Welfare Reform (Further Provision) (Scotland) Bill

A brief introduction – Milind Kolhatkar, EVOC, April 2012

Thanks to SPiCe – the Scottish Parliament Information Centre – for their excellent Briefing on the Welfare Reform (Further Provisions) (Scotland) Bill


The chapter ‘Jobs and Welfare’ opens: “The Government believes that we need to encourage responsibility and fairness in the welfare system. That means providing help for those who cannot work, training and targeted support for those looking for work, but sanctions for those who turn down reasonable offers of work or training.” The last bullet point reads thus: “We will investigate how to simplify the benefit system in order to improve incentives to work.”

‘Simplification’ is a key driver behind current UK Welfare Reform.

The UK Welfare Reform Act 2012 achieved Royal Assent on 8 March 2012. The key elements of the Act include the introduction of Universal Credit (to replace Income Support, Income-Based Jobseeker’s Allowance, Income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit) and Personal Independence Payment (to replace Disability Living Allowance.) The Act also provides regulation making powers to cap benefits in general and housing benefit in particular. The Act establishes a Social Mobility and Child Poverty Commission (linked to the Government’s Social Mobility Strategy launched in April 2011) and, finally, abolishes Council Tax Benefit and parts of the Social Fund.

The UK Government’s stated aim in introducing Universal Credit was to ‘radically simplify the system to make work pay and combat worklessness and poverty.’

As the UK legislation impacts on matters devolved to Scotland, the Scottish Parliament’s ‘Legislative Consent’ was sought. This consent was, in part, refused in December 2011. This is the first time that legislative consent to a UK Bill has been refused by the Scottish Parliament. In withholding (in part) Legislative Consent, the Scottish Parliament recognised that (to avoid a constitutional impasse) it would need to legislate itself. In withholding Legislative Consent (in part) the Scottish Parliament also agreed to establish a Welfare Reform Committee ‘to consider how the implementation of the Welfare Reform Bill affects people in Scotland.’
The Welfare Reform Committee held its first meeting on 23 February 2012 and is the lead committee on the Welfare Reform (Further Provision) (Scotland) Bill. It has issued a Call for Evidence and will consider views in preparing the Bill. The Welfare Reform (Further Provisions) (Scotland) Bill enables Scottish Ministers to introduce regulations as needed. The Bill does not make any changes to legislation, and does not prescribe how devolved legislation should be amended. That is left to the regulations – which are to be introduced later in 2012. The main focus of these regulations takes account of ‘devolved matters linked to those benefits which are being abolished by the UK Act. This refers primarily but not exclusively to passported benefits.’

Passported benefits fall into three groups:
- Benefits in kind (eg – free school meals)
- Cash benefits (eg – support for travel costs to health appointments) and
- Discounts (eg – leisure discounts)

The focus of this legislation, therefore, is to ensure that people in Scotland are not disadvantaged when the new Universal Credit and Personal Independence Payment come into force (because the UK Act will NOT deal with ‘passporting’ matters in relation to Scotland.)

People will, understandably, be disappointed at such a narrow focus to this Scottish legislation. We are taking the view however, that although the Scottish legislation is narrowly focussed the only reason it is being enacted is because of the UK Act. Our submission to the Scottish Parliament’s Welfare Reform Committee, therefore, will not be limited merely to matters relating to passporting of benefits.

As our response will come from a Third Sector perspective we would hope to reference the anticipated impacts of Welfare Reform on Third Sector organisations – and on the people, families and communities with whom we work.

At our ThinkSpace event on Thursday 05th April – we will seek to gather views on the following key questions:

1. Is the proposed Scottish Legislation adequate to deal with the impacts of UK Welfare Reform?
2. If NOT, then what would we expect?
3. What powers are available to the Scottish Parliament (and Local Authorities) which could minimise the negative impacts of the UK Act?
4. What principles would we like to see characterise a Scottish ‘civil society’ response to reform of the welfare system?
5. What will each of us do differently, once Welfare Reform changes take effect?