

Scottish passported benefits: Consultation on changes required as a result of the introduction of Universal Credit and Personal Independence Payment



RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

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3. Permissions - I am responding as...

Individual

/

Group/Organisation

Please tick as appropriate

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate Yes No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick **ONE** of the following boxes

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick as appropriate Yes No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate

Yes

No

CONSULTATION QUESTIONS

Q1 The principles identified by the Social Security Advisory Committee to underpin the reform of passported benefits are: simplification, auto-entitlement, information transfer and making work pay. Do you think that these principles are helpful in the Scottish context?

Yes No To an extent

The principles identified by SSAC to underpin the reform are all important principles. The current system for assessing these passported benefits is simple, provides an automatic entitlement for claimants and is based on information transfer and this system is proven to work very well. We shouldn't be reinventing the wheel with this because of Universal Credit. The fourth principle of making work pay is also a very important principle closely aligned with the key objective of Universal Credit therefore it is a requirement to include this principle when assessing entitlement to passported benefit.

Q2 What other principles would you like to see underpin any reform of passported benefits in Scotland?

We feel that affordability of the scheme for the Scottish Government is important and should be added as a principle. The scheme needs to be cost neutral in that the cost of the new system of passported benefits should not exceed the cost of the old system.

Q3 Do you feel that it would be desirable to replace benefits in kind (i.e. providing the goods or services directly) with a cash alternative for some passported benefits?

Yes No To an extent

Cash payments of passported benefits may pose specific problems for specific groups e.g. those with a mental health issues.

To support financial inclusion/independence as per the principles of UC benefits in kind should be replaced by a cash alternative as this gives parity with those in work. However this increases the risk that money wouldn't be spent on what it was intended for. A scheme is required to check that the funds have been spent on the agreed purpose and a mechanism is required to ensure that the level of cash payments made match the level of costs incurred as this may vary for claimants.

This will increase the administrative burden of providing the services.

Q4 Do you feel that it would be desirable to roll existing cash payments for passported benefits into the Universal Credit payment, to create a single income stream?

Yes No To an extent

This would represent simplification from a claimant's perspective removing the need to claim separately for passported benefits where data gathered for a universal credit application demonstrates entitlement to them. If processing claims is auto-mated as planned this would create some efficiencies in respect of administrative costs for the government.

However, there would be a risk that the claimant will not know how much of their UC payment will be to cover free school meals for example if cash payments are made for such to the householder as part of UC. Evidence shows that payments clearly labelled for a purpose are most likely to be used for that purpose. At present UC will only show a standard allowance and housing element breakdown for claimant therefore there would be a risk that any cash payments included for passported benefits would not be used by the family as such. The implications relate to how the purpose of the benefit matches the reality of household spending. Additionally the cost of free school meals, blue badges and other passported benefits may vary from one geographic location to another. The need to take account of local circumstances in entitlements would create a complex system placing an administrative burden on the DWP.

A national cash value for each in kind passported benefit which has a fixed cost, recurring element (free school meals for example) at the point of transfer to UC could be an alternative but this would cause problems such as that there would be no account taken of local variations. It would lead to further confusion as for a time through UC migration period families will be in receipt of either UC or legacy benefits at the same time. This would cause confusion, potential for duplicated entitlement and some claimants missing out completely. Also the value of the cash payment would need to be protected and uprated over time to reflect actual costs. Failure to do this would risk cash payments for passported benefits becoming hopelessly out of touch with actual costs and they will simply be swallowed up and diluted by UC. The childcare model in UC allows us to link actual costs with the level of benefit afforded and is a way round some of these difficulties.

In terms of passported benefits for one-off costs such as legal aid, dental treatment the difficulty is having a simple and clear system that supports the actual costs incurred by the claimants. It is not appropriate to provide a set standard amount of benefit as a cash payment for these items. Therefore these passported benefits should not be rolled into UC payments. This would most likely need a separate claim process which is simple, where claimants know the potential entitlement and that the entitlement criteria is such that it recognises that these sorts of costs can be unaffordable for families whose income or capital may take them out of UC entitlement. This would mean increased administrative costs to assess applications and process payments when compared to assessing entitlement based solely on UC entitlement and actual costs incurred.

Q5 Do you think that the welfare system (i.e. receipt of Universal Credit or Personal Independence Payment) should form the basis for access to passported benefits?

Yes No for some entitlements only (please specify which)

This is the only method of providing access to a means tested benefit.

Q6 If yes, what existing alternative mechanisms can you suggest to identify recipients and verify claims?

None.

Q7 What could be done to make it easier for people to find out what benefits they are entitled to?

There needs to be more use of Local Government as the best vehicle for providing support to vulnerable people in need. Councils can work very closely with community planning partners and the voluntary sector to provide a joined up welfare service dealing with the whole range of passported benefits, support for universal credit and other funds such as Discretionary Housing Payments, Social Fund applications seamlessly.

There is good quality information available on the internet through directgov and directscot websites, there are a number of helplines and the use of local Customer Service Points is also important. Support can be provided digitally by default for those that are digitally enabled.

Inserting information into the UC award notification about entitlement or potential entitlement to passported benefits would assist families and individuals to identify any additional help they may be entitled to. This can also be an efficient method of providing evidence of entitlement to the agencies delivering passported benefits like the NHS and Local Authority Education Departments.

Q8 Do you wish to highlight any of the groups protected under the Equality Act as being particularly at risk in the reform of passported benefits?

Special care should be taken to ensure that the disabled are not at risk in the reform of passported benefits as there are a number of passported benefits linked to disability related benefits.

Q9 What robust sources of evidence with regards to impact on protected equality groups should we draw on when considering the impact of future proposals?

Unable to comment

Q10 Over the longer term, should the Scottish Government aspire to a move to a more coherent system of eligibility criteria for low-income benefits, such as linking income thresholds to one of the measures of poverty?

Yes No To an extent

We agree that current passported benefits were developed separately and at different times with little or no reference to each other. Now is the time to review them to make stronger links between them and creating eligibility criteria for all of them which reduces complexity and is more coherent and transparent. There is an opportunity to understand better how UC works and how the elements of UC can be linked to provide information re the eligibility of claimants passported benefits. In order to simplify the whole process the link to UC must be strong and the eligibility criteria straightforward.

This doesn't match to income threshold line and need to avoid a cliff edge effect of losing all entitlement at a particular threshold levels.

Q11 Should the Scottish Government assess income:

At household level

At individual level

It should vary according to the entitlement being applied for

For the purpose of simplicity and consistency with UC Scottish Government should assess income at household level.

Q12 Should the Scottish Government adopt a savings limit for some or all benefits?

All None Some (please specify which)

Yes in order to provide simplification and consistency in respect to UC entitlement.

Q13 If you answered None, please suggest how we could identify those who do not qualify for Universal Credit because they have more than £16,000 savings.

Not applicable

Q14 Should the Scottish Government adopt the same savings limit as the Department for Work and Pensions – i.e. that no one with savings (excluding equity in your home) of more than £16,000 should receive any passported benefit?

Yes X No

Yes in order to provide simplification and consistency in respect to UC entitlement.

Q15 Do you have any other comments within scope?

We feel that an assessment of claimant need and availability of support (rurality) is required. For example in Argyll and Bute, because of our unique geography, travel costs to NHS hospital premises and the concessionary travel scheme for Older and Disabled people are both vitally important. In Argyll and Bute there is limited public transport available to the public and the travel costs are very high in general, much greater than the costs of travel in an urban area so perhaps a principle around claimant need and availability of support (rurality) should be added.

Please send your response to passportedenefitsconsultation@scotland.gsi.gov.uk by Friday 28 September 2012.

An Easy Read version of the consultation is also available at www.scotland.gsi.gov.uk