

House of Commons Scottish Affairs Committee Impact of Welfare Policy in Scotland Inquiry

The launch of the Scottish Affairs Committee inquiry “Impact of Welfare Policy in Scotland” is both welcome and timely.¹

It provides an opportunity to take stock of where we are, and what we know about social security at the UK level whilst considering the state of play as the fledgling Scottish Social Security system evolves. The Scottish Campaign on Rights to Social Security response is in five parts:

1. About the Scottish Campaign on Rights to Social Security (SCORSS) and setting the scene;
2. Context - The UK system: challenges, impact and changes
3. Response to specific Committee questions;
4. Concluding comments.

1. Scottish Campaign on Rights to Social Security (SCORSS) : Background

SCORSS is a coalition of organisations who advocate for a reformed social security system that reflects the five principles set out in our Manifesto for Change.² SCORSS (previously SCoWR) encompasses over 40 organisations from key third sector organisations, charities, faith groups, and unions. Our members have a diverse range of experience and expertise and a strong understanding of social security and its impact on the people and communities we work with. One of our great strengths is that we represent the common views of much of civic society across Scotland.

Since 2006 SCORSS has highlighted the shared concerns of a diverse coalition of organisations in Scotland about the UK government’s welfare reform proposals. Since then, the coalition has informed debates on changes to both UK and Scottish government policy and has influenced the creation of Scotland’s first social security system.

The social security landscape has changed, and continues to change, significantly since we began campaigning and much has been achieved. However, there is more to be done. Our social security system should be an investment in people, yet over 1 million people remain trapped in poverty in Scotland.

Our campaign believes that poverty can be solved. Everyone has a right to social security and an adequate standard of living, which governments have a duty to fulfil.

¹ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/scottish-affairs-committee/inquiries/parliament-2017/welfare-policy-in-scotland-17-19/>

² The principles are: Increase benefit levels to a rate where no one is left in poverty and all have sufficient income to lead a dignified life; Make respect for human rights and dignity the cornerstone of a new approach to welfare; Radically simplify the welfare system; Invest in the support needed to enable everyone to participate fully in society; Make welfare benefits work for Scotland.

The rebranding of the Scottish Campaign on Welfare Reform (SCoWR) to become the Scottish Campaign on Rights to Social Security (SCORSS) reflects the changing policy context in relation to social security including the development of the new system in Scotland. Regardless of how the context changes, we will continue to campaign for fair, adequate and rights-based social security at UK and Scottish level which helps to prevent and reduce poverty.

2. Context: The UK system - challenges, impact and changes required

UK government social security cuts continue to push people and communities into poverty and reinforce inequality.³ Radical restructuring is creating a fragmented social security system which leaves increasing numbers of people without access to any support at all, while those who may qualify for entitlements must engage with a system which lacks compassion and fails to treat them with dignity and respect. Moreover, the ongoing benefit freeze/caps and delayed payments lie behind increasing poverty and destitution amongst families⁴.

The UK Government's approach to simplifying the social security system is undermined by increasing conditionality, means testing, and the erosion of entitlement. Many lone parents (the majority of whom are women), for example, are required to engage in stressful work-related requirements despite inadequate childcare provision, while little is done to combat discrimination or aid accessibility for disabled people seeking work. Despite recent changes, the sanctions system continues to push people into poverty, debt, and in some cases, destitution. The benefit cap continues to place additional financial pressure on hard pressed families.⁵ The recent report from the UN Rapporteur on Extreme Poverty and Human Rights Philip Alston highlights the divisions in society and the economic reality for families and communities at the hard end of austerity:

*"The UK is the world's fifth largest economy, it contains many areas of immense wealth....It thus seems patently unjust and contrary to British values that so many people are living in poverty. This is obvious to anyone who opens their eyes to see the immense growth in foodbanks and the queues waiting outside them, the people sleeping rough in the streets, the growth of homelessness, the sense of deep despair...."*⁶

Meanwhile, the real barriers to employment such as the lack of decent jobs, of adequate, affordable and practical childcare, cuts to social care, employer discrimination, and our low wage economy, are not tackled effectively. The contribution of the immense amount of unpaid work to society; caring for children, for ill and disabled friends and relatives (most often done by women) and volunteering, goes unrecognised and unrewarded. Meanwhile, the work of Professor Alston describes wide erosion of key social services such as social care⁷, alongside inadequate social security which exacerbates the challenges faced by people with disabilities and others who are more likely to be at the hard end of austerity.

We know that the Personal Independence Payment system, for example, remains challenging for many with the prospect of continued (often unnecessary) reviews; distressing

³ See for example <http://www.cpag.org.uk/content/austerity-generation-promise-greater-rewards-work-broken-under-universal-credit-families-chi>

⁴ <https://cpag.e-activist.com/page/43566/action/1?locale=en-GB>

⁵ www.cpag.org.uk/sites/default/files/CPAG%20Updated%20Response%20-%20Work%20and%20Pensions%20Committee%20Inquiry%20into%20the%20Benefit%20Cap_0.pdf

⁶ <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23881&LangID=E>

⁷ See 5 above.

face to face assessments; the loss of mobility transport alongside cuts to the level of benefit received increasing poverty and isolation.

Groups such as women and lone parents are more likely to be living in poverty as a result of welfare reform. Work by Engender⁸ and lone parent charities such as One Parent Families Scotland⁹ is telling. The most recent DWP statistics show 49% of children in single parent families now live below the poverty line.¹⁰ An EHRC report shows that by 2021, single parent families will lose 20% of their income due to welfare reform - an average of £5,250 a year¹¹. The benefit cap is also tightening the grip of poverty by reducing family income; something that particularly affects larger families. Exceptions such as disclosing sexual violence in order to claim are cruel, and cause women to have to relive traumas or face deeper poverty.

3. Response to specific Committee questions

How well is Universal Credit working in Scotland? Are there issues with Universal Credit that are specific to Scotland compared to the rest of the UK?

The ongoing roll out of Universal Credit continues to create stress and challenges for people who are often already marginalised. We have seen benefit levels being frozen as well as the impact of the two-child limit and the benefit cap. For too many, failings in the system are leading to destitution

SCoWR members have a number of key concerns about how Universal Credit is affecting people in Scotland, recognising that these concerns are shared across the UK;

- The five week wait for Universal Credit¹², and ineffective migration from legacy benefits¹³ are tightening the grip of poverty on people's lives and increasing the numbers of people being pulled into poverty. People can be left with literally nothing to live on.¹⁴
- The impact on groups such as women facing domestic abuse has been highlighted in recent work by the Women's Budget Group and others.¹⁵
- Many families, including those with disabilities, can expect to lose thousands of pounds¹⁶ on Universal Credit compared to legacy benefits.¹⁷
- The system of single household payments, which reinforces existing inequality between women and men, and undermines equal access to income and compromises women's safety and financial autonomy.¹⁸
- Inaccessibility of Universal Credit due to requiring claims to be made and managed online^{19 20}.

⁸ <https://www.engender.org.uk/content/publications/A-Widening-Gap---Women-and-Welfare-Reform.pdf>

⁹ www.opfs.org.uk/Universal-Credit-Single-Parents-Gender-Issues-2016-06-26.pdf

¹⁰ <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201617>

¹¹ <https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf> p153

¹² <https://www.disabilityrightsuk.org/news/2019/june/five-week-universal-credit-wait-having-devastating-impact-disabled-people>

¹³ https://www.cas.org.uk/system/files/publications/response_to_wpc_inquiry_on_natural_migration.pdf

¹⁴ <http://www.cpag.org.uk/sites/default/files/CPAG-Scot-Briefing-UC-Social%20Security%20committee-in%20work%20poverty.pdf>

¹⁵ <https://www.trusselltrust.org/2019/06/12/universal-credit-domestic-abuse-survivors/>

¹⁶ <http://www.cpag.org.uk/content/universal-credit-disability-and-transitional-protection>

¹⁷ See 9. above

¹⁸ <https://www.engender.org.uk/news/blog/dear-social-security-committee-lets-talk-about-split-payments-of-universal-credit/>

¹⁹ <https://www.cas.org.uk/publications/voices-frontline-online-barriers-maintaining-universal-credit-claims>

²⁰ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/universal-credit/written/92514.html>

- Increases in rent arrears where Universal Credit has been rolled out²¹ ²².
- Design flaws in the way Universal Credit supports families with the cost of childcare are pushing low-income parents into debt ²³.
- Direct deductions to repay advances, overpayments or historic debts being taken at levels that leave people in hardship.
- The sanctions and conditionality regime pressurises participation in employability activities that are incompatible with caring roles and low-paid work.
- ‘The two-child limit’ which is likely to affect 1.8 million children across the UK by 2023/24. Around two-thirds of these will be in working families.²⁴

Responses to the recent Scottish Parliament Social Security Committee inquiry on In Work Poverty from CPAG Scotland highlight in detail a range of issues with the UC system and how these can often have a devastating impact on people and families, often plunging them into deeper poverty.²⁵

SAMH ²⁶ point out that people with disabilities, including mental health problems, have also been adversely affected (financially and health wise) by ongoing welfare reform at the UK level, particularly the roll out of Universal Credit. Problems include the negative impact of conditionality, including conditionality being imposed prior to assessment for the limited capacity to work and work related activity (LCWRA) element, unlike the legacy system.²⁷ Other problems for people with disabilities engaging with Universal Credit include: inappropriate and stigmatising face to face assessments; lack of work coach expertise in mental health and other disabilities; underuse of easements by work coaches²⁸ and difficulty managing claims online. There is also a systematic lack of data collected and published by the UK Government on Universal Credit claimant vulnerability, including adjustments made to support vulnerable claimants.

Professor Philip Alston’s report on poverty in the UK confirms what SCORSS members know and complements the evidence outlined above. It highlights in graphic detail, the erosion of important social security and public service safety nets, e.g. cuts to social care multiplying the impact of social security cuts and poverty amongst disabled people. Prof Alston talks about “social re-engineering” – where social security changes have led to families struggling “against mighty odds” and people who have little hope of being unlocked from poverty.

He specifically highlights Universal Credit and changes meant to create savings in the benefits system. As our members see daily, the reality is that costs to public services, charities and communities of having to deal with families in dire need and at breaking point will be greater than governments want to admit.²⁹ Moreover, as Prof Alston points out, a “callous...mean-spirited” approach to push people to be more responsible ignores the fact

²¹ <https://external.parliament.scot/newsandmediacentre/112111.aspx>

²² <https://www.cas.org.uk/publications/rent-arrears>

²³ <https://www.theguardian.com/society/2018/jun/21/universal-credit-flaws-inflict-childcare-costs-on-new-workers>

²⁴ http://www.cpag.org.uk/sites/default/files/uploads/All%20Kids%20Count%20report%20FINAL_0.pdf

²⁵ www.cpag.org.uk/sites/default/files/CPAG-Scot-Briefing-UC-Social%20Security%20committee-in%20work%20poverty.pdf

²⁶ https://www.samh.org.uk/documents/ItWasAConfusionReport_ONLINE_VERSION.pdf

²⁷ House of Commons Work and Pensions Committee. (2018) Benefit Sanctions

²⁸ <http://www.welfareconditionality.ac.uk/publications/social-security-in-scotland-final-findings/>

²⁹ As above

that families are incredibly resourceful and responsible – and that government policy like welfare reforms and Universal Credit are often the final straw when they are already struggling to get by.

We agree and endorse the findings of the Rapporteur and encourage the Committee to consider these in detail as it proceeds through this inquiry. The UK Government must respond to the report by implementing the actions needed to ensure that everyone has an adequate standard of living.

We are pleased that the Scottish Government has committed to introducing individual payments as part of Scottish flexibilities for Universal Credit, which will ensure that both partners in a couple have access independent, individualised income. The Work and Pensions Committee has evaluated the impact of separate payments in the context of protection from domestic abuse, and recommended that the DWP support the Scottish Government's implementation and take advantage of the opportunity to learn how individual payments might be best devised.³⁰ While the process of developing an appropriate mechanism will inevitably take time, it is frustrating that updates or opportunities to engage in the design process have been limited.

Like other groups in civil society, we support and add our own voice to the need for changes in social security across the board: changes to waiting periods, increased work allowances, abolishing the two-child limit and introducing split payments, amongst other things.

What impact has the Benefit Cap had in Scotland? Have certain communities been more disproportionately affected than others?

Nearly three quarters of people affected by the benefit cap are lone parents; half have a child under the age of three. The cap can leave lone parents with larger families with no options to replace lost income³¹. Larger families with disabled members have been affected – in areas with high rent costs, families could be left with very little, if anything, to cover day to day living costs. Anecdotally we are aware of larger families with disabled children directly affected by the cap in Scotland.

What is the impact of the Two-Child Limit on families in Scotland?

We continue to condemn this policy and again highlight the way that it is pulling families across the country into poverty. We were disappointed in the recent legal ruling³² and urge the Committee to explore and respond to the evidence it receives on this reform. Recent research from CPAG provides clear evidence of the harm arising from this policy.³³

Across the UK the two-child limit will see 300,000 children pushed into poverty and one million children, already in poverty, pushed even deeper into poverty by 2023/24.³⁴

The two-child limit directly violates women's reproductive autonomy and frames children in low-wage families as the product of women's irresponsibility. The exceptions reinforce this by suggesting a difference between planned and 'unforeseen' children. Of particular concern and horror is the rape clause, which requires women to divulge trauma at a time not of their

³⁰ <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1166/116607.htm>

³¹ http://www.opfs.org.uk/wp-content/uploads/CPAG_OPFS_Benefit_Cap_Report_Feb18.pdf

³² <http://cpag.org.uk/content/lone-parents-aim-supreme-court-ongoing-legal-challenge-against-'two-child-limit'-tax-credits>

³³ <https://cpag.e-activist.com/page/43566/action/1?locale=en-GB>

³⁴ <https://cpag.e-activist.com/page/43566/action/1?locale=en-GB>

choosing in a manner that may re-traumatise them and which breaches women's and children's right to privacy.

The two-child limit forces women to face an impossible choice between what may be a much-wanted child and deeper poverty for her family. Contraception is not infallible and the two-child limit introduces economic coercion to terminate pregnancies for low-income women.³⁵ The two-child limit is likely to be particularly negative for minority ethnic women, women of some faiths, and refugee women, all of whom are more likely to have three or more children.³⁶

In Scotland we are not aware of any organisations that are operating as third-party referrers for the 'rape clause' and women's organisations have robustly criticised the introduction of the two-child limit and its resulting exemptions.³⁷ Recent research from CPAG provides further evidence of the harm arising from this policy.³⁸ We were also disappointed that the recent legal challenge against the two-child limit was unsuccessful.³⁹ There are plans to take this to the Supreme Court.

We urge the committee to explore and consider the evidence for reform of the child element.

How effective has cooperation been between the UK and Scottish Governments on the devolution of new welfare powers to Scotland?

On the face of it, the fact that the Carers Allowance Supplement appears to have been implemented smoothly suggests that cooperation has been effective. However, we do not underestimate the complexity underpinning such cooperation or the transfer of any information between agencies. We understand the complexity linked to developing options relating to UC split payments and that time delays are inevitable because of this; in this regard, it would be helpful to have an update on progress in achieving Split Payments.

It is vital to maintain the "no detriment" clause agreed by the Smith Commission to ensure claimants do benefit from changes such as Best Start Grant or the Carers Allowance Supplement and future changes such as the new Scottish Child Payment and any other benefits developed under the fledgling Scottish system.

As more complex benefits are devolved, existing cooperation may be tested and it's vital that both governments keep focussed on the people at the end of these systems for whom social security can help to provide a more adequate income and dignified life.

What challenges are posed by DWP administration of benefits on behalf of the Scottish Government? How best can these be managed?

Effective information sharing is crucial to ensure that people don't lose out on important entitlements. If not done effectively, this has the potential to introduce delays in changes to the benefits from a Scottish perspective and also has cost implications for the Scottish

³⁵ <https://www.engender.org.uk/content/publications/Engender-two-child-limit-consultation-November-2016.pdf>

³⁶ <https://www.engender.org.uk/content/publications/Engender-two-child-limit-consultation-November-2016.pdf>

³⁷ <https://www.engender.org.uk/news/blog/the-family-cap-and-rape-clause-where-do-we-go-from-here-/>
<https://www.engender.org.uk/content/publications/Engender-Parliamentary-Briefing-on-Child-Tax-Credit-and-Child-Element-of-Universal-Credit.pdf>

³⁸ <https://cpag.e-activist.com/page/43566/action/1?locale=en-GB>

³⁹ <http://cpag.org.uk/content/one-parents-aim-supreme-court-ongoing-legal-challenge-against-'two-child-limit'-tax-credits>

Government – money that could be spend on e.g. topping up existing benefits or giving an RPI increase to benefits rather than CPI.

It is essential that people are protected as a result of any mistakes or issues relating to quality of data so that they do not lose out on important entitlements.

4. Concluding comments

From a Scottish perspective, there remains the need for continued engagement with people accessing the system, (including disabled people, carers and low-income families) to shape the developing system and new entitlements. The positive aspects of work done thus far should be considered in the context of the wider UK system and how the UK Government listens to and responds to the real concerns of claimants and those who represent them. The UK Government response to the UN Special Rapporteur's report was indicative of the progress that needs to be made by the UK Government in responding to the needs of people accessing the social security system.

The Scottish social security system is still in its early stages – as it moves to deliver new benefits, made more difficult by the complex partial devolution of benefits, it will face greater challenges in maintaining its commitment to dignity and respect. We will be seeking to work with officials and Ministers to suggest ways in which current proposals can be clearly aligned with human rights principles and those outlined in the Social Security (Scotland) Act.

The wider interactions between the UK and Scottish Governments on devolution and how UK and Scottish benefits work with each other, remain critical going forward. At the heart of this, are people and families struggling to make sense of the changing UK system, whilst another layer is added as benefits relating to disability and caring and support for low income families are devolved/created. We urge Ministers and MPs not to lose sight of the very real impact on families at the front end. The building of rights in the social security legislation in Scotland and work to try to create a rights-based system is important and it's vital that the UK system begins to consider what steps it can take in this regard. The UK system is fragmented; there is no basic safety net for far too many, and it has created a sense of fear amongst communities and families who are already struggling.

The social security system is an investment in people that we should all be able to rely on. It underpins society and should have a preventative role to provide protection against life course risks, as well as helping releasing people from the restrictions that our economy places on them, like low pay and high housing costs. Moving back to a rights-based approach and investing in social security can help us to prevent and reduce poverty and ensure that everyone in society is able to access the same opportunities and choices.

Response from SCORSS coordinated by Lynne Williams, [GCVS](#)

For further information contact: Jgracie@cpagscotland.org.uk

SCORSS members supporting the submission include:

Action on Hearing Loss Scotland
AdvoCard
Carers Trust Scotland
Child Poverty Action Group in Scotland
Energy Action Scotland
Health and Social Care Alliance Scotland (the ALLIANCE)
Inclusion Scotland
National Association of Welfare Rights Advisers

One Parent Families Scotland
RNIB Scotland
Scottish Federation of Housing Associations
Scottish Independent Advocacy Alliance
Scottish Refugee Council
Scottish Women's Aid
Turning Point Scotland
The Poverty Alliance