will remain an essential requirement.

#### **3.2 Risk**

There are significant potential improvements to life circumstances of residents of Midlothian from the new benefits, flexibilities and core principles proposed in the consultation. It is disappointing that the questions posed in this consultation make little or no reference to existing Scottish services and policies in the areas to be devolved. Only in relation to Cold Weather and Winter Fuel payments does there appear to be consideration of existing policies on fuel poverty and how some synergy might be achieved.

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.

There is a risk that by focusing on building a new 'Scottish' bureaucracy to deliver these services, the opportunity is missed to develop real synergies with existing devolved services in a way that simplifies access, strengthens outcomes and provides more local and personalised services.

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.

There is a risk that as there is no mention of existing support to carers in Scotland and the discussions under way in relation to the Carers Bill, an opportunity will be missed to invest more in supporting carers.

UK Government has, as part of its welfare cuts, made a serious of changes to eligibility to support with housing costs. It is now intending to freeze Local Housing Allowance. While it is may be desirable for Scotland to either reverse or vary recent changes when the Scottish Parliament receives the appropriate powers, the risk is that it is likely, given the tight fiscal framework, that Scotland will be constrained in how it uses any such powers.

### **3.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

- ☐ Community safety
- ☒ Adult health, care and housing
- ☒ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

### **3.4 Key Priorities within the Single Midlothian Plan**

The reduction of inequalities in Health, Learning and Economic Circumstances are the top priorities for the Single Midlothian Plan. Social Security reform is a major factor in all these.

### **3.5 Impact on Performance and Outcomes**

It is too early to define this other than to note that a doubling of national (UK and Scotland) agencies administering benefits will demand greater advice and support for clients.

### **3.6 Adopting a Preventative Approach**

The increase in support proposed in the consultation will directly prevent aspects of poverty currently increasing as a result of the UK Welfare Reform Act.

### **3.7 Involving Communities and Other Stakeholders**

This is a Scottish consultation to which the CPP is responding, including the views of Council services involved in direct delivery of advice and support to current claimants. The attached response is the result of wide stakeholder engagement led by the Midlothian Financial Inclusion Network, in which the Council is a partner.

### **3.8 Ensuring Equalities/ Supporting Sustainable Development**

The intention of the Scottish Government proposals are to reduce inequality, and they have carried out an EQIA. As this report deals with the consultation response, rather than a policy or strategy, there is not yet a requirement for an Integrated Impact assessment.

### **3.9 IT Issues**

There are no IT issues.

#### **4 Recommendations**

Council is requested to note the attached partnership response.

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**Background Papers: CPP response to Social Security Act consultation**

