

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

These principles, as set out by the SSAC, are helpful and a good starting point for thinking about delivering passported benefits in Scotland.

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

While the SSAC principles represent a good starting point for discussion on passported benefits, Lead Scotland would like to see the government adopt a more ambitious set of principles for guiding welfare reform and passported benefits.

The Scottish Campaign on Welfare Reform (SCoWR) has produced a set of principles that include:

1. Increase benefit rates to a level where no one is left in poverty and all have sufficient income to lead a dignified life
2. Make respect for human rights and dignity the cornerstone of welfare reform
3. Radically simplify the welfare system
4. Invest in the support needed to enable everyone to participate fully in society

While there is some overlap between the SSAC's and SCoWR's principles, particularly around simplification, Lead would like to see a greater emphasis on increasing participation in society, growing rates to reduce poverty and safeguarding human rights. Even if these principles are set out as long term aims that are constrained by an immediate lack of resources, they should still underpin the ethos and design of the welfare 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

Providing cash benefits has a few intriguing characteristics. It would likely simplify the existing payment system and it could give people more control over how to allocate the resources they use. For some people, increasing the portion of cash payments should increase an individual's welfare.

In instances where this seems a likely outcome, Lead would welcome trials of expanding cash alternatives for some benefits.

There are a number of concerns with cash alternatives however:

1. The structuring of entitlements would need to carefully ensure that the value provided was not degraded over time. Payments tied to the CPI risks losing effective implementation of a benefit, compared to pegging rates to wage growth, or a similar measure. There is also risk that pegs may be moved sometime in the future, for either political or financial gain
2. Cash payments may present problems for some groups of benefit recipients
3. There are a range of benefits (health services being the most obvious) where it is cheaper for the state to provide the service rather than paying cash due to economies of scale or monopsony effects. Free school meals may fall into this category.
4. One off costs, such as legal aid, may be difficult or costly to provide as cash alternatives

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

Where cash alternatives are provided, it would likely simplify the system to roll payments into one stream.

There should be some consideration taken for how a change in payment, either in method or in timing, might affect recipients. For instance, people who are used to managing their finances based on twice monthly payments may struggle to adapt to benefits paid once a month.

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 will depend on the ultimate structure of UC, how it is administered, as well as issues like the ICT and data sharing system behind UC, or other suitable means of passporting benefits.

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

N/A

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

A simplified benefit system would likely alleviate much of the issues with uptake, however there are some concerns for specific groups around accessing benefits.

[Inclusion Scotland](#) recently published a report on access issues for disabled people in regards to online applications, however the take-home points are equally applicable to being aware of and accessing any form of benefit in the internet age.

- In 2010 **58%** of disabled people lived in households with internet access, compared to **84%** of non-disabled people (Source: British Social Attitudes Survey 2010, quoted by DWP themselves here - <http://odi.dwp.gov.uk/disability-statistics-and-research/disability-facts-and-figures.php#co>)
- Only **44%** of disabled people personally had access to and used internet. This compares to **79%** internet access and usage amongst those without a disability.
- There is a functional illiteracy rate in Scotland of about 25% and within this quarter of the population, 3.6% (one person in 28) face serious challenges in their literacies practices.
- Fifteen per cent (15%) of those who had learning, speech visual or hearing impairments scored at the lowest possible literacy level compared to 7% of those with no such impairments.

Given these facts, creating a simplified system with few moving parts, auto-enrolment and clearly identified transitions would seem to be an overwhelming priority.

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?

Apart from concerns set out above in response to Q7, disabled people could be at risk in regard to passported benefits due to changes under the proposed Personal Independence Payment (PIP). An Inclusion Scotland analysis of DWP projections calculates that potentially 60,000 or 70,000 Scots could lose entitlement to their current level of mobility support. Thousands, therefore, could lose access to Blue Badges or Concessionary Travel with the introduction of PIP.

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?

Comments

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

Moving to a more coherent, transparent system of eligibility criteria for benefits could make a significant contribution to moving the system closer to the SSAC's and SCoWR's principles for welfare reform and provision.

Q11 Should the Scottish Government assess income:

At household level

At individual level

It should vary according to the entitlement being applied for

Assessing income at the household level would seem to make sense, as this is the level where most significant financial decisions are made.

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

All None Some (please specify which)

A savings limit seems reasonable, given the priority on targeting benefits. There are two concerns which would need to be addressed, however. The first is allocating a proper rate of return with which to assess savings. The idea that a family would receive £1/wk from every £250 in savings over £6,000 seems somewhat excessive. Secondly, the assessment process for looking at savings would have to clearly show that a family or individual can actually and reasonably access and draw on those savings.

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.

Comments

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 No

Q15 Do you have any other comments within scope?

As in all benefit discussions, there is a rough trade-off between ensuring that everyone with a significant need in society is accounted for, on one side, and saving money and limiting waste and fraud on the other. Lead Scotland would encourage the government to favour auto-enrolment, simplified processes and expanding benefits wherever possible.

Greater adoption and uptake of school meals, dental and eye care, bus travel, and education opportunities is exactly the type of cost-saving-in-the-future, preventative, up-stream treatments advocated for by the Christie Commission and promised by the Scottish Government. Passport benefits is an opportunity to put those ideals into action and deliver on a commitment to a better Scotland.

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