



## Citizens Advice Scotland Briefing

### The Future of Social Security in Scotland debate

23 November 2016

*Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website provides information on rights and helps people solve their problems.*

### Summary

Scotland's Citizens Advice Service is the leading provider of independent advice on social security benefits in Scotland. In 2015/16, Scotland's CAB network advised clients on 227,561 new issues relating to benefits and tax credits in 2015/16, representing 39% of the total number of new issues brought to bureaux. Whilst a number of benefits that Scotland's CAB commonly provide advice on will remain reserved, benefits due to be devolved by the Scotland Act 2016 represent almost a third of new social security issues in the past year, a total of 74,133.

Designing a new social security system for Scotland is a major opportunity and challenge. CAS has attempted to bring the best of our unique evidence base to inform the development of the new system based on the experiences of those who work with the current system on a daily basis. In developing a substantial response to the Scottish Government's recent public consultation on the devolved social security system<sup>1</sup>, CAS carried out specific engagement activity with 144 CAB clients and 102 CAB advisers with direct experience of the current system, in addition to CAB case information which provide real time insights into the daily operation of the system.

This briefing focusses on three key areas that CAS would consider priorities for the new system:

- **Ensuring that the new system delivers dignity and respect in practice** by adequately resourcing the new Agency, fostering a dignified and respectful culture at every level of governance and management, giving claimants a choice of communication methods with the Agency including face-to-face contact, and involving users of the system and those that work with them at all levels of service design and delivery.
- **Changes to the eligibility criteria for carers benefits** to provide recognition of the needs of more of Scotland's full-time carers.
- **Reforming the complex review and appeals process** by making it one seamless process from the perspective of the claimant. CAS recommends that, during the review process, payments continue for clients who are already in receipt of the benefit in question, and that statutory timescales are introduced within which the review must be carried out.

## Ensuring that the new system delivers dignity and respect in practice

CAS welcomes the announcement that the Scottish Government intends to establish a Scottish Social Security Agency, and there is strong support amongst our CAB staff and volunteers for the majority of benefit delivery and aspects of the user interface to be delivered by this new agency. **However, successful delivery of benefits by the new Agency will depend on meticulous design and adequate resourcing of the Agency.**

**A culture of dignity and respect needs to be fostered throughout the whole organisation at every level of governance**, through good *management* of staff and services, providing adequate support and supervision to those at the point of delivery; but also through strong *leadership*.

Leaders at any level – from government ministers to operational managers – need first-hand knowledge of the point of service delivery, should be present and visible, leading by example through commitment, compassion and modelling of appropriate behaviours.

Citizens advice bureau advisers spend hours dealing with issues around poor administration of benefits. As CAS has evidenced in a recent report: *Living at the Sharp End: CAB Clients in Crisis*<sup>ii</sup>, problems with benefit delivery can cause severe hardship and can leave some of the most vulnerable people in society without any money to live on for weeks at a time. **For this reason, benefit delivery is as important as system design and it is crucial that the Scottish Government gets it right.**

**CAS recommends that users of the Scottish social security system are offered a choice of communication methods, including face to face, written letters, online claims, and telephone.**

In May 2016, CAS published research based on a survey of 601 CAB clients across Scotland.<sup>iii</sup> The survey revealed that one in five (19%) cannot use a computer at all, with a similar proportion (21%) never using the internet. This number rises when people's ability to make benefit claims or apply for jobs online is considered - 59% could not make a claim for benefits online without help, and 54% could not apply for a job online without help. For this reason, CAS recommends the Scottish Government avoid a 'digital by default' approach to the new system.

**CAS recommends that the agency makes some provision for face to face contact with claimants, particularly at the initial claim stage.** There was broad support for face to face contact amongst advisers and clients that CAS consulted with. The survey data showed that 77% of advisers thought that providing opportunities for face to face contact with staff was very important.

**Users of the system, but also welfare rights advisers, advocates and carers should be present, powerful and involved at all levels of service design and delivery.** There is a vibrant network of public and third sector services in Scotland who have excellent links with current users of the social security system, and CAS

recommends that the Scottish Government make use of organisations that already exist where possible.

## **Changes to the eligibility criteria for carer's benefits**

The eligibility criteria should be reviewed with a view to broadening it to ensure that carers do not unfairly lose out on support. Based on consultation with carers and CAB advisers, CAS recommends that the following should be considered priorities for extending support from carers benefits:

### **Carers who receive the State Pension, but are ineligible for Pension Credit**

Carers who have retired are not explicitly restricted from claiming Carer's Allowance, but in practice they would be prevented from receiving it by virtue of receiving the State Pension which is an 'overlapping benefit' (meaning that only the highest value of the two can be claimed). Whilst people who are eligible for Pension Credit are entitled to a Carer Addition, people who are ineligible do not receive any additional payment to recognise the value of the care they provide. This can include people on reasonably low incomes – those with a "half-decent" private pension – as one respondent put it.

### **Carers in full-time education**

It was widely considered throughout our consultation activity that carers who are at college, university, school (for 16-18 year olds at least) and other forms of full time education should be entitled to Scottish carer's benefits. CAS would consider student carers to be a priority for support. This may be as part of a Young Carer's Allowance, or as part of a main Scottish carer's benefit. As their caring responsibilities will often restrict them from working alongside their studies, this would both recognise the value of their care and partly reflect lost earnings.

### **Carers who earn more than the current earnings threshold**

Whilst some carers combine work with full-time caring responsibilities, they are often entitled to no recognition for their caring role from Carer's Allowance. Across all methods of consultation, the consistent view of advisers and clients was that the current earnings threshold of £110 per week was too low. A further issue that can arise for CAB clients is that because the threshold is set at a particular cash figure as opposed to a number of hours' work, any increase in the National Minimum Wage/National Living Wage can cause clients to lose their entitlement to Carer's Allowance due to an increase in the minimum wage, despite working the same number of hours. We recommend the rate is set at the equivalent 21 hours at the voluntary Scottish Living Wage (currently £177.45 – a 61% increase.)

### **CAS recommends that the Scottish Government considers a number of other groups for support from a Scottish Carer's benefit, potentially as part of a two-tier structure with a higher and lower rate of award.**

Given that carer's benefit is viewed as having two main purposes – providing recognition of a person's caring role, and to provide some form of income replacement, then one possible structure may be to award a Scottish Carer's benefit at a higher and a lower rate. The higher rate could provide both recognition and earnings replacement, whilst the lower rate could exist to provide some recognition of a carer's role, and assist them in accessing non-financial support.

## Reforming the complex review and appeals process

The complexity of the current system of reconsiderations and appeals has the potential to deter people from appealing and act as a barrier to justice. Part of the problem is that the claimant must have their decision reconsidered internally by the DWP, and then, if they disagree with the reviewed decision, undergo the additional step of lodging an appeal.

Below, CAS has recommended a number of ways in which the internal review process could be changed to improve the user experience. **However, the best way to reduce demand on both the internal review process and the appeals process is by improving the accuracy of initial decisions.**

One way in which the Scottish Government can improve the accuracy of decisions is by designing into the system an approach to analysing feedback that allows for learning and continuous improvement.

**CAS is of the view that, even if an internal review process does exist, it must be perceived as part of one seamless process from the perspective of the claimant.** In our view, the best way to do this is to have the review decision passed directly from the Agency to HM Courts and Tribunals Service, rather than the claimant having to lodge an appeal themselves. At this stage the claimant would be sent a *'Do you wish to continue with your appeal?'* letter, which they must return to HMCTS within a given time frame. This allows an opt-in, but is less onerous on the claimant, and would help to make the claimant feel that they were on one journey of challenging the decision, rather than two distinct processes.

**CAS recommends that, during the review process, payments continue for clients who are already in receipt of the benefit in question, and that statutory timescales are introduced within which the review must be carried out.**

## Other key priorities for the devolved social security system

The devolution of new powers represents an opportunity for the Scottish Government to shape a social security system designed with the people who will require support from it at its heart. In addition to the priorities outlined above there are many opportunities presented by the range of powers that are being devolved.

In particular, these opportunities include the possibility to support a principled approach by:

- Ensuring that people who need support from the system can exercise their rights to be treated with dignity and respect.

The devolution of specific benefits provides the opportunity to:

- Substantially reduce the number of unnecessary medical assessments for disability benefits by making the best use of existing evidence.

- Help tackle the growing issue of funeral poverty, by providing a streamlined process for funeral payments which provides financial certainty and a streamlined process to people who need support.
- Giving people choice about how they want to receive Universal Credit payments to reduce the number of people running out of income.

In setting the operational policy for the new system, there are opportunities to make improvements by:

- Ensuring that Scotland's citizens have access to independent advice and support to help them receive all the social security support they are entitled to.
- Making sure that direct deductions from benefits to cover overpayments are not deducted at a high rate, to prevent causing gaps in people's income.

## More information

For more information please contact Rob Gowans, Policy Officer – 0131 550 1087 or [rob.gowans@cas.org.uk](mailto:rob.gowans@cas.org.uk).

Citizens Advice Scotland's full response to the Scottish Government's consultation can be found at <http://www.cas.org.uk/publications/designing-social-security-system-scotland-consultation-new-powers>

## Appendix – CAB advice provided on benefits due to be devolved, 2015/16

2015/16	New issues	% of benefits advice
PIP (Daily living)	24,401	10.7%
PIP (Mobility)	20,416	9.0%
Attendance Allowance	7,614	3.3%
Carers Allowance	6,375	2.8%
DLA (Care)	5,297	2.3%
DLA (Mobility)	4,170	1.8%
Discretionary Housing Payments	2,839	1.2%
Sure Start Maternity Grant	1,002	0.4%
Funeral Payments	829	0.4%
Industrial Injuries Disablement Benefit	614	0.3%
Winter Fuel Payments	317	0.1%
Severe Disablement Allowance	142	0.1%
Cold Weather Payments	117	0.1%
<b>TOTAL</b>	<b>74,133</b>	<b>32.6%</b>

<sup>i</sup> Response to A New Future for Social Security: Consultation on Social Security in Scotland – Citizens Advice Scotland, October 2016 <http://www.cas.org.uk/publications/designing-social-security-system-scotland-consultation-new-powers>

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<sup>ii</sup> Living at the Sharp End: CAB Clients in Crisis - Citizens Advice Scotland, July 2016

<http://www.cas.org.uk/publications/living-sharp-end>

<sup>iii</sup> Bridging the Digital Divide – Citizens Advice Scotland, May 2016

[www.cas.org.uk/publications/bridging-digital-divide](http://www.cas.org.uk/publications/bridging-digital-divide)