nawra

national association of welfare rights advisers

Department for Communities and Local Government

Self-sufficient local government: 100% Business Rates Retentions

NAWRA Response September 2016

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The National Association of Welfare Rights Advisers – NAWRA

The National Association of Welfare Rights Advisers (NAWRA) was established in 1992 and represents advisers from local authorities, the voluntary sector, trade unions, solicitors, and other organisations who provide legal advice on social security and tax credits. NAWRA currently has 263 members.

We strive to challenge, influence and improve welfare rights policy and legislation, as well as identifying and sharing good practice amongst our members.

NAWRA holds a number of conferences throughout the year across the UK, attended by members from all sectors of the industry. An integral part of these events are workshops that help to share information, develop and lead good practice.

Our members have much experience in providing both frontline legal advice on welfare benefits and in providing training and information as well as policy support and development. As such NAWRA is able to bring much knowledge and insight to this consultation exercise.

NAWRA is happy to be contacted to provide clarification on anything contained within this document. NAWRA is happy for details and contents of this response to be made public.

Purpose of this response

This response will concentrate solely on the proposed transfer of funding for the new Attendance Allowance (AA) claims from the Department for Work and Pensions (DWP) to local authorities as part of the process of Self-sufficient local government.

Background

In December 2015 the government made the announcement that it was developing proposals to allow the transfer of funding for AA from DWP to the Department for Communities and Local Government (DCLG) for transfer to local authorities.

As part of 'The provisional Local Government Finance Settlement 2016 to 2017 and an offer to councils for future years' consultation paper, it was suggested that:

"The Government will also consider giving more responsibility to councils in England, and to Wales, to support older people with care needs – including people who, under the current system, would be supported through Attendance Allowance. This will protect existing claimants, so there will be no cash losers, and new responsibilities will be matched by the transfer of equivalent spending power. The Government is planning to consult in the New Year

on this proposal, including on the right model of devolution and the level of flexibility that councils would need in order to effectively deliver this additional responsibility."

NAWRA Response

This particular part of the consultation documents leaves many questions unanswered. For example, will there be a ring fenced amount for AA or will this strand of localisation mirror that of the local welfare assistance scheme which replaced the Social Fund?

That aside the Local Government Association (LGA) has stated that *"Councils do not want responsibility for administering the Attendance Allowance benefit for older people. Responsibility for administering it would create significant cost pressures for councils whose budgets are already under significant strain. This is because cost pressures and applications for demand-led services like Attendance Allowance can go up very quickly whereas it can take much longer for local areas to generate business rates income."*

NAWRA would wholeheartedly support the LGA statement for the following reasons.

We believe that inadequate consultation on this particular aspect of the proposal has taken place and many organisations have not been made aware of this proposal as it has only been referred to in the Business Rates retention consultation and not addressed in a usual Social Security consultation. This will inevitably lead to a lack of responses and may skew the opinion of decision makers on this issue.

Many questions have been left unanswered as to how this proposal will work, its viability and whether this is a desirable option.

It is well documented that AA promotes choice and independence for the individual. It also provides, through Carers Allowance, much needed assistance to millions of otherwise unpaid carers who, by providing care, reduce pressure on local authority services.

Many people receiving AA also receive a social care service however research carried out by Strategic Society Centre (SSC) confirms the role that AA plays in promoting independent living and provides evidence that there are many more AA claimants than people aged 65+ who were receiving a social care service.

DWP statistics showed that in November 2015 1.24 million claimants in England were in receipt of AA. In addition there were 768,340 people aged 65+ in receipt of DLA. In sharp contrast, according to data collected by the Health and Social Care Information Centre (HSCIC), 411,000 people in England aged 65+ were receiving long term social care support.

It is well established that AA is intended to be a payment to meet the additional cost of having a disability and the associated cost of care.

The consultation document provides no information regarding the interaction of the new AA with Carer's Allowance. Nor does it provide any information regarding how the proposal will affect means-tested benefits. An award of AA can have a dramatic effect on the income of an individual through entitlement to the Severe Disability Premium (SDP) in Pension Credit (PC) and Housing Benefit (HB). This can increase an existing means-tested award or create a previously unavailable entitlement. Loss of these entitlements will leave older disabled people with less income and will restrict choice and impede independence.

The proposal provides a brief outline regarding some protection for current AA recipients however it does not address what will happen when an individual's care needs increase and they require a reconsideration of their existing award. Will this lead to an end of the transitional protection? There is no mention of how current DLA or PIP recipients who reach the age of 65 will be treated and if they will also be afforded protection. In addition, the treatment of 'special rules' cases is not addressed.

Local authorities have historically designed their charging policies around a service user's income including AA. The abolition of AA will inevitably have a direct impact on the income of local authorities. Whilst initially increasing income via this proposal there will be a net loss in income via charging for services which will offset much of the gain.

This proposal creates a number of groups of older disabled people:

1. Existing AA claimants receiving cash payment via DWP
2. DLA claimants over 65
3. DLA claimants reassessed for PIP
4. PIP claimants who claimed before the age of 65
5. New AA claimants who receive support via the local authority

Group 5, above, will be the only group who, potentially, lose an independent income to assist with the extra cost of their disability.

Although it is stated the where the new responsibilities exceeds the increased retained rates local authorities will receive a grant payment there is no information about how this will work. Given that some local authorities may have high value business in their area as opposed to other authorities in areas where there is limited business premises this may lead to local authorities exercising caution when allocating funds to this particular client group.

Conclusion

For those reasons set out in our response NAWRA believes that this proposal should be withdrawn and urge strongly that AA remain a national social security benefit and continue to be administered by DWP. In the event that this proposal is not withdrawn NAWRA would recommend further information be provided and a much wider consultation take place which address the issues raised.