

# **A New Future for Social Security**

## **Scottish Government Response to the Consultation on Social Security in Scotland**

**February 2017**



## MINISTERIAL FOREWORD



On 29 July 2016, the Scottish Government launched a consultation seeking views on how we should take forward the social security powers that are being devolved through the Scotland Act 2016.

At the start of that process I made clear that I wanted to hear from everyone who could help us develop our approach and especially from those who will be directly affected by the new powers. I am pleased that the independent consultation analysis shows that this was successful: we received 521 formal responses, of which no fewer than 280 were from individuals; a powerful demonstration of how deeply the Scottish people care about this crucial public service.

I want to place on record my deep gratitude to both the respondents to the consultation and the many hundreds more who packed in to community centres, church halls and conference rooms across the country to share with us their experiences, insights and ideas for improvement. In total there were more than 120 engagement events the length and breadth of Scotland, and we spoke to people in all 32 local authority areas.

We were convinced that if people were given the opportunity to tell their story, and we showed that we wanted to listen, then we could begin building a social security system for Scotland from the ground up. Genuine, participative policy making. The consultation was our first step down that road and it is a road we will stay on.

It was a humbling experience to listen and learn from people sharing experiences that were often difficult and painful. I believe that people were prepared to place that trust in us because they share our belief that Scotland can and should do this better, and that together we can deliver meaningful and positive change.

My commitment is that their voices will be the driving force behind that change and that those with lived experience of the system will be nothing less than our full policy, design and delivery partners. The consultation findings provide a rich seam of evidence and insight to give us a solid foundation on which to build the next phase of our shared work.

This document is the Scottish Government's initial response. It sets out in more detail both the specific ways in which we will embed this collaboration and how we will take a human rights based approach, ensuring that the principles of dignity, fairness and respect are threaded through every decision that we make.

A lot has been achieved in a short period of time. But there is still so much more to do to ensure the safe and secure transition of these powers to the Scottish Parliament. We will get this right, we will build a social security system that Scotland can be proud of by continuing our direct collaboration with those who receive the benefits we will take over and those who provide vital advice and support to them.

I look forward to your continued help and support as we work with the Scottish people to build the public service they deserve and that our shared vision of a progressive, inclusive Scotland demands.

**Jeane Freeman MSP**, Minister for Social Security

## INTRODUCTION

Devolution of benefits, especially those for disabled people and carers, creates important opportunities to promote fairness and equality. Over 500,000 people receive these benefits in Scotland, with total expenditure of around £2.7 billion.

The Scottish Government has made clear its intention to seize those opportunities: our ambition is to take a different approach and to build a social security system that is founded on the principles of fairness, dignity and respect. We also understand the direct impact that social security has on people's lives and that is why our priority is to ensure the safe and secure transfer of benefits to those who receive them.

The recent consultation on 'A New Future for Social Security in Scotland' was a vital step in gathering views on how we should develop and deliver our vision of a new and fairer social security system. The consultation, which ran from 29 July to 28 October 2016, asked a broad range of questions, covering three main areas:

- a principled approach;
- the devolved benefits; and
- operational policy.

We received 521 formal written responses. Of these 241 were from organisations, and 280 from individuals. In addition to the formal consultation process, many hundreds more with direct experience of the system engaged with us at over 120 events across all 32 local authority areas, organised in partnership with key organisations.

An independent social research organisation, Research Scotland, was appointed to analyse all responses to the consultation. The full analysis report and a summary of the key analysis findings can be accessed at [www.gov.scot/socialsecurity/consultation](http://www.gov.scot/socialsecurity/consultation).

The size and scale of both the response to the consultation and this programme of events is a powerful indication of how strongly people in Scotland feel about social security. We thank every person and every organisation that took the time to respond to the consultation, took part in the engagements and shared their experiences with us.

The findings from the consultation and these engagements provide the foundation for how we will legislate, use and operate our new powers. It will also provide a reference point for all our work over the coming months and years. This response explains how we will use this feedback to work with the people of Scotland to design, develop and deliver a social security system with dignity, fairness and respect at its heart, and how we will use the evidence from this consultation as our reference point each step of the way.

## PART 1: EMBEDDING OUR CORE PRINCIPLES AND A HUMAN RIGHTS BASED APPROACH

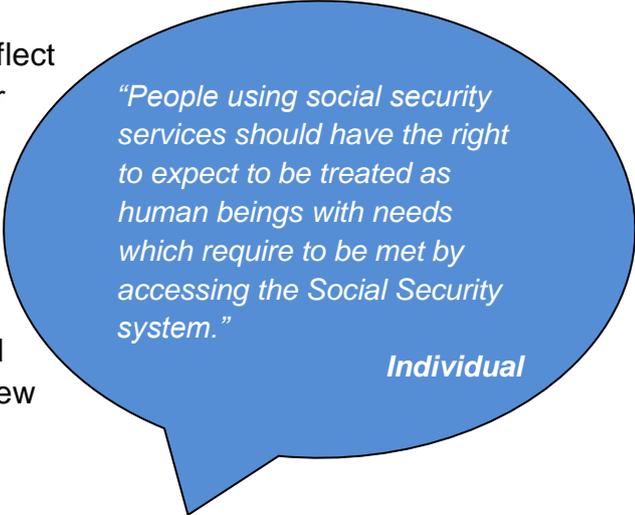
The consultation responses confirmed that there is a strong desire to see Scotland approach social security in a different way and, in particular, that all aspects of the new system be underpinned by our five key principles:

- Social security is an investment in the people of Scotland;
- Respect for the dignity of individuals is at the heart of everything we do;
- Our processes and services will be evidence based and designed with the people of Scotland;
- We will strive for continuous improvement in all our policies, processes and systems, putting the user experience first; and
- We will demonstrate that our services are efficient and value for money.

We recognise the problems that respondents describe with the current system and that is why we are determined to take a different approach; in particular by ensuring that we take a human rights based approach to this work and that the core principles of dignity, respect and fairness are at the heart of a new social security system for Scotland.

### A Human Rights Based Approach

The breadth of consultation responses strongly reflect Scotland's proud and longstanding tradition of support for human rights. Scottish Ministers already have a duty, under the 1998 Scotland Act, to act in accordance with the rights protected by the European Convention of Human Rights. We are committed not just to upholding this duty, but to look for ways in which we can exceed it; taking a strong human rights based approach to every element of our development of the new system.



*"People using social security services should have the right to expect to be treated as human beings with needs which require to be met by accessing the Social Security system."*

*Individual*

We will therefore introduce a further key principle, **social security is itself a human right and essential to the realisation of other human rights**. In the sections below, on the Social Security Bill and the Charter, we set out in more detail the specific ways in which we will achieve that.

It is important to explain why human rights, in the context of social security, is such a key priority for the Scottish Government. Last July, the United Nations Committee on Economic, Social and Cultural Rights published a report which was highly critical of the impact that the UK Government's welfare changes were having on individuals' human rights. The report said that:

*"The Committee is particularly concerned about the adverse impact of these changes and cuts on the enjoyment of the rights to social security and to an adequate standard of living by disadvantaged and marginalized individuals and groups, including women, children, persons with disabilities, low-income families and families with two or more children."*

The Scottish Government believes social security is a human right, essential to the realisation of other rights. We are therefore absolutely determined to ensure that our new, devolved social security system positively supports people and meets the standards set in all of its processes and practices.

In addition to the robust actions noted below, we are already working closely with organisations such as the Equalities and Human Rights Commission (EHRC) and the Scottish Human Rights Commission (SHRC).

These are respected, expert organisations that will seek robust assurances that the delivery of a Scottish social security system will be based on coherent and workable arrangements that maximise the promotion and progression of equality and human rights. It is our firm intention to provide that assurance.

In doing so, we will continue to engage with these organisations, as well as with communities more widely. For example, we will learn from the research that the EHRC is currently gathering on best practice international examples of public services that are founded on dignity and respect. Together, we will work to ensure that the Scottish system itself becomes an international exemplar in this regard.

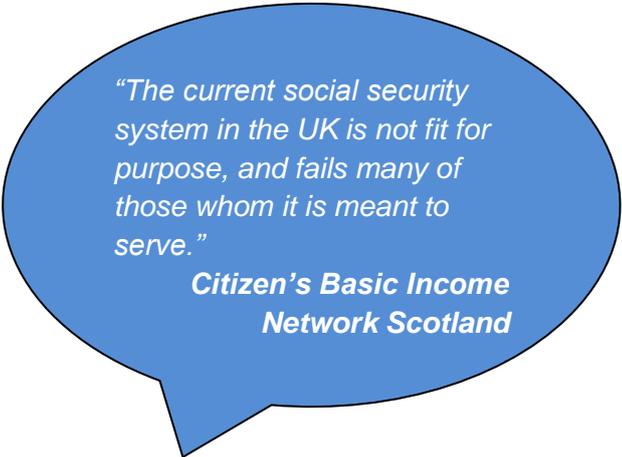
Alongside this, we are examining ways in which existing human rights legislation and existing reporting arrangements, such as the work of the Scottish Parliament's Equality and Human Rights Committee, can be further supported, as we lay the foundations for our new social security system.

## Social Security Bill

One of the main ways we will implement the commitment to a human rights based approach is by enshrining our core principles, including the principle that social security is itself a human right, in the forthcoming Social Security Bill.

We agree that establishing human rights, fairness, dignity and respect in the new system's founding legislative framework will send a powerful message that will help define the more positive nature of the Scottish system from the very outset, establishing it as an exemplar of progressive public service design within the United Kingdom and beyond.

We also believe that doing this will provide an important legislative mechanism for Parliament, organisations and the people who interact with the new service to scrutinise and challenge the Scottish Government in any circumstances where it is felt that the system is falling short of these core principles. In this way, we will make sure that future Scottish governments are scrutinised and held accountable for upholding the founding values that have been endorsed by the people of Scotland.



*"The current social security system in the UK is not fit for purpose, and fails many of those whom it is meant to serve."*

**Citizen's Basic Income  
Network Scotland**



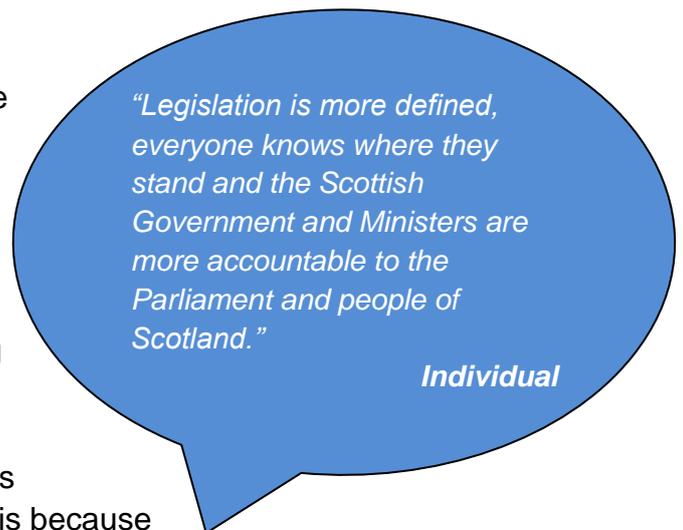
*"To enshrine the principles in enforceable legislation would demonstrate how seriously the Scottish Government takes this."*

**Inclusion Scotland**

The Bill will also explain, in general terms, how we intend to set up the system and will outline the powers the Scottish Government requires to operate the system effectively. In addition to our core principles, the Bill will therefore also cover many of the other key issues raised in the responses to the consultation, for example:

- establishing the necessary powers in relation to the benefits which will be devolved, and over new benefits;
- the delivery of benefits and general benefits administration;
- means to appeal decisions; and
- looking after people's data and personal information.

We intend to introduce the Bill to Parliament before the end of June 2017, thereby commencing the process of Parliamentary scrutiny that will create further opportunities for those with an interest to feed in their views and have their say. Once the Bill has completed its Parliamentary process, and assuming that Parliament is content to pass the Bill, we will bring forward a suite of secondary legislation.



In many ways this secondary legislation, also known as 'regulations', will be just as important as the Bill. This is because the secondary legislation will set out the practical, operational detail of how our social security system will work - for example by explaining in more detail the processes through which people will apply, and confirm their identity and eligibility.

The consultation findings are already helping to shape the Bill on a whole range of matters, such as, our principles, benefits powers and general administration of benefits, and we look forward to further engagement as the Bill enters Parliament. As with every other aspect of this work, we will also seek to involve expert organisations and people outside of government in the development of the secondary legislation, just as closely as we have involved them through the consultation exercise and in the development of the Bill.

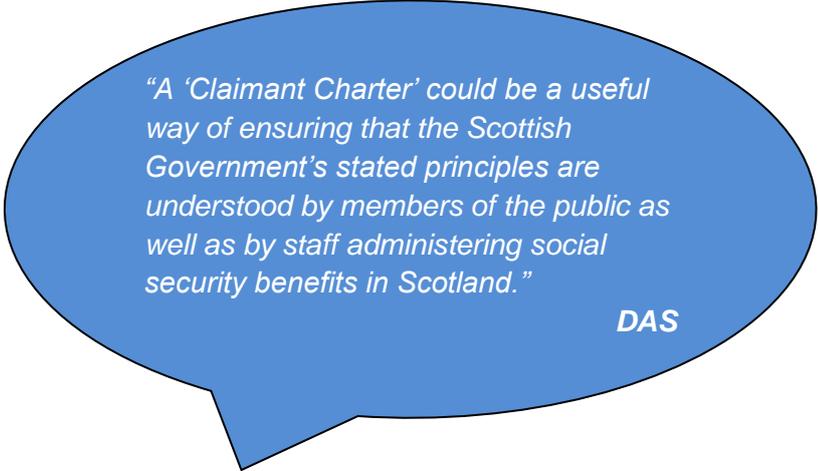
## A Charter

Firmly embedding a human rights approach and our core principles in law will be crucial for ensuring our approach is properly scrutinised, enforced and challenged if there is failure to act. However respondents also strongly recognised that a publicly accessible 'Charter' would be a useful way of communicating in clear terms what people are entitled to expect from the Scottish system and also to frame the culture and positive ethos of the new social security agency.

Another advantage is that there would be greater flexibility to review and update a Charter without having to amend primary legislation. This would create opportunities to refine the Charter as the system matures and grows, facilitating purposeful dialogue between people using the new service,

the social security agency and the Scottish Government. In this way, we believe that the Charter could be seen as an accord or compact between the service and the people who use it, creating a formal mechanism for scrutiny, enhanced accountability and driving improvement.

However, we also understand the legitimate concerns expressed by some respondents that similarly well intentioned ideas in other areas have sometimes fallen short of delivering the intended outcomes. We are clear that this must be avoided and that the Charter should be a central part of the Scottish system.



To achieve this – in addition to the measures noted in the preceding sections – the Social Security Bill will introduce:

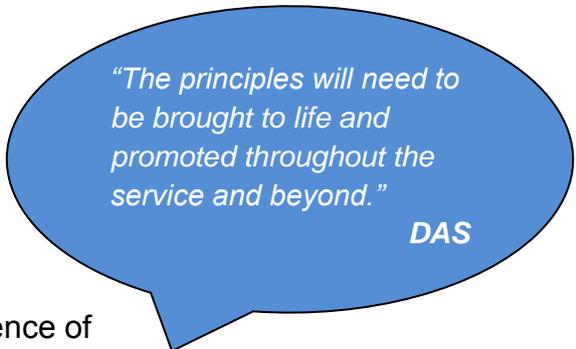
- A statutory duty on Scottish Ministers to ensure a Charter is created and periodically reviewed;
- A statutory requirement that the Charter must reflect the core principles, including that social security is itself a human right, essential to the realisation of other human rights; and
- A statutory duty on Scottish Ministers to periodically report on their delivery against the Charter.

By embedding the Charter in primary legislation in this way, we will ensure that it will be a pivotal part of the new system that will help define its nature, and that can be used to hold the Scottish Government to account for the successful delivery of its stated aim of creating a fairer, more inclusive system.

Finally, in line with the strong consensus in the consultation responses, we are committed to working closely with people with direct experience of the present system, and organisations who represent their interests, to develop the Charter.

### Delivery

The sections above describe the key strategic ways in which we will embed our core principles and a human rights based approach into the design and creation of the new system. But we also recognise that it is vital to ensure that we go beyond this, to ensure that the principles make a real and positive difference to the practical delivery of services. With that in mind, below we have set out how we expect the principles to be practically applied to improve people's experience of the system, from advice and applications, all the way through to instances where there is an appeal. We will do this by engaging with people with lived experience of the existing system to advise us on how to get the practical and operational level detail right. We will also



work with our range of experts and advisory groups to ensure we draw on their knowledge and experience. This is described in more detail in Part 2 of this document.

## Advice and Guidance

We know that some people will need help to understand what they may be entitled to and support to apply for benefits. We will ensure that information is easily available in accessible formats that explain for each of the benefits who is eligible and how to apply; and that people from all of parts of Scotland are able to access the information they need. The new social security agency will also have a key role to play in this regard. Many consultation responses expressed frustration that, with the current system, it often feels as if the onus for finding accurate information is placed on the person using the system. In contrast, we are committed to ensuring that agency staff view it as their duty to support people throughout the process, pro-actively providing them with clear and accurate advice and guidance. We will also ensure that services that already provide support and advice have a clear understanding of the devolved benefits and that they can provide detailed, accurate advice. We will develop our guidance with people who receive the devolved benefits through our work with Experience Panels, to make sure it is easy to understand and gives people all the information they need.

## Applications

For many of the benefits, people will need to make an application to receive support. Applications might be made online, over the phone, or on a paper form. We understand that different people have different preferences and that each of these formats has its place. We will ensure that help is available to people to explain how to complete applications and that there is also support for completing an application on behalf of someone else if that is needed.

We will develop and design all of those application processes and forms with the people who receive the benefits, to make sure they are clear, easy to understand and as simple as possible to complete. Where we need information that is held by someone else – for example, for several of the benefits, we will need to know whether someone is receiving another benefit from the Department for Work and Pensions (DWP) – we will work with the applicant and those other bodies to make sharing that information as straightforward as possible.

We know that application processes can be stressful, so we will make clear to people exactly what information they need to provide, why that information is needed and when they are likely to get a response. We will also make sure that people know how to make contact if they want to find out about their application.



## **Decisions**

When we have made a decision about whether someone will receive a benefit, we will give applicants a detailed response to make sure people understand the decision, know what support they are going to receive and when they are going to receive it. Again, we will develop the text of notifications and letters with people who receive the benefits, to make sure they are clear and easy to understand. If we decide that someone is not eligible for a benefit, the response will explain fully why we have made that decision. If an applicant disagrees with the decision, they can ask us to review it. We will make sure people understand how to ask for a review, when they are likely to get a response, and how to make contact if they want to find out more.

## **Appeals**

If someone disagrees with our decision after it has been reviewed, then they will be able to appeal against it. We will make sure people understand what they need to do to raise an appeal, the timescale in which they need to do it, when they are likely to get a response, and where to get help or support.

## **On-going contact**

Sometimes people will need to let us know about changes in their lives – for example if they move house, change bank accounts, or there are changes to their household. Those changes might affect the support that someone receives, or might need us to change the details we hold about a person. We will ensure that people understand when they have to let us know about changes, how to do that and what if any, impact the changes may have to their benefit entitlement or level of support.

We will make it as easy as possible for people to make contact and, if someone is receiving more than one kind of support from us, make sure they do not need to tell us about the same thing more than once. We will also make sure that people can contact us quickly if something goes wrong – if they do not receive the support they were expecting at the time they should be paid, or they have not heard about a decision during the timescale they expected. It is also very important that we keep the information we hold about people safe, so we will make sure that people understand what we are doing to protect their information and keep it secure.

## **Independent Scrutiny**

We have described how the Bill and the Charter will introduce important mechanisms for Parliament and the public to hold Ministers to account for the delivery of a fairer, more inclusive system. However we also recognise the necessity of ensuring that the system as a whole is also subject to appropriate levels of accountability. To achieve this we will enlist the support of objective experts to advise us on the most effective arrangements for robust, independent scrutiny of the new system's performance.

## PART 2: CO-PRODUCTION WITH THE PEOPLE OF SCOTLAND

### What we mean by co-production

Overwhelmingly, responses from the consultation indicated a strong consensus for involving people with experience of social security services, third sector organisations and a wide range of experts to support the design, development and on-going improvement of the new system.

*“It is the users of the system that are best placed to give advice on what does, and does not, work for them.”*

***Inclusion Scotland***

We have already made a commitment to work with people across Scotland, and we will continue to do that every step along the way. We strongly agree that we need people with lived experience of the existing system to advise us on how to get the practical and operational level detail right. This process of involving organisations and experts; seeking their views and advice; and developing legislation, guidance and processes in partnership with the people who will use the system, is what we mean by ‘co-production’.

### The Engagement Process

#### How we will engage



Transferring the devolved benefits involves a large-scale programme of transition, implementation and reform, and collaboration will underpin everything we do as we design, develop and build our new social security system in partnership with expert organisations and the people of Scotland. The views expressed by respondents fit closely with these aspirations and in the following sections we set out in more detail the specific ways in which people can choose to engage with this work.

## Experience Panels

One of the most important ways that we will make this collaboration real is through the creation of Experience Panels. This is an ambitious initiative that will see us work with at least 2,000 people with direct experience of the current system to help us design, build and refine a new and better model for Scotland.



We are doing this because we believe that people with direct experience of receiving social security payments know the system best and that if we are to get this right it is absolutely essential that their voice is heard. We will launch a recruitment campaign for the Experience Panels in Spring 2017.

These Panels will build on the findings of the consultation, continuing and deepening that engagement, and learning from what people have told us about how they want to be involved in helping to build a new and better system. The panels will be involved throughout the design of the new service.

Indeed, people who know the current system are already helping us to test and pilot some of the new technology and processes that we will need to make the new system work better. Some early examples include work on application processes and communications, including important details such as stopping the use of intimidating brown envelopes, eliminating jargon and large blocks of complex text and using clearer, more positive language in correspondence.

*"Sounds like an excellent approach. Learn from users, make use of existing knowledge and systems and develop incrementally and iteratively."*

*Individual*

When Experience Panels are in place we will be able to take this collaborative approach even further. Using what is known as an 'Agile' way of working, we will draw on insights and observations from people who have applied for the devolved benefits, their families, and the organisations that support and represent them. This will involve brainstorming, mind mapping and modelling to design new and innovative ideas for services.

This process will feed the creation of a series of prototypes at different stages, on which we will seek rapid feedback. This will make sure we create services that meet people's needs, while at the same time building the support and confidence of those who will potentially be managing and using the service.

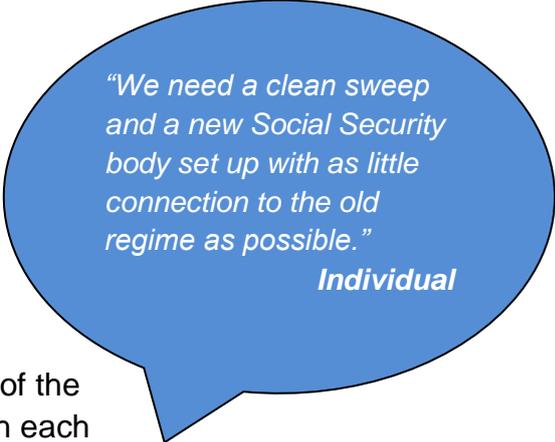
## The Agency

The findings from the consultation are also playing an important role in helping us to select the best model, from a number of different options, for the creation of a new social security agency.

During the process of selecting a model for the agency, one of the key principles being applied is to place people at the heart of the system; exploring how it would feel for someone to interact with each of the different possible models.

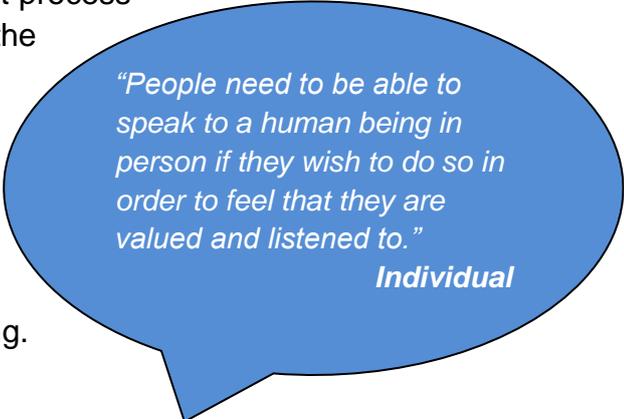
The consultation findings are feeding in to the assessment process and in many instances, are being directly applied to rank the best options. For example: face-to-face contact between those in receipt of benefits and agency employees is of key importance; that cash as opposed to in-kind provision is generally seen as the best option to allow people choice and flexibility; and that medical assessments are best done by professionals who understand the conditions of the people they are assessing.

It is also crucial that the core principles of dignity, respect and fairness do not just appear in legislation and in the Charter, but are at the very heart of the agency that will deliver social security in Scotland. The views expressed by consultation respondents fit closely with our aspirations for the new social security agency and we will pay close attention to those views as we develop its organisational culture and ways of working. In short, wherever there is an opportunity to improve the experience of people using the system, we intend to take it.



*"We need a clean sweep and a new Social Security body set up with as little connection to the old regime as possible."*

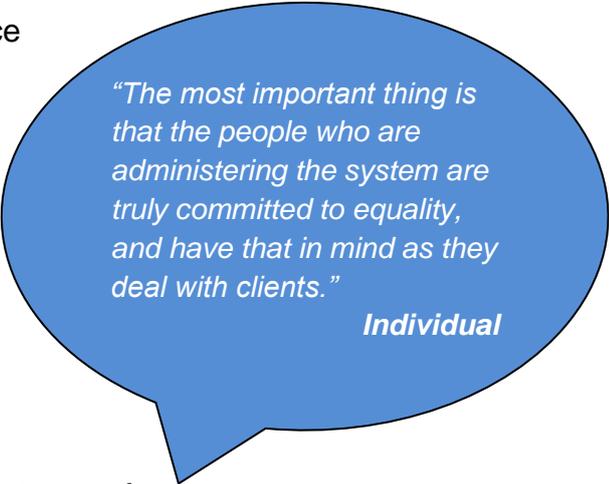
**Individual**



*"People need to be able to speak to a human being in person if they wish to do so in order to feel that they are valued and listened to."*

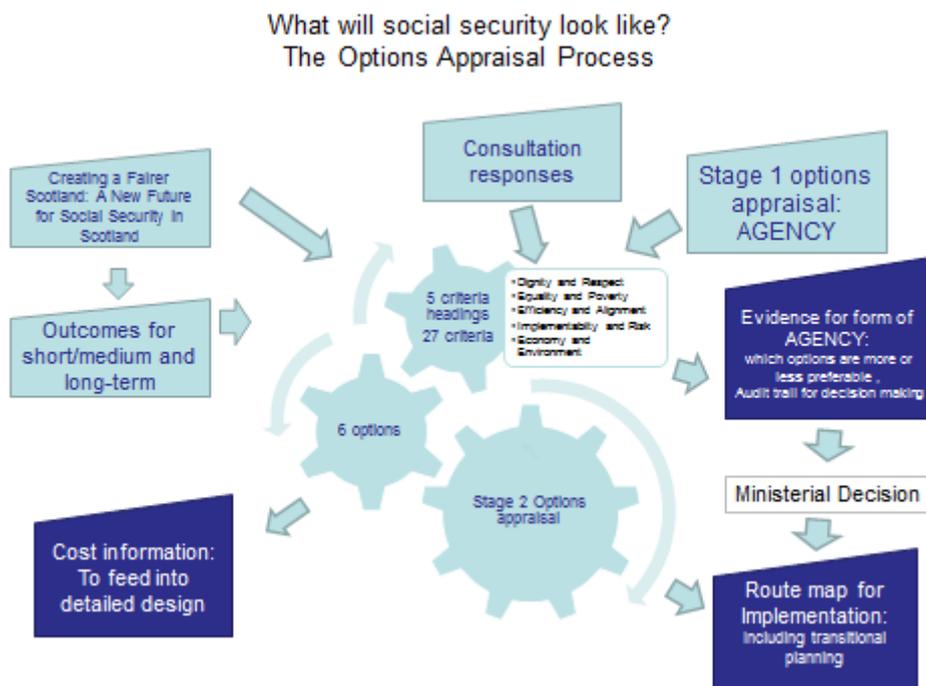
**Individual**

An excellent example of how we will improve the experience of those interacting with the new system is through our approach to training agency staff. We will work closely with both Experience Panels and key partner organisations to develop a training programme that fully reflects our core principles. For example, this will include ensuring that staff are trained to understand the diverse needs of those interacting with the system and that they are able to tailor their approach to meet those specific needs.



A core element of this will be to emphasise the critical importance of Listening. We want agency staff to see people as individuals and to be responsive to the specific help and support that each person requires. Our overarching objective here is to ensure that the system is not adversarial and that people using the system feel listened to, respected and fully supported through the entire process.

Work on deciding the best option for the agency will be completed soon and our intention is to announce a preferred model that fully reflects the views of the people of Scotland, in Spring 2017.



## Involving Experts: Reference Groups

We have said a great deal about how we will involve people with direct experience of the system, but it is also important that we find ways to draw on the knowledge and experience of the very many expert individuals and organisations who also responded to the consultation.

To achieve this we have already set up a number of reference groups to ensure we are formally channelling expert advice and recommendations into our work. These groups are made up of representatives from organisations with knowledge and expertise of the current system; either directly through supporting individual applicants or through a wider understanding or responsibility for related services in the health, local government and third sectors. Going forward, we will consider opportunities for creating new groups where any gaps are identified or where additional expert advice is needed. Each of these groups will play a significant role in supporting the Scottish Government to consider in detail and respond to the findings of the consultation,.



*“These organisations not only have access to users, but are also trusted by users and can help to facilitate a conversation that is accessible, comfortable and not alienating.”*

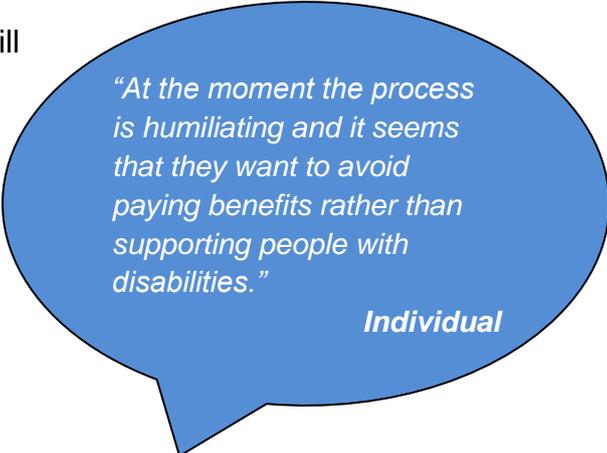
**Citizens Advice Scotland**

## Disability and Carers’ Benefits Expert Advisory Group

An example of this approach is the Disability and Carers’ Benefits Expert Advisory Group, which will be chaired by Dr Jim McCormick, an expert on Scottish social policy who has worked for many years on issues relating to fairness and equality. The remit of this important new group will be to work with people accessing benefits and health professionals to provide the Scottish Government with expert advice and guidance on how the system can be improved, drawing on the results of this consultation. Some specific examples include:

- Reform of the assessment of disability and carer benefits (from application all the way through to final decision);
- Eligibility criteria for disability and carer benefits;
- Award periods, automatic awards and the possible reintroduction of lifetime awards; and
- Options for improving the benefits, including Attendance Allowance.

In relation to disability and carers’ benefits, the Group will take account of our strong support for changes to the assessment process that will make it less stressful for people, including an aim to reduce face-to-face assessments and re-assessments. We also support re-designing the assessment process to prevent discrimination against certain groups. Our expectation is that the group will meet for the first time in the Spring and that it will meet around four times a year thereafter.



*“At the moment the process is humiliating and it seems that they want to avoid paying benefits rather than supporting people with disabilities.”*

**Individual**

In addition, there are also a number of existing groups considering key issues for our work on disability, ill-health and carers' benefits, including:

- **Ill-Health and Disability Benefits Stakeholder Reference Group** includes members from health, social care, local government and the third sector. It supports the development of policies in relation to devolved disability benefits including Personal Independence Payment, Disability Living Allowance and Attendance Allowance. Informed by the results of the consultation, we are already working with the Group to explore policy options for disability-related benefits such as better alignment with support services, improving how assessments are conducted and the introduction of longer-term awards.
- The **Industrial Injuries Advisory Group** provides expert advice on the development of benefits for people affected by industrial injuries and ill health. The Group will now look carefully at the responses to the consultation, and will consider opportunities for engaging with the Experience Panels and others with direct experience as we develop our support for people affected by industrial injuries and ill health.
- Through our **Carers' Benefit Advisory Group**, and its short-life working groups, we are working with a number of carer organisations and academics to develop options for changing the definition of a carer and the accompanying rules relating to the stopping and starting of the benefit. The group is also looking specifically at the financial support offered to unpaid carers in a number of different EU countries, with a view to establishing exemplars of best practice.

Once the Disability and Carers' Benefits Expert Advisory Group is established, we will work with all of our reference groups to make sure their work programmes are aligned and co-ordinated going forward.

## **PART 3 – EARLY ACTIONS ON SPECIFIC BENEFITS AND SERVICES**

The Scottish Government has already committed to mitigating the impact of UK Government benefit cuts. We are spending £104 million in 2016-17 to support people affected by the worst aspects of welfare reform, this includes: mitigating the Bedroom Tax (£35 million), through a council tax reduction scheme (£23 million), and the Scottish Welfare Fund (£38 million).

### ➤ **Abolishing the bedroom tax**

The Scottish Government has mitigated the impact of the bedroom tax since 2013, and since 2014 has provided enough funding to local authorities to pay a Discretionary Housing Payment (DHP) to everyone affected, to cover the shortfall it causes. DHPs will be the first of the eleven benefits in the Scotland Act to be devolved, with the Scottish Government assuming full control from 1 April 2017. In taking control of DHPs, the Scottish Government is continuing its policy of full mitigation and has budgeted £47 million for this purpose. It helps over 70,000 people who would otherwise face a shortfall of over £50 a month. But, the Scottish Government remains committed to abolishing the bedroom tax. As the bedroom tax is part of Universal Credit, which is a reserved benefit, the Scottish Government is working with the DWP to fulfil this commitment, using our powers over the housing element of Universal Credit. Until that can be delivered, DHPs will continue to be available.

### ➤ **Council Tax Reduction**

Since April 2013, the Scottish Government has committed £92 million for the Council Tax Reduction Scheme over and above the funding transferred from the UK Government upon the abolition of Council Tax Benefit. In 2017-18, this funding will increase to an additional £31 million, resulting in a total of £351 million being included in the local government finance settlement paid to Local Authorities in relation to the Council Tax Reduction Scheme. In September 2016, there were almost half a million (495,660) Council Tax Reduction recipients in Scotland.

### ➤ **Support for housing costs for 18-21 year olds**

The Scottish Government has raised a number of significant concerns about the DWP's proposal, from April this year, to remove the automatic entitlement to support with their housing costs, from 18-21 year olds. The UK Government has not published its full plans for this yet but the Scottish Government is clear it will seek to protect the interests of young people impacted by the proposed changes.

### ➤ **Scottish Welfare Fund**

The Scottish Welfare Fund provides a safety net for people on low incomes through the provision of Community Care Grants and Crisis Grants. Since the scheme was set up in April 2013, £116 million worth of grants have been given to around 230,000 households in Scotland. It helps households during times of crisis and can help them to buy everyday essential items like food, nappies and to cover heating costs or other living expenses. People can also be

given support to live in their own homes where there's a risk of homelessness, or going into care, or for families facing exceptional pressures.

## **USING NEW BENEFIT POWERS**

The consultation highlighted many new and innovative ideas in relation to the new social security powers coming to Scotland. While many of these will require further exploration and development with our Experience Panels and Stakeholder Reference Groups, there were also many proposals that are closely aligned to our vision for the new system that we are therefore able to commit to now. In the following section, we set out some of those key commitments.

### **Universal Credit**

Universal Credit is a new single payment for working age people introduced by the UK Government. Universal Credit remains reserved to the UK Government, however, the Scotland Act 2016 provides Scottish Ministers with some flexibilities over the way Universal Credit is calculated and paid. The Scottish Government has already committed to using our powers over Universal Credit to offer Scottish recipients a choice over how often they receive their payments and if their rent is paid direct to their social landlord.

As part of the consultation, there was significant support for more frequent payments of Universal Credit and paying the housing element of Universal Credit direct to landlords. These were issues that people have repeatedly raised with the Scottish Government and highlighted the problems the current DWP approach can cause for budgeting.

On 16 January 2017, we launched a consultation exercise on the draft Universal Credit regulations which will enable the first use of powers flowing from the Scotland Act 2016. It will offer choice on the frequency of payments of Universal Credit and on the ability to pay the housing element of Universal Credit direct to landlords, including a new commitment to extend it to tenants in the private rented sector. When Universal Credit is fully rolled out in Scotland, between 650,000 and 700,000 households will benefit from having more choice and control over how they receive their Universal Credit payments.

As part of the consultation, there was also broad support for payments of Universal Credit to be split between members of a household. People emphasised that money can sometimes be used as a tool in domestic abuse settings and that DWP's approach to Universal Credit could result in one person receiving benefits on behalf of the entire household, which could exacerbate existing problems. The Scottish Government is committed to tackling all forms of violence against women, including domestic abuse. So, based on the feedback from the consultation we will work with the DWP and other partners, including women's groups, to consider how split payments could be achieved and in what timescale.

## Funeral payments

Funeral payments are for individuals on low incomes who need to pay for a funeral they are arranging. The consultation told us that the Funeral Payment currently takes too long to access. As an indication of how seriously we take the need to speed up processing of the Funeral Payment, we have already committed to processing applications within 10 working days of receipt of a completed application.

We are also considering a number of other suggestions made in the consultation responses, for example how we could simplify eligibility criteria and extend the application window following a death. This work will be informed by the Reference Group we have created to advise on the development of the Funeral Payment.



*“The long process endured before receiving a decision on a Funeral Payment is stressful in itself but can also delay the funeral taking place.”*

**SAIF Scotland**

## Winter Fuel and Cold Weather Payments

In general, respondents supported a broad continuation of current eligibility, with support for the expansion of some benefits, though a few respondents cautioned against more generous approaches where there was not a strong case for this, or called for a more targeted approach. In addition, the independent Fuel Poverty Strategic Working Group and Rural Fuel Poverty Task Force both included recommendations about the use of devolved benefits in tackling fuel poverty. We will consider all the responses to the consultation and the recommendations of the Strategic Working Group and the Task Force as we develop a new long-term fuel poverty strategy, including the use of relevant devolved powers, which will be consulted on later in 2017.

## Best Start Grant

We have already committed to replacing the Sure Start Maternity Grant with a new Best Start Grant. The support provided through the Best Start Grant will play an important part in reducing inequalities and will help improve health outcomes for under 5s.

We are currently modeling the operation of the Best Start Grant to look at the practicalities of delivering this new benefit. The information in the consultation gives us an excellent basis to take this work forward in conjunction with the Best Start Reference group and potential applicants of the new benefit.



*“I like the fact it takes into account people's situation can change, I also like the proposal to extend the application window for the first payment.”*

**Individual**

Like the funeral payment, our research shows us current take up is very poor – the current take-up rate for Sure Start Maternity Grant is around 50%. Therefore, we will work hard to establish increased take up of both these benefits through a simple application process and by raising awareness amongst all those entitled to this support. We plan to do this by working with midwives and health visitors on promotion and developing links with relevant financial inclusion projects for families, in particular, Healthier Wealthier Children. Many respondents also felt that a longer application window could be helpful and we will commit to ensuring that this is introduced.

## Disability Benefits

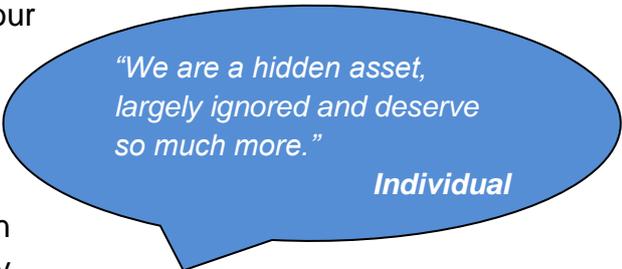
The Scottish Government has already committed to maintaining disability benefits, and ensuring that they are not means tested. The disability benefits being devolved to Scotland are designed to help with the costs caused by long-term ill-health or a disability, they include Disability Living Allowance, Personal Independence Payments and Attendance Allowance. They are not designed to replace income or other earnings and they should not be adjusted or reduced if someone's income changes. All people with disabilities in Scotland, no matter their income, will remain eligible to apply for devolved disability benefits. Our newly established Disability and Carers Benefits Expert Advisory Group will provide recommendations to ensure that the new Scottish disability benefits meet the needs of those claiming them, and guidance on how often assessments should be, what conditions should be given an automatic or lifetime awards, and eligibility criteria.

## Industrial Injuries Disablement Benefit

Industrial Injuries Disablement Benefit (IIDB) is paid in certain circumstances when a person becomes ill or is disabled because of an accident or disease at work or training. Respondents to the consultation generally commented that IIDB was an important and necessary scheme. Some respondents like that it is not means tested and provides no-fault compensation. However, there were mixed views about how the scheme could be improved, suggestions include: modernisation of the list of prescribed diseases; raising awareness of the scheme; simplifying the complex application process; incorporating the scheme with other disability benefits; and improving alignment with other services. We will consider the suggestions made with the Advisory Group that we have created to advise on the development of the scheme.

## Carer's Allowance

Consultation responses were overwhelmingly in favour of our proposals to increase Carer's Allowance to the same level as Jobseeker's Allowance as soon as is practically possible – giving carers around £600 more a year. To achieve that we have already commissioned work from the DWP to explore the feasibility of delivering the top-up in advance of the creation of a Scottish social security agency.



*"We are a hidden asset, largely ignored and deserve so much more."*

**Individual**

A Feasibility Report has been received from the DWP and analysis of that report is currently underway. We will engage further with the DWP to explore the evidence and conclusions

presented in the report and will announce a decision as soon as possible after this process is complete.

However, it is important to understand that to deliver the top-up we require to set-up an appropriate legal framework, through the Social Security Bill and after that we can create new secondary legislation which will be necessary to set out the detail of how the top-up will be delivered. This process is essential and is subject to the scrutiny and timetable of the Scottish Parliament.

Over the longer term, the Scotland Act 2016 provides flexibility to change the definition of a carer for the purposes of paying a benefit. Our Carers' Benefit Advisory Group, and its short-life working groups are currently reviewing the eligibility criteria for Carer's Allowance, and the rules relating to the stopping and starting of the benefit.

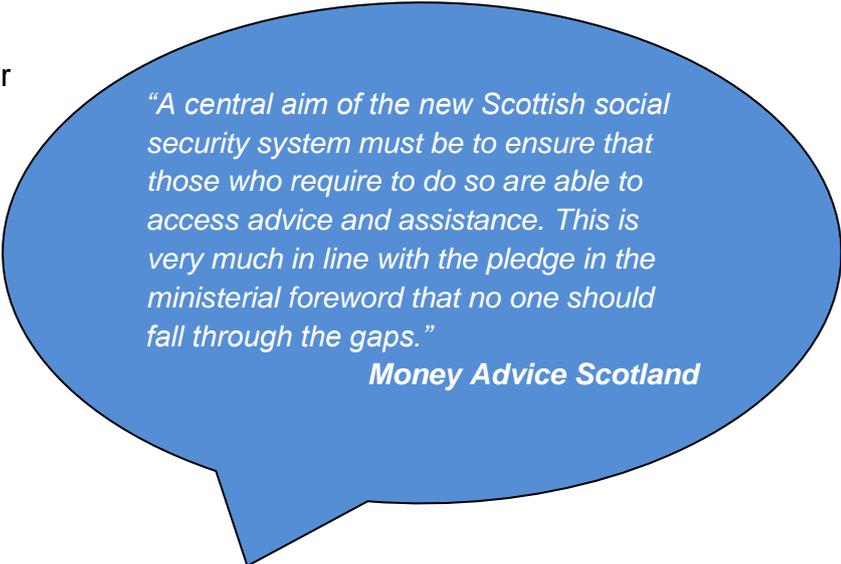
We also recognise the essential role played by our young carers. On 25 May 2016, the First Minister announced that we will consider the introduction of a Young Carer's Allowance to provide extra support for young people with significant caring responsibilities. Just over 10,000 young people aged under 16 identified themselves as carers in Scotland's 2011 census. We are currently working with partners to explore options for a Young Carers Allowance through our Young Carers Allowance Working Group.

## Benefit take-up

Across the range of benefits, respondents called for improved awareness raising and provision of information to maximise take-up. This is something we are strongly committed to and we are currently planning a campaign to encourage people to claim the benefits to which they are already entitled. We will also engage with partner organisations who either represent or work directly with those who will claim devolved benefits to ensure they help us to support improved take-up.

## Advice services

Respondents to the consultation were clear that advice and advocacy should be an important part of the new social security system, with many feeling that demand would increase during the transition to the new system. Many also highlighted the importance of specialist advice for people with particular needs, and equality of access to advice.



*“A central aim of the new Scottish social security system must be to ensure that those who require to do so are able to access advice and assistance. This is very much in line with the pledge in the ministerial foreword that no one should fall through the gaps.”*

**Money Advice Scotland**

These findings fit with the aim of the Scottish Government’s wider review on advice services to make sure the Scottish Government’s support for the sector is directed to achieve the best outcome for its clients. This includes ensuring our support delivers a consistent, high level of quality and standard of services. We agree on the important role these services play and, will build on the findings from the review and this consultation, to work with organisations and those with lived experience to design the support needed to go alongside the new social security system.

## Complaints, reviews and appeals

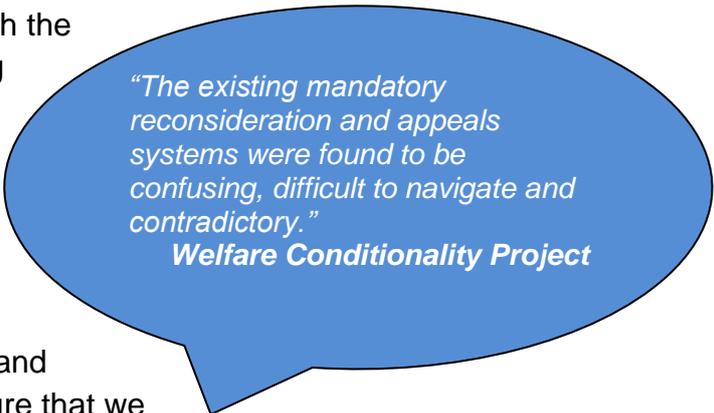
The consultation highlighted a number of issues with the DWP’s current review process and there is a strong desire for Scotland to take a different approach.

In response, we are committed to developing a new review process that embeds our core principles and values throughout the complaints, review and appeal process. We will make sure

that people are always clear of the timescales for dealing with any complaints, reviews and appeals, and

know where to go to get help and support. To ensure that we

get this crucial service right, we will work closely with Experience Panels to engage those with first-hand experience of the present system to design and develop something better.



*“The existing mandatory reconsideration and appeals systems were found to be confusing, difficult to navigate and contradictory.”*

**Welfare Conditionality Project**

## **PART 4: NEXT STEPS**

The Scottish Government again thanks all of the people and organisations who responded to the consultation or took part in the series of events and discussions that took place over the summer. The findings from this consultation will continue to inform every phase of our work going forward.

As this response explains, we are committed to maintaining this in depth collaboration as we move forward on building our new social security system. The next steps in the process are:

- We will shortly set out in detail how to volunteer to take part in our experience panels.
- In the Spring, guided by the consultation findings, we expect to announce a preferred model for the new social security agency.
- Before the end of June 2017, we will introduce the Social Security Bill to the Scottish Parliament.

Each of these milestones will present further opportunities to engage with the Scottish Government. In the meantime please feel free to contact us through [socialsecurity@gov.scot](mailto:socialsecurity@gov.scot) if you would like any further information. You can keep up to date with our work by visiting our website at [www.gov.scot/socialsecurity](http://www.gov.scot/socialsecurity).

