



The Scottish Parliament
Pàrlamaid na h-Alba

WELFARE REFORM COMMITTEE

AGENDA

4th Meeting, 2013 (Session 4)

Tuesday 5 March 2013

The Committee will meet at 10.00 am in Committee Room 2.

1. **Decision on taking business in private:** The Committee will decide whether to take item 5 in private.
2. **Decision on taking business in private:** The Committee will decide whether its consideration of evidence heard on the regulations arising from the Welfare Reform (Further Provision) (Scotland) Act 2012, and any draft reports on the regulations, should be taken in private at future meetings.
3. **Subordinate legislation:** The Committee will consider the following negative instruments—

The Council Tax Reduction (Scotland) Amendment Regulations 2013 (SSI 2013/48); and
The Council Tax Reduction (State Pension Credit) (Amendment) Regulations 2013 (SSI 2013/49).

4. **Subordinate legislation:** The Committee will take evidence on the Education (Free School Lunches) (Scotland) Amendment Regulations 2013 (SSI 2013/64), the Welfare Reform (Consequential Amendments) (Scotland) Regulations 2013 (SSI 2013/65) and the draft Welfare Reform (Consequential Amendments) (Scotland) (No. 2) Regulations 2013 from—

Ann McVie, Team Leader, Welfare Division, Mr Stuart Foubister, Divisional Solicitor, Mrs Jill Mulholland, Road Safety, Blue Badge, MACS/PVS Unit Head, Mr Thomas Davy, Team Leader, Mrs Sharon Grant, Team Leader/Bill Manager, Ms Nancy Woodhead, Concessionary Travel Policy Officer, Mr Matt Perkins, C1 Statistician, Mr Colin Spivey, Learning Directorate Team Leader, and Miss Rachel Barrie, Policy Officer, Scottish Government.

5. **Informal meeting:** The Committee will consider its approach to a future informal meeting with the Secretary of State for Work and Pensions.

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The papers for this meeting are as follows—

Agenda item 3

Note by the Clerk

WR/S4/13/5/1

Note by the Clerk

WR/S4/13/5/2

Agenda item 4

Note by the Clerk

WR/S4/13/5/3

Agenda item 5

PRIVATE PAPER

WR/S4/13/5/4 (P)

Welfare Reform Committee

4th Meeting, 2013 (Session 4), Tuesday, 5 March 2013

**Council Tax Reduction (Scotland) Amendment Regulations 2013 (SSI 2013/48)
& Council Tax Reduction (State Pension Credit) (Scotland) Amendment
Regulations 2013 (SSI 2013/48)**

1. The Scottish Government laid the [Council Tax Reduction \(Scotland\) Amendment Regulations 2013 \(SSI 2013/48\)](#) and the [Council Tax Reduction \(State Pension Credit\) \(Scotland\) Amendment Regulations 2013 \(SSI 2013/49\)](#) before the Parliament on 15 February. Both Regulations are enclosed with this note, along with the accompanying Policy Note.
2. Members will recall that the Scottish Government undertook to bring forward amending Regulations to correct some errors that had been identified in the principal Regulations which were considered by the Committee late last year. The Regulations before the Committee today reflect that undertaking.
3. In addition, the Regulations make additional provisions which reflect circumstances and information that have arisen since the making of the principal Regulations. These provisions—
 - take into account the ongoing changes to the UK social security system. The Policy Note highlights one of these changes as the publication by the DWP of the rates for Personal Independence Payment, allowing the Scottish Government to include reference to PIP components alongside DLA components in the Regulations.
 - reflect changes to the levels of benefits uprating for 2013/14.
4. The Regulations also insert into the principal Regulations a transitional provision.
5. The Regulations were considered by the Subordinate Legislation Committee at its meeting on 26 February 2013. The Subordinate Legislation Committee agreed (by division) not to draw the attention of the Committee to the Regulations.
6. Scottish Government officials will be at the meeting to answer Members questions.
7. **Members are invited to consider and note the Regulations.**

Clerk to the Committee
February 2013

Welfare Reform Committee

4th Meeting, 2013 (Session 4), Tuesday, 5 March 2013

Council Tax Reduction Scheme Appeals

Introduction

1. Members will be aware of recent correspondence in relation to consideration of appeals under the Council Tax Reduction (CTR) scheme. The CTR scheme will come into force with effect from 1 April 2013 and is provided for under the Council Tax Reduction (Scotland) Regulations 2012 (SSI 2012/303) and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (SSI 2012/319) which were considered by the Committee in December 2012 and January 2013.
2. Correspondence from the Cabinet Secretary for Finance, Employment and Sustainable Growth (attached at Annexe A) sets out a timeline of discussions between Scottish Government officials and the Scottish Valuation Appeals Committee Forum and, subsequent to concerns being raised by the Forum, between Scottish Government officials, the Scottish Valuation Appeals Committee Forum, Scottish Committee of the Administrative Justice and Tribunals Council and COSLA.
3. The Cabinet Secretary's letter also sets out information about the expected number of appeals and the distinction between Council Tax Benefit as part of the social security system and CTR as a scheme established under devolved powers relating to local taxation.
4. It is understood that, prior to the letter from the Cabinet Secretary being issued, Valuation Appeals Panels wrote to all MSPs about the role of committees of local Valuation Appeals Panels hearing appeals against the decisions of local authorities under the CTR Regulations. That correspondence expresses the position that members of Valuation Appeals Panels have expressed reticence about hearing appeals of this type. An example of the text of this correspondence is attached at Annexe B.

Previous issues brought to the Committee's attention

5. Prior to the Committee's meeting on 11 December 2012, the clerks were contacted by the Scottish Committee of the Administrative Justice and Tribunals Council in relation to potential concerns about the operation of the appeals system under the Council Tax Reduction Scheme.
6. An extract from paper number WR/S4/12/14/5 which explains the concerns that were raised is set out below—

“The Clerks were contacted by the Scottish Committee of the Administrative Justice and Tribunals Council in relation to potential concerns about the operation of the appeals system under the Council Tax Reduction Scheme.

The area of concern that was identified by the Scottish Committee does not relate to a particular provision of the Regulations as laid before the Parliament but rather to the mechanisms for appeal against the calculation of liability for

Council Tax. The note from the Scottish Government attached at Annexe A explains—

“Appeals against decisions on Council Tax Benefit are dealt with by the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001. Appeals against decisions on Council Tax Reduction will now be part of the Council Tax system, with the existing procedures, including the scope to escalate an appeal to a Valuation Appeal Committee under section 81 of the Local Government Finance Act 1992, now applying.”

The Scottish Committee's view is that adding council tax reduction appeals to the Valuation Appeals Committees will create difficulties in interpreting the legislation which would lead to inconsistent application by individual local authorities.

However, the Scottish Committee decided not to formally submit their concerns to the Welfare Reform Committee and has indicated that it is hopeful that agreement can be reached between the Scottish Committee, the Scottish Government, Valuation Appeals Committees and others that will address the concerns around the appeals process.”

7. The Committee noted the matter for information.

Current position

8. The current situation, given the position of the Valuation Appeal Panels, is that there is not currently a process for consideration of CTR appeals. The Cabinet Secretary's letter explains that he has agreed that “the immediate past President of the Institute of Revenues, Rating and Valuation's Scottish Association, in consultation with the Scottish Committee of the Administrative Justice and Tribunals Council, will formulate a process to ensure the assessment of an individual's Council Tax Reduction may be independently reviewed, thereby ensuring individuals' rights to administrative justice are safeguarded.”

Conclusion

9. The Committee is invited to consider this matter. Officials from the Scottish Government will attend the meeting and will be available to respond to any questions that Members may have.

Clerk to the Committee
February 2012

**LETTER TO THE CONVENER FROM THE CABINET SECRETARY FOR
FINANCE, EMPLOYMENT AND SUSTAINABLE GROWTH – 26 FEBRUARY 2013**

COUNCIL TAX REDUCTION APPEALS

I am writing with regard to recent correspondence from representatives of Valuation Appeal Panels, concerning the appeals mechanism for the forthcoming Council Tax Reduction I Scheme (CTR). This scheme will ensure that over 560,000 vulnerable people in Scotland will be protected from the UK Government's abolition of Council Tax Benefit from April 2013. The Scottish Government considers that maintaining individuals' access to justice as the new scheme is implemented is an important part of that protection.

As the CTR scheme will be part of the Council Tax system, it was envisaged that the appeal procedure would be that set out in the Local Government Finance Act 1992- namely an appeal against the assessment of a Council Tax Reduction would be made to the relevant Valuation Appeal Committee.

My officials met representatives from the Scottish Valuation Appeals Committee Forum on April 3 2012 to discuss our intentions and the implications for Valuation Appeals Committees (VACs). That discussion included consideration of the scope of the Council Tax Benefit Regulations, used to inform the CTR scheme, and the likely volume of appeals. During the course of this meeting, Alistair Beattie, as Convenor of the VAC forum, accepted responsibility would fall to the VACs. A number of subsequent exchanges over the course of last summer culminated in Alistair Beattie engaging on number of detailed points and identifying a likely training need for VAC members and secretaries "around the time of implementation". I enclose copies of those exchanges for your reference.

Having reached agreement on a way to proceed, it was therefore disappointing that it was not until 22 November 2012 that the VACs first expressed a very different view of their ability or indeed willingness to take on CTR appeals. Had this been expressed at the time of those earlier exchanges, there would have been an opportunity to identify alternative arrangements as the Council Tax Reduction Scheme was being developed.

My officials subsequently met both Donald MacKenzie and Alistair Beattie as Convenor of the VAC Forum, along with the Scottish Committee of the Administrative Justice and Tribunals Council and COSLA. During the course of three such meetings (on December 4 and 17, 2012 and 29 January 2013) the specific issues of how the VACs might be enabled to conduct such appeals and alternative approaches were explored.

The likely impact of CTR appeals on VACs, and in particular, the potential caseload, was also discussed at those meetings. In 2011-12, there were a total of 459 appeals relating to Council Tax Benefit in Scotland. The CTR scheme is profoundly different from Council Tax Benefit as it reduces a tax liability rather than assigns public money to meet a tax liability. However, it will protect the vulnerable from the UK Government's welfare cuts, as well as replicating many of the entitlement criteria for

Council Tax Benefit. Consequently, the volume of appeals is not expected to be very different from the current Council Tax Benefit appeals caseload.

In considering the substance of the correspondence from Valuation Appeal Panels, I would be grateful if the Committee would note one particular factual inaccuracy. It is asserted in the correspondence that the conduct of CTR appeals would involve "Welfare Benefits Law". Whilst some existing Council tax Benefit case law may apply to the CTR scheme, Social Security and Benefits remain reserved under the Scotland Act 1998. The CTR scheme is established under devolved powers relating to Local Taxation. It is also worth noting that the VACs' remit already extends to determining appeals removed from property valuation. For example, an appeal relating to whether a property is chargeable or not might invoke law on various different classes of unoccupied and unfurnished property, on usage and last usage or the application of exemptions relating to properties occupied by classes of persons such as students, those with additional support needs (present law refers to people who are severely mentally impaired) or persons under 18 years of age.

The position now articulated by the Valuation Appeals Panels at this late stage means there is no further time to delay in revisiting these events as it is essential that an alternative appeals mechanism is created now. Therefore, I have today agreed that Jim McCafferty, the immediate past President of the Institute of Revenues, Rating and Valuation's Scottish Association, in consultation with the Scottish Committee of the Administrative Justice and Tribunals Council, will formulate a process to ensure the assessment of an individual's Council Tax Reduction may be independently reviewed, thereby ensuring individuals' rights to administrative justice are safeguarded.

I would also take this opportunity to make clear that my recent discussions with COSLA and local government partners reassure me that the implementation of the Council Tax Reduction Scheme is progressing well in readiness for operation on 1 April 2013.

I am copying this letter to Kevin Stewart as Convenor of the Welfare Reform Committee and the Scottish Parliament Information Centre. As the Valuation Appeals Panel representatives have indicated they intend to write to a range of MSPs I will also copy this letter to all Members.

JOHN SWINNEY

EXAMPLE OF CORRESPONDENCE TO MSPS FROM VALUATION APPEAL PANELS – 22 FEBRUARY 2013

VALUATION APPEAL PANELS

THE COUNCIL TAX REDUCTION REGULATIONS

I write in my capacity as Secretary to the Highland & Western Isles Valuation Appeal Panel.

I am contacting you as an MSP with constituents within the geographical area of this Panel to bring to your attention a matter which, from 1 April 2013, is likely to have a significant and prejudicial impact upon a number of your constituents.

Members of the Policy Committee of the Scottish Valuation Appeal Committee Forum have been in discussions with officials of the Scottish Government for a number of months regarding the introduction, with effect from 1 April, of The Council Tax Reduction (Scotland) Regulations 2012. More particularly, those discussions have concentrated on Appeals under these Regulations.

Appeals under the current Council Tax Benefit regime are heard by professional Tribunal Judges of the Social Entitlement Chamber.

It is intended that Appeals against the decisions of Local Authorities under the Council Tax Reduction Regulations should be heard by committees of local Valuation Appeal Panels. Members of Panels are unpaid volunteers from the local community. They have been recruited to deal with the core jurisdiction of Panels which is the valuation of properties - commercial properties in respect of Rates and residential properties in respect of Council Tax.

Scottish Government officials have been made aware that there is no appetite on the part of the membership of Valuation Appeal Panels for this new jurisdiction involving, as it does, Welfare Benefits Law. This is not what members volunteered their services to deal with. They have no experiences of it. They are reticent about stepping into the shoes of the professional Tribunal Judiciary who currently hear cases under the Council Tax Benefit Regulations especially so given that the decisions in these appeals can impact significantly on appellants who can often be among society's most vulnerable.

The consequence of the antipathy of members towards this new jurisdiction has been explained to Scottish Government officials. They do not appear to be willing or able to engage with us on it and they have not explained how they propose to deal with it.

I wrote to the Cabinet Secretary for Finance, Employment and Sustainable Growth on 6 February 2013 spelling out my concerns but to date I have not had a reply.

The consequence for your constituents and those of all other MSPs in the Highland and Western Isles area - I am writing to all of the MSPs in these terms - is that they will not be able to exercise the right of appeal which the Scottish Government purports to confer upon them under the Council Tax Reduction Regulations. It is not going to be possible in this Panel Area to recruit members onto Committees to hear

these Appeals. I should say, although it goes beyond your constituency responsibilities, this is a situation which will almost certainly be replicated in many of the 12 other Panel Areas in Scotland. The Scottish Government, the Scottish Valuation Appeal Committee Forum and individual Panel Chairmen are all powerless to compel Panel Members to make themselves available to sit on a particular Committee on a particular day to hear a particular category of case. Therefore, if the Members decline to sit on a Committee which is due to hear Council Tax Reduction Appeals as in this and other Panel Areas it is believed they will, it will not be possible to convene committees to discharge this appeals jurisdiction. This is a crucial factor of which officials have plainly failed to take account. Without the engagement of a sufficient number of Members in a given Panel Area there simply will not be any Appeals heard under these new regulations.

Almost by definition, the individuals upon whom this will have the greatest impact will be among society's most needy. It will be a source of great concern to you that such constituents are not going to be in a position to have heard their Appeals against administrative decisions of their Local Authority. On their behalf you will, I am sure, want to enquire into what can be done to convert the planned and pretended right of appeal into one which is real and which can be exercised.

If you wish to discuss this further, please do not hesitate to telephone me.

2013 No. 48

COUNCIL TAX

**The Council Tax Reduction (Scotland) Amendment
Regulations 2013**

Made - - - - - *13th February 2013*

Laid before the Scottish Parliament *15th February 2013*

Coming into force - - - *18th March 2013*

The Scottish Ministers make the following Regulations in exercise of the powers in sections 80 and 113(1) and (2) of, and paragraph 1 of Schedule 2 to, the Local Government Finance Act 1992(a) and all other powers enabling them to do so.

Citation and commencement

1. These Regulations may be cited as the Council Tax Reduction (Scotland) Amendment Regulations 2013 and come into force on 18th March 2013.

Amendment of the Council Tax Reduction (Scotland) Regulations 2012

2. The Council Tax Reduction (Scotland) Regulations 2012(b) are amended in accordance with regulations 3 to 16.

3. In regulation 2 (interpretation)—

(a) in the definition of “additional statutory paternity pay”—

(i) after “means” insert “additional”; and

(ii) after “171ZEA” omit “(a)”; and

(b) in the definition of “attendance allowance” omit sub-paragraphs (c) and (d);

(c) in the definition of “ordinary statutory paternity pay” after “means” insert “ordinary”; and

(d) after the definition of “sports award” insert—

““state pension credit” means state pension credit under the State Pension Credit Act 2002(c);”.

4. In regulation 4 (young persons) omit paragraph (3).

5. In regulation 20(3)(j)(iv) (persons not entitled to council tax reduction: students) for “and” where it appears in the third line substitute “or”.

(a) 1992 c.14. Section 80 was amended by paragraph 176 of Schedule 13 to the Local Government etc. (Scotland) Act 1994 (c.39). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46).

(b) S.S.I. 2012/303.

(c) 2002 c.16.

- 6.** In regulation 23 (applicable amount: persons who have an award of universal credit)—
 - (a) in paragraph (1) for “adjustment described in paragraph (2)” substitute “adjustments described in paragraphs (2) (if applicable) and (2A)”;
 - (b) after paragraph (2) insert—

“(2A) The adjustment referred to in paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.”.
- 7.** In regulation 40(5) (capital treated as income)—
 - (a) in the first line for “payments” substitute “a payment”; and
 - (b) in the second line for “payments are” substitute “payment is”.
- 8.** In regulation 41(4)(c) (notional income) for “those Regulations” substitute “the Jobseeker’s Allowance Regulations”.
- 9.** In regulation 48(4)(b) (notional capital) for “those Regulations” substitute “the Jobseeker’s Allowance Regulations”.
- 10.** In regulation 64(3) (income treated as capital) after “applicant’s” insert “family”.
- 11.** In regulation 67 (non-dependant deductions)—
 - (a) in paragraph (1)—
 - (i) in sub-paragraph (a) for “£9.90” substitute “£10.95”; and
 - (ii) in sub-paragraph (b) for “£3.30” substitute “£3.65”; and
 - (b) in paragraph (2)—
 - (i) in sub-paragraph (a) for “£183.00” substitute “£186.00”; and
 - (ii) in sub-paragraph (b) for—
 - (aa) “£183.00” substitute “£186.00;
 - (bb) “£316.00” substitute “£322.00”; and
 - (cc) “£6.55” substitute “£7.25”; and
 - (iii) in sub-paragraph (c) for—
 - (aa) “£316.00” substitute “£322.00”;
 - (bb) “£394.00” substitute “£401.00”; and
 - (cc) “£8.25” substitute “£9.15”.
- 12.** In regulation 81 (date on which a change of circumstances is to take effect)—
 - (a) in paragraph (1), after “reduction week” insert “starting immediately after”; and
 - (b) after paragraph (9) insert—

“(10) Where the change of circumstances is that—

 - (a) a conversion decision within the meaning of regulation 5(2)(a) of the Employment and Support Allowance (Existing Awards) Regulations has been made in relation to the applicant or the applicant’s partner; or
 - (b) the applicant or the applicant’s partner is appealing a conversion decision within the meaning of regulation 5(2)(b) of the Employment and Support Allowance (Existing Awards) Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations as modified by the Employment and Support Allowance (Existing Awards) Regulations,

for the purpose of calculating entitlement to council tax reduction it takes effect, where the conversion decision takes effect on or after 1st April in any year but before 16th April of that year, from 1st April and in any other case from the day the conversion decision takes effect.”.

13. In regulation 92 (transitional provision)—

(a) after paragraph (2)(c) insert—

“(ca) other than a person described in sub-paragraph (a) or (c), who has applied for a revision of a decision by a relevant authority under regulation 4(1) (revision of decisions) or 5(1) (late application for a revision) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001^(a) and whose application is pending immediately before 1st April 2013.”; and

(b) after paragraph (2) insert—

“(2A) For the purposes of sub-paragraph (2)(ca) a revision of a decision relating to a claim for council tax benefit is pending if an application for a revision has been made but not been determined.”.

14. In Schedule 1 (applicable amount)—

(a) in the table in paragraph 1 (personal allowances)—

- (i) in entry (1)(a) and (b) for “£71.00” substitute “£71.70”;
- (ii) in entry (1)(c) for “£56.25” substitute “£56.80”;
- (iii) in entry (2) for “£71.00” substitute “£71.70”; and
- (iv) in entry (3) for “£105.95” substitute “£112.55”;

(b) in paragraph 2 (personal allowances)—

- (i) in sub-paragraph (a) for “15 (persons in receipt of concessionary payments)” substitute “18 (components)”;
- (ii) in sub-paragraph (b) after “allowance” insert “, or would be entitled but for the application of section 1A of the Welfare Reform Act (duration of contributory allowance)”;

(c) in the table in paragraph 3 (personal allowances), in entries (a) and (b) for “£64.99” substitute “£65.62”;

(d) in paragraph 4(2)(a) (family premium) for “3(3)(a)” substitute “3(a)”;

(e) in paragraph 12 (enhanced disability premium)—

- (i) in the first line of sub-paragraph (1) for “(2)” substitute “(3)”;
- (ii) in sub-paragraph (1)(c) after “payment” insert “at the enhanced rate”;

(f) in the table in paragraph 17 (amounts of disability premiums), in the entry—

(i) “Disability premium” for—

- (aa) “£30.35” substitute “£31.00”;
- (bb) “£43.25” substitute “£44.20”;

(ii) “Severe disability premium” for—

- (aa) “£58.20” on each occasion it appears substitute “£59.50”;
- (bb) “£116.40” substitute “£119.00”;

(iii) “Disabled child premium” for “£56.63” substitute “£57.89”;

(iv) “Carer premium” for “£32.60” substitute “£33.30”;

(v) “Enhanced disability premium” for—

- (aa) “£22.89” substitute “£23.45”;
- (bb) “£14.80” substitute “£15.15”;
- (cc) “£21.30” substitute “£21.75”;

^(a) S.I. 2001/1002. Regulation 4(1) was amended by S.I. 2002/1379 and 2008/2683.

- (g) in paragraph 19 (components) after “allowance” insert “, or would be entitled but for the application of section 1A of the Welfare Reform Act (duration of contributory allowance)”;
- (h) in paragraph 23 (amount of components) for “£28.15” substitute “£28.45”;
- (i) in paragraph 24 (amount of components) for “£34.05” substitute “£34.80”;
- (j) in paragraph 25 (transitional addition)—
 - (i) in sub-paragraph (1)(a) after “allowance” insert “, or would be entitled but for the application of section 1A of the Welfare Reform Act (duration of contributory allowance)”;
 - (ii) in sub-paragraph (2)(c) for “the applicant or the applicant’s partner” substitute “the relevant person”;
- (k) in paragraph 26 (transitional addition)—
 - (i) in sub-paragraph (1)(b) for “104” substitute “12”;
 - (ii) in sub-paragraph (1)(c) for “applicant or the applicant’s partner” substitute “the relevant person”;
 - (iii) omit sub-paragraph (1)(d); and
 - (iv) in sub-paragraph (3)(c) for “the applicant or the applicant’s partner” substitute “the relevant person”;
- (l) in paragraph 27 (transitional addition)—
 - (i) in sub-paragraphs (1)(a) and (b) and (3)(c) for “the applicant or the applicant’s partner” substitute “the relevant person”;
 - (ii) for sub-paragraph (1)(c) substitute—
 - “(c) at the date on which the relevant person again becomes entitled to an employment and support allowance which is not income-related, regulation 145(1) of the Employment and Support Allowance Regulations applies to the relevant person.”;
 - (iii) in sub-paragraph (1)(d), in the first line, for “the applicant or the applicant’s partner” substitute “the relevant person”; and
 - (iv) in sub-paragraph (2) for “the applicant’s or the applicant’s partner’s” substitute “the relevant person’s”
- (m) in paragraph 28(2) and (3) (amount of transitional addition) for “the applicant or the applicant’s partner” on each occasion it appears substitute “the relevant person”; and
- (n) after paragraph 29 insert—

“Interpretation of Part 6

30. In this Part “relevant person” means the person who meets the requirements of paragraph 25(1)(a) or (b), as the case may be, by virtue of which the applicant is entitled to a transitional addition under that paragraph.”.

15. In Schedule 2 (amount of alternative maximum council tax reduction), in the table in paragraph 1—

- (a) in entry (b)(i) for “£177.00” substitute “£183.00”; and
- (b) in entry (b)(ii) for—
 - (i) “£177.00” substitute “£183.00”; and
 - (ii) “£231.00” substitute “£239.00”.

16. For paragraph 31(e) of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) substitute—

“(e) the National Health Service Commissioning Board established by section 1H of the National Health Service Act 2006^(a) or a clinical commissioning group established under section 14D of the National Health Service Act 2006^(b).”.

JOHN SWINNEY

A member of the Scottish Government

St Andrew's House,
Edinburgh
13th February 2013

^(a) 2006 c.41. Section 1H was inserted by section 9(1) of the Health and Social Care Act 2012 (c.7) and amended by S.I. 2012/1831.

^(b) Section 14D was inserted by section 25(1) of the Health and Social Care Act 2012.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Council Tax Reduction (Scotland) Regulations 2012 (“the principal Regulations”).

They increase the amount of non-dependant deductions, personal allowances, family premium, disability premiums and components to be taken into account when calculating entitlement to council tax reduction (regulations 11 and 14(a), (c), (f), (h) and (i)). They increase the amount of gross income to be taken into account when calculating the amount of alternative maximum council tax reduction (regulation 15).

They amend the definition of “attendance allowance” to take into account the repeal of Schedule 8 to the Social Security Contributions and Benefits Act 1992 (c.4) (regulation 3(b)). They amend paragraph 41 of Schedule 4 to the principal Regulations to take into account the abolition of primary care trusts in England and Wales (regulation 16). They rectify defects in the principal Regulations (regulations 3(a), (c) and (d), 4 to 10, 12, 13 and 14 (other than regulation 14(a), (c), (f), (h) and (i))).

POLICY NOTE

THE COUNCIL TAX REDUCTION (SCOTLAND) AMENDMENT REGULATIONS 2013 (SSI/2013/48)

THE COUNCIL TAX REDUCTION (STATE PENSION CREDIT) (SCOTLAND) AMENDMENT REGULATIONS 2013 (SSI/2013/49)

1. The above instruments are made in exercise of the powers conferred by sections 80 and 113 of, and paragraph 1 of Schedule 2 to, the Local Government Finance Act 1992. They are subject to the negative procedure.

Policy Objective

2. The Scottish Government has introduced measures to reduce the Council Tax liability of persons who have a low income following the UK Government's abolition of Council Tax Benefit from April 2013. The Council Tax Reduction (Scotland) Regulations 2012 and the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (jointly referred to as "the principal Regulations"), which came into force on 28 January, ensure that persons in receipt of Council Tax Benefit will not be disadvantaged by its abolition and will receive an equivalent reduction in liability for Council Tax (provided their circumstances remain the same) to the support they would have received by way of Council Tax Benefit.

3. The above instruments amend the principal Regulations. The amendments take into account ongoing changes to the UK social security system, apply the UK Government's uprating of social security benefits for 2013/14, fulfil commitments given to the Subordinate Legislation Committee to correct defects in the principal Regulations and correct other minor defects. The instruments also insert transitional provision into the principal Regulations.

4. One example of a change in the UK social security system is the publication by DWP in December of the rates for the new Personal Independence Payment (PIP) which will begin to replace the existing Disability Living Allowance (DLA) later this year, which has now enabled the inclusion of reference to PIP components alongside DLA components at appropriate points in the principal Regulations.

5. These instruments also amend various figures in the principal Regulations to take account of the UK Government's uprating of social security benefits in December 2012, after the laying of the principal Regulations in the Scottish Parliament.

6. None of the amendments alter the policy intention of the principal Regulations to introduce a scheme of reductions to Council Tax in Scotland.

Consultation

7. Formal consultation was not considered to be necessary as these amendments do not alter the policy intention of the principal Regulations. However, the Scottish Government has worked closely with the Convention of Scottish Local Authorities (COSLA), the Institute of Revenues, Ratings and Valuations (IRRV), local authority revenue and benefits practitioners, and local authority software suppliers in development of these Regulations. Both COSLA and the IRRV have endorsed the application of UK social security benefits uprating to the 2013/14 Council Tax Reduction scheme.

Financial Effects

8. The amount of Council Tax Reduction which an applicant will receive is a function of their income less their deemed living expenses. The principal Regulations are amended to take into account increases in social security benefit rates for 2013/14 so that the increased income from benefits which are treated as income (such as the retirement pension) does not serve to decrease entitlement to Council Tax Reduction for those in receipt.

Impact Assessments

9. An Equalities Impact Assessment (EQIA) was undertaken in development of the principal Regulations, and equalities impacts will be reviewed and evaluated during the implementation of the Council Tax Reduction scheme from April onwards. As these amending Regulations do not alter the policy intention of the principal Regulations, a further EQIA has not been produced. As there is no impact on business or the third sector, and no impact on the environment or on environmental issues, no Business and Regulatory Impact Assessment or Strategic Environmental Assessment is required.

Local Government and Communities
Scottish Government
February 2013

2013 No. 49

COUNCIL TAX

**The Council Tax Reduction (State Pension Credit) (Scotland)
Amendment Regulations 2013**

Made - - - - *13th February 2013*

Laid before the Scottish Parliament *15th February 2013*

Coming into force - - *18th March 2013*

The Scottish Ministers make the following Regulations in exercise of the powers in sections 80 and 113(1) and (2) of, and paragraph 1 of Schedule 2 to, the Local Government Finance Act 1992(a) and all other powers enabling them to do so.

Citation and commencement

1. These Regulations may be cited as the Council Tax Reduction (State Pension Credit) (Scotland) Amendment Regulations 2013 and come into force on 18th March 2013.

Amendment of the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012

2. The Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012(b) are amended in accordance with regulations 3 to 10.

3. In regulation 2 (interpretation)—

- (a) in the definition of “attendance allowance” delete sub-paragraph (c); and
- (b) in the definition of “official error” for “of a court” substitute “or a court”.

4. In regulation 4 (young persons) omit paragraph (3).

5. In regulation 27(1)(v) (meaning of “income”) for head (i) substitute—

“(i) owns, owns the freehold or leasehold interest in or is a tenant of the property in respect of which the rent is paid;”.

(a) 1992 c.14. Section 80 was amended by paragraph 176 of Schedule 13 to the Local Government etc. (Scotland) Act 1994 (c.39). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46).

(b) S.S.I. 2012/319.

6. For regulation 35(2)(d)(v) (earnings of self-employed earners) substitute—
- “(v) the National Health Service Commissioning Board established by section 1H of the National Health Service Act 2006^(a) or a clinical commissioning group established under section 14D of the National Health Service Act 2006^(b)”.
7. In regulation 48 (non-dependant deductions)—
- (a) in paragraph (1)—
- (i) in sub-paragraph (a) for “£9.90” substitute “£10.95”; and
- (ii) in sub-paragraph (b) for “£3.30” substitute “£3.65”;
- (b) in paragraph (2)—
- (i) for “applicant’s” substitute “person’s”;
- (ii) in sub-paragraph (a) for “£183.00” substitute “£186.00”;
- (iii) in sub-paragraph (b) for “£183.00”, “£316.00” and “£6.55” substitute “£186.00”, “£322.00” and “£7.25” respectively; and
- (iv) in sub-paragraph (c) for “£316.00”, “£394.00” and “£8.25” substitute “£322.00”, “£401.00” and “£9.15” respectively; and
- (c) in paragraph (9)—
- (i) for “applicant’s” on each occasion it appears substitute “person’s”; and
- (ii) in sub-paragraph (a) for “applicant” substitute “person”.
8. After regulation 71 (electronic communication) insert—

“PART 12

Transitional provision

Transitional provision

72.—(1) A person described in paragraph (2) is deemed to have made an application for council tax reduction on 1st April 2013.

(2) A person referred to in paragraph (1) is a person—

- (a) who is entitled to council tax benefit on 31st March 2013;
- (b) who made an application for council tax benefit which is not determined before 1st April 2013;
- (c) whose entitlement to council tax benefit is wholly or partly suspended immediately before 1st April 2013;
- (d) other than a person described in sub-paragraphs (a) or (c), who has applied for a revision of a decision by a relevant authority under regulation 4(1) (revision of decisions) or 5(1) (late application for a revision) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001^(c) (“the 2001 Regulations”) and whose application is pending immediately before 1st April 2013; and
- (e) other than a person described in sub-paragraphs (a) or (c), who has appealed against a decision of the First-tier Tribunal, the Upper Tribunal or a court in

(a) 2006 c.41. Section 1H was inserted by section 9(1) of the Health and Social Care Act 2012 (c.7) and amended by S.I. 2012/1831.

(b) Section 14D was inserted by section 25(1) of the Health and Social Care Act 2012.

(c) S.I. 2001/1002. Regulation 4(1) was amended by S.I. 2002/1379 and 2008/2683.

relation to a claim for council tax benefit and whose appeal is pending immediately before 1st April 2013.

(3) For the purposes of sub-paragraph (2)(d) a revision of a decision relating to a claim for council tax benefit is pending if an application for a revision has been made but not been determined.

(4) For the purposes of paragraph (2)(e) an appeal against a decision relating to a claim for council tax benefit is pending if—

- (a) an appeal against the decision has been brought but not determined;
- (b) an application for permission to appeal against the decision has been made but not determined; or
- (c) the time within which—
 - (i) an application for permission to appeal may be made; or
 - (ii) an appeal against the decision may be brought,has not expired and one of the circumstances prescribed in regulation 11(3) of the 2001 Regulations apply.

(5) Where an application for council tax reduction is deemed to be made in accordance with paragraph (1) and—

- (a) on 31st March 2013 the applicant by whom the application is deemed to have been made is a person to whom regulation 50(10) to (13) (date on which change of circumstances regarding non-dependants is to take effect) of the Council Tax Benefit (Persons who have attained the qualifying age for State Pension Credit) Regulations 2006(a) applies; and
- (b) the effective date for the purposes of the change of circumstances is a date after 31st March 2013,

that application is to be determined as though the change of circumstances has not taken place and is to be re-determined on the effective date to take account of the change of circumstances.”.

9. In Schedule 1 (applicable amount)—

- (a) in the table in paragraph 2 (personal allowances)—
 - (i) in entry (1)(a) for “£142.70” substitute “£145.40”;
 - (ii) in entry (1)(b) for “£161.25” substitute “£163.50”;
 - (iii) in entry (2)(a) for “£217.90” substitute “£222.05”;
 - (iv) in entry (2)(b) for “£241.65” substitute “£244.95”;
 - (v) in entry (3)(a) for “£217.90” substitute “£222.05”;
 - (vi) in entry (3)(b) for “£72.35” substitute “£76.65”;
 - (vii) in entry (4)(a) for “£241.65” substitute “£244.95”; and
 - (viii) in entry (4)(b) for “£78.90” substitute “£81.45”;
- (b) in the table in paragraph 3 (personal allowances), in entries (a) and (b) for “£64.99” substitute “£65.62”;
- (c) in paragraph 8(1)(b) (enhanced disability premium) after “payment” insert “at the enhanced rate”; and
- (d) in the table in paragraph 13 (amount of disability premium)—
 - (i) in entry (1) (severe disability premium)—
 - (aa) for “£58.20” on each occasion it appears substitute “£59.50”; and
 - (bb) for “£116.40” substitute “£119.00”;

(a) S.I. 2006/216 as relevantly amended by S.I. 2006/2378.

- (ii) in entry (2) (enhanced disability premium) for “£22.89” substitute “£23.45”;
- (iii) in entry (3) (disabled child premium) for “£56.63” substitute “£57.89”; and
- (iv) in entry (4) (carer premium) for “£32.60” substitute “£33.30”.

10. In Schedule 5 (amount of alternative maximum council tax reduction), in the table in paragraph 1—

- (a) in entry (b)(i) for “£177.00” substitute “£183.00”; and
- (b) in entry (b)(ii)—
 - (i) for “£177.00 substitute ”£183.00”; and
 - (ii) for “£231.00” substitute “£239.00”.

St Andrew’s House,
Edinburgh
13th February 2013

JOHN SWINNEY
A member of the Scottish Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Council Tax Reduction (State Pension Credit) (Scotland) Regulations 2012 (“the principal Regulations”).

They increase the amount of non-dependent deductions, personal allowances and disability premiums to be taken into account when calculating entitlement to council tax reduction (regulations 7 and 9). They increase the amount of gross income to be taken into account when calculating the amount of alternative maximum council tax reduction (regulation 10).

They amend the definition of “attendance allowance” in regulation 2 of the principal Regulations to take into account the repeal of Schedule 8 of the Social Security Contributions and Benefits Act 1992 (c.4) (regulation 3(a)). They amend regulation 35 of the principal Regulations to take into account the abolition of primary care trusts in England and Wales (regulation 6). They insert provision for transitional arrangements (regulation 8). They amend defects in the principal Regulations (regulations 3(b), 4 and 5).

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Welfare Reform Committee

4th Meeting, 2013 (Session 4), Tuesday, 5 March 2013

Subordinate Legislation – Passported Benefits Regulations

1. The Scottish Government has laid before the Parliament the following statutory instruments in relation to passported benefits—

- [the Education \(Free School Lunches\) \(Scotland\) Amendment Regulations 2013 \(SSI 2013/64\)](#)
- [the Welfare Reform \(Consequential Amendments\) \(Scotland\) Regulations 2013 \(SSI 2013/65\)](#)
- the Welfare Reform (Consequential Amendments) (Scotland) (No. 2) Regulations 2013 (draft).

2. Copies of each statutory instrument, and accompanying policy notes, are enclosed. Also attached is a letter from the Cabinet Secretary for Infrastructure, Investment and Cities (Annexe A) and tables which describe the effect of each provision made in the statutory instruments (Annexe B).

3. Scottish Government officials will attend the meeting to provide evidence to the Committee on the purpose and effect of each instrument and to answer any questions that the Committee may have.

Clerk to the Committee
February 2013

**LETTER TO THE CONVENER FROM THE CABINET SECRETARY FOR
INFRASTRUCTURE, INVESTMENT AND CITIES – 22 FEBRUARY 2013**

I am writing to provide the Committee with information that I agreed to provide when I appeared to discuss passported benefits on 8 January 2013.

First, I agreed to supply further details of our plans for passported benefits that are linked to the receipt of PIP (attached at Annex A) and a copy of correspondence between myself and Lord Freud, stemming from my letter of 16 December 2012 (attached at Annex B).

Members had specific queries relating to data protection issues and proposals for awareness raising in relation to eligibility for passported benefits.

We take the issue of data protection very seriously, and this is an issue that has been discussed on an ongoing basis with DWP and Local Authorities through DWP's Local Authority Data Sharing group that Scottish Government officials attend. As I mentioned at the Committee, we do not yet have final proposals on how data will be shared by DWP, or how our passported benefit delivery partners might use this data, so cannot comment on the specifics of arrangements. I can however give the Committee an assurance that, for our part, we will ensure we comply in full with data protection legislation.

Awareness raising was an issue that came across strongly in the consultation responses. I feel this is an area where we can take positive action within our current powers as well as working with DWP to use their systems to signpost claimants towards passported benefits. My officials are working with DWP to ascertain the scope for signposting claimants to information on passported benefits through the Universal Credit (UC) and Personal Independence Payment (PIP) award notifications. This would be a very helpful starting point regarding awareness raising. I have also asked my officials to work with the Welfare Reform Scrutiny Group to consider how we might promote awareness of entitlements to passported benefits.

Finally, I would like to take this opportunity to reiterate our plans for responding to the consultation exercise on passported benefits. Our immediate plans are to protect entitlement to passported benefits during the transitions to UC and PIP, making sure we raise awareness of the availability of passported benefits as we roll out new qualifying criteria. Our longer term focus will be on identifying any opportunities to simplify the passported benefits system, to make passported benefits easier to use and administer.

I hope you find this helpful.

NICOLA STURGEON

ANNEX A - DETAILS OF PERSONAL INDEPENDENCE PAYMENT (PIP) RELATED PASSPORTED BENEFITS

BLUE BADGE SCHEME

Our aim has been to introduce arrangements to allow Personal Independence Payment to be included in the passporting arrangements for the Blue Badge Scheme. The scheme currently allows recipients of the Higher Rate Mobility Component of Disability Living Allowance (HRMCDLA) to present their award notification letter passport to obtaining a Blue Badge.

In defining the criteria for the inclusion of PIP in the Blue Badge Scheme care has been taken to match wherever possible the criteria used for HRMCDLA with PIP. As a result we plan to extend the descriptions of disabled persons in section 4(2) of the Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000 (2000 Regulations) to include specific descriptors of Personal Independence Payment (PIP) awarded under part 3 of Schedule 1 of The Social Security (Personal Independence Payment Regulations) 2013.

Passporting arrangements will apply to those people who receive the Mobility Component of PIP:

- awarded at 12 points (enhanced rate) for "planning and following journeys" which includes those who cannot follow the route of a familiar journey without another person, assistance dog, or orientation aid. OR
- those persons who receive the Mobility Component of PIP for "moving around" at 8 points (standard rate) or more.

The enhanced rate of planning and following a journey takes into account those with greatest need who may not have a mobility impairment but who require guidance and/or supervision to follow a journey. This is similar to the higher rate HRMCDLA.

By including those who receive PIP at the standard rate of 8 points on the moving around descriptor we have taken into account those persons who may have previously received Higher Rate Mobility Component of DLA and will potentially have their award reduced to standard rate PIP on reassessment by DWP. This means that many will still be able to use the PIP award as a passport to obtaining a blue badge.

Transitional Arrangements

We will also include transitional arrangements to allow those who are in receipt of HRMCDLA and subsequently not awarded PIP, to retain their badge until its expiry date. A person can then apply to their local authority through the Blue Badge subject to further assessment eligibility criteria which has similar mobility descriptors to passporting benefits.

COSLA

COSLA have indicated that they are generally content with the passporting arrangements.

Impact

It is estimated that between October 2013 and 2018 DWP will reassess approx. 100,000 people in Scotland currently in receipt of HRMCDLA for the new welfare reform benefit, PIP. DWP have estimated the proportion of reassessments resulting in an increased or decreased award.

Current estimates are that around 60% (60,000) of those in receipt of HRMCDLA take up their entitlement to a Blue Badge. Assuming reassessment of those in receipt of HRMCDLA follows a similar pattern to DWP estimates for overall PIP reassessments, the following outcomes would be expected:

- 43% may have an unchanged or increased award from DWP and retain their link to the Blue Badge.
- 29% may receive a decreased award. However we have mitigated for this by setting the criteria for passporting at 8 points or more for the *"moving around"* activity. This is comparable to the current arrangement and will ensure that the majority will continue to passport.
- 27% may not receive a PIP award and will therefore not qualify for a Blue Badge through the passporting process.

In each of the above scenarios, the individual will be able to keep their badge until expiry or be able to apply to the local authority for a badge under the "subject to further assessment" criteria. In addition, they will either be automatically eligible, or able to apply for, national concessionary travel.

NATIONAL CONCESSIONARY TRAVEL SCHEME (NCTS)

Plans for passporting arrangements

Those in receipt of the Middle or Higher rate Care Component or Higher rate Mobility Component of DLA are currently eligible for a standard Concessionary Travel card as a passported benefit. Those receiving Middle and Higher rates of Care Component of DLA are also eligible for the Companion Card, which allows eligible persons to have a companion travel free with them.

To ensure continued eligibility to NCTS it will be necessary to add PIP to the eligibility criteria. This will require amendment to the National Bus Travel Concession Scheme for Older and Disabled Persons (Eligible Persons and Eligible Services) (Scotland) Order 2006 through an SSI under the Welfare Reform (Scotland) Act 2012.

We intend to enable all who receive PIP (at either the standard or enhanced rate) to become eligible for a concessionary travel card, and those who receive the daily living component of PIP (at either the standard or enhanced rate) to become eligible for a companion card.

Impact

Concessionary Travel Cards are currently available to all who are in receipt of higher rate mobility or middle/higher rate care component DLA - estimated at 171,000 between ages 16-65. We estimate 174,000 may become eligible under the new arrangements.

Companion Cards are currently available to all who are in receipt of middle/higher rate care component DLA - estimated 125,000 between 16-65. We estimate 134,000 may become eligible, an increase of 9,000 and the closest to the current criteria.

Because the eligibility criteria for DLA and PIP are not like for like comparable, some existing Concessionary Travel card holders may no longer be able to establish their eligibility under the scheme terms. Whilst we cannot identify specific health conditions which will no longer be eligible for PIP it is likely that at least some former card holders qualifying through DLA but ineligible for PIP may continue to qualify for NCTS under other existing disability-related criteria.

We also intend to put in place transitional arrangements to allow those who have been in receipt of a Concessionary Travel card or Companion Card but following reassessment no longer qualify for PIP to continue in the Scheme until the expiry of the card.

STUDENT LOAN REPAYMENTS**Plans for passporting arrangements**

Regulations that govern the Income Contingent Repayment Loan state that any outstanding loan a person has will be written off under the following criteria:-

- 30 years after it becomes eligible to be repaid.
- If you receive a disability-related benefit and are permanently unfit for work we can cancel the loan. Medical confirmation together with evidence of your disability benefit must be received.

We intend to amend the Repayment of Student Loans (Scotland) Regulations to add Personal Independence Payment to the definition "disability related benefit" at section (2) of the Regulations.

Impact

The impacts of this change will be limited. For academic year 2011-12 less than 50 borrowers qualified to have their loans written off under this exemption.

ANNEXE B

LETTER TO LORD FREUD FROM THE CABINET SECRETARY FOR INFRASTRUCTURE, INVESTMENT AND CITIES – 16 DECEMBER 2012

I am replying to your letter of 29 November asking how the Scottish Government is planning to proceed with the delivery of passported benefits related to Universal Credit (UC) during the period April 2013 to April 2014.

For the pathfinder period, we are intending to put in place legislation to allow anyone who leaves the Greater Manchester area and comes to Scotland access to all UC related passported benefits in Scotland for which the Scottish Government is responsible.

We have yet to take a view on the arrangements for UC related passported benefits from the start of the main rollout from October 2013. However, we are minded to use Award Notification letters as the basis of our passporting from UC. This would allow us to be clear about our intentions from the outset, and preserve our ability to set our own thresholds, independently of any set within your Department.

Following our consultation over the summer on how we might develop passported benefits over the medium to longer-term, we are interested in the Cross Government strategy work you refer to in your letter. I would appreciate it if you could ensure that my officials are kept in close touch with this work.

More generally, there has been an improvement recently in the information flow from your Department about UC and passported benefits. This is welcome, and I hope it can continue as my officials take forward more detailed policy options for each of our passported benefits.

However, the situation is less satisfactory in respect of disability-related passported benefits. We are disappointed that information in respect of the remodelling of the caseload data for Personal Independence Payments (PIP) has not been forthcoming in advance of publication of the response to the consultation on PIP. This is likely to delay our final decisions on passporting from PIP. I would therefore ask that you arrange for your officials to make this data available as a matter of urgency.

I am sending a copy of this letter to Michael Moore, Secretary of State for Scotland.

LETTER TO THE CABINET SECRETARY FOR INFRASTRUCTURE, INVESTMENT AND CITIES FROM LORD FREUD – 15 FEBRUARY 2013

The introduction of Earnings Thresholds as an interim solution to Passporting Benefits during the transition to Universal Credit

I am writing to provide details of the interim solution for delivering passported benefits during the transition to Universal Credit from April 2014.

I know you are considering the best way to deliver your devolved passported benefits in the longer term. However, during the transition to Universal Credit Devolved Administrations and Government Departments will need to find solutions that support the delivery of current passported benefits without jeopardising the delivery of Universal Credit.

I wrote to you in November about some short term options for delivering passported benefits during pathfinder and the early transition to Universal Credit. This letter is to provide you with details of the interim option we have been discussing with your officials and those from other Government Departments, to be introduced from April 2014.

Earnings Thresholds

There has been broad agreement that the use of earnings thresholds as a proxy for household characteristics will allow the delivery of passported benefits to a similar cohort of claimants during the rollout of Universal Credit and migration of current claimants.

Our original proposal was to use three thresholds. Feedback was that a greater number of thresholds would be preferable, as this would provide more flexibility to design passporting arrangements that best suited various needs.

With that in mind I am pleased to let you know that a set of five earnings thresholds have now been identified that will enable the safe landing of passported benefits alongside Universal Credit whilst balancing the need to minimise winners and losers, be cost neutral, protect work incentives, reduce complexity and be deliverable. The earnings thresholds are:

£0; £6,000; £15,276 (including flags for children and disability); and £16,190 with an additional threshold at £10,000 for future flexibility.

The intention is to introduce these earnings thresholds in April 2014.

DWP is committed to supporting your Government and other Government Departments in finding solutions to enable them to maintain delivery of their passported benefits during the transition. If you need further information or assistance please contact Sue Bonner or our analyst Joy Thompson.

It will be helpful to know how you are planning to proceed with the delivery of your devolved passported benefits along with any comments by 28 February 2013.

We will continue to work closely with Senior Officials from your Government and to provide updates on Universal Credit and other information to support you in finding the best way to deliver your passported benefits in the longer term.

I am copying this letter to Michael Moore, Secretary of State for Scotland.

Table showing effect of provisions in the Welfare Reform (Consequential Amendments) (Scotland) Regulations 2013

Regulation Number	Title of instrument being amended	Effect of legislative change
2	Council Tax (Discounts) (Scotland) Regulations 1992	<p>The Council Tax (Discounts) (Scotland) Regulations 1992 provide for care workers to be disregarded for council tax (effectively treated as if they do not live in the property, incurring no liability and not affecting any claim for single persons discount by another resident, for example). This treatment is conditional and a number of factors are to be taken into account. These include that the individual in question is providing care to a person who under regulation 2(3)(c)(ii) is in receipt of "the highest rate of the care component of a disability living allowance".</p> <p>The amendment adds to regulation 2(3)(c) a reference to the daily living component of personal independence payment at the enhanced rate, so that a care worker will be disregarded if caring for a person in receipt of such an allowance.</p>
3	National Assistance (Assessment of Resources) Regulations 1992	<p>The amendments proposed to these Regulations allow for the disregard of income respectively from the mobility component and the daily living component of personal independence payment in the calculation of income other than earnings. The intention of these amendments is that those who currently receive either the mobility or the care component of disability living allowance will not have their income from personal independence payment treated differently for the calculation of income following the introduction of PIP.</p>
4	Advice and Assistance (Scotland) Regulations 1996	<p>Regulation 16 of these Regulations makes provision as to exceptions from the general rule that a solicitor providing advice and assistance must first recover fees from property recovered or preserved before seeking any payment from the Scottish Legal Aid Board. That regulation is amended so that, if the advice and assistance given leads to the mobility component of personal independence being paid, then any payments of that allowance are excepted from the rule referred to.</p>
5	Disabled Persons (Badges for Motor Vehicles) (Scotland)	<p>The amendment to regulation 4(2) of these Regulations will create a new category of person entitled to obtain a blue badge. The category covers certain personal independence payment</p>

	Regulations 2000	<p>recipients, thus allowing that benefit to be used as a passport to obtain a blue badge.</p> <p>The amendments to regulation 6 of the 2000 Regulations concern the period for which a blue badge may be issued. Those passporting from PIP will get a badge for 3 years or (if shorter) until the date on which their PIP award expires.</p> <p>The amendments to regulation 9 of the 2000 Regulations will allow a person, who following assessment does not receive a relevant PIP award, to continue to use their blue badge until its expiry date.</p>
6	Repayment of Student Loans (Scotland) Regulations 2000	The definition of 'disability related benefit' in regulation 6 of these Regulations is amended so as to include personal independence payment. The result is that someone in receipt of PIP may have student loan liability cancelled out if permanently unfit for work.
7	Civil Legal Aid (Scotland) Regulations 2002	Schedule 2 to these Regulations makes provision concerning the computing of an individual's disposable income in connection with an application for civil legal aid. Paragraph 7 of that Schedule provides for certain allowances and benefits to be disregarded when carrying out this exercise. The amendment will add the mobility component of personal independence payment to that list of allowances and benefits.
8	Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003	Regulation 4 of these Regulations sets out conditions to be fulfilled before a person can be disregarded for council tax purposes (effectively treated as if they do not live in a property) on the basis that the person is "severely mentally impaired". At present a person fulfils the condition of being in receipt of a qualifying benefit if in receipt of the highest or middle rates of disability living allowance care component. The amendment introduces a reference to the daily living component of personal independence payment.
9	National Bus Travel Concession Scheme for Older and Disabled Persons (Eligible Persons and Eligible Services) (Scotland) Order 2006	These amendments to the 2006 Order will enable all who receive personal independence payment (at either the standard or enhanced rate) to be eligible for a concessionary travel card, and those who receive the daily living component of PIP (at either the standard or enhanced rate) to be eligible for a companion card. These criteria have been assessed as being the most likely to mitigate the impact of the UK Government's welfare reforms on the Scheme, being closest to the current eligibility criteria for those in receipt of disability living

		<p>allowance.</p> <p>Transitional arrangements are also put in place to allow those who have been in receipt of a concessionary travel card or companion card but who following assessment don't qualify for PIP to continue to be eligible under the Scheme until the expiry of the card.</p>
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Table showing effect of provisions in the Welfare Reform (Consequential Amendments) (Scotland) (No. 2) Regulations 2013

Regulation Number	Title of instrument being amended	Effect of legislative change
2	Social Work (Scotland) Act 1968	<p>Section 78(1) of this Act makes provision about the payment of contributions (principally by persons with parental responsibilities) where a child is being looked after by a local authority.</p> <p>Currently contributions are not payable under section 78 by anyone in receipt of income support, jobseeker's allowance or family credit. We are adding into section 78(2A) a reference to universal credit. This will ensure that payments are not requested from those in receipt of universal credit.</p>
3*	Legal Aid (Scotland) Act 1986	<p>Section 8 of this Act makes provision as to who is eligible for publicly funded legal advice and assistance. That section is amended so that anyone in receipt of universal credit will be eligible, provided that they do not have disposable capital above the prescribed level.</p> <p>Section 11(2) provides as to those persons receiving advice and assistance who need to make a contribution to the cost of this. The amendment has the result that no contribution will be required from someone in receipt of universal credit.</p>
4	Housing (Scotland) Act 1988	<p>Section 18 of the Housing (Scotland) Act 1988 deals with consideration by a sheriff of whether to make an order for possession where an assured tenant is in breach of a tenancy condition. Special provision is made for the situation where any arrears of rent may be attributable to delay in housing benefit payments. The amendments being made to section 18 introduce references to universal credit so that these provisions will apply equally where there is delay in payment of that benefit.</p>
5	Children (Scotland) Act 1995	<p>Section 22 of this Act enables a local authority to provide services for the welfare of children and, where appropriate, to impose conditions as to payment where the service involves the provision of assistance. Payments under section 22 may not be</p>

		<p>required from anyone in receipt of income support or job seeker's allowance. We are adding a new paragraph covering those in receipt of universal credit.</p> <p>This will ensure that payments made (or other assistance provided) to those in receipt of universal credit will not be recouped by local authorities.</p>
6	Adults with Incapacity (Scotland) Act 2000	<p>Part 4 of the Adults with Incapacity (Scotland) Act 2000 makes provision for the management of the affairs of residents in certain types of establishments. Sections 39(1)(a) and 41(a) of the Act list the matters that such managers may manage as well as those that are excluded – namely, benefits and other payments under the Social Security Contributions and Benefits Act 1992, the State Pensions Credit Act 2002 or Part 1 of the Welfare Reform Act. Some of the benefits listed under these Acts will eventually be fully replaced by universal credit.</p> <p>Small consequential changes are being made to refer to benefits paid under Part 1 of the Welfare Reform Act 2012 (universal credit) and Part 4 of that Act (personal independence payments) in the lists which already exist in sections 39(1)(a) and 41(a). Managers of relevant establishments will not therefore be able to claim or otherwise manage such benefits.</p>
7	Housing (Scotland) Act 2006	<p>Paragraph 6(5) of schedule 2 to the Housing (Scotland) Act 2006 relates to private rented housing committee procedures. A local authority may disclose notices regarding committee decisions and any copy document, order, certificate or report it receives to an authority administering housing benefit or to a person providing services relating to housing benefit to, or discharging functions relating to housing benefit of, a local authority or an authority administering housing benefit.</p> <p>As there will be a phased implementation of universal credit, there will be a period of overlap when both housing benefit and universal credit will be in existence and paragraph 6(5) is therefore amended to apply equally to authorities dealing with universal credit.</p>

8*	High Court of Justiciary Fees Order 1984	The amendment to this Order provides to a person in receipt of universal credit an exemption from fees payable in the High Court. This matches existing exemptions for the recipients of other relevant benefits.
9	Advice and Assistance (Scotland) Regulations 1996	<p>Regulation 4 of these Regulations is amended so that applications for legal advice and assistance must include such information as will enable the person's solicitor to determine whether the person is in receipt of universal credit.</p> <p>Regulation 16 makes provision as to exceptions from the general rule that a solicitor providing advice and assistance must first recover fees from property recovered or preserved before seeking any payment from the Scottish Legal Aid Board. That regulation is amended so that, if the advice and assistance given leads to universal credit being paid, then any payments of universal credit are excepted from the rule referred to.</p> <p>Paragraph 5 of Schedule 2 requires certain benefits to be left out of account when assessing a person's capital and income for the purposes of eligibility for legal advice and assistance. The amendment to this provision adds universal credit to the relevant list of benefits to be left out of account.</p>
10*	Sheriff Court Fees Order 1997	The amendment to this Order provides to a person in receipt of universal credit an exemption from most fees payable in the sheriff court. This matches existing exemptions for the recipients of other relevant benefits.
11*	Court of Session etc. Fees Order 1997	The amendment to this Order provides to a person in receipt of universal credit an exemption from fees payable in the Court of Session. This matches existing exemptions for the recipients of other relevant benefits.
12*	National Health Service (Optical Charges and Payments) (Scotland) Regulations 1998	<p>The National Health Service (Optical Charges and Payments) (Scotland) Regulations 1998 are amended to reflect forthcoming changes to the benefit regime with the introduction of universal credit.</p> <p>Regulation 8 of these Regulations 1998 provides as to those who are eligible for a voucher towards the</p>

		supply of optical appliances. The eligibility criteria in regulation 8 are being extended to include recipients of universal credit. This amendment will ensure that those receiving universal credit will receive the same entitlement to vouchers as other eligible groups, should they purchase glasses/contact lenses after moving to Scotland.
13*	Civil Legal Aid (Scotland) Regulations 2002	<p>These Regulations are amended to reflect the introduction of universal credit.</p> <p>Sums payable by way of that benefit are exempted from being property out of which sums are to be paid to make up for any net liability of the Legal Aid Fund (amendment for regulation 33). This means that, if a legally aided person succeeds in recovering universal credit through litigation, sums recovered don't need to be used to meet any liability of the Fund.</p> <p>Paragraph 5 of Schedule 2 and paragraph 7 of Schedule 3 to these Regulations are amended so that appropriate account is taken of the financial position of those receiving universal credit when computing disposable income or capital for legal aid purposes.</p>
14	Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003	<p>The Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003 contains provisions relating to exemptions for the "severely mentally impaired". While the terminology involved may now be outdated, designation under this category is intended to ensure that those individuals who are unable to look after their own interests are protected from the risk of further strain or disbenefit by exemption from council tax liability.</p> <p>Eligibility for exemption under this category currently relies on two separate elements. Firstly, the individual must be assessed by a doctor as meeting the criteria set out for 'severe mental impairment', which effectively means that they have a continuing condition which impairs their intelligence or functioning to a degree where they cannot be reasonably expected to act in their own best interests. Secondly, they must also be in receipt of certain categories of benefit which provide support for people in such circumstances. It is this element which is the subject of the</p>

		amendment – article 4(2) is amended so as to list universal credit amongst the qualifying benefits.
15*	National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003	<p>The NHS (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 are amended to reflect forthcoming changes to the benefit regime, with the introduction of universal credit.</p> <p>Regulation 4 of these Regulations describes the eligibility criteria for the full remission and payment of charges. The eligibility criteria in regulation 4 are extended to include recipients of universal credit. This amendment will ensure that those receiving universal credit will receive the same entitlement to remission of charges and payment of travelling expenses as other eligible groups, should they require dental treatment or incur hospital travel costs in Scotland.</p>
16	Support and Assistance of Young People Leaving Care (Scotland) Regulations 2003	Regulation 13 of these Regulations makes provision as to financial support for compulsorily supported persons of less than 18 years of age. Provision is made as to what is to happen in the case of a young person who, but for certain regulations, would have been entitled to “social security benefits”. The definition of that phrase is amended so as to include universal credit amongst such benefits.
17*	Education Maintenance Allowances (Scotland) Regulations 2007	<p>Schedule 2 to these Regulations makes provision for determining whether a person is ordinarily resident in the United Kingdom. This will be relevant for deciding whether that person may be eligible for an allowance under the Regulations. Paragraph 3 of Schedule 2 defines who is an “independent person”, being broadly a person who does not live with or depend on their parents.</p> <p>An amendment is made so that a person in receipt of universal credit will be taken to be an “independent person”.</p>
18	Bankruptcy (Scotland) Act 1985 (Low Income, Low Asset Debtors etc.) Regulations	Regulation 2(2) of the Bankruptcy (Scotland) Act 1985 (Low Income, Low Asset Debtors etc.) Regulations 2008 is extended so as to include a reference to universal credit. This amendment will ensure that those individuals with low assets who are in receipt of universal credit and require debt

	2008	relief will be able to access bankruptcy.
19	Housing (Scotland) Act 2006 (Scheme of Assistance) Regulations 2008	The amendment involves the addition of universal credit to the benefits, receipt of which gives rise to 100% funding in relation to local authority assistance for adapting a house for a disabled person.
20	Adoption Support Services and Allowances (Scotland) Regulations 2009	Regulation 14 of these Regulations provides as to the circumstances in which an adoption allowance is to cease to be payable to an adoptive parent. Paragraph (c) of that regulation is amended so that one of these circumstances will be where the adopted child qualifies for universal credit in his or her own right.
21*	Individual Learning Account (Scotland) Regulations 2011	Regulation 3 of these Regulations makes provision as to who may be the holder of an Individual Learning Account (ILA). There are ILA income related eligibility criteria and a person will meet these if in receipt of certain listed DWP benefits. The legislative change being made adds universal credit as a listed benefit.
22*	Justice of the Peace Court Fees (Scotland) Order 2012	The amendment to this Order provides to a person in receipt of universal credit an exemption from fees payable in the justice of the peace court. This matches existing exemptions for the recipients of other relevant benefits. .

* passported benefit – Scottish Government proposes to introduce new eligibility criteria prior to rollout of new Universal Credit claimants in Scotland.

2013 No. 64

EDUCATION

**The Education (School Lunches) (Scotland) Amendment
Regulations 2013**

Made - - - - - *21st February 2013*

Laid before the Scottish Parliament *25th February 2013*

Coming into force - - - *29th April 2013*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 53(3)(a)(iv) and (b)(iii) of the Education (Scotland) Act 1980(a) and all other powers enabling them to do so.

Citation and commencement

1. These Regulations may be cited as the Education (School Lunches) (Scotland) Amendment Regulations 2013 and come into force on 29th April 2013.

Amendment of 2009 Regulations

2. The Education (School Lunches) (Scotland) Regulations 2009(b) are amended as follows.

3. In regulation 2 (interpretation), after the definition of “the relevant income” insert—

““universal credit” means universal credit payable under Part 1 of the Welfare Reform Act 2012(c);”.

4. After regulation 4, insert—

“Universal credit

4A. Universal credit is prescribed for the purposes of section 53(3)(a)(iv) and (b)(iii) of the 1980 Act in all circumstances.”.

NICOLA STURGEON
A member of the Scottish Government

St Andrew’s House,
Edinburgh
21st February 2013

(a) 1980 c.44; paragraphs (a)(iv) and (b)(iii) were inserted into section 53(3) by the Education (School Meals) (Scotland) Act 2003 (asp 18), section 1(2)(b) and (3).
(b) S.S.I. 2009/178.
(c) 2012 c.5.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Education (School Lunches) (Scotland) Regulations 2009 so as to prescribe universal credit (payable under Part 1 of the Welfare Reform Act 2012) for the purposes of paragraphs (a)(iv) and (b)(iii) of section 53(3) of the Education (Scotland) Act 1980. The effect is that where a pupil is, or the pupil's parents are, in receipt of universal credit and the pupil is receiving school lunches, the education authority must not charge for the lunches.

POLICY NOTE

THE EDUCATION (SCHOOL LUNCHES) (SCOTLAND) AMENDMENT REGULATIONS 2013

SSI 2013/64

1. The above instrument is made in exercise of the powers conferred by section 53(3)(a)(iv) and b(iii) of the Education (Scotland) Act 1980. The instrument is subject to negative resolution procedure.

Policy Objectives

2. The Education (Schools Lunches) (Scotland) Amendment Regulations 2013 prescribes Universal Credit, as defined under Part 1 of the Welfare Reform Act 2012, as one of the qualifying criteria for free school meals. The objective is to maintain access to free school meals following the introduction of Universal Credit to ensure that anyone who would have been eligible to claim free school meals under existing arrangements does not lose entitlement during the early phases of its roll out.

Commencement date

3. The commencement date of these regulations is 29 April 2013.

Consultation

4. The Scottish Government ran a formal consultation exercise and informal consultation events with a range of stakeholders, seeking views about the future arrangements of passported benefits under the UK Government's programme for welfare reform. Additionally, a short term working group on free school meals in Scotland under welfare reform was convened with local authority representation. Stakeholders are supportive of the provisions contained within this instrument. There will also be on-going consultation with stakeholders in the further formulation of policy.

Impact Assessments

5. An Equality Impact Assessment will be published on the Scottish Government website and the content of this will be kept under review when further detail is known about the roll out of Universal Credit in Scotland.

Financial Effects

6. An assessment of the financial impact of free school meal provision was published in March 2012 in the financial memorandum for the Welfare Reform (Further Provision) Scotland Bill. Until October 2013 this instrument is expected to have negligible impact to local authorities. Further assessment will be produced when further detail is known about the roll out of Universal Credit in Scotland.

Scottish Government Learning Directorate
20 February 2013

2013 No. 65

SOCIAL SECURITY

**The Welfare Reform (Consequential Amendments) (Scotland)
Regulations 2013**

Made - - - - - *21st February 2013*

Laid before the Scottish Parliament *25th February 2013*

Coming into force - - - *8th April 2013*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by sections 2 and 3 of the Welfare Reform (Further Provision) (Scotland) Act 2012(a) and all other powers enabling them to do so.

Citation and commencement

1. These Regulations may be cited as the Welfare Reform (Consequential Amendments) (Scotland) Regulations 2013 and come into force on 8th April 2013.

Council Tax (Discounts) (Scotland) Regulations 1992

2. In regulation 2(3)(c) of the Council Tax (Discounts) (Scotland) Regulations 1992(b) (care workers), after head (iii) insert—

“(iiiia) the daily living component of personal independence payment at the enhanced rate (as referred to in section 78(2) of the Welfare Reform Act 2012(c));”.

National Assistance (Assessment of Resources) Regulations 1992

3.—(1) The National Assistance (Assessment of Resources) Regulations 1992(d) are amended as follows.

(2) In regulation 2(1) (interpretation), after the definition of “permanent resident” insert—

““personal independence payment” means personal independence payment under Part 4 of the Welfare Reform Act 2012;”.

(3) In Schedule 3 (sums to be disregarded in the calculation of income other than earnings)—

(a) in paragraph 4, after “allowance” insert “or the mobility component of personal independence payment”; and

(b) in paragraph 6—

(i) omit “or” at the end of sub-paragraph (a); and

(a) 2012 asp 10.

(b) S.I. 1992/1409; relevant amending instruments are S.I. 1994/629 and 1997/587.

(c) 2012 c.5.

(d) S.I. 1992/2977.

- (ii) after sub-paragraph (b), insert—
 - “; or
- (c) the daily living component of personal independence payment”.

Advice and Assistance (Scotland) Regulations 1996

4. In regulation 16(2)(c) of the Advice and Assistance (Scotland) Regulations 1996(a) (payment of fees and outlays from property recovered or preserved), after “support allowance” insert “, the mobility component of personal independence payment under section 79 of the Welfare Reform Act 2012”.

Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000

5.—(1) The Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000(b) are amended as follows.

- (2) In regulation 4(2) (descriptions of disabled persons), after sub-paragraph (a) insert—
 - “(aa) receives personal independence payment and who has been assessed as having—
 - (i) severely limited ability (within the meaning of regulation 6(3)(b) of the Social Security (Personal Independence Payment) Regulations 2013(c)) in respect of activity 1 (planning and following journeys) in Part 3 of Schedule 1 to those Regulations; or
 - (ii) limited ability (within the meaning of regulation 6(3)(a) of those Regulations) in respect of activity 2 (moving around) in that Part;”.
- (3) In regulation 6 (fee for issue and period of issue of a badge)—
 - (a) in paragraph (2)—
 - (i) after “Subject to” insert “paragraph (3) and”;
 - (ii) after sub-paragraph (b), insert—
 - “(ba) to a person falling within the description specified in regulation 4(2)(aa), for whichever is the shorter of—
 - (i) the period of 3 years beginning with the date of issue; or
 - (ii) the period which begins on the date of issue and ends on the date on which the relevant award of personal independence payment ends;”;
 - (iii) in sub-paragraph (d), after “(b)” insert “, (ba)”;
 - (iv) omit sub-paragraph (e); and
 - (b) after paragraph (2), insert—
 - “(3) Where a person falls within sub-paragraph (b) or (ba) of paragraph (2) and also falls within sub-paragraph (c) of that paragraph, a badge shall be issued for whichever is the longer period under a sub-paragraph applying to him.”.
- (4) In regulation 9 (return of badge to issuing authority)—
 - (a) in paragraph (1), for “A” substitute “Subject to paragraph (1A), a”;
 - (b) after that paragraph, insert—
 - “(1A) A badge need not be returned under paragraph (1)(c) where—
 - (a) a person has had entitlement to disability living allowance terminated in accordance with the Personal Independence Payment (Transitional Provisions) Regulations 2013(d); and

(a) S.I. 1996/2447; relevant amending instruments are S.I. 1997/726 and 2008/1879.

(b) S.S.I. 2000/59; relevant amending instruments are S.S.I. 2007/162 and 2011/89 and 410.

(c) S.I. 2013/377.

(d) S.I. 2013/387.

- (b) immediately before that happened the person was a disabled person by virtue of regulation 4(2)(a) above.”.

Repayment of Student Loans (Scotland) Regulations 2000

6. In the definition of “disability related benefit” in regulation 2 of the Repayment of Student Loans (Scotland) Regulations 2000(a) (interpretation), after “2007” insert “, personal independence payment payable under Part 4 of the Welfare Reform Act 2012”.

Civil Legal Aid (Scotland) Regulations 2002

7. In paragraph 7 of Schedule 2 to the Civil Legal Aid (Scotland) Regulations 2002(b) (rules for computing disposable income), after sub-paragraph (e) insert—

- “(f) the mobility component of personal independence payment paid under section 79 of the Welfare Reform Act 2012”.

Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003

8. In article 4(2) of the Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003(c) (the severely mentally impaired), after sub-paragraph (g) insert—

- “(ga) the daily living component of personal independence payment (as referred to in section 78 of the Welfare Reform Act 2012);”.

National Bus Travel Concession Scheme for Older and Disabled Persons (Eligible Persons and Eligible Services) (Scotland) Order 2006

9.—(1) The National Bus Travel Concession Scheme for Older and Disabled Persons (Eligible Persons and Eligible Services) (Scotland) Order 2006(d) is amended as follows.

(2) In article 2 (interpretation)—

- (a) after the definition of “Northern England service” omit “and” and insert—

““personal independence payment” means personal independence payment under Part 4 of the Welfare Reform Act 2012;”;

- (b) after the definition of “the Scheme”, insert—

““travel card” means a travel card issued under article 15 of the National Bus Travel Concession Scheme for Older and Disabled Persons (Scotland) Order 2006(e)”.

(3) In article 3 (eligible persons)—

- (a) after sub-paragraph (iii) of paragraph (b), insert—

“(iiia) personal independence payment;”;

- (b) in paragraph (e), for “or attendance allowance” substitute “, attendance allowance or personal independence payment”;

- (c) in paragraph (k)—

- (i) after sub-paragraph (ii), insert—

“(iia) are in receipt of the daily living component of personal independence payment;

(iib) fall within paragraph (l) and immediately before doing so fell within sub-paragraph (i) above or sub-paragraph (iii) below;”;

(a) S.S.I. 2000/110; relevant amending instrument is S.I. 2008/1879.

(b) S.S.I. 2002/494.

(c) S.S.I. 2003/176; relevant amending instrument is S.I. 2008/1879.

(d) S.S.I. 2006/117.

(e) S.S.I. 2006/107.

- (ii) in sub-paragraph (iii), for “or attendance allowance” substitute “, attendance allowance or the daily living component of personal independence payment”; and
- (d) after paragraph (k), insert—
 - “(l) a person who—
 - (i) has been issued with a travel card which has not yet expired;
 - (ii) has had entitlement to disability living allowance terminated in accordance with the Personal Independence Payment (Transitional Provisions) Regulations 2013; and
 - (iii) immediately before that happened fell within paragraph (b)(i) or (ii) or (e)”.

St Andrew’s House,
Edinburgh
21st February 2013

NICOLA STURGEON
A member of the Scottish Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments of secondary legislation in consequence of the introduction of the allowance known as personal independence payment under Part 4 of the Welfare Reform Act 2012. The provisions of most significance are as follows.

Regulation 5 amends the Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000. A new regulation 4(2)(aa) is inserted in those Regulations so as to make eligible for a disabled person's badge certain recipients of personal independence payment.

Regulation 6 amends regulation 2 of the Student Loans (Scotland) Regulations 2000 so as to include personal independence payment within the definition of "disability related benefit". The result is that a person in receipt of personal independence payment may have his or her loan liability cancelled out if permanently unfit for work.

Regulation 9 amends the National Bus Travel Concession Scheme for Older and Disabled Persons (Eligible Persons and Eligible Services) (Scotland) Order 2006. Article 3 of that Order is amended so as to make recipients of personal independence payment eligible persons for the purposes of the National Bus Travel Concession Scheme.

POLICY NOTE

THE WELFARE REFORM (CONSEQUENTIAL AMENDMENTS) (SCOTLAND) REGULATIONS 2013

SSI 2013/65

1. The above instrument is made in exercise of the powers conferred by sections 2 and 3 of the Welfare Reform (Further Provision) (Scotland) Act 2012⁽¹⁾. The instrument is subject to negative resolution procedure.

Policy Objectives

2. The main purpose of this instrument is to make consequential amendments to cover the transition from Disability Living Allowance to the new Personal Independence Payment (PIP) so as to allow disability related passported benefits to be claimed in Scotland following the introduction of PIP. There are some other consequential amendments made which do not relate to passported benefits.

Commencement date

3. The date of commencement of these regulations is 8 April 2013.

Consultation

4. The Scottish Government ran a formal consultation exercise on its approach to passported benefits which closed in September 2012. We also held informal consultation events with a range of stakeholders. The primary focus of stakeholders from this consultation activity was the need to protect entitlement to passported benefits as far as possible.

Impact Assessments

5. Given the diverse nature of the changes proposed in these regulations, it is problematic to assess overall impacts. Impact assessments for the individual policy areas affected will be published on the Scottish Government website where appropriate.

Financial Effects

6. Given the diverse nature of the changes proposed in these regulations, it is problematic to assess overall financial effects. Some of the changes are consequential and are not anticipated to have significant financial effects.

7. The primary areas where financial impacts may be a consideration are in relation to the National Concessionary Travel Scheme and the Blue Badge Scheme. Information on them is as follows.

National Concessionary Travel Scheme

8. A Business Regulatory Impact Assessment has not been undertaken for this policy change. Any impacts on business are expected to be small and after the period of the recently concluded agreement on concessionary travel reimbursement terms, which is limited to 2013/14 and 2014/15.

¹ 2012 asp 10

9. These changes may lead to a small increase in the number of companion cards issued. However, it should be noted that not everyone eligible for a companion card applies for one, and not every card holder uses it. Because the changes are being introduced gradually over a period of four years and the majority of reassessments for PIP will not take place until 2015, it is likely that a clear picture of who is affected will not emerge for some time. The impact of these changes will be taken into account in any discussions with the bus industry on future financial arrangements.

Blue Badge Scheme

IT Systems

11. Blue Badge GB online form to be updated and the BBIS database to be updated to record the new eligibility criteria for PIP. Updates required to be carried out by Northgate Public Services. Approximately £32,000 in 2013-14.

12. Local Authorities will have to amend their databases to include additional field. SOCITM have confirmed that they will require a small amount of funding per local authority. Approximately £1,000 per authority in 2013-2014.

Learning and Development

13. Scottish Government to host a workshop for representatives of all 32 local authorities. Update Blue Badge application form, associated guidance, websites and information literature. Up to £10,000.

Scottish Government – Housing, Regeneration and Welfare Directorate

February 2013

Draft Regulations laid before the Scottish Parliament under sections 1(3)(a) and 2(3)(a) of the Welfare Reform (Further Provision) (Scotland) Act 2012, for approval by resolution of the Scottish Parliament.

DRAFT SCOTTISH STATUTORY INSTRUMENTS

2013 No.

SOCIAL SECURITY

**The Welfare Reform (Consequential Amendments) (Scotland)
(No. 2) Regulations 2013**

Made - - - - 2013

Coming into force - - 29th April 2013

The Scottish Ministers make the following Regulations in exercise of the powers conferred by sections 1 to 3 of the Welfare Reform (Further Provision) (Scotland) Act 2012^(a) and all other powers enabling them to do so.

In accordance with sections 1(3)(a) and 2(3)(a) of that Act, a draft of this instrument has been laid before and approved by resolution of the Scottish Parliament.

PART 1

Introductory

Citation and commencement

1. These Regulations may be cited as the Welfare Reform (Consequential Amendments) (Scotland) (No. 2) Regulations 2013 and come into force on 29th April 2013.

^(a) 2012 asp 10.

PART 2

Amendment of primary legislation

Social Work (Scotland) Act 1968

2. In section 78(2A) of the Social Work (Scotland) Act 1968(a) (duty to make contributions in respect of children in care etc.), after “receipt of” insert “universal credit under Part 1 of the Welfare Reform Act 2012(b),”.

Legal Aid (Scotland) Act 1986

3.—(1) The Legal Aid (Scotland) Act 1986(c) is amended as follows.

(2) In section 8(b)(d) (availability of advice and assistance), after “receipt of” insert “universal credit under Part 1 of the Welfare Reform Act 2012,”.

(3) In section 11(2)(b)(e) (clients’ contributions), after “receipt of” insert “universal credit under Part 1 of the Welfare Reform Act 2012,”.

Housing (Scotland) Act 1988

4. In section 18 of the Housing (Scotland) Act 1988(f) (orders for possession)—

- (a) in subsection (3A)(b), after “benefit” insert “or relevant universal credit”;
- (b) in subsection (4A), after “benefit” insert “or relevant universal credit”; and
- (c) in subsection (8)—
 - (i) after paragraph (a), insert—

“(aa) “relevant universal credit” means universal credit to which the tenant was entitled which includes an amount under section 11 of the Welfare Reform Act 2012 in respect of the rent;”; and
 - (ii) in paragraph (b), after “benefit” insert “or relevant universal credit”.

Children (Scotland) Act 1995

5. In section 22(4) of the Children (Scotland) Act 1995(g) (promotion of welfare of children in need), after “receipt of—” insert—

“(za) universal credit under Part 1 of the Welfare Reform Act 2012;”.

-
- (a) 1968 c.49; subsection (2A) was inserted in section 78 by the Health and Social Services and Social Security Adjudications Act 1983 (c.41), section 19(6)(b) and amended by the Social Security Act 1986 (c.50), Schedule 10, paragraph 41(1), the Jobseekers Act 1995 (c.18), Schedule 2, paragraph 1 and the Welfare Reform Act 2007 (c.5), Schedule 3, paragraph 1. Section 78(2A) is prospectively amended by the Welfare Reform Act 2012 (c.5), Schedule 14, Part 1.
 - (b) 2012 c.5.
 - (c) 1986 c.47.
 - (d) Section 8(b) was amended by the Tax Credits Act 2002 (c.21), Schedule 3, paragraph 11 and the Welfare Reform Act 2007, Schedule 3, paragraph 4(2). It is prospectively amended by the Welfare Reform Act 2012, Schedule 14, Part 1.
 - (e) Section 11(2)(b) was amended by the Tax Credits Act 2002, Schedule 3, paragraph 12 and the Welfare Reform Act 2007, Schedule 3, paragraph 4(3). It is prospectively amended by the Welfare Reform Act 2012, Schedule 14, Part 1.
 - (f) 1988 c.43; section 18 was amended by the Homelessness etc. (Scotland) Act 2003 (asp 10), section 12, the Antisocial Behaviour etc. (Scotland) Act 2004 (asp 8), section 100 and the Housing (Scotland) Act 2006 (asp 1), section 180.
 - (g) 1995 c.36; section 22(4) was amended by the Tax Credits Act 1999 (c.10), Schedule 1, paragraph 6(j), the Tax Credits Act 2002, Schedule 3, paragraph 50 and the Welfare Reform Act 2007, Schedule 3, paragraph 14. It is prospectively amended by the Welfare Reform Act 2012, Schedule 14, Part 1.

Adults with Incapacity (Scotland) Act 2000

6.—(1) The Adults with Incapacity (Scotland) Act 2000(**a**) is amended as follows.

(2) In section 39(1)(a)(**b**) (matters which may be managed), for “or Part 1 of the Welfare Reform Act 2007(**c**)” substitute “, Part 1 of the Welfare Reform Act 2007 or Part 1 or 4 of the Welfare Reform Act 2012”.

(3) In section 41(a)(**d**) (duties and functions of managers of authorised establishment), for “or Part 1 of the Welfare Reform Act 2007” substitute “, Part 1 of the Welfare Reform Act 2007 or Part 1 or 4 of the Welfare Reform Act 2012”.

Housing (Scotland) Act 2006

7. In paragraph 6(5) of schedule 2 to the Housing (Scotland) Act 2006(**e**) (recording and notification of decisions), after “housing benefit” in each place where these words occur insert “or universal credit”.

PART 3

Amendment of secondary legislation

High Court of Justiciary Fees Order 1984

8. In article 2A of the High Court of Justiciary Fees Order 1984(**f**) (exemption of certain persons from fees), after paragraph (b) insert—

“(ba) the person is in receipt of universal credit under Part 1 of the Welfare Reform Act 2012;”.

Advice and Assistance (Scotland) Regulations 1996

9.—(1) The Advice and Assistance (Scotland) Regulations 1996(**g**) are amended as follows.

(2) In regulation 4(a) (applications for advice and assistance), after “support allowance” insert “, universal credit”.

(3) In regulation 16(2)(a) (payment of fees and outlays from property recovered or preserved), after sub-paragraph (x) insert—

“(xi) by way of universal credit under Part 1 of the Welfare Reform Act 2012.”.

(4) In paragraph 5(d) of Schedule 2 (assessment of disposable capital and income), after head (k) insert—

“(l) universal credit”.

-
- (a) 2000 asp 4.
(b) Section 39(1)(a) was amended by the Adult Support and Protection (Scotland) Act 2007 (asp 10), schedule 1, paragraph 5(b) and the Welfare Reform Act 2007, Schedule 3, paragraph 22(2).
(c) 2007 c.5.
(d) Section 41(a) was amended by the Adult Support and Protection (Scotland) Act 2007 (asp 10), schedule 1, paragraph 5(c) and the Welfare Reform Act 2007, Schedule 3, paragraph 22(3).
(e) 2006 asp 1.
(f) S.I. 1984/252; relevant amending instruments are S.S.I. 2007/321 and 2009/87.
(g) S.I. 1996/2447; relevant amending instruments are S.I. 1997/726, 1998/724 and 2008/1879 and S.S.I. 2003/163 and 421 and 2011/134.

Sheriff Court Fees Order 1997

10. In article 7(1) of the Sheriff Court Fees Order 1997(**a**) (exemption of certain persons from fees), after sub-paragraph (b) insert—

“(ba) the person is in receipt of universal credit under Part 1 of the Welfare Reform Act 2012;”.

Court of Session etc. Fees Order 1997

11. In article 5 of the Court of Session etc. Fees Order 1997(**b**) (exemption of certain persons from fees), after paragraph (b) insert—

“(ba) the person is in receipt of universal credit under Part 1 of the Welfare Reform Act 2012;”.

National Health Service (Optical Charges and Payments) (Scotland) Regulations 1998

12.—(1) The National Health Service (Optical Charges and Payments) (Scotland) Regulations 1998(**c**) are amended as follows.

(2) In regulation 1(2) (interpretation), after the definition of “tax credit” insert—

““universal credit” means universal credit under Part 1 of the Welfare Reform Act 2012;”.

(3) In regulation 8(3) (eligibility – supply of optical appliances)—

(a) omit “or” immediately after sub-paragraph (o); and

(b) at the end of sub-paragraph (p), insert—

“; or

(q) he is in receipt of universal credit.”.

Civil Legal Aid (Scotland) Regulations 2002

13.—(1) The Civil Legal Aid (Scotland) Regulations 2002(**d**) are amended as follows.

(2) In regulation 33(a) (payments out of property recovered or preserved: exceptions), after sub-paragraph (xii) insert—

“(xiii) by way of universal credit under Part 1 of the Welfare Reform Act 2012”.

(3) In paragraph 5 of Schedule 2 (rules for computing disposable income), after sub-paragraph (f) insert—

“(g) universal credit paid under Part 1 of the Welfare Reform Act 2012”.

(4) In paragraph 7 of Schedule 3 (rules for computing disposable capital), after “support allowance” insert “or universal credit under Part 1 of the Welfare Reform Act 2012”.

Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003

14. In article 4(2) of the Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003(**e**) (the severely mentally impaired)—

(a) omit “and” immediately after sub-paragraph (k); and

(a) S.I. 1997/687; relevant amending instruments are S.S.I. 2007/321 and 2009/87.

(b) S.I. 1997/688; relevant amending instruments are S.S.I. 2007/319 and 2009/88.

(c) S.I. 1998/642; relevant amending instruments are S.S.I. 2003/218 and 431, 2004/97 and 168, 2005/119, 2006/138, 2008/289 and 2011/55.

(d) S.S.I. 2002/494; relevant amending instruments are S.S.I. 2007/59, 2010/166 and 2011/134 and S.I. 2008/1879.

(e) S.S.I. 2003/176; relevant amending instruments are S.I. 2008/1879 and S.S.I. 2013/65.

(b) at the end of sub-paragraph (1), insert—

“; and

(m) universal credit under Part 1 of the Welfare Reform Act 2012”.

National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003

15.—(1) The National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003(a) are amended as follows.

(2) In regulation 2 (interpretation), after the definition of “trade dispute” insert—

““universal credit” means universal credit under Part 1 of the Welfare Reform Act 2012;”.

(3) In regulation 4(2) (description of persons entitled to full remission and payment), after sub-paragraph (b) insert—

“(ba) a person who is in receipt of universal credit;”.

Support and Assistance of Young People Leaving Care (Scotland) Regulations 2003

16. In regulation 13(6)(a) of the Support and Assistance of Young People Leaving Care (Scotland) Regulations 2003(b) (manner in which financial assistance is provided), after “allowance” insert “, universal credit”.

Education Maintenance Allowances (Scotland) Regulations 2007

17. In paragraph 3(e) of Schedule 2 to the Education Maintenance Allowances (Scotland) Regulations 2007(c) (ordinary residence), after “income support” insert “, universal credit”.

Bankruptcy (Scotland) Act 1985 (Low Income, Low Asset Debtors etc.) Regulations 2008

18. In regulation 2(2) of the Bankruptcy (Scotland) Act 1985 (Low Income, Low Asset Debtors etc.) Regulations 2008(d) (debtor’s weekly income), after “2002” insert “or universal credit under Part 1 of the Welfare Reform Act 2012”.

Housing (Scotland) Act 2006 (Scheme of Assistance) Regulations 2008

19.—(1) The Housing (Scotland) Act 2006 (Scheme of Assistance) Regulations 2008(e) are amended as follows.

(2) In regulation 2 (interpretation), after the definition of “subsidised loan” insert—

““universal credit” means universal credit payable under Part 1 of the Welfare Reform Act 2012.”.

(3) In regulation 4(3) (minimum percentage grant), after sub-paragraph (b) insert—

“(ba) universal credit;”.

Adoption Support Services and Allowances (Scotland) Regulations 2009

20.—(1) The Adoption Support Services and Allowances (Scotland) Regulations 2009(f) are amended as follows.

(a) S.S.I. 2003/460; relevant amending instruments are S.S.I. 2004/102 and 166, 2007/259, 2008/27 and 288, 2009/124 and 2011/55.

(b) S.S.I. 2003/608.

(c) S.S.I. 2007/156; relevant amending instrument is S.I. 2008/1879.

(d) S.S.I. 2008/81.

(e) S.S.I. 2008/406.

(f) S.S.I. 2009/152.

(2) In regulation 2 (interpretation)—

(a) omit “and” immediately after the definition of “jobseeker’s allowance”; and

(b) after the definition of “kinship carer”, insert—

““universal credit” means universal credit under Part 1 of the Welfare Reform Act 2012.”.

(3) In regulation 14(c) (termination of adoption allowances), after “support” insert “, universal credit”.

Individual Learning Account (Scotland) Regulations 2011

21. In regulation 3(6)(b) of the Individual Learning Account (Scotland) Regulations 2011(a) (qualifying persons)—

(a) omit “or” immediately after head (vi); and

(b) at the end of head (vii), insert—

“; or

(viii) universal credit payable under Part 1 of the Welfare Reform Act 2012”.

Justice of the Peace Court Fees (Scotland) Order 2012

22. In article 3(1) of the Justice of the Peace Court Fees (Scotland) Order 2012(b), after subparagraph (b) insert—

“(ba) the person is in receipt of universal credit under Part 1 of the Welfare Reform Act 2012;”.

Name

A member of the Scottish Government

St Andrew’s House,
Edinburgh
Date

(a) S.S.I. 2011/107; relevant amending instrument is S.S.I. 2012/172.

(b) S.S.I. 2012/292.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to various pieces of existing legislation in consequence of the introduction of the benefit known as universal credit under Part 1 of the Welfare Reform Act 2012. Part 2 of the Regulations makes amendments of primary legislation and Part 3 of the Regulations makes amendments of secondary legislation.

POLICY NOTE
DRAFT : THE WELFARE REFORM (CONSEQUENTIAL AMENDMENTS)
(SCOTLAND) (NO. 2) REGULATIONS 2013

1. The above instrument is made in exercise of powers conferred by sections 1 to 3 of the Welfare Reform (Further Provision) (Scotland) Act 2012⁽¹⁾. The instrument is subject to affirmative resolution procedure.

Policy Objectives

2. The main purpose of this instrument is to make consequential amendments to allow for the transition to Universal Credit (UC) as defined in the Welfare Reform Act 2012, to allow income related passported benefits to be claimed in Scotland during the UC pathfinder which will see UC being paid to a limited number of claimants in the Greater Manchester area.

The existing social security benefits which will be replaced by universal credit are:

- Income support under section 124 of the Social Security Contributions and Benefits Act 1992 (“the 1992 Act”),
- Housing benefit under section 130 of the 1992 Act,
- Jobseeker’s allowance under the Jobseekers Act 1995 (where income-based),
- Employment and support allowance under Part 1 of the Welfare Reform Act 2007 (where income-related),
- Child tax credit under the Tax Credits Act 2002, and
- Working tax credit under the Tax Credits Act 2002.

3. There are some other consequential amendments which are not related to passported benefits.

Commencement date

4. The date of commencement of these regulations is 29 April 2013.

Consultation

5. The Scottish Government ran a formal consultation exercise on its approach to passported benefits which closed in September 2012. We also held informal consultation events with a range of stakeholders. The primary focus of stakeholders from this consultation activity was the need to protect entitlement to passported benefits as far as possible.

¹ 2012 asp 10

Impact Assessments

6. Given the diverse nature of the changes proposed in these regulations it is problematic to assess overall impacts. Impact assessments for the individual policy areas affected will be published on the Scottish Government website where appropriate.

Financial Effects

7. Given the diverse nature of the changes proposed in these regulations, it is problematic to assess overall financial effects. In relation to passported benefits we do not yet have new criteria in place, so it is not possible to provide an assessment of the financial impact. When changes to the existing provisions are proposed in subordinate legislation, an assessment of the financial impact will be provided.

8. An assessment of financial position in relation to passported benefits was published in the financial memorandum for the Welfare Reform (Further Provision) (Scotland) Bill http://www.scottish.parliament.uk/S4_Bills/Welfare%20Reform%20Bill/b11s4-introduct-en.pdf. This will help to inform our thinking when we assess financial impacts of new criteria prior to the commencement of UC in Scotland.

Scottish Government – Housing, Regeneration and Welfare Directorate

February 2013

Additional paper – published 5 March

In the course of considering agenda item 5, the Committee agreed to make the associated paper public. This paper is published below.

Welfare Reform Committee

4th Meeting, 2013 (Session 4), Tuesday, 5 March 2013

Meeting with the Secretary of State for Work and Pensions

1. The purpose of this paper is to invite the Committee to consider and agree its approach to the informal meeting with Iain Duncan Smith MP on 27 March.
2. In terms of general approach, it is understood that the Committee will make clear to the Secretary of State that they may follow up in correspondence any matters that arise during the meeting and that such correspondence will be publicly available. This reflects the approach that was taken to the meeting with Lord Freud in November 2012.
3. Given that the time available for the meeting is likely to be limited, the Committee may wish to focus more on putting specific questions to the Secretary of State than in asking him to provide a general update on the upcoming implementation of welfare reforms. If the Committee was so minded, it may be preferable not to invite the Secretary of State to make an opening statement.
4. Members are also invited to consider whether there are any particular elements of welfare reform on which they would like to focus their questioning. Areas that have emerged recently include —
 - Under-occupancy deductions (“the bedroom tax”)
 - Universal Credit payments
 - Development of financial products
 - Arrangements for implementation of Universal Credit in Northern Ireland against those in Scotland
 - PIP assessments in Scotland
 - Your Say witnesses’ questions
 - Application of sanctions by Jobcentre Plus advisers
5. Possible lines of questioning within each area are set out below for consideration.

Under-occupancy deductions

6. No regard seems to have been taken for disabled people who use rooms in their home to store vital equipment that assists them in managing their daily lives. Why can an exception to the rules not be provided to assist some of the most vulnerable people to continue to live independently?
7. The importance of stable families of all kinds is part of the Coalition Government’s view of what forms a strong and stable society. Why has there been

no provision made to recognise that parents who have access arrangements but who do not have primary access arrangements should be allowed bedrooms as part of providing a stable and secure environment for their children? Similarly, why are provisions not made to take account of foster children in assessing household size?

8. One of the responses to the introduction of the policy is that people would move into a smaller property in the private rented sector. Based on the average costs of rental of a one bedroom private sector property against a two bedroom social sector property Shelter Scotland has estimated that the cost to the taxpayer through the increased demand for Local Housing Allowance would be up to £200 a month per property in Scotland's cities. Is this policy value for money?

Universal Credit Payments

9. In publishing information about why Universal Credit will be paid on a monthly basis, the Secretary of State has indicated that 75% of people in employment are paid monthly and that the approach under Universal Credit will enable people moving into work to become more familiar with budgeting on this basis.

10. Does the Secretary of State have available information about whether this percentage is different for people who are in low paid jobs (whether on a part time or full time basis)? If not, how can he be confident that this approach is the most appropriate to the budgeting patterns experienced by the majority of individuals who will be in receipt of Universal Credit?

11. What is the position for claimants should there be any failure in the system that processes payments? Would that result in the potential for claimants being penalised financially for a system over which they have no control?

Development of financial products

12. In both of the meetings the Committee had with Lord Freud, he mentioned the development of new financial products that would assist people in budgeting and managing their income. These products were indicated as being likely to include jam jar accounts and a role for credit unions as providers of such products. What is the current position on the development and roll out of such products?

Arrangements for the implementation of Universal Credit in Northern Ireland

13. Provide clarity on the position regarding Northern Ireland. The Northern Ireland Minister for Social Development, Nelson McCausland MLA, has indicated that—

- Housing Benefit in Northern Ireland will continue to be paid directly to the landlord
- Payments of Universal Credit will be made more frequently than the monthly basis
- Payment of Universal Credit will be able to be split between more than one person in each household.

14. If these provisions can be made for people in Northern Ireland, why can they not be made for people in Scotland?

PIP assessments in Scotland

15. It is understood that all PIP assessments in Scotland will be carried out under the sub-contract that has been agreed with Atos by the occupational health arm of NHS Lanarkshire and that similar arrangements have been put in place for delivery of assessment by NHS Trusts in England. Why not contract directly with the NHS?

Your Say witnesses

16. In both Your Say sessions to date, the Committee has asked the witnesses what question they would ask the Secretary of State if they got the opportunity. The questions posed were—

- Why the UK Government think withdrawing benefits is going to encourage disabled people back to work when there is no strategy or support (by way of access to work funding) to offer help for disabled people to get back into work? (Henry Sherlock)
- How can we expect people to come off disability benefits and get a job when occupational health services have said that they are just not able to work? What are people who have worked and contributed all their lives and are now only a few years short of retirement meant to live on? (Janice Scott)
- How are you going to build in flexibility to accommodate those who have a non-physical disability which recognises that they are in a totally different situation? (Norman Gray)
- Who is going to employ someone who can fall over nothing and when they do that have to go home and get showered? (Marlene Hepburn)
- What support is there for people who worked hard and contributed, doing their best so that in a time of need when they had to call on support, that support would be there? (Lesley McMurchie)
- Why do you feel it is right to create an atmosphere in which companies and people paid to help those most in need think it is acceptable to refer to its clients as LTBs? Do you have any regret about having contributed to a situation where it is thought acceptable to use language like that? (Ian Megahy)

Application of sanctions by JCP advisers

17. How it will be ensured that JCP advisers with discretion over the application of sanctions are using that discretion appropriately and not create a situation where people in some areas are sanctioned for behaviours that go are not penalised elsewhere?

Recommendation

18. **The Committee is invited to consider its overall approach.**
19. **In considering its approach, Members may wish to note that it is unlikely that more than 3 or 4 areas could be explored with the Secretary of State in the time that is expected to be available for this meeting.**
20. **Members may therefore wish to consider whether they wish to prioritise particular areas on which they would most like to ask questions of the Secretary of State.**

Clerk to the Committee
February 2013