

SOCIAL SECURITY COMMITTEE

PASSPORTED BENEFITS INQUIRY

SUBMISSION FROM CITIZENS ADVICE SCOTLAND

Introduction

Citizens Advice Scotland (CAS) welcomes the opportunity to provide evidence to the Committee's inquiry. In 2016/17 Scotland's CAB network advised clients on 253,663 new issues relating to social security benefits and tax credits. The most common areas of advice provided include assistance with benefits that qualify people for passported benefits – Employment and Support Allowance (ESA), Personal Independence Payment (PIP), Housing Benefit, Jobseekers Allowance (JSA), Child Tax Credit, Working Tax Credit, and most recently Universal Credit.

As draft regulations for Funeral Expense Assistance and Best Start Grant are currently being considered separately by the Committee, we have not addressed detailed points related to them here. CAS will make full responses to the Scottish Government's consultations on these vital passported benefits.

General points on passported benefits

In general, passported benefits play an important role in helping people to maximise their income and by providing help to meet specific essential costs that they would otherwise be unable to pay for. The myriad of passported benefits available includes help with the costs of the school day¹, health costs², legal costs³, costs associated with raising babies and young children⁴ and the costs of essential utilities⁵ amongst others. They also provide vital support for disabled people, in the form of access to the Motability scheme, Blue Badges and concessionary bus travel.

Citizens Advice Scotland believes that the link between social security benefits and passported benefits should be maintained. Not only do the qualifying benefits serve as a useful proxy for low income or disability, but by linking eligibility it can help people claim all the benefit support they are entitled to and encourage people to seek advice on maximising their income.

However, there are potential improvements that could be made. As detailed below, eligibility criteria for passported benefits for disabled people could be expanded to ensure people who do not receive PIP or DLA but whose condition would qualify them for support are also eligible for passported benefit.

The Scottish Government's recent decision to set a minimum level of award for School Clothing Grant of £100 is welcome and has the potential to help parents meet

¹ Free School Meals, School Clothing Grant, Education Maintenance Allowance

² Free dental treatment, Optical vouchers, Help with travel costs for health treatment

³ Legal Aid, Exemption from Court Fees, Help with prison visiting costs

⁴ Sure Start Maternity Grant, Healthy Start vouchers and vitamins, forthcoming Best Start Grant and Best Start Foods

⁵ Cold Weather Payment, future Cold-spell heating assistance, Warm Home Discount, BT Basic

what can be unaffordable costs. Whilst it is right that the scheme is administered locally, unlike Free School Meals there is no set eligibility, with a result that in some local authorities far fewer people qualify for a School Clothing Grant than in others. Consideration could be given to whether there is a need for greater consistency in eligibility criteria across Scotland.

New Scottish disability benefits and Motability

CAS believes that the Scottish social security system should continue to support the popular Motability scheme. We have also recommended that all people entitled to disability benefits should be able to use their benefits to access the Motability scheme, not just those on the highest mobility rate. This is particularly important in rural areas, where a car is essential due to the lack of suitable public transport for people with mobility problems.

Scotland's CAB network has advised a number of clients who were in receipt of the higher mobility rate under DLA and are not qualifying for the enhanced rate under PIP. This in part is due to restricting eligibility for the enhanced mobility component to those who could walk less than 20 metres, as opposed to less than 50 metres as under DLA.

Many respondents to a September 2016 survey of CAB advisers on PIP mentioned that for clients who were previously on DLA, the less generous mobility component rates means that many lose their entitlement to their Motability vehicle. This is particularly detrimental and can cause a great deal of distress to people who rely on their Motability vehicle to retain their independence. One survey respondent mentioned the effect that this can have on employment:

“Many clients because of the changes to the mobility test (re. DLA) are totally disadvantaged now. Many people having to give up mobility car and some clients rely on this for getting to work and have had to give up work as a result.”

CAS has recommended that the criteria for entitlement to the enhanced mobility component for Scottish disability assistance should be changed so that the relevant distance is increased from 20 metres to at least 50 metres. However, in addition, consideration should be given to opening up access to the Motability scheme for people who have mobility problems but do not receive a qualifying benefit, such as people who receive Attendance Allowance.

Automatic entitlement and application

Given that eligibility for passported benefits is based on a person receiving another benefit, possible opportunities to use information-sharing to simplify the process of applying for a passported benefit exist. We are aware of examples of local authorities using information about recipients of Housing Benefit and Council Tax Reduction to identify people who would be eligible for Free School Meals and School Clothing Grants for instance.

In general, CAS supports greater information-sharing to make the process of applying for and receiving benefits easier. In many instances, this would involve

sharing information between multiple agencies to identify recipients. In particular, the devolution of disability benefits raises the possibility of information sharing within Scottish Government to make it easier to receive concessionary travel, and between Social Security Scotland and local authorities to make it easier for people to apply for a Blue Badge.

We would support initiatives towards doing so to increase benefit take-up, although care must be taken to ensure that information shared is in the best interests of service users and used to enhance their experience, rather than in an attempt to make cash savings at their expense.

Income thresholds for passporting for Universal Credit

Passported benefits have operated on the basis of being a proxy for low income. In almost all cases receiving out-of-work benefits (Income Support, JSA and ESA) entitle recipients to additional passported support. In addition, certain schemes entitle recipients of in-work benefits (tax credits) to receive support based on having a low income and/or having children.

However, as an integrated in and out of work benefit, Universal Credit presents challenges for use in being used as a proxy for low income, as recipients range from people who are unable to work to couples who are both in low paid work. Additionally, unlike tax credits, Universal Credit payments can fluctuate from month to month depending on people's earnings and any deductions taken from the award (for instance to repay advance payments or rent arrears).

All providers of passported benefits now appear to include Universal Credit amongst their eligibility criteria. This has resolved a previous issue for CAB clients who were amongst the first to receive UC, but were unable to claim a passported benefit because it had not been added to the criteria as a qualifying benefit. Most providers of passported benefit schemes appear to specify a monthly income threshold for Universal Credit recipients designed to approximate the qualifying criteria for the schemes provided by legacy benefits.

However, this does mean that there is now a large range of different amounts of maximum monthly take-home pay thresholds for Universal Credit recipients to qualify for a passported benefit. This includes no limit (Best Start Grant proposal, Funeral Payments, exemption from court fees), £1,250 per month (help with prison visiting costs), £610 per month (Free School Meals), £435 (help with NHS costs), £408 (Healthy Start vouchers) and £0 (BT Basic). A more consistent set of thresholds would be helpful for providing information and advice on what people are entitled to, although with different schemes being administered by different providers this may be difficult to achieve in practice.

A further potential issue with using Universal Credit as a qualifying benefit is that unlike legacy benefits or tax credits no award letter is issued to recipients. Some local authorities have attempted to try and address this by asking applicants to provide a copy of their online UC journal statement. Although this is not a perfect solution, CAS would recommend all providers of passported benefits consider what

evidence they require of Universal Credit recipients instead of requiring an award letter.

Common issues for CAB clients

Other issues related to passported benefits that CAB clients often seek advice about include:

Applications only being able to be made online

Whilst most local authorities offer a range of options for applying for passported benefits, a number have adopted a 'digital by default' approach, and require all applications to be made through an online portal. This is a particular issue for people applying for a Blue Badge, who are more likely to be older and be disabled, two groups that are more likely than average to be unable to make and manage a benefit claim online without support. CAS research has consistently shown that almost two-thirds of respondents seeking benefits advice either need help or are not able to manage at all.⁶ Citizens Advice Scotland recommends that all local authorities offer alternative ways to apply for passported benefits, as well as online.

Long wait for payment

In some cases, the timescale for payment of passported benefits means that people do not receive money when it is needed most. For instance, people on a qualifying benefit can be reimbursed for health travel costs, but this can take up to six weeks to reimburse the expenses, when CAB clients may have difficulty finding the money to pay for the travel at the time of the appointment. Similarly, the waiting period for a Warm Homes Discount to be processed has meant that clients do not have the money to pay for energy costs upfront. Specialist CAB advisers have also suggested that there should be a 'special rules' fast-track application for Blue Badges for people who are terminally ill, similar to that which exists for PIP, DLA, ESA and Universal Credit.

Missing out on passported benefit due to not receiving qualifying benefit

In some instances, people who have the same needs as others who receive support from passported benefits are unable to claim them due to not receiving a qualifying benefit. Examples of this include kinship carers who are unable to receive Free School Meals because they receive Pension Credit rather than a working age benefit, and people with mobility needs who are unable to claim PIP due to being past state pension age and receiving Attendance Allowance, which has no mobility component. The eligibility criteria for passported benefits could be reviewed to ensure that people in need do not fall through the gaps.

⁶ Disconnected: Understanding digital inclusion and improving access – February 2018
https://www.cas.org.uk/system/files/publications/cas_disconnected_report.pdf