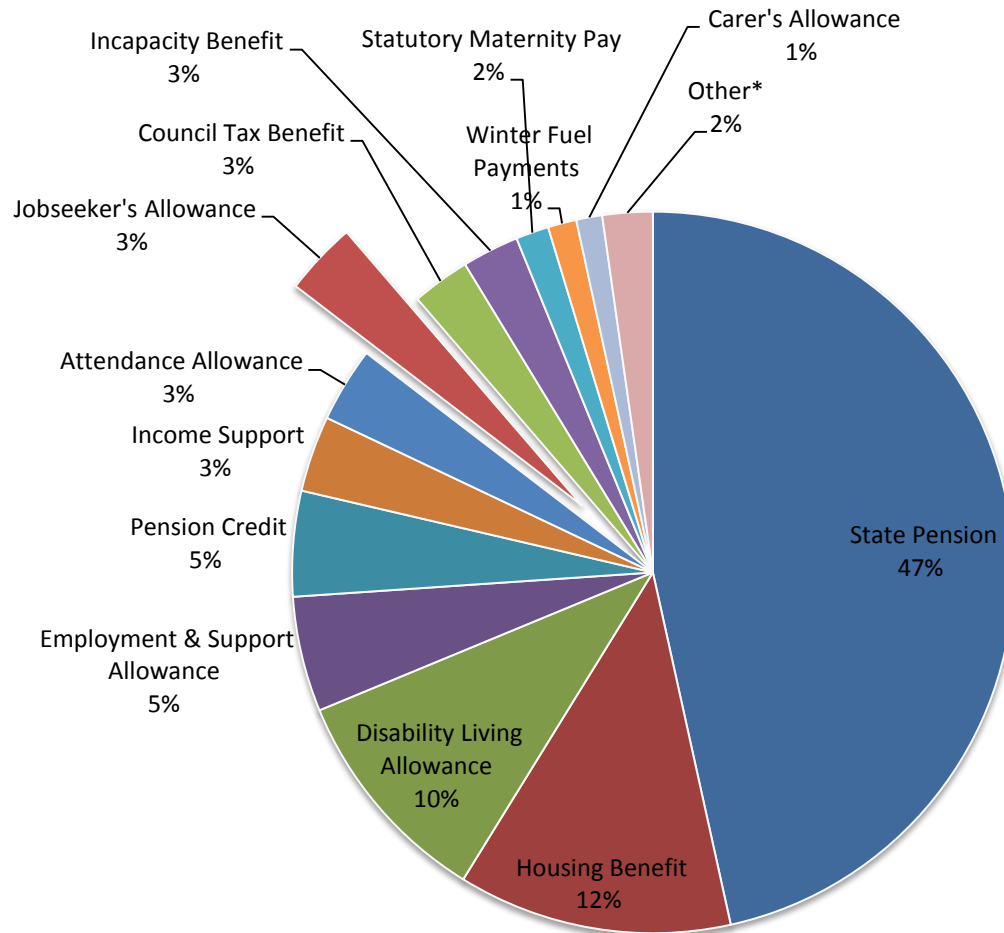




# Welfare Reform: SG response

February 2014  
Adam Reid, Welfare Division

# DWP benefit expenditure in Scotland, by benefit, 2012-13



Source: DWP Benefit Expenditure Tables as at 17-01-2014

Notes: \* includes Bereavement Benefit/Widow's Benefit, Discretionary Housing Payments, Industrial Injuries Benefits, Maternity Allowance, Over 75 TV Licences & Severe Disablement Allowance



## Some key reforms ...

- **2011**
  - Benefits uprated in line with CPI rather than RPI
  - Local Housing Allowance changes
- **2012**
  - Child Benefit rates frozen for 3 years
  - Reduction to 70% childcare costs claimed through tax credits
  - Contributory ESA limited to 1 year
  - Lone Parents moved from IS to JSA earlier.
- **2013**
  - Universal Credit introduced
  - Successor arrangements to CTB and Social Fund introduced
  - New under-occupancy rules in socially rented sector
  - Benefit Cap introduced
  - Personal Independence Payment introduced (replacing DLA)



## Impacts

- Most significant package of benefit reform **since Beveridge**.
- Significant reductions in benefit expenditure – **SG estimate cumulative benefit reductions could be over £4.5bn by 2014-15**.
- Scottish welfare bill in 2014-15 alone will have been reduced by nearly £2bn.



## Devolved policy

- **Council Tax Reduction Scheme**
  - with CoSLA, we have mitigated the 10% gap in funding for Council Tax Benefit successor arrangements in 2013/14 and will do so again for 2014/15.
- **Scottish Welfare Fund**
  - SG investing additional £9.2m in 2013/14 and 14/15
  - Consultation on Scottish Welfare Funds Bill closed on 7 February – expecting to introduce Bill to parliament in June 2014
- **Passported benefits**
  - Welfare Reform (Further Provision) (Scotland) Act 2012
  - maintaining access



# Mitigation

**£258 million in the period 2013-14 to 2015-16.**

In 2013-14 this included:

- £20m for Discretionary Housing Payments
- £23m for the Council Tax Reduction Scheme
- £33m for the Scottish Welfare Fund
- Plus investments in advice, support and anti-poverty projects



# White Paper – Scotland’s Future

Four immediate priorities for welfare:

- Abolishing the “bedroom tax” within the first year of the first independent Scottish Parliament
- Halting the further roll-out of Personal Independence Payment and Universal Credit in Scotland.
- Ensuring that benefits in Scotland increase in line with inflation to avoid the poorest families falling further into poverty.
- Reviewing the conditionality and sanctions regime and the assessment processes for disability related benefits – in order to restore faith in these systems.