



**COUNCIL EXECUTIVE**

**CONSULTATION ON UNIVERSAL CREDIT (CLAIMS AND PAYMENTS)(SCOTLAND) REGULATIONS 2017.**

**REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES**

**A. PURPOSE OF REPORT**

The purpose of the report is to inform the Council Executive of the Scottish Government's consultation, which commenced on 16 January 2017, on its proposed Regulations regarding Universal Credit Payments, and to agree a West Lothian Council response to be returned by 13 March 2017.

**B. RECOMMENDATION**

It is recommended that the Council Executive:

1. Notes the contents of the report and the accompanying proposed consultation response (appendix 1); and
2. Approves the proposed consultation response.

**C. SUMMARY OF IMPLICATIONS**

<b>I Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; providing equality of opportunities; making best use of our resources; working in partnership.
<b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	There are questions on equality impact assessment contained in the consultation.
<b>III Implications for Scheme of Delegations to Officers</b>	None.
<b>IV Impact on performance and performance Indicators</b>	There may be a statutory requirement to have performance indicators.
<b>V Relevance to Single Outcome Agreement</b>	Our children have the best start in life and are ready to succeed. We are better educated and have access to

	increased and better quality learning and employment opportunities. Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business. We live longer, healthier lives and have reduced health inequalities.
<b>VI Resources - (Financial, Staffing and Property)</b>	Resource implications are not clear at this stage.
<b>VII Consideration at PDSP</b>	Given the limited amount of time for responding to the consultation it has not been possible to consider this at PDSP.
<b>VIII Other consultations</b>	West Lothian Council: Legal Services, Social Policy, Housing, Customer & Building services, Finance and Property Services and Employability service. CPP Anti-Poverty Development Group, Universal Credit Working Group and West Lothian Advice Network have been consulted on this response.

## **D. TERMS OF REPORT**

### **D.1 Overview**

The Scotland Act, which received Royal Assent on 23 March 2016, includes provisions to devolve eleven benefits to Holyrood, and also to give Holyrood the power to top up any benefits, reserved or devolved, provided the funding is met by the Scottish Government.

Benefits being devolved to Scotland are:

- Ill health and disability benefits – including Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Severe Disablement Allowance and Industrial Injuries Disablement Benefit
- Carer's Allowance
- Sure Start Maternity Grants
- Funeral Payments
- Cold Weather Payments and Winter Fuel Payments
- Discretionary Housing Payments

In addition, although Universal Credit (UC) is reserved to the UK Government, some powers in relation to the Housing Support element of Universal Credit and issues concerning payment of UC are devolved.

UC involves the integration of six core benefits and tax credits into a single payment. The UC payment brings together: income-based (means-tested) Job Seekers' Allowance; income-based Employment Support Allowance; Income Support; Housing Benefit; Child Tax Credit and Working Tax Credit.

## **D.2 Universal Credit Payments**

The Scottish Government plans to introduce a Social Security Bill, in the first year of this Parliament, and start work to establish a new Scottish Social Security Agency.

It is recognised that some elements of devolved welfare may take some time to implement and that the relationship between devolved and reserved benefits will necessitate close working with the DWP and other local partners over a period of time. However the Scottish Government are already proposing some changes now.

In January 2017 the Scottish Government published, in draft form, *The Universal Credit (Claims and Payments) (Scotland) Regulations 2017*.

The draft Regulations cover two flexibilities:

The customer having the option of being paid Universal Credit twice a month rather than monthly; and having the option of any Universal Credit housing support element being paid direct to landlords. These changes are intended to provide more choice and control over UC payments.

Neither option will affect the overall amount of UC that is payable and both will be delivered by the Department for Work and Pensions (DWP) as part of that Department's overall responsibility for delivering UC.

## **D.3 The Draft Regulations**

Regulation 1 provides a definition of a "Scottish claimant" to whom the Regulations apply.

Regulation 2 allows Scottish claimants to be able to request twice-monthly payments.

Regulation 3 provides that every Scottish claimant must be advised that they can request to have UC paid twice-monthly.

Regulation 4 allows Scottish claimants who are tenants and have a Housing Support element of UC to have this paid direct to their landlord.

Regulation 5 provides that Scottish claimants who are tenants must be advised that they can request to have such payments made direct to their landlord.

## **D.4 The Consultation**

On 16 January 2017 the Scottish Government issued the draft regulations and invited partners and others to respond to a consultation exercise by 13 March 2017.

There are two questions in the Consultation Document:

Do the Regulations meet the policy intent of offering a choice to applicants on having their UC payments made twice-monthly?

Do the Regulations meet the policy intent of offering a choice to UC applicants on managed payments of rent direct to landlords?

The consultation document also asks for comments.

The answer to both questions is yes. In the comments section it is proposed that the council states its agreement that more frequent payment will ease the budget difficulties and demands faced by claimants not used to a monthly payment – a difficulty already evident in UC.

Officers would also agree that paying landlords direct will be better than the existing UC circumstances which have led to further budgeting difficulties for tenants, increasing rent arrears, especially in the areas that have “Full System” UC which West Lothian Job Centres will not implement until February 2018, and increasing difficulties caused to landlords.

Consultation carried out in West Lothian with Advice Shop staff, local landlords, and other third sector bodies confirmed that managed payments of rent to landlords, and more frequent payments of Universal Credit have been two issues that stakeholders have repeatedly raised.

## **E. CONCLUSION**

The proposed new payment arrangements for Universal Credit are welcomed.

The Council Executive is asked to agree the submission to the consultation as set out in Appendix 1.

Appendices/Attachments: Appendix 1: Response to Consultation

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**Date of Meeting: 28 February 2017**