

Mitigating the Impacts of Welfare Reform

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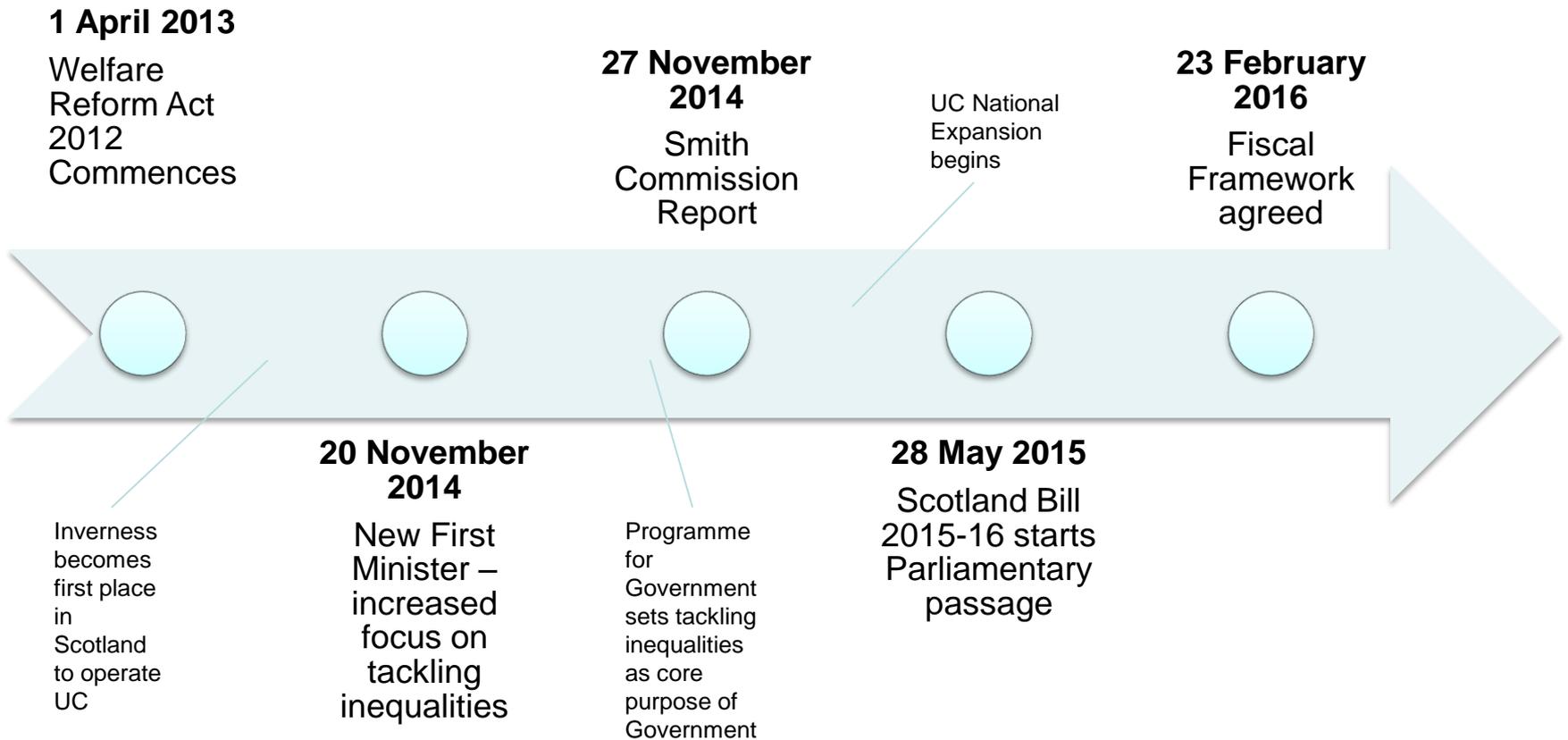
Social Justice and Regeneration
Division, Scottish Government

Purpose

- Set the context
- Outline the Scottish Government's overall approach to welfare reform
- Specific considerations on responding to the implementation of Universal Credit

Responding to welfare reform

Timeline



The Scottish Government Approach





From April 2013 to June 2015 spent around £73 million providing Community Care Grants and Crisis Grants to over 164,000 households in Scotland, including around 54,000 families with children. Over a third of awards made to vulnerable households such as people with mental health problems, lone parents, disabled people etc.



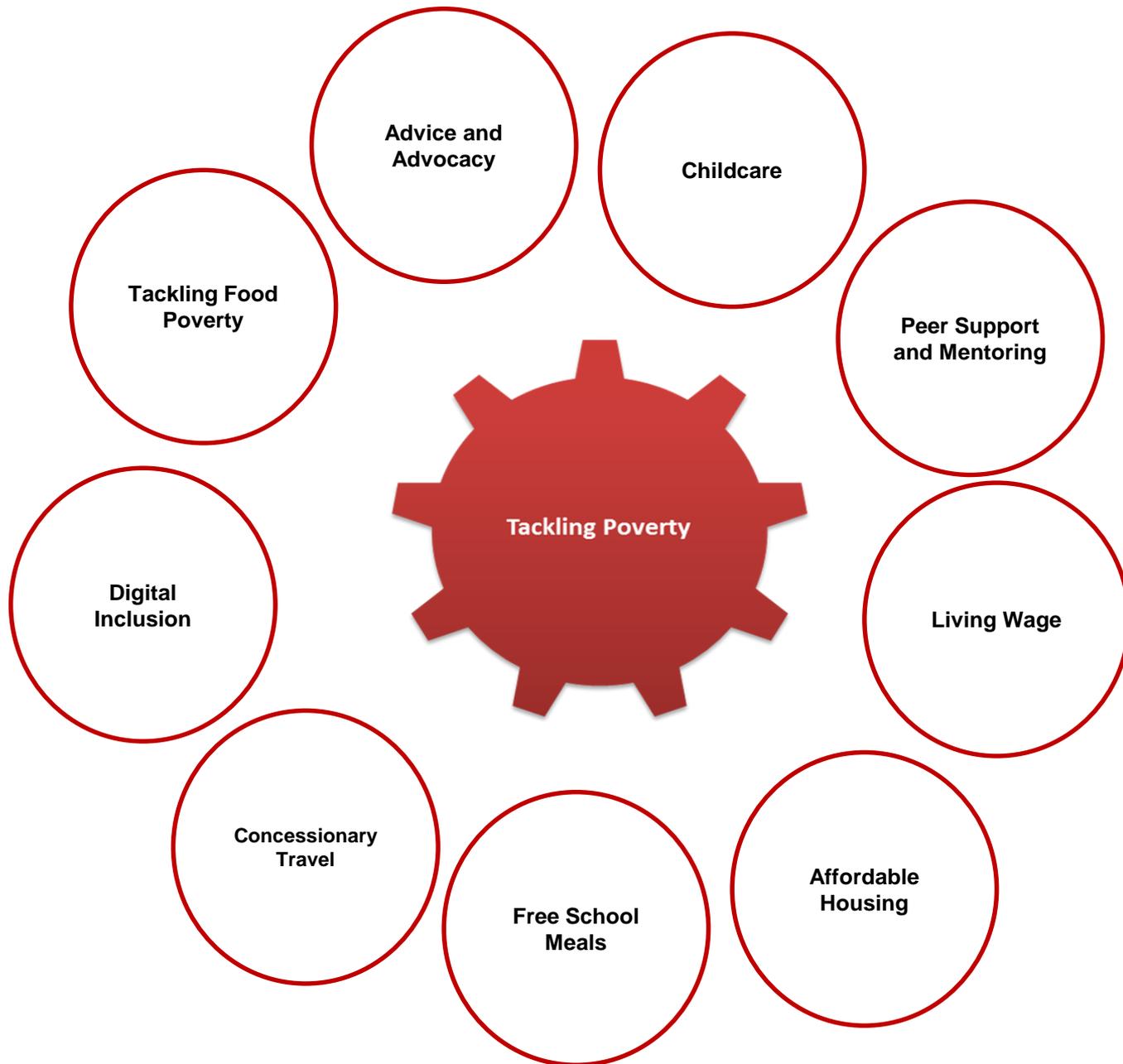
Committed £90 million since 2013 to fully mitigate the bedroom tax for 72,000 households



Since April 2013 we have committed £69m (plus up to £51 million budget provision made available from local government).

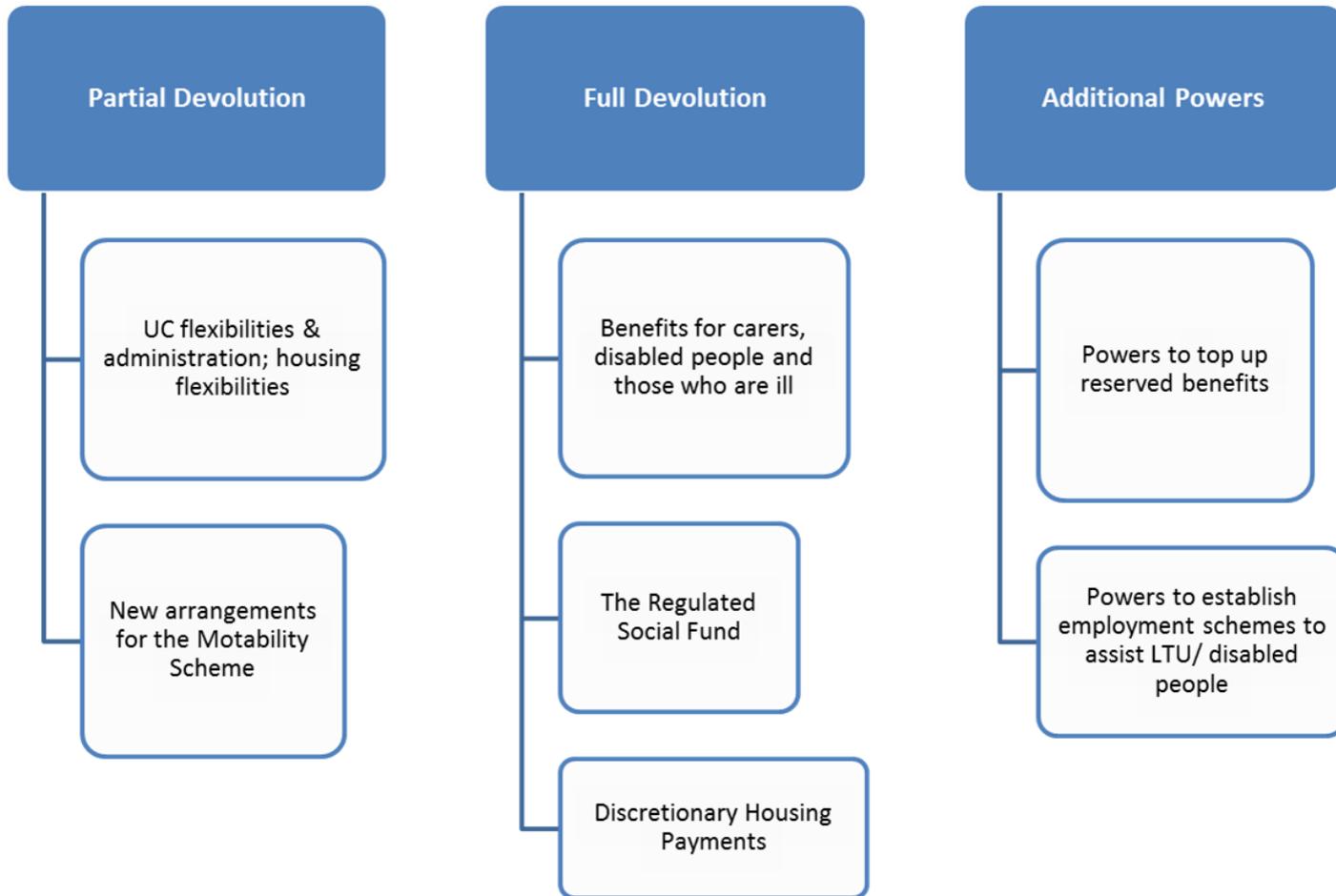
- This is protecting over 525,000 vulnerable households in Scotland
- over 200,000 pensioners
- 86,000 lone parents in meeting their Council Tax liabilities.
- Over 290,000 (55.6 per cent of) Council Tax Reduction recipients in March 2015 were in one of the 30 per cent most deprived areas in Scotland.





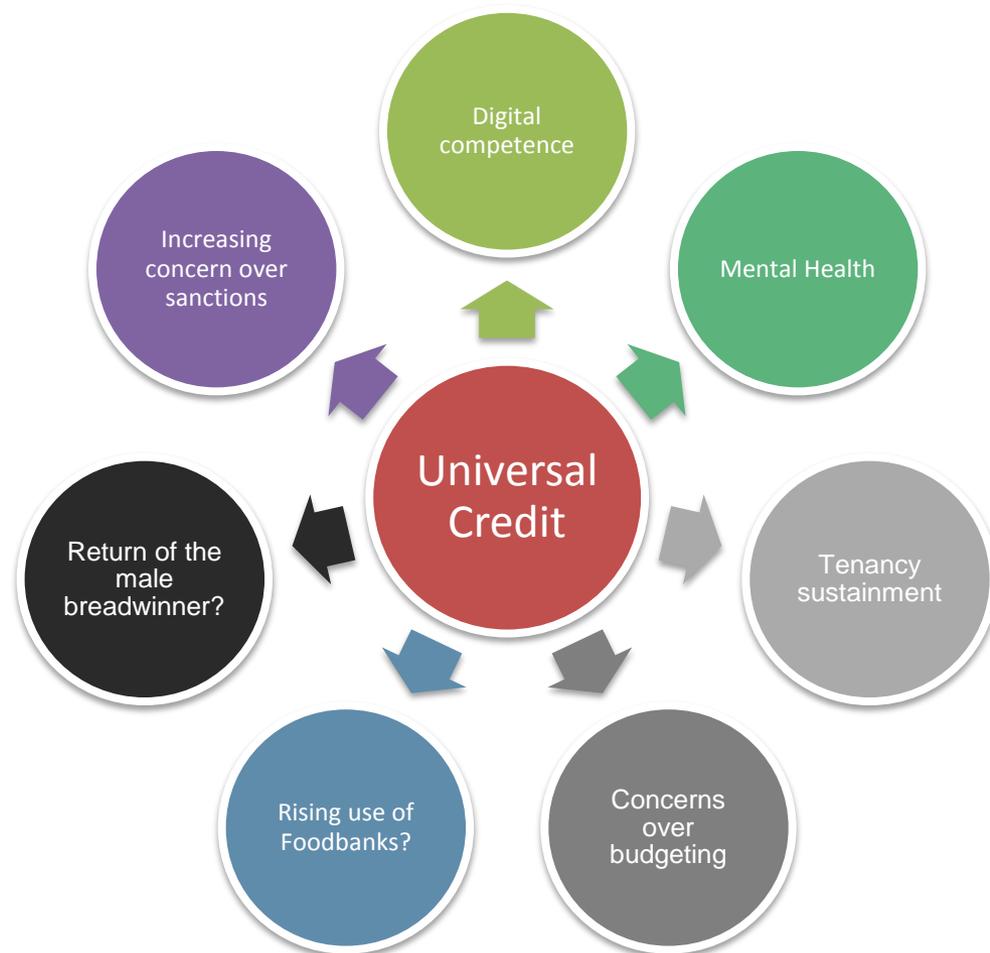


What welfare powers are coming to Scotland?



Responding to UC

Thinking about impact...



Universal Credit – Scottish Flexibilities

What	Why
<ul style="list-style-type: none">• Priorities:<ul style="list-style-type: none">• Direct payment of the housing costs element to social landlords• more frequent payments to the claimant (twice monthly as opposed to monthly)• Discussing with stakeholders other potential changes e.g. managed payments of rent in the private sector and split payments of UC	<ul style="list-style-type: none">• Providing Scottish claimants with more <u>choice</u> about how they manage their UC account• To make the changeover to the UC regime easier for claimants in Scotland• To protect tenancies and prevent an increase in homelessness• To help with budgeting and reduce build- up of rent arrears and other debts

Universal Credit - Housing Element

What	Why
<ul style="list-style-type: none">• Power to vary the housing element of UC (including varying the under occupancy charge)• Scottish Ministers are committed to using to ensure that no-one has their UC reduced as a result of the removal of the spare room subsidy• Powers over Discretionary Housing Payments (DHPs)	<ul style="list-style-type: none">• Formalises existing actions - currently mitigating under occupancy charge using DHPs• DHPs are currently used for a variety of purposes as well as bedroom tax mitigation, including LHA and Benefit Cap

Scottish Flexibilities – Where are we now?

- Working closely with the UK Government to ensure smooth transfer and implementation of the new powers
- Plan to consult on regulations to implement the UC flexibilities when Scotland Bill has been enacted
- Meantime, working with DWP to assess the operational, technical and financial impacts of implementing these flexibilities
- Have held three joint DWP/SG workshops where we discussed the policy specification of what we want the UC flexibilities to deliver - are continuing to work with DWP on this
- We are awaiting cost estimates from DWP for the first two flexibilities.