

Briefing on the Welfare Reform Bill
Lords 2nd Reading Debate 29 April 2009

The Welfare Reform Bill risks exacerbating poverty by increasing conditionality and the threat of benefit sanction, failing to raise inadequate benefit levels and failing to identify adequate resources for delivery. In Scotland the proposed reforms are doubly problematic in their failure to take account of differences in devolved service infrastructure, e.g. in childcare.

About SCoWR

The Scottish Campaign on Welfare Reform (SCoWR) is a coalition of over forty leading organisations¹ including Action for Children, Citizens Advice Scotland, Child Poverty Action Group, One Parent Families Scotland, Poverty Alliance and the Scottish Council of Voluntary Organisations. Members work with people experiencing exclusion and poverty across Scotland. We support the need for a reform of welfare provision to increase support for those trying to get into the labour market and protect those unable to do so. However we share the view that recent and proposed welfare reforms provide neither enough support for those wanting to move into work, or enough protection for those who are unable to work. We believe that aspects of the reforms may lead to people experiencing even deeper poverty. We raised concerns with Ministers in response to reforms in 2006 and 2007. It is disappointing to see how few of our repeated concerns have been addressed.

We welcome some of the proposals outlined in the Welfare Reform Bill, such as the full disregard from means tested benefits of child maintenance, the increase in the 'access to work' budget and the amendment accepted at Commons Report Stage to give blind and visually-impaired people eligibility for higher rate Disability Living Allowance (DLA).

However, we continue to have serious concerns about the following:

Increasing conditionality: The Bill focuses almost exclusively on the responsibilities of individuals, without commensurate attention paid to the effect on claimant's families or the responsibilities of Government and employers in helping people from welfare into work.

The Bill pays little attention to the structural barriers (e.g. discrimination, employer inflexibility, lack of childcare, rising unemployment and job insecurity) that impede progress into, and retention in, labour markets. Designed before the recession, the Bill comes at a time when existing claimants must compete with those recently made redundant. **SCoWR does not believe that new conditions and threats of sanction are an effective way of supporting more people into work. Proposals such as full time work for benefits treat claimants in a punitive and undignified manner.** Quite simply, the evidence shows that if the right support is available at the right time, people will be empowered to move into, or stay in, work.

Adequacy of welfare provision: Current levels of benefit provision are inadequate, meaning that millions of people in the UK struggle to get by on poverty incomes. **Raising the general level of benefit rates is critical if the UK Government is serious about tackling social exclusion and child poverty,** and providing people with a secure financial basis from which they can move into sustainable work. Such security is more important than ever in the current economic situation yet the Bill make no mention of benefit rates. Until this issue is tackled explicitly, welfare reforms will continue to leave people financially unsupported, making it even more difficult for them to re-engage with the labour market.

Adequacy of resources: the financial information accompanying the Bill is almost entirely silent on the budgetary impact of the proposed changes, and fails to identify where the additional money will come from to implement the claimed level of support referred to by UK Government Ministers. Whilst we recognise additional funding has been announced for

Jobcentre Plus in response to the economic downturn, staff cuts within the DWP, leave us questioning whether the necessary infrastructure is in place to support these reforms. It is our fear that it will be claimants and their families who will continue to bear the brunt of inadequate resources in terms of insufficient support, and declining quality of service.

Devolved issues: the proposed legislation does not fully take into account devolved aspects of welfare reform, such as the key policy areas of childcare provision and skills development. In particular, the continuing failure of the Bill to take proper account of the very different legislative position relating to childcare provision in Scotland is of serious concern. The 2006 Childcare Act puts a duty on local authorities in England and Wales to provide sufficient childcare for working parents but no such legislative duty exists in Scotland.

SCoWR's key call

SCoWR is seeking a delay in Scotland to introduction of the Welfare Reform Bill's provisions on work for your benefit and abolishing income support, at the very least until such time as adequate and affordable childcare is in place for all families. An amendment to that effect was tabled by John Robertson MP in the House of Commons. In response Welfare Reform Minister Tony McNulty argued that the amendment was "unnecessary" as parents on JSA "will not be sanctioned if they fail to participate in "work for your benefit" because they cannot access appropriate childcare". Elsewhere however the Secretary of State, James Purnell, has said that it will be Jobcentre plus advisers, not parents, who will "in the end" judge the appropriateness of that childcare. SCoWR believes child and family wellbeing will be put at risk where threat of benefit sanctions follows rejection of childcare deemed appropriate by Jobcentre Plus but not by parents themselves.

Whilst supportive of the need for reform of welfare SCoWR cannot champion proposals which treat citizens in an undignified way. Instead, we call for a welfare system that is:

- **Dignified** - treating citizens with respect and compassion, valuing unpaid work and caring roles and recognising the responsibilities of employers and government as well as the wider public benefits of welfare;
- **Supportive** - lifting people out of poverty, so that everyone is financially protected, whatever their circumstances;
- **Well resourced** – providing adequate financial and human resources to ensure the smooth introduction of any reforms; and
- **Suitable** –taking full account of Scotland's differing institutional framework from the outset, enabling a joined up approach to tackling poverty across the whole of the UK

Furthermore, reforms to welfare provision need to ensure that there is an adequate safety net regardless of the economic outlook. We want a welfare system which is clear, personalised and predictable, so that the CAB service and other advice agencies, including local authorities, trade unions and the wider voluntary sector can properly advise clients.

For further information please contact: John Dickie, CPAG in Scotland 0141 552 3656; Matt Lancashire, Citizens Advice Scotland 0131 550 1014; or Robert McGeachy 0141 550 9010.

ⁱ **SCoWR** members include: Action for Children Scotland, Afreshe Ltd, Barnardo's, Capability Scotland, Carr-Gomm Scotland, Child Poverty Action Group in Scotland, Children 1st, Church Action on Poverty, Church of Scotland, Citizens Advice Scotland, Dundee Anti Poverty Forum, ECAS - Edinburgh, Energy Action Scotland, Faith In Community (Scotland), Glasgow Centre for Inclusive Living, Glasgow Council for Voluntary Service, Glasgow Disability Alliance, Glasgow University Students' Representative Council , Inclusion Scotland, Leonard Cheshire Scotland, Margaret Blackwood Housing Association, Momentum, One Parent Families Scotland, Oxfam Scotland, Poverty Alliance, Public & Commercial Services Union, Rosemount Lifelong Learning, Scottish Alliance of Children's Rights , Scottish Association for Mental Health, Scottish Churches Housing Action, Scottish Churches Social Inclusion Network, Scottish Council for Single Homeless, Scottish Council for Voluntary Organisations, Scottish Drugs Forum, Scottish Homelessness & Employability Network, Scottish Local Government Forum Against Poverty, Scottish Trade Union Congress, Scottish Women's Convention, Shelter Scotland, The Action Group, The Iona Community, The Media Co-op, The Salvation Army.