



Fair, equal and responsive

DESIGNING A SOCIAL SECURITY
SYSTEM FOR SCOTLAND

Fair, equal and responsive

Designing a Social Security System for Scotland

The CAB service has a unique role in Scotland. No other charity offers direct help to so many people over such a wide variety of problems and across the whole of Scotland. Our on-the-ground experience and extensive evidence base puts us in an ideal position to set out a vision for how Scotland should use its new social security powers.

New powers for Scotland

The aim of the social security system should be to provide a coherent, fair safety net for the citizens of Scotland in order to achieve a more equal and socially just society.

Ultimately, every Scottish citizen should be able to access the essentials for living and be treated in a dignified manner by society.

Over the coming years, the Scottish Parliament will be given new powers over certain areas of the social security system in Scotland including:



Benefits for carers, disabled people and those who are ill



Certain flexibilities in relation to Universal Credit



Funeral Payments



Winter Fuel Payments and Cold Weather Payments



Discretionary Housing Payments



Employment programmes.

Our approach

Citizens Advice Scotland (CAS) has been working with our member bureaux across Scotland to consider how these new powers could be used.

In doing so, we have been able to draw on the considerable experience of Citizens Advice Bureaux (CAB) in supporting clients through the social security system: in 2014/15, our CAB network dealt with 220,000 new benefits and tax credits issues representing 37% of their work.

The devolution of these new powers offers a vital opportunity to begin to craft a fair, equal and responsive social security system for Scotland. This paper sets out our overall vision of how this could be achieved. Further and more detailed recommendations on each of the areas listed above can be found in the accompanying reports.

KEY PRINCIPLES OF SOCIAL SECURITY

Citizens Advice Scotland believes that the following **six key principles** should underpin any social security system:

1. Based on clear rights and responsibilities
2. Responsive to need
3. Transparent and accountable
4. Fairly administered
5. Sustainable and integrated with other services
6. Developed in consultation.



Benefits for carers, disabled people and those who are ill

The powers that are being devolved to the Scottish Parliament cover a range of existing benefits including Attendance Allowance, Carer's Allowance, Disability Living Allowance and Personal Independence Payment.

Between July and October 2015, CAS gathered views from bureau advisers and clients across Scotland on how these powers could be used to develop a Scottish system of benefits for disabled people and carers. This included focus groups and/or interviews with clients organised by 16 CAB, as well as a focus group and online survey for advisers organised by CAS.

From the views that we heard, CAS has identified features which we believe should form the core of a distinct Scottish system of disability and carers' benefits. These features bring together a number of recommendations, which are set out in more detail in the full report.

The **system should be built on trust, dignity and respect**. The focus should be on helping people to get the support they are entitled to, and language used should be positive and inclusive.

Appropriate support to claim disability and carers' benefits should be available to all who want or need it. This support should be available from multiple sources, and preferably independent from the decision-making process. There should be a targeted effort by the Scottish Government to raise awareness of entitlement to disability and carers' benefits.

"A FACE-TO-FACE ASSESSMENT SHOULD ONLY BE CARRIED OUT WHEN ABSOLUTELY NECESSARY OR WHEN A CLAIMANT REQUESTS ONE."

"THE ASSESSMENT PROCESS FOR DISABILITY BENEFITS SHOULD BE FAIR, ACCESSIBLE AND PROPORTIONATE. MUCH GREATER EMPHASIS SHOULD BE GIVEN TO EVIDENCE FROM PEOPLE WHO KNOW THE CLAIMANT, INCLUDING HEALTH PROFESSIONALS, CARERS AND FAMILY."

A system of disability benefits **should promote independence, participation and equality**. The purpose of disability benefits should be to help with the extra costs associated with having a disability or health condition. Entitlement to disability benefits should remain universal.

The assessment process for disability benefits should be fair, accessible and proportionate. Much greater emphasis should be given to evidence from people who know the claimant, including health professionals, carers and family. A face-to-face assessment should only be carried out when absolutely necessary or when a claimant requests one.

Carers' benefits should properly recognise the contribution of carers and provide adequate support. The system should allow carers to participate more in education and employment. The level of benefit should properly reflect the contribution of carers and other support, such as sufficient respite care, should be consistently available.



Universal Credit flexibilities

As part of the devolution process the Scottish Government will acquire some administrative flexibilities over Universal Credit (UC).

Whilst control over UC, which will eventually replace six existing working age benefits, will remain reserved to Westminster, the Scottish Government will have powers to change the frequency of payments, vary the existing plans for single household payments, and pay landlords direct for housing costs in Scotland. The Scottish Parliament will also have the power to remove the 'Bedroom Tax' in UC.

To find out what would work best for people who need support from the social security system, we surveyed 601 CAB clients across the country, most of whom currently receive one of the benefits being replaced by UC. We asked them how they currently budgeted, how they coped on the income they received and how they would prefer to receive payments if they had the choice.

Based on what CAB clients told us, CAS recommends that **claimants are given the choice of being paid Universal Credit weekly, fortnightly or monthly**. Currently the UK Government plans for all UC recipients to be paid monthly. However, our research showed that people budget at different frequencies, and for different reasons. Given the choice, **just 13% would prefer a monthly benefit payment**, with 31% preferring a fortnightly payment and **the majority (55%) preferring a weekly payment**.

Running out of money was a significant problem for a number of those who took part in the survey. More than a third of those who currently claim one of the benefits due to be replaced by UC often run out of money, and have to borrow, get a Crisis Grant, or go to a food bank. Moving to monthly payments looks set to make this worse. Almost half of respondents with a legacy benefit indicated

that they would **sometimes or often run out of money if their benefits were paid monthly**.

CAS also recommends that **couples who claim Universal Credit are given the choice of whether they would prefer a single household payment, or individual payments to each partner**. In our survey there was an even split between those who would prefer the current plans for a single household payment (49%) and those who would prefer individual payments (51%). Most of those who would prefer a single payment would prefer it to be made to them rather than their partner.

When the 'Bedroom Tax' was introduced, it caused a large number of problems for CAB clients in Scotland before it was mitigated by the Scottish Government. CAS recommends the Scottish Government **permanently removes the 'Bedroom Tax' in Universal Credit when it gets the power to do so**.

We have also seen a number of problems caused by housing payments being rolled into one UC payment, which has caused CAB clients to quickly build up rent arrears. CAS recommends that the housing element of UC be paid in the same way as Housing Benefit currently is, with **claimants able to have housing payments made directly to social landlords**.

"CAS RECOMMENDS THAT CLAIMANTS ARE GIVEN THE CHOICE OF BEING PAID UNIVERSAL CREDIT WEEKLY, FORTNIGHTLY OR MONTHLY."



Funeral Payments

Funeral Payments should allow for families who require support to have a dignified but affordable funeral for their loved ones.

However, the current system, which is part of the Regulated Social Fund, often fails to meet the needs of those struggling to meet the costs of a funeral. As a result of people struggling to pay funeral costs, CAB across Scotland are helping more people than ever before who find themselves in funeral poverty.

There are a number of problems with the current system, including the unclear eligibility criteria and application process. CAS recommends that the **criteria for any new funeral support are much more clearly defined** to give certainty to the majority of applicants.

Currently people are often required to pay a deposit upfront (frequently £500-£1000) to funeral directors, regardless of whether they will be successful in their application for a Funeral Payment. Particularly given the unclear eligibility criteria, families can inappropriately borrow money thinking that they will later get a Funeral Payment. If they are unsuccessful, they may be in debt they can't afford. Even if they are successful, their Funeral Payment will be reduced by the amount they have borrowed as it is considered money that they had.

When the powers are devolved, **there should be an agreement between the Scottish Government and all funeral director trade bodies that where someone is eligible for funding support deposits will not be required.**

Applicants are also often unclear as to what will be paid for; what is not covered and payment amounts can vary and are often opaque. This means individuals can act on the assumption that the entire funeral will be paid for when in fact only a small payment will be

"CAS RECOMMENDS THAT THE CRITERIA FOR ANY NEW FUNERAL SUPPORT ARE MUCH MORE CLEARLY DEFINED TO GIVE CERTAINTY TO THE MAJORITY OF APPLICANTS. A CLEAR FIXED PAYMENT SOLUTION IS NEEDED TO GIVE CERTAINTY TO APPLICANTS SO THEY KNOW WHAT THEY ARE ABLE TO AFFORD."

made towards costs that are not core charges (e.g. transport, flowers, memorials etc.). **A clear fixed payment solution is needed to give certainty to applicants so they know what they are able to afford.**

CAS would support **a much clearer definition agreed by industry and government to what is included in a respectful, agreed, affordable funeral and how much this costs.** While we would support individuals to make additional arrangements subject to their own wishes, a clear affordable minimum should be provided.

The cost of a basic dignified funeral has been allowed to increase at eye-watering levels over the past decade. The cost of an average basic funeral in Scotland can now range from £2,500 to £5,000. These costs can be completely unaffordable for many in society, especially those in low pay employment who may be paying for a funeral of a partner who was the main income earner in the household. CAS recommends that **rising costs be addressed by the Scottish Government as a matter of priority.** One option to be considered would be to cap the amount that can be charged to those in receipt of funeral grants for the disposal of a body.



Winter Fuel Payments and Cold Weather Payments

The Scottish Parliament will get new powers over financial assistance provided through the Regulated Social Fund, which includes Winter Fuel Payments and Cold Weather Payments. The Scottish Parliament will be able to change who is entitled to receive these payments, or replace them entirely.

Scotland has some of the highest rates of fuel poverty in Great Britain, along with some of the **highest costs of energy**, coupled with relatively lower incomes. This means that far too many people are struggling to affordably heat their homes to an adequate standard. Winter Fuel Payments and Cold Weather Payments, together with energy supplier obligations such as the Warm Home Discount Scheme, are a package of measures that help to maximise the incomes of households most at risk of fuel poverty.

The devolution of Winter Fuel Payments and Cold Weather Payments will mean that **support**

can be tailored to the Scottish context, and aligned with wider strategies in Scotland for supporting fuel poor households. Other issues with the current system, such as the inflexible administration of claims and payments, can also be addressed. Ultimately, **all households who are struggling to affordably heat their home should receive appropriate support.**

"ALL HOUSEHOLDS WHO ARE STRUGGLING TO AFFORDABLY HEAT THEIR HOME SHOULD RECEIVE APPROPRIATE SUPPORT."



Discretionary Housing Payments

The Discretionary Housing Payments (DHP) system provides further financial assistance to people on Housing Benefit who are struggling to pay their rent. Devolution of the DHP system offers the opportunity to revise existing UK Government guidance and criteria to ensure support reaches those who need it.

From 2013, the Scottish Government provided additional funding for DHPs to mitigate the effects of the 'Bedroom Tax'. Until Housing Benefit is fully replaced by Universal Credit, CAS recommends that **Housing Benefit claimants who are affected by the 'Bedroom Tax' should be able to receive a DHP mitigating their full losses.**

There is likely to be increased demand for DHPs from people who are subject to the Benefit Cap, given the UK Government's intention to lower it to £20,000 per year. This will mean that some households will lose as much as £6,000 per year from their Housing Benefit. CAS recommends that **people affected by the Benefit Cap are considered a priority for DHP support.**



Employment programmes

The devolution of employment programmes represents an opportunity to replace the current Work Programme and Work Choice with **schemes that more effectively support long-term unemployed people to get into work**, based on the positive employability programmes already existing in Scotland.

However, CAS is concerned that, as conditionality and sanctions remain reserved to the UK Parliament, requiring programme providers in Scotland to refer people for possible sanctions may undermine good work carried out. CAS recommends that **employment programme providers are given discretionary powers over when to refer someone for a possible sanction.**

"CAS RECOMMENDS THAT EMPLOYMENT PROGRAMME PROVIDERS ARE GIVEN DISCRETIONARY POWERS OVER WHEN TO REFER SOMEONE FOR A POSSIBLE SANCTION."

NEXT STEPS

The devolution of social security powers represents an opportunity to begin to craft a fair, equal and responsive social security system for Scotland.

While the current system provides a safety net for many, evidence from citizens advice bureaux suggests that it needs to do better. In our survey of 601 benefit claimants, over a third of claimants were regularly running out of money and having to turn to friends/family or to food banks for support. Disability benefit claimants told us about the struggles they had in claiming their entitlement and their frustration at the language used when governments talk about benefits.

At this critical juncture, CAS sought to use the citizens advice bureau network to find out

what a more effective system would look like in Scotland. In particular, we sought the views and experiences of claimants to consider how these new powers could be used. All of our recommendations stem from our interaction with those who will be supported by the new system.

We are encouraged by the Scottish Government's willingness to engage with stakeholders and, most importantly, with the people that will be most affected by the choices that they make. We would like this to continue as high level visions turn into policy and then into practice.



www.facebook.com/citizenadvicescotland

www.twitter.com/CitAdviceScot

Want advice online?

www.adviceguide.org.uk

Problems with goods or services?

Call 03454 040506 for the Citizens Advice Consumer Service

Citizens Advice Scotland

Spectrum House, 2 Powderhall Road, Edinburgh EH7 4GB

Telephone: 0131 550 1000 Fax: 0131 550 1001

Website: www.cas.org.uk