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Passported Benefits

27 March 2013

13/17

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This paper addresses some of the issues surrounding passported benefits and how such benefits will be affected by the change to Universal Credit and Personal Independence Payments. It looks at what passported benefits are; why, given Social Security is a reserved matter, the Scottish Government has a responsibility; what has been done to date and the timetable for future changes.



The Scottish Parliament
Pàrlamaid na h-Alba

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EXECUTIVE SUMMARY

Currently, if a claimant is entitled to a means tested benefit, certain tax credits, or disability-related benefits, they can also be automatically eligible for a range of other support, including free school lunches, 'blue badge' parking permits and health benefits such as free prescriptions. These are known as 'passported' benefits.

Although social security is a reserved matter, the Scottish Government uses the receipt of various welfare benefits as a proxy measure for low-income or disability when assessing entitlement to Scottish-controlled passported benefits. The introduction of Universal Credit (UC) in October 2013 and the move from Disability Living Allowance (DLA) to Personal Independence Payments (PIP) in April 2013, will bring radical changes to the benefits system. As such, the eligibility criteria for passported benefits need to be reviewed.

The Scottish Government completed a consultation and held stakeholder events in the Autumn of 2012 and published the analysis in December 2012. This informed their thinking for the introduction of regulations for passporting arrangements from PIP. These include Blue Badge Parking, the National Concessionary Travel Scheme and exemption from some student loans.

In terms of UC, the Scottish Government has reported that the lack of detail available on award notifications has made it difficult to establish new eligibility criteria for UC related passported benefits. As such, they have introduced interim regulations to make sure that legislation will come into force for April 2013 to allow claimants from the UC pathfinder project in Manchester to access passported benefits if they decide to move to Scotland during this period. This will then be followed by further legislation, to allow for a more permanent solution for income-related passported benefits to be in place for the rollout of UC in Scotland from October 2013.

The Scottish Government plans to maintain eligibility for those in receipt of passported benefits. However, there are concerns that some people will lose out on passported benefits because their eligibility, for UC or PIP, has been reduced as part of the transition to the new schemes. The Scottish Government has set out plans to mitigate the impact of this as far as possible for the benefits passported from PIP.

The cost of delivering passported benefits is expected to be met from existing budgets. However, there will be an administrative cost on the Scottish Government to re-formulate its policy on entitlement to passported benefits during 2012-13 and then to make the necessary changes to subordinate legislation, forms and administrative systems for introduction from April 2013. There will also be an administrative cost on local authorities and other bodies to re-align delivery of passported benefits to the new entitlement criteria.

WHAT ARE PASSPORTED BENEFITS?

Claimants who are currently entitled to means tested benefits, certain tax credits or disability-related benefits can also be eligible for a range of other support, including free school lunches, 'blue badge' parking permits and concessionary bus travel. These are known as 'passport' benefits and are devolved. They include benefits-in kind, cash benefits or discounts on charges. This can be categorised into four areas – health, education, utility and justice related benefits.

WHY ARE PASSPORTED BENEFITS THE SCOTTISH GOVERNMENT'S RESPONSIBILITY?

The UK Government's Welfare Reform, in particular the move to Personal Independence Payments in April 2013 and UC in October 2013, will have wide ranging and significant implications for benefits claimants and the additional passported benefits they receive.

In order to assess entitlement to devolved passported benefits, the Scottish Government currently uses the receipt of various welfare benefits as a proxy measure for low-income or disability. However, as UC will be used to 'top up' income for those in work as well as out of work, it means that receipt of UC will not be sufficiently reliable proof of low income to establish eligibility for passported benefits. This requires the Scottish Government to re-formulate its policy on devolved entitlement to passported benefits before amending Scottish legislation.

As a result of the move to UC, some existing means-tested benefits will no longer exist, including income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support, Tax Credits and Housing Benefit. Support for housing costs, children and childcare costs will be integrated and it will provide additions for disabled people and carers. (Social Security Advisory Committee, 2012) This requires the Scottish Government to make consequential amendments to existing legislation.

The Scottish Government also uses Disability Living Allowance to passport claimants to Blue Badge Parking, Concessionary Bus Travel and exemption for repayment of Student Loans. As PIP will employ different eligibility criteria from DLA, simply replacing references to DLA with PIP will not capture quite the same group of people.

Table 1: Areas of Scottish Government Responsibility

Passported from Universal Credit	Passported from PIP
<ul style="list-style-type: none">• Legal Aid• Free school meals• Free NHS dental treatment• NHS patient travel costs• NHS optical vouchers• Individual Learning Accounts• Education Maintenance Allowance• Court exemption fees	<ul style="list-style-type: none">• Blue Badge parking permit• Concessionary bus travel (for working age)• Student loans for Higher Education – exemption from repayment

The Scottish Government declined legislative consent in relation to the provisions in the UK Welfare Reform Bill giving Scottish Ministers powers to make consequential provisions in

relation to UC and PIPs and instead chose to make these provisions by way of an Act of the Scottish Parliament. This was agreed to by the Scottish Parliament on [22 December 2011](#).

The motion by Nicola Sturgeon, Cabinet Secretary for Infrastructure, Investment and Cities ([S4M-01638.3](#)) as amended by Jackie Baillie, also included provision for the Scottish Parliament to:

- support legislative consent in respect of data sharing, industrial injuries disablement benefit and the social mobility and child poverty commission
- agree to the creation of a Welfare Committee with a remit to consider how the implementation of the Welfare Reform Bill affects people in Scotland, in particular the impact on passported benefits, and the principles and operation of devolved benefits
- continue to make the case to the UK Government to reconsider the Welfare Reform Bill and more broadly its welfare reform agenda.

During the debate on the motion, the Cabinet Secretary made it clear that access to passported benefits would be protected, in the timescale required.

“...we will take whatever steps are necessary, in the timescale required, to ensure that we protect access to passported benefits when universal credit is introduced.

Our doing that through primary legislation, and indeed with the establishment of a new parliamentary committee, will give the Parliament the opportunity to scrutinise more fully the implications of the changes and, within the obvious and severe financial constraints that we have, consider what mitigation measures are possible” (Scottish Parliament 2011).

WHAT IS THE TIMETABLE FOR THE IMPLEMENTATION OF PIP AND UC

PIP New Claims	
April 2013	Personal Independence Payment will be introduced for new claims in Merseyside, North West England, Cumbria, Cheshire and North East England. During this period new claimants in all other parts of the country will continue to claim Disability Living Allowance as now.
June 2013	New claims for Personal Independence Payment will be taken from all parts of the country.
PIP Existing Claims	
October 2013	If an individual reports a change in how a health condition or disability affects them, they reach the end of an existing award of DLA (and haven't already received a DLA renewal letter), or they are approaching the age of 16, then DWP will invite them to claim Personal Independence Payment.
From 2015	DWP will start to contact everyone else receiving DLA and invite them to make a PIP claim (unless they report a change in how their health condition or disability affects them, or if their award is due to end).

UC New Claims and Pathfinder	
April 2013	The launch of Universal Credit pathfinder project will introduce Universal Credit to claimants within certain areas of the North-West of England. E.g. Manchester
October 2013	New claimants will be able to make claims for Universal Credit while claims for existing benefits and credits will be gradually phased out.
April 2014	All new claims will be for Universal Credit.
UC Existing Claims	
October 2013 – December 2017	Existing claimants will move onto Universal Credit in line with a phased approach that DWP expect to have completed by the end of 2017.

SCOTTISH GOVERNMENT ACTION ON PASSPORTED BENEFITS

The Scottish Government proposed to tackle this work in two stages.

- to introduce revised, transitional eligibility criteria for April 2013 once the UK Government provides full details on how UC and PIP will operate;
- to consider, from April 2013 onwards, a) what the ramifications of UC and PIP are once actual behaviour and budgetary impact is clearer, and b) whether to create a more coherent system of passported benefits, while maintaining access for those groups who currently benefit.

The Scottish Government is required to work to a timetable which requires changes to Scottish legislation to be commenced ahead of the introduction of the Department for Work and Pensions 'pathfinder system' which is due to be rolled-out in April 2013. However, Nicola Sturgeon reported in a meeting of the Welfare Reform Committee in October 2012 that the lack of detail on award notifications for UC is adversely impacting officials in their work to ensure the same groups of people continue to receive passported benefits (Scottish Parliament 2012).

The Scottish Government has introduced regulations to allow for transitional arrangements to ensure that a UC claimant moving to Scotland from Greater Manchester during the pathfinder phase will be able to claim passported benefits from April 2013. This will maintain access to passported benefits during the pathfinder period and allow more time to work on new criteria for the longer-term delivery of passported benefits. Further legislation is required to allow for a more permanent solution to be in place for the rollout of UC in Scotland in October 2013.

However, as the process of transition to UC will take place between 2013 and 2017, some people already claiming under the current welfare system will continue to receive those benefits until the transition is complete. Therefore, the [previous Scottish entitlement criteria](#) will need to be available to those claimants and run parallel to the new system until 2017.

The Scottish Government has also introduced legislation to ensure that passporting arrangements from PIP will apply from April 2013.

SCOTTISH GOVERNMENT CONSULTATION

The Scottish Government launched a consultation on 28 June 2012 seeking views on ways to ensure people in Scotland continue to receive passported benefits (Scottish Government 2012).

The consultation closed on 28 September and an analysis of responses was published on 21 December 2012. It also conducted a series of stakeholder meetings and policy events in the Autumn of 2012 on the immediate changes required to maintain access to passported benefits. The Scottish Government plan to take forward stage two of the work, post April 2013, based on the consultation analysis. It states that it:

“would like to take this opportunity to look more broadly at the way we deliver passported benefits, exploring whether we can make them easier to locate in times of need, simpler to understand and more coherent as a whole” (Scottish Government 2012).

The consultation analysis reports that there was support for the four underlying principles outlined by the Social Security Advisory Committee in their report on the impact of UC on Passported Benefits; simplification, auto entitlement, information transfer and making work pay. Overall, respondents would like a system that is easy to administer, inclusive and flexible (Scottish Government 2012b).

SCOTTISH GOVERNMENT REGULATIONS

Sections 1 and 2 of the Welfare Reform (Further Provision) (Scotland) Act 2012 confer powers on Scottish Ministers to make regulations as considered appropriate in consequence of relevant sections of the UK Welfare Reform Act and any associated regulations. Regulations which amend primary legislation will be made under the affirmative procedure and those which amend existing regulations will be made under the negative procedure. The main focus of these regulations will be to ensure that, as far as possible, Scotland can continue to support people on low-income or disabled people, as intended.

The Scottish Government laid two sets of regulations before the Scottish Parliament on 25 February and another on 27 February 2013. It is the Scottish Government’s intention that the PIP regulations set the on-going criteria for passporting. However, the UC elements of the regulations, alongside the regulations for Free School Lunches, are transitional. Full tables compiled by the Scottish Government showing the exact effect of the Consequential Amendments provisions are available in the [public papers of the 4th meeting of the Welfare Reform Committee 2013](#).

Disability Related Regulations Passporting from PIP

The Welfare Reform (Consequential Amendments) (Scotland) Regulations 2013. 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. Main amendments include making PIP recipients eligible for the purposes of the National Bus Travel Concession Scheme; allowing certain recipients of PIP to be eligible for a disabled person’s badge and enabling a person in receipt of PIP to have his or her student loan liability cancelled if permanently unfit for work. The date of commencement of this regulation is 8 April 2013.

Income Related Regulations Passporting from UC

Welfare Reform (Consequential Amendments) (Scotland) (No. 2) Regulations 2013. The main purpose of this instrument is to make consequential amendments to allow for the transition to UC as defined in the Welfare Reform Act 2012, to allow income related passported benefits to be claimed in Scotland during the UC pathfinder period which will see UC being paid to a

limited number of claimants in the Greater Manchester area. The date of commencement of this regulation is 29 April 2013.

The Education (Schools Lunches) (Scotland) Amendment Regulations 2013

The main purpose of this instrument is to prescribe UC, as defined under Part 1 of the Welfare Reform Act 2012, as one of the qualifying criteria for free school lunches. The objective is to maintain access to free school meals in Scotland during the UC pathfinder period which will see UC being paid to a limited number of claimants in the Greater Manchester area. The powers contained within section 53(3)(a) (iv) and b(iii) the Education (Scotland) Act 1980 were used to create this Regulation. The date of commencement of this regulation is also 29 April 2013.

EXPECTED IMPACT OF THE CHANGES TO BENEFITS PASSPORTED FROM PIP

As mentioned previously the Scottish Government aims to maintain people's current entitlement to passported benefits. However, there are concerns that due to the move to UC and from DLA to PIP some claimants will have reduced eligibility and therefore lose access to passported benefits. For example, the UK Government estimates that by 2018, around 607,000 fewer people will receive PIP than would have got DLA. This is a 28% reduction in the caseload (House of Commons Library 2013). More information on eligibility for PIP and how it will operate is available on the [DWP website](#).

IMPACT ASSESSMENT

The Scottish Government has carried out Equality Impact Assessments (EQIA) on the basis of the information currently available on the changes to criteria for the Blue Badge Scheme and the National Concessionary Travel Scheme. It will make the EQIA documents available on the Transport Scotland website prior to the first Order coming into force on 08 April 2013.

It plans to continue to monitor the impacts of these regulations through operational data, feedback from individuals, third sector groups and local authorities as the practical experience of using the PIP system unfolds over the rollout period.

The Welfare Reform (Further Provision) (Scotland) Act 2012 contains a requirement for the Scottish Ministers to report on the impact that the UK Welfare Reform Act 2012 is likely to have on people in Scotland. The first of these reports is to be laid before the Scottish Parliament on or before 30 June 2013.

SCOTTISH GOVERNMENT 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 as a passport to obtain a Blue Badge. The Scottish Government plans 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.

The Scottish Government has stated that new 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,
- awarded at 8 points (standard rate) or more for the "moving around" component.

The Scottish Government advises that 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 HRMCDLA. By including those who receive PIP at the standard rate of 8 points on the moving around descriptor, the Scottish Government advise that it has taken into account those persons who may have previously received HRMCDLA 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 (Scottish Parliament Welfare Reform Committee Papers 2013).

Expected outcome of the changes

It is estimated that between October 2013 and 2018 the DWP will reassess approximately 100,000 people in Scotland currently in receipt of HRMCDLA for the new welfare reform benefit, PIP (Scottish Parliament Welfare Reform Committee Papers 2013). DWP has 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 Scottish Government believes 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 attempted to mitigate 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."

The Scottish Government have said that 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. (Scottish Parliament Welfare Reform Committee Papers 2013)

Developments concerning the Blue Badge in the rest of the UK

The UK Government has laid the Personal Independence Payment (Supplementary Provisions and Consequential Amendments) Regulations 2013. Certain aspects of the regulations covered in section 3 will come into force on 6 May 2013 however the majority will come into force on 8 April 2013. These regulations amend primary and secondary legislation to cover PIP recipients, and ensure that claimants will be able to benefit from the same passporting arrangements wherever possible.

(A list of the UK controlled passported benefits and the proposed necessary component part of PIP is included in Table 3 of Annexe A)

The UK Government will link automatic eligibility for a Blue Badge to those who score 8 points or more in the PIP assessment as part of the 'moving around' activity in the mobility component. 8 points corresponds to being unable to stand and walk unaided more than 50 metres. The UK Government advises that this maintains the closest fit with the current eligibility for a Blue Badge under DLA and will maintain a similar number of Blue Badges in circulation, and therefore be broadly cost neutral. If a person is no longer eligible for PIP the period of issue of a badge shall end on the date when PIP payments are no longer received. This will only apply when that date is less than three years from the date of issue. (Personal Independence Payment Regulations, Explanatory Notes, 2013)

The Welsh Assembly Government laid the Disabled Persons (Badges for Motor Vehicles) (Wales) (Amendment) Regulations 2013 which will come into force on 8 April 2013. The Welsh Assembly Government is using similar eligibility criteria to Scotland to allow passporting from PIP to a Blue Badge at eight points or more for the 'moving around' descriptor or 12 points for the 'planning a journey' descriptor. (Scottish Government, Personal Communication, 2013c)

In evidence to the Welfare Reform Committee on 5 March 2013 a Scottish Government official stated that:

"Wales is passporting under the same criteria as Scotland. In England, the Department for Transport has decided to tighten its criteria and it will passport only on the moving around component. It has actively excluded those who have a sensory impairment who would have come through the higher rate mobility component of DLA, and who could possibly still come through PIP. In effect, Scotland and Wales have reached a better position in trying to maintain equivalent criteria wherever possible. (Scottish Parliament 2013)

SCOTTISH GOVERNMENT NATIONAL CONCESSIONARY TRAVEL SCHEME (NCTS)

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 the Care Component of DLA are also eligible for the Companion Card, which allows eligible persons to have a companion travel for free with them.

The Scottish Government intends 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 (Scottish Parliament Welfare Reform Committee Papers 2013). To achieve this, the regulations will amend the National Bus Travel Concession Scheme for Older and Disabled Persons (Eligible Persons and Eligible Services) (Scotland) Order 2006.

Expected outcome of the changes

Concessionary Travel Cards are currently available to all who are in receipt of HRMCDLA. Scottish Government has estimated this at 171,000 claimants between the ages of 16-65. The Scottish Government estimates that 174,000 claimants may become eligible under the new arrangements.

Companion Cards are currently available to all who are in receipt of Middle or Higher Rate Care Component DLA which is estimated at 125,000 claimants between the ages of 16 - 65. The Scottish Government estimate that 134,000 claimants may become eligible under PIP, which is an increase of 9,000 from current arrangements.

As the eligibility criteria for the DLA and PIP are not directly comparable some existing Concessionary Travel card holders may no longer be able to establish their eligibility under the scheme terms. Whilst the Scottish Government 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. This is the same for Blue Badge holders.

As with the Blue Badge scheme it is the intention that 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. (Scottish Parliament Welfare Reform Committee Papers 2013)

Developments concerning concessionary travel in the rest of the UK

The UK Government plan to meet the eligibility criteria for passporting to Concessionary Travel, for claimants in England, as follows:-

- All those receiving 8 points or over for “moving around” (mobility criteria 12) or 8 points or over for “communicating verbally” (daily living criteria 7) elements of PIP.
- Those ineligible for PIP or with insufficient points to qualify automatically will be able to access concessionary travel if successful in an independent medical assessment.

However, there are a number of alternative criteria under which disabled people may also apply for a Concessionary Travel card and regional variations where local authorities offer additional services to local residents holding cards (reduced or free tram and train travel) (Scottish Government, Personal Communication, 2013c).

The Welsh Government is consulting in early 2013 on a proposal to follow England’s approach to Concessionary Travel. However, it reserves the right to determine its own eligibility criteria and may alter eligibility for the Scheme through guidance (as is currently the case). As in England, some local authorities offer additional services to card holders, such as free or reduced rail travel within the Council area (Scottish Government, Personal Communication, 2013c).

SCOTTISH GOVERNMENT STUDENT LOAN REPAYMENTS

The Repayment of Student Loans (Scotland) Regulations 2000 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 a person is in receipt of disability-related benefit and is permanently unfit for work the loan can be cancelled. Medical confirmation together with evidence of disability benefit must be received.

The Scottish Government intend to amend the Regulations to add Personal Independence Payment to the definition of "disability related benefit" at section (2) of the Regulations.

Expected outcome of the changes

The Scottish Government says that the impacts of this change will be limited. For the academic year 2011-12, less than 50 borrowers qualified to have their loans written off under this disability related exemption (Scottish Parliament Welfare Reform Committee Papers 2013).

Developments on student loans in the rest of the UK

England and Wales are taking a joint approach to the amendment of the Education (Student Loans) (Repayment) Regulations 2009 as they were made on a composite basis. No substantive changes have been made to these regulations other than to include the term 'personal independence payment'.

EXPECTED IMPACT OF THE CHANGES TO BENEFITS PASSEPORTED FROM UC

The Scottish Government has yet to take a view on the arrangements for UC related passported benefits from the start of the main rollout from October 2013. However, Nicola Sturgeon set out, in a letter to Lord Freud on 16 December 2012, that the Scottish Government is minded to use Award Notification letters as the basis of Scotland's passporting from UC. She states that this would allow clarity from the outset, and preserve the Scottish Government's ability to set independent earnings thresholds (Scottish Parliament Welfare Reform Committee Papers 2013).

EQIAs have also been completed on the interim measures for Free School Lunches and other income-related passported benefits. These will be published on the SG website (Scottish Government 2013). Further impact assessment work will be undertaken when new income based passporting criteria are put in place prior to the rollout of UC in Scotland. (Scottish Government, Personal Communication, 2013b)

SCOTTISH GOVERNMENT FREE SCHOOL LUNCHES

The changes made via the Education (School Lunches) (Scotland) Amendment Regulations 2013 are expected to have almost no impact up until October 2013. They will only have an effect if any single, unemployed person on the pathfinder project moves to Scotland during the period of the project. This would assume that the claimant has recently formed a new relationship or 'benefit unit' with a parent or carer with a child of school age or takes responsibility for a child of school age and subsequently makes an application for free school lunches.

The Regulation is intended to be an interim arrangement. It will be replaced with a second Regulation which will set out the substantive policy for free school lunch entitlement in Scotland. The impact of the Regulations will be kept under review and will help to inform the content and timing of the substantive arrangements for free school meals. (Personal Communication 2013b)

Developments on free school lunches in the rest of the UK

The DWP is coordinating the regulations on passported benefits and UC for claimants in England. The Department for Education has laid the Free School Lunches and Milk (Universal Credit) (England) Order 2013 which will take effect from 29 April 2013. The effect of this Order will ensure that the group of people who would previously have been entitled to claim free school meals, retain that entitlement under universal credit. As such the UK Government has advised that no specific consultation on the Order was carried out and no impact assessment was conducted. (Free School Lunches and Milk (Universal Credit) (England) Order 2013, Explanatory Notes)

EXPECTED COSTS IN RELATION TO THE CHANGES IN PASSPORTED BENEFITS

According to the Financial Memorandum to the Welfare Reform (Further Provision) (Scotland) Act 2012, there will be administrative, staffing and one-off costs to the Scottish Government in relation to the changes in passported benefits.

Administrative costs will be incurred due to the need for the Scottish Government to re-formulate its policy on entitlement to passported benefits during 2012-13 and then to make the necessary changes to subordinate legislation, forms and administrative systems for introduction from April 2013. It is expected that staffing costs, which are in the region of £300,000, will be met through the reallocation of existing resources.

One-off costs for the Scottish Government and public bodies affected by this legislation, will be associated with revising application forms and systems to align with the new arrangements. Until all policy on passported benefits is reformulated, it is not possible to estimate what the cost of the associated system changes will be. There will also be an administrative cost on local authorities and other bodies to re-align delivery of passported benefits to the new entitlement criteria.

Full details on the current numbers receiving passported benefits is available in Table 1 of Annexe A

Table 2 Passported Benefit Outturn and Forecasts

£'000	2010-11 (outturn)	2011-12 (forecast)	2012-13 (forecast)	2013-14 (forecast)	2014-15 (forecast)
Universal Credit					
Free NHS dental treatment	34,100	36,000	37,000	37,000	38,000
Optical vouchers	15,000	15,000	15,000	16,000	16,000
Travel costs to NHS Scotland premises	-	-	-	-	-
Individual learning accounts	9,211	8,000	6,000	6,000	6,000
Education maintenance allowance	33,300	31,600	31,200	31,200	31,200
Legal aids	161,400	142,300	144,100	138,100	132,100
Court exemption fees	70	70	72	73	75
School lunches	92,137	96,000	99,000	101,000	103,000
Personal Independence Payment					
Concessionary travels	174,200	180,000	187,000	187,000	192,000

(Further detailed notes on the reading of this table are available in the Financial Memorandum. The table as taken from the Financial Memorandum did not include reference to Blue Badge Parking or Student Loans. Reference to the Energy Assistance Package has been removed as Scottish Government is currently considering its position as a passported benefit.)

ANNEXE A

TABLE 1: NUMBERS IN RECEIPT OF CURRENT SCOTTISH CONTROLLED PASSPORTED BENEFITS

Area	Relevant criteria	Client group	Number of people affected
Free school lunches	<p>Parents/carers are in receipt of any of the following reserved UK benefits:</p> <ul style="list-style-type: none"> • Income support • Income-based jobseeker's allowance • Any income related element of employment and support allowance • Child tax credit (but not working tax credit) with an income less than £15,860 • Both maximum child tax credit and maximum working tax credit with an income under £6,420 • Support under Part VI of the Immigration and Asylum Act 1999 • Pupils who receive any of these benefits can also claim free school lunches in their own right. 	Children and young people in full time school education	In 2012, 130,477 children and young people in Scottish schools were registered to receive a free school lunch. This figure includes a small number of children in P1-P3, who might not meet the eligibility criteria prescribed in statute, but are registered to free school lunches as part of local initiatives designed to promote healthy eating in the early years
Individual Learning Accounts	<p>All Scottish residents with an income of £22,000 or less or who are in receipt of any one of the following reserved benefits:</p> <ul style="list-style-type: none"> • Jobseeker's allowance (income and contribution based) • Income support • Carer's allowance • Incapacity benefit • Maximum rate of child tax credit State pension credit • Employment and support allowance (income and contribution based) 	Low paid/low skilled individuals	In 2011-12 54,082 individuals funded learning using an ILA account.

Education Maintenance Allowance	<p>Student age, household income (generally based on tax credit award notice) residential status and validity/level of course.</p> <p>There are two threshold limits, £20,351 for households with one dependent child and £22,403 for households with more than one dependent child.</p>	Low income young people (16-19) in non-advanced post-compulsory education	In 2011-12 34,390 young people received an EMA.
Student loans - Higher Education	A student loan can be written off/cancelled if a borrower receives a disability related benefit and is considered permanently unfit for work.	Student loan borrowers	For academic year 2011-12 under 50 borrowers were affected.
Legal Aid	<p>Applicants qualify financially for legal aid with no contribution if they receive one of the following benefits:</p> <ul style="list-style-type: none"> • Income support • Income-related employment and support allowance • Income-based jobseeker's allowance. 	Low income in need of justice	In 2011-12 there were 263,022 legal assistance cases that took up Passported Benefits. .
Court exemption fees	<p>Exemptions from court fees are available to those in receipt of:</p> <ul style="list-style-type: none"> • Legal Aid • Income support • Income related employment support allowance • Income based jobseeker's allowance • Working tax credit and child tax credit (up to gross annual income of £16,642) 	Low income individuals seeking court action	In 2011-12 there were 838 exemptions as a result of Passported Benefits, from 29,000 total exemptions.
Blue Badge parking scheme	Persons receiving Higher Rate Mobility Component of Disability Living Allowance	Those falling within the eligibility criteria under the Disabled Persons (Badges for Motor Vehicles) (Scotland) Regulations 2000.	<p>125,534 out of a total of 263,045 Blue Badges on issue at 31 March 2012 were awarded to individuals who passported automatically (without further assessment) to a Blue Badge.</p> <p>The 125,534 includes individuals in receipt of:</p> <p>the Higher Rate Mobility Component of</p>

			<p>Disability Living Allowance (HRMCDLA); A War Pensioners Mobility Supplement; A lump sum (at tariffs 1-8) of the Armed Forces Compensation Scheme; blind or registered blind people.</p> <p>SG is unable to extract from the total number of badges issued automatically how many were to individuals in receipt of HRCMDLA.</p>
National Concessionary Travel Scheme for Older and Disabled People	Higher rate of the mobility component of disability living allowance or the higher or middle rate of the care component of disability living allowance.	Older and disabled people	<p>283,650 people in Scotland are eligible for the higher rate of the mobility component of disability living allowance or the higher or middle rate of the care component of disability living allowance and could therefore apply for the National Concessionary Travel Scheme.</p> <p>Please note that this is the number for eligibility, not take up of the Scheme.</p>
Free NHS dental treatment	<p>Group 1: People receiving, or included in an award of:</p> <ul style="list-style-type: none"> Income support Income based jobseeker's allowance Income related employment support allowance Pensions credit guarantee credit <p>Group 2: people receiving, or included in an award of, the following tax credits are eligible if their income is below a threshold amount - currently £15,276 gross taxable per year.</p> <ul style="list-style-type: none"> Working tax credit with a disability or severe disability element Child tax credit with working tax credit Child tax credit 	Those meeting the criteria for an income based benefit, and who need NHS dental treatment.	<p>No figures are published.</p> <p>This is a demand led service which those in receipt of a passported benefit access as needed. Claims are submitted and counted for individual courses of treatment, not for individuals, and an individual may receive more than one course of treatment in a year if necessary.</p>
NHS optical voucher	<p>Group 1: People receiving, or included in an award of</p> <ul style="list-style-type: none"> Income support Income based jobseeker's allowance Income related employment support allowance Pensions credit guarantee credit 	Those meeting the criteria for an income based benefit in need of glasses or contact lenses.	<p>Year ending March 2012 - 340,258 voucher claims processed for the provision of glasses/contact lenses for those on a passported benefit.</p> <p>However, this is a demand led service with information collected on the number of claims processed in respect of eligible people who have received a voucher towards the cost of glasses/contact lenses.</p>

	<p>Group 2: people receiving, or included in an award of, the following tax credits are eligible if their income is below a threshold amount - currently £15,276 gross taxable per year.</p> <ul style="list-style-type: none"> • Working tax credit with a disability or severe disability element • Child tax credit with working tax credit • Child tax credit 		<p>An individual may receive more than one voucher a year if it is considered necessary.</p>
<p>Travel costs to NHS Hospital premises</p>	<p>Group 1: Everyone receiving</p> <ul style="list-style-type: none"> • Income support • Income based jobseeker's allowance • Income related employment support allowance • Pensions credit guarantee <p>Group 2: people receiving the following tax credits are eligible if their income is below a threshold amount - currently £15,276 gross taxable per year.</p> <ul style="list-style-type: none"> • Working tax credit with a disability or severe disability element • Child tax credit with working tax credit • Child tax credit 	<p>Low income in need of health treatment at a NHS Hospital.</p>	<p>Data not collected centrally</p>

TABLE 2: CURRENT PASSPORTS FROM DLA

Replacing DLA with PIP will require new eligibility criteria to be created for the Blue Badge scheme and National Concessionary Travel Scheme. DLA is available at different rates, and the eligibility criteria for the two passported schemes is illustrated in the table below:

Table 3: Passports from DLA

	Mobility		Care		
	<i>low</i>	<i>high</i>	<i>low</i>	<i>middle</i>	<i>high</i>
Blue Badge	no	yes	no	no	no
Travel	no	yes	no	yes	yes

TABLE 3: UK CONTROLLED PROPOSED PASSPORTS FROM PIP

Tables drawn from Annex 2 of The UK Government's response to the consultation on DLA reform and Personal Independence Payment – completing the detailed design

Note

There are additional qualifying conditions that must be satisfied for many benefits and schemes. These conditions are not changing as a result of the introduction of PIP.

These passporting arrangements refer to Whitehall departments only. Where a benefit or scheme is devolved, the Devolved Administration may choose to use a different passport.

DWP benefits and schemes

Passported benefit /scheme	PIP Component and rate
Disability premium in HB, IS and JSA	Any rate or component
Severe disability premium in HB, ESA, IS, JSA /Additional amount for severe disability in Pension Credit.	Standard or enhanced rate daily living component
Enhanced disability premium in HB, ESA, IS, JSA	Enhanced rate daily living component
Carer's Allowance	Standard or enhanced rate daily living component
Carer premium in the income-related benefits and the Additional amount for carers in Pension Credit	Standard or enhanced rate daily living component
Carers Credit	Standard or enhanced rate daily living component
Disabled child premium	Any rate or component
Enhanced disability premium (child)	Enhanced rate daily living component
Childcare costs disregard in HB	Any rate or component
No non-dependant deductions in HB, ESA, IS, and	Any rate or component

JSA	
Child support – special expenses incurred by non-resident parent due to disability of 2nd child	Standard or enhanced rate daily living component
Student eligibility for income-related ESA	Any rate or component
Christmas bonus	Any rate or component
Motability	Enhanced rate mobility component

For disabled claimants in Universal Credit support will be provided through two limited capability for work elements. Based on the outcome of a Work Capability Assessment, these additional elements will be payable where a person cannot reasonably be expected to look for work, where the person has limited capability for work (LCW), or has limited capability for work and work-related activity (LCWRA).

HMRC/HMT benefits and schemes

Passported benefit /scheme	PIP component and rate
Tax credits:	
– Disability element of Working Tax Credit	Any rate or component
– Severe disability element of Working Tax Credit	Enhanced rate daily living component
– Defining an adult as incapacitated and a child as disabled for the childcare element of Working Tax Credit	Any rate or component
– Disabled child element of Child Tax Credit	Any rate or component
– Severely disabled child element of Child Tax Credit	Enhanced rate daily living component
Extension to employer-provided childcare tax exemption	Any rate or component
Reduced VAT for grant-funded installation of heating equipment, security goods or connections of gas supply	Any rate or component
Vulnerable beneficiary trusts	Standard or enhanced rate daily living component
Treatment of hire cars for disabled people as short life assets	Standard or enhanced rate mobility component
Insurance Premium Tax exemption for vehicles leased through Motability.	Enhanced rate mobility component
Zero VAT for vehicles leased through Motability.	Enhanced rate mobility component

Vehicle Excise Duty reduction	Enhanced rate mobility component (full exemption) Standard rate mobility component (50% reduction)
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Business Innovation and Skills

Passported benefit /scheme	PIP component and rate
Parental leave from work	Any rate or component
Right to request flexible working	Any rate or component
Cancellation of student loans	Any rate or component
Income disregard for deferring repayment of 'mortgage style' student loans	Any rate or component

Communities and Local Government

Passported benefit /scheme	PIP component and rate
Housing renewal grants:	
– Disability premium	Any rate or component
– Severe disability premium	Standard or enhanced rate daily living component
– Enhanced disability premium	Enhanced rate daily living component
– Disabled child premium	Any rate or component
Local council tax reductions (prescribed requirements and default scheme):	
– Childcare costs disregard in HB	Any rate or component
– No non-dependant deductions	Any rate or component
– Disability premium	Any rate or component
– Severe disability premium	Standard or enhanced rate daily living component
– Enhanced disability premium	Enhanced rate daily living component

Department for Education

Passported benefit /scheme	PIP component and rate
16-19 Bursary Fund vulnerable groups element	Any rate or component

Department of Health

Passported benefit /scheme	PIP component and rate
Income disregards in care home funding	Any rate or component

Receipt of PIP will also be considered in the same way as DLA when calculating entitlement to help with Health Costs under the NHS Low Income Scheme.

Ministry of Justice

Passported benefit /scheme	PIP component and rate
Income disregards in calculating legal fees	Any rate or component
Income disregards in calculating remissions	Any rate or component

Department for Transport

Passported benefit /scheme	PIP component and rate
May be considered eligible for a concessionary travel pass in England without further assessment	8pts or more under activity 12 (Moving around); or 8pts or more under activity 7 (Communicating verbally)
Access to driver licence at age 16	Mobility higher rate

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