SCORSS
Scottish Campaign on Rights to Social Security

SCORSS

DESIGNING IN DIGNITY

THE SCOTTISH CAMPAIGN ON RIGHTS TO SOCIAL SECURITY'S VISION FOR UK GOVERNMENT 2024

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THE SCOTTISH CAMPAIGN ON RIGHTS TO SOCIAL SECURITY (FORMERLY SCOTTISH CAMPAIGN ON WELFARE REFORM) WAS FORMED IN 2006 TO HIGHLIGHT THE CONCERNS OF A DIVERSE COALITION OF ORGANISATIONS IN SCOTLAND ABOUT THE THEN UK GOVERNMENT'S WELFARE REFORM PROPOSALS. SINCE THEN, THE COALITION HAS INFORMED DEBATES ON CHANGES TO BOTH UK AND SCOTTISH GOVERNMENT POLICY AND DIRECTLY INFLUENCED THE DEVELOPMENT OF THE SCOTTISH SOCIAL SECURITY SYSTEM.

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PRINCIPLES FOR CHANGE

Our social security system is a public service and basic human right that should secure the wellbeing of everyone in society.

It is time for a compassionate social security system that prevents poverty, treats people with dignity and respect and supports everyone to flourish.

It is not right that access to and experience of social security are affected by deeply ingrained inequalities that ensure that groups including women, children, disabled people, and terminally ill people are disproportionately affected by poverty, insecurity and exclusion. Those who experience intersecting marginalisation, such as disabled women, women of colour and migrant women, are yet more acutely affected.

The members of the Scottish Campaign on Rights to Social Security (SCoRSS) believe five fundamental principles underpin the real change required to achieve this vision. We must work together to:

- Increase social security payment rates to a level 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 UK and Scottish social security;
- Radically simplify social security to ensure it is easy to access and that barriers to entitlement are removed;
- Invest in the support needed to enable everyone to participate fully in society; and
- Make social security work for Scotland.

Our principles for change are central to creating the social security system that we all deserve. We are calling on the new UK Parliament to commit to the changes that we need to build a UK social security system that supports an adequate income and ensures that everyone can live in dignity. Our vision sets out the actions required in the new Parliament to help achieve the principles for change. It focuses on key areas where changes should be made including:

- Improve the adequacy of benefits
- Abolish the two-child limit
- Abolish the benefit cap
- Abolish the bedroom tax
- Abolish the young parent penalty
- Reform the local housing allowance to reflect real world housing costs
- Remove the five-week wait for Universal Credit
- Reduce the total proportion of debt recoverable from Universal Credit, ending the privileged treatment of DWP debts and ensuring debt recovery leaves no one in hardship.
- Introduce individual payments of Universal Credit
- Scrap previously proposed Work Capability Assessment (WCA)/ Personal Independence Payment (PIP) reforms.
- End punitive conditionality

Increase social security payment rates to a level where no one is left in poverty and all have sufficient income to lead a dignified life.

OUR PRIORITIES

Increase social security payment rates to a level 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 UK and Scottish social security.

Radically simplify social security to ensure it is easy to access and that barriers to entitlement are removed.

Invest in the support needed to enable everyone to participate fully in society.

IMPROVE THE ADEQUACY OF BENEFITS

SCoRSS's vision is for social security to provide a reliable and adequate safety net for everyone that ensures individual needs are met and risk is pooled.

This requires payment rates to be set at a level that leaves no one in poverty and ensures that everyone has a sufficient income to lead a dignified life. The level of benefits has eroded in value since 2010, meaning that the basic rate of Universal Credit is now at its lowest level ever compared to average earnings.

- 9 out of 10 households on Universal Credit are going without the essentials[1].
- Inadequate income from social security is the biggest driver of food bank need in Scotland and across the UK. Across Scotland, over the past year, 1 in 6 people have gone hungry[2].
- Disabled people, working age households and families with children are most likely to be struggling due to an inadequate social security system[3].

SCORSS'S CALL FOR CHANGE

We urge the new Parliament to:

- Work with people as they need social security at various stages of the life cycle to ensure the social security system meets their needs and is delivered with dignity and respect.
- Commit to an Essentials Guarantee as a first step toward a permanent, and dynamic, increase to the basic allowance of UC, with no distinction as to age, as part of a broader consideration of the steps required toward the use of social security to guarantee people the minimum income needed for a decent quality of life[4].
- In the meantime, urgently address key features of Universal Credit to ensure it protects people from going without the essentials.
- Review UC as an in-work benefit – reintroduce Work Allowances for everyone and a reduce the Taper Rate, to make sure UC properly supports those in employment.
- Ensure that benefits are regularly uprated in line with inflation.
- Increase the value of child benefit by £20 a week

[1] Guarantee our Essentials, Joseph Rowntree Foundation, February 2024
[2] Hunger in Scotland, Trussel Trust, June 2023
[3] Data from Citizen's Advice Scotland, for example, shows that single person households represented 46% of food insecurity clients, of which lone parents represented 22%. See also Hunger in Scotland, Trussel Trust, June 2023
[4] Such as the Minimum Income Guarantee being scoped by the Scottish Government

ABOLISH THE TWO-CHILD LIMIT

Across the UK, 1.5 million children – or 1 in 10 of all children – are affected by the limit[5]. In Scotland, over 80,000 children are affected by the policy, pulling up to 15,000 of these children into poverty[6]. The number of children affected by the two-child limit will likely increase until 2033 as more children are drawn into the policy's remit.

The two-child limit severs the relationship between need and support provided by our social security system. It has been associated with:

- Food and energy insecurity; including going hungry and being unable to pay for heating[7].
- Housing insecurity; including rent arrears and increased risk of eviction and homelessness.
- Problematic debt; including multiple debts and high-risk credit.

The policy fails to account for the fluid nature of people's lives which often include fluctuating financial circumstances, unplanned pregnancy, the emergence of unpaid caring roles, domestic abuse and sexual violence, poor physical and mental health, bereavement and relationship breakdown and formation. Little wonder then that the policy, explicitly aimed at incentivising parental employment and smaller family size, has been found to have failed on its own terms[8]. In fact, the main impact of the two-child limit has been to "increase the depth and incidence of child poverty".[9]

SCORSS'S CALL FOR CHANGE

Analysis from the Scottish Government has identified the reversal of the two-child limit as one of the most cost-effective options for tackling child poverty[10]. The new Parliament must commit to scrapping the two-child limit at source.

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[5] Universal credit and child tax credit claimants: statistics related to the policy to provide support for a maximum of 2 children, DWP, July 2023
[6] CPAG analysis
[7] Leading children's charities and commissioners call for an end to the two-child limit, open letter, July 2023
[8] The two child limit in tax credits and Universal Credit - House of Commons Library (parliament.uk)/ Making Work Pay? The labour market effects of capping child benefits in larger families (lse.ac.uk)
[9] Two-child benefit limit (lse.ac.uk)
[10] The two-child limit, the removal of the family element and the benefit freeze - Welfare reform - impact on households with children: report - gov.scot (www.gov.scot)

ABOLISH THE BENEFIT CAP

The benefit cap means that those with the highest need – such as lone parents with young children, larger families, and disabled people – are the most likely to have their support capped. The shortfall between what a household needs to get by and what they receive means that many households cannot afford basic necessities like food, clothes, and energy, often being forced to use foodbanks or rely on pay-day loans.

The government claimed that the benefit cap created a strong work incentive and "introduce(s) greater fairness into the welfare system between those on out of work benefits and taxpayers in employment".[11] The Work and Pensions Committee, in contrast, found that on average for every 100 households affected by the cap, only around four will move into work because of it[12].

There is evidence that the cap makes it harder for some families to find employment and could have the unintended consequence of pushing out-of-work people even further away from the labour market, due in part to the impact the policy has on mental health[13]. It prevents women experiencing domestic abuse, and their children, from leaving an abusive partner and accessing safe housing[14].

We strongly welcomed the Scottish Government's mitigation of the cap, which is estimated to be helping over 4000 families, including 14,000 children[15]. This should be a fairness felt by all households in the UK, not just those in Scotland.

SCORSS'S CALL FOR CHANGE

We are calling on the new Parliament to commit to scrapping the benefit cap.

Scrapping the benefit cap at source would support women and families, especially BME and single parent families, to escape the poverty trap, find employment or retrain, and stimulate economic growth.

[11] The Benefit Cap, House of Commons Library, November 2016
[12] The Benefit Cap, Work and Pension Committee report, March 2019
[13] Did the introduction of the benefit cap in Britain hard mental health> A natural experiment approach, London School of Economics, November 2020/ Needs and Entitlements: welfare reforms and larger families, Patrick et al. July 2023
[14] Joint briefing on the Benefit Cap and domestic abuse, Shelter and Women's Aid, May 2021
[15] Helping families with their living costs: Scottish Government press release, February 2023

ABOLISH THE BEDROOM TAX

The bedroom tax was intended to encourage people to move into smaller properties but early evaluation by the UK government found that "no more than eight per cent of those affected have downsized."[16]

The policy impacts people's ability to afford essentials, deepening poverty and driving further negative effects on health and wellbeing. In addition to impacting people unwilling to move due to reasonable emotional attachment to their home or the area they live, even those who are willing to downsize face difficulties in finding appropriate alternative social housing, with a particular lack of availability for one bedroom housing[17]. The bedroom tax also has a uniquely negative impact on disabled people, who may have adapted their homes to meet their requirements or need additional space for essential assistive equipment, for whom alternative or smaller accommodation may simply not be suitable.

The Scottish Government have been mitigating this policy through discretionary housing payments, at a cost of £66.9 million in 2022/23[18]. As the Scottish Government's block grant is adjusted downwards to account for the existence of the bedroom tax, the funds to mitigate the effects must then be taken from elsewhere in the budget.

SCORSS'S CALL FOR CHANGE

We are calling on the new Parliament to commit to abolishing the bedroom tax.

[16] Evaluation of Removal of the Spare Room Subsidy, UK government, December 2015
[17] A qualitative study of the impact of the UK bedroom tax, Newcastle University, June 2016
[18] Discretionary Housing Payment statistics, Scottish Government, May 2023

ABOLISH THE YOUNG PERSON PENALTY

Lived Experience

One of our members reports of a young person aged under 25, and therefore in receipt of a lower UC standard allowance. That lower allowance is subject to a deduction to repay an advance and the young person has become reliant on foodbanks and skipping meals. The young person has shared care of his son; he is only receiving Child Benefit to support him with this. He is concerned about the impact of such a low income on his ability to sustain his relationship with his son.

People under 25 years old are paid a lower rate of Universal Credit than older claimants in the same circumstances, receiving approximately 20% less in the UC standard allowance.

The direct result of this is that under Universal Credit:

- Couples under 25 are approximately £120 a month worse off than couples over 25 in the same circumstances.
- Single people under 25 are approximately £75 a month worse off than single people over 25 in the same circumstances.

Families with a younger mother (under 25) have a dramatically higher rate of child poverty (55%), compared to 24% of all children in Scotland[19]. The inadequacy of the UK social security system is a key driver of this, with the basic rate of support within Universal Credit (UC) not only at a historic low, but even lower for those under 25.

SCORSS'S CALL FOR CHANGE

The new Parliament must commit to scrapping the policy of age discrimination in Universal Credit at source.

[20] Tackling child poverty delivery plan: fourth year progress report 2021-2022 - focus report on households with mothers aged 25 or under – Scottish Government.

ENSURE THAT LOCAL HOUSING ALLOWANCE RATES REFLECT AND WORK WITH THE HOUSING MARKET

The local housing allowance (LHA) is the maximum amount that can be paid in relation to rent in the private rented sector. The rate is based on the location of the property and the size and composition of the household.

The LHA started at the 50th percentile of properties of the same size in the local area, then reduced to the 30th percentile in 2011. In the following 12 years the rates were:

- Frozen in 7 years
- Uprated by 1% or CPI in 3 years
- Linked to the 30th percentile in 2 years (2020/21 and 2024/25)

There is no requirement for LHA rates to be increased each year to keep pace with rents charged locally, causing uncertainty and financial hardship to renters who face larger shortfalls between the rent charged and the financial support they receive.

The return of LHA to the 30th percentile in 2024/25 was welcomed but will not aid tenants who fall foul of the benefit cap as a result. The LHA for a couple with two children in a three-bedroom property was higher than the benefit cap in 53% of broad market rental areas, it is now higher than the cap in 83%[20].

Research by the Institute for Fiscal Studies (IFS) has found that just one in twenty newly listed private rental properties are currently advertised at rates covered by LHA. The research also found that those properties that are covered by LHA are of lower quality and more expensive to heat than the average[21].

While LHA cannot be viewed in isolation from the broader housing market, if the private rented sector is to be considered an appropriate component part of housing availability, it must be affordable to all.

SCORSS'S CALL FOR CHANGE

The link between LHA rates and the 30th percentile must be maintained year on year.

A review must be conducted as to whether they would be better aligned with the 50th percentile, considering that housing support has fallen so far behind actual rents.

Make respect for human rights and dignity the cornerstone of UK and Scottish social security.

[20] A temporary thaw • Resolution Foundation

[21] Housing quality and affordability for lower-income households (ifs.org.uk)/Local Housing Allowance (LHA): help with rent for private tenants - House of Commons Library (parliament.uk)

END PUNITIVE CONDITIONALITY

Sanctions are applied when a DWP decision maker determines that an individual has failed to fulfil their obligations as a claimant. The benefit award becomes subject to tapered daily deductions, usually for an open-ended period until compliance is achieved. Benefit can be withheld for up to six months depending on why the sanction has been applied and a claimant's sanction history.

Discretionary hardship loans can be granted while a sanction is ongoing. They amount to 60% of the sanction value, to cover basic personal needs, including rent in some cases. The loan is automatically recovered when benefit is restored.

DWP analysis hints at the extent to which sanctions can be a trap door into low quality work. Their analysis concluded that, while sanctions are associated with a shorter spell on benefit, sanctioned claimants are more likely to be shifting into economic inactivity or low pay, earning on average £34/month less than their non-sanctioned peers over the following six months. Outcomes for young claimants are even worse[22]. Evidence of the oft cited "deterrent effect" meanwhile is very limited indeed.

As the amount which people must earn to lessen or escape conditionality steadily increases, the number of people at risk of sanctions is also increasing.

The present design and operation of the system is counter-productive and harmful and is driving destitution and hostility.

Lived Experience

One of our members reports the experience of a young person they are supporting who received a sanction in January 2024 having after missing several Jobcentre appointments. He is a 28-year-old man living with depression and anxiety that significantly impacts his daily life. He frequently avoids social interaction and rarely answers his phone. The adviser supporting him observes that for individuals with mental health issues, "sanctions can worsen their condition and further hinder their ability to engage with the system."

SCORSS'S CALL FOR CHANGE

We are calling for an end to punitive conditionality and associated sanctions, which are ineffective, complex, costly and stigmatising. Sanctions backed compliance should be urgently reformed with more emphasis focused on personalised holistic employment support.

First steps should include:

- A sanction can amount to the collective punishment of children. A regulation should be introduced in UC so that JCP work coaches must prioritise the 'best interests of the child,' as outlined in Article 3 of the UN Convention on the Rights of the Child, before signing off a claimant commitment or issuing a sanction.

[22] The Impact of Benefit Sanctions on Employment Outcomes - GOV.UK (www.gov.uk)

- Collecting and publishing routine data on sanctions, disaggregated by disability and medical condition.
- Introduce a duty to provide guidance on conditionality easements before a claimant commitment is completed.
- Implement a system of pre-sanction warnings, which would be removed from a claimant's record where good reason is established.
- Review the sanction decision-making process, with the objective of achieving a balance between prescribing circumstances in which a sanction is not appropriate and maintaining case-by-case flexibility.
- Introduce a fast-track process for challenging sanctions.
- Suspend or end sanctions when a claimant's circumstances change.
- Remove sanctions altogether for those awaiting a work capability assessment.
- No further changes to the administrative earnings threshold.

Radically simplify social security to ensure it is easy to access and that barriers to entitlement are removed.

REMOVE THE FIVE-WEEK WAIT FOR UNIVERSAL CREDIT

New claimants must wait at least five weeks before receiving their first payment of universal credit, in contrast with the benefits it is replacing, which have a typical wait time of around two weeks.

The five-week wait starts when a claimant submits their universal credit application. However, there are a number of possible delays which can occur before the point that the application is submitted as well as delays afterwards. This means that in practice it can take longer than five weeks to receive the first payment.

A monthly arrears cycle was decided on for universal credit partly to reflect a 'world of work'. However, not everybody in work is paid in monthly arrears and this is particularly the case for those on lower wages.

Research by the debt charity StepChange[23] found that during the five-week wait:

- 47% of client fell behind on rent
- 65% had gone without or cut back on food, and
- 60% relied on family and friends for financial support.

Large numbers of people in the UK do not have savings to see them through the waiting period. A 2024 survey conducted by Citizen's Advice Scotland found that 29% of respondents could not afford to save at least £20 regularly. 4% of the advice provided by the network over the previous three months about Universal Credit has concerned advance payments.

Claimants can borrow up to 100% of their entitlement ahead of their first payment, however, this must be paid back through deductions from future universal credit payments. Three in five of all claims have deductions taken from first payments (61%), and this rises for both disabled claimants (67%) and those on low incomes (80%). Across the last year, 69% of those who have received advice about Universal Credit from Citizen's Advice Scotland, and have provided the information, have a health condition.

The impact of the five-week wait is compounded by the treatment of weekly, fortnightly and four weekly pay cycles, which result in the loss of Universal Credit on up to four months of a year when more than one pay is received in a month.

SCORSS'S CALL FOR CHANGE

We call on the new Parliament to commit to removing the five-week waiting period for Universal Credit and put in place alternative arrangements that allow for non-repayable advance payments to be made.

[23] Problem debt and the social security system, Step Change, January 2020

REDUCE DEDUCTIONS

Some aspects of deductions are necessary – such as those for rent or fuel arrears – are necessary as they can lower a family's risk of eviction or having their energy supply cut off. But reducing deductions for the repayment of government debts, often taken at a higher payment rate, presents no risks to claimants. Reducing this rate would allow families to access more of their UC award and presents no cost to the government as debts would be collected in more manageable amounts over a longer period of time.

43% of deductions from households with children in the UK are repaying the advance (loan) taken out in order to survive the 5 week wait. The number of children in Scotland living in households with debt deductions being taken from their UC has risen to 160,500 – making up more than half (57%) of all children in households receiving universal credit. These families are missing out on an average of £72 a month as a result[24]. Every pound deducted from UC is a pound less for food, electricity, and other essentials.

SCORSS'S CALL FOR CHANGE

- End the five-week wait for a first UC payment, this is the single biggest driver of debt deductions from families.
- Reduce the maximum rate at which deductions can be taken for repayment of a government debt to 5% of a claimant's benefit. treating the DWP equally to other creditors.
- Reduce the overall cap on deductions (for any type of debt) to 15% (from the current 25%).
- Investigate the feasibility of introducing a minimum income threshold for recovery.
- Write-off historic Tax Credit debt and other historic benefit overpayment debt.

[24] Written questions and answers - Written questions, answers and statements - UK Parliament

INDIVIDUAL PAYMENTS OF UNIVERSAL CREDIT

Universal credit is paid to one household member only. However, access to an independent income is vital in ensuring that individuals' human rights can be realised, including rights to food, security and housing.

From a gender equality perspective, it is crucial that Universal Credit is paid to individual household members as the norm. (This policy is known as 'split payments'). Financial independence is crucial for women, who are twice as dependent on social security as men, due to structural inequalities rooted in unpaid care, the labour market, safety and security, and access to power. The household payment of Universal Credit compromises women's safety, creates and exacerbates power imbalances between couples, and undermines women's ability to leave an abusive partner.

SCORSS'S CALL FOR CHANGE

We are calling on the UK parliament to introduce split payments for Universal Credit and in the meantime to fast track the implementation of split payments in Scotland.

Invest in the support needed to enable everyone to participate fully in society.

RECONSIDER WORK CAPABILITY ASSESSMENT/PERSONAL INDEPENDENCE PAYMENT REFORMS

In November 2023, the government announced plans to legislate for changes to the Work Capability Assessment (WCA) for new claims to Universal Credit and Employment and Support Allowance (ESA) from 2025 onwards. The WCA is used to determine whether a person is entitled to an additional amount in their benefit and how much if anything they may have to do in relation to preparing for or looking for work.

The proposals are concerning because:

- The more immediate proposed reforms to the WCA risk conflating two very distinct forms of social security, earnings replacement to those who have limited capacity to work for health reasons, and support with the extra costs of having a health condition or disability.
- The reforms will make it more difficult for those with mental health, fluctuating and hidden conditions to access support. The reforms further limit mobility support, which is already harder to obtain.
- The reforms limit the power of decision makers to extend support to those who do not meet the functional criteria but who are at significant risk or pose a risk to others if they are subject to conditionality and work activity participation. This reduces the safeguarding capacity of the system.
- Insufficient consideration has been given to those experiencing short-term health shocks who are unable to work for a period of time but who do not meet the Personal Independence Payment (Adult Disability Payment in Scotland) length of condition test[25].
- While the long-term ambition to abolish the WCA is welcome as an overarching goal, the present proposal leaves a vacuum that could result in pressure on the additional costs of disability system, increased destitution, and more people moving more frequently in and out of unsuitable, low-quality work.

The government subsequently announced its intention to reform eligibility for Personal Independence Payment (PIP).

If enacted, the proposals pose a significant threat to:

- The income of hundreds of thousands of disabled people.
- The health, welfare, and lives of those with particular impairments
- Potentially to the current devolution settlement and the future of devolved social security provision for those with disability, ill health and impairment. The Safe and Secure transition principle promised the Scottish people that effective co-operation with the devolved administration would prevent significant disruption; these proposals place this at risk.

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[25] Personal Independence Payment is the UK wide non means tested extra costs disability benefit. It has been replaced by Adult Disability Payment in Scotland.

These reforms risk severe consequences and changing incentives in unintended ways. As The Resolution Foundation has summarised, restricting eligibility to these benefits without understanding the root causes of increasing expenditure on them is "risky in the extreme"[26]. They conclude their analysis with a warning that "policymakers have inadvertently been playing 'Whack-a Mole' in this area: where standard rates of working-age benefits have been hit, some of that pressure has shown up as rising claims for health-related benefits which they then try to hit in response. This is not a strategy for future success."

SCORSS'S CALL FOR CHANGE

We are calling for the current proposals for reform of the WCA and PIP to be abandoned as this could result in untold harm to disabled people and their families. Destitution and poverty drive ill health in a vicious cycle.

We advocate effective, holistic employability support, an overhaul of conditionality and an approach to both means tested and disability support that is informed by the social model of disability, considering systemic and individual barriers and supporting individual aspiration and needs.

We advocate a co-designed approach with dignity and respect and its heart and a co-operative approach designed in.

[26] 20-Under-strain.pdf (resolutionfoundation.org)

Who we are:

The Scottish Campaign on Rights to Social Security (or SCoRSS) are a diverse coalition of organisations in Scotland concerned with the frontline impact of social security policy. We have informed changes to both UK and Scottish Government policy and influenced the creation of Scotland's new social security system based on shared values of dignity, fairness, and respect.

SCORSS members include:

Age Scotland

Carers Trust Scotland

Child Poverty Action Group in Scotland (CPAG)

Citizen's Advice Scotland (CAS)

Engender

Health and Social Care Alliance (the ALLIANCE)

Inclusion Scotland

Independent Age

MS Society Scotland

National Association of Welfare Rights Advisers (NAWRA)

One Parent Families Scotland (OPFS)

Oxfam Scotland

Royal Institute of Blind People

Scottish Association of Mental Health (SAMH)

Scottish Federation of Housing Associations (SFHA)

Scottish Independent Advocacy Alliance

Scottish Women's Aid

The Poverty Alliance

The Trussell Trust

This document represents the view of the coalition but may not exactly reflect every view of individual coalition members.

MORE INFORMATION

To join us, find out more or read our latest briefings visit:
cpag.org.uk/scotland/policy-campaigns/SCORSS

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