

## WELFARE REFORM COMMITTEE

### WOMEN AND WELFARE INQUIRY

#### WRITTEN SUBMISSION RECEIVED FROM NHS HEALTH SCOTLAND

##### Background

NHS Health Scotland is a special NHS Board which aims to reduce inequalities in health across the Scottish population and improve the health of the whole population. We use evidence and data to inform decision-makers and the public about how we can improve Scotland's health outcomes and thereby contribute to the Scottish Government's national outcomes: namely 'we live longer, healthier lives'; and, 'we have tackled the significant inequalities in Scottish society'.

Average health is greatly influenced by the socio-economic context in which people grow-up, work and live; and health inequalities are caused by the inequitable distribution of income, resources and power.<sup>1-3</sup> The welfare system in operation in a nation is of paramount importance in creating a context conducive to improved health and reduced health inequalities.<sup>4-7</sup> The amount of income available to claimants, the system by which individuals gain welfare benefits, and the stigma associated with the system are all profound influences on health and health inequalities. We are therefore keen to: monitor the impact of welfare reforms across the population; identify potential differential impacts between population groups; summarise the available evidence such that any negative impacts of welfare changes can be minimised and mitigated; and inform future welfare policy development with evidence.

NHS Health Scotland has been asked by the Scottish Government to monitor the impact of welfare changes and the economic downturn on health and health inequalities, including differential impacts across the population. Our baseline report was published in 2013<sup>8</sup> and we will be publishing an update later this year which will disaggregate impacts by gender and other equality characteristics where data allow.

##### **1. What is the impact of welfare reform on women?**

The social security system has been undergoing change for many years, but these changes have accelerated more recently in terms of the design of the system (e.g. the changes from Incapacity Benefit to Employment and Support Allowance and the introduction of Universal Credit), eligibility for benefits, the use of sanctions and the value of benefits.

There is concern from across the public health community that the changes to welfare may have a detrimental impact on health<sup>9</sup> and may exacerbate socioeconomic inequalities in health, and also impact disproportionately on some population groups, including women.<sup>10-12</sup> Few studies have as yet been completed

which measure health impacts, but there is now extensive work available looking at the financial impact of the welfare changes on different groups, and models are available which consider the likely future impacts of policies which are planned but not yet implemented.<sup>a</sup>

### ***Why might women be disproportionately impacted?***

Many of the changes that have been implemented, or which are planned, will have a substantial impact on both men and women, whilst some will have larger impacts for one gender or the other. Where women are disproportionately negatively impacted this is often because of:

- the higher proportion of caring roles carried by women in society
- the particularly acute impacts on single parent households which are disproportionately female-headed
- the higher proportion of women who receive lower rate benefits (especially income support and child benefit) and the changes to these (e.g. moving people on to Job Seekers Allowance and reducing automatic national insurance payments)

Therefore, the welfare changes which are likely to impact (or have already impacted) more on women include:<sup>13</sup>

- Child Benefit freeze from 2011 to 2014 and 1% uprating from 2014 to 2016
- Reduction of Child Benefit for households where an individual earns above £50,000 and removal where one individual earns above £60,000
- Reduction in the proportion of childcare costs covered by Working Tax Credit
- Removal of the Baby Element of Child Tax Credits
- Increase in the taper rate for Tax Credits
- Requirement for lone parents on Income Support with a youngest child aged 5 or 6 years to move to JSA
- Abolition of the Health in Pregnancy Grant
- Restriction of Sure Start Maternity Grants to the first child only
- Abolition of the Child Trust Fund
- A system of charges for those requiring access to the new statutory child Maintenance Service and collection charges where the payment of maintenance is not through voluntary agreement
- The benefit cap which is expected to primarily impact on households with children (89% of households affected) and lone parents (50% of households affected)

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<sup>a</sup> Note that these future modelled impacts are highly dependent on the time of modelling (as there have been frequent amendments to the plans) and are also dependent on the outcome of the forthcoming general election as many changes have yet to be implemented.

- Unlike the current system, where different benefits can be paid to separate members of a household, Universal Credit will be paid as one single household payment which will represent a loss of independent income for women in many households

### ***Benefit uptake***

There are marked differences across benefits in relation to which are claimed more by women or by men. In November 2012 in Scotland, women comprised 67% of the case load for Attendance Allowance, 51% of DLA at all ages, 62% of the case load for Housing Benefit and 67% for Income Support, and 62% of Pension Credit claimants; but only 48% of the caseload for Employment and Support Allowance (ESA), 48% of working-age Disability Living Allowance (DLA), 44% of Incapacity Benefit, and 32% of the Job Seeker's Allowance (JSA) case load.<sup>13</sup> However, it is the changes to child benefits that have made the biggest difference such that the level of real terms cash available to women has decreased faster than that to men.<sup>14</sup>

### ***Sanctions***

Overall, it is men rather than woman who are disproportionately sanctioned and this is related to the greater proportion of men who receive JSA (and in particular young men of who 41% of those aged 18-24 years were sanctioned).<sup>15</sup> Amongst women, it has been noted that those experiencing domestic abuse are disproportionately at risk of sanctioning,<sup>16</sup> and that the needs of lone parents moving on to JSA or into work are not adequately recognised.<sup>17</sup>

### ***Change of payment method***

A move to single benefit payment to household is expected to have significant gendered impact. The decision as to who receives income has a significant impact on how it is distributed, with women more likely to spend on children's needs, raising concerns of detriment to gender equality with a return to a 'male breadwinner' model. There are also concerns that a move to single benefit payment to household may exacerbate economic abuse in households where domestic violence is present.<sup>16</sup>

### ***Housing benefit***

The UK Government's Equality Impact Assessment of the size criteria for people in the Social Rented sector (the 'bedroom tax') anticipates that 340,000 of the families affected are single women, compared to 160,000 single men, and 160,000 couples.<sup>18</sup> Although the Scottish Government has taken action to mitigate the impacts of the 'bedroom tax' through discretionary housing payments, data are not published by gender on who have received these.<sup>19</sup>

A report for the House of Commons Welfare and Pensions Committee on Support for Housing Costs in the Reformed Welfare System raises issues in relation to the

shared accommodation rate where there is an extension of the age range from 25 to 35 years. This is thought to have implications for vulnerable young people and women fleeing violence where sharing may not be appropriate and/or housing is not available.<sup>20</sup>

### ***Multiple disadvantage***

Welfare changes, almost by definition, impact on population groups who are at multiple risk from discrimination, stigma and poverty. It is therefore important to recognise that some individuals are in receipt of multiple benefits, and are therefore at particularly high risk; for example, individuals with disabilities, those in ethnic minorities,<sup>21</sup> and lone parents.<sup>22</sup>

**2. What is your (or your clients) experience of being on benefits or employment support?**

**3. How has your (or your clients) experience with the benefit system changed in recent years since the introduction of the welfare reforms?**

**4. Are there any challenges involved in being in receipt of your (your clients) particular benefits?**

In relation to questions 2-4, NHS Health Scotland does not provide health services directly and so we cannot comment directly on this.

However, there are a variety of research reports available which provide insights into the 'lived experience' of the evolving changes to the welfare system.<sup>23</sup>

**5. What would be your priorities for change when certain benefits / elements of employment support are devolved to Scotland?**

**6. Do you have any suggestions of practical improvements that you would like to see when certain benefits / elements of employment support are under Scottish control?**

In relation to questions 5 and 6, the Smith Commission has proposed a series of changes relating to social security. The specific proposals are:

1. The Scottish Government is to be given powers to vary the frequency of Universal Credit (UC) payment and how this is split within households, to pay landlords directly for housing costs, and to vary the housing costs elements; with any changes in costs met from the Scottish budget.
2. Those aspects of social security that lie outside UC (carers benefits, for disabled people, sickness benefits, Disability Living Allowance, Personal Independence Payments, Industrial Injuries Disablement Allowance and Severe Disablement Allowance) and which comprise the Regulated Social

Fund (Cold Weather Payment, Funeral Payment, Sure Start Maternity Grant, Winter Fuel Payment), and Discretionary Housing Payments are all proposed to be devolved to the Scottish Parliament (with any changes in costs met from the Scottish budget).

3. The Scottish Government will gain powers to fund new welfare benefits without endangering eligibility to reserved benefits (including those relating to the benefits cap).
4. The arrangements for providing support to those unemployed (i.e. 'employability' programmes) will be devolved on expiry of the current contractual commitments.

The value, conditionality, universality and operation of the social security system are key determinants of health. The vast majority of this system is to remain a reserved policy area, however there is now a proposal to devolve some aspects of this which could be used to mitigate against the likely negative consequences of the current policy direction (by making Universal Credit a weekly rather than monthly payment, ensuring housing costs are paid directly and ensuring that income does not simply transfer to a single 'head of household'). Furthermore, the proposals would transfer social fund welfare payments, disability and sickness benefits to the Scottish Parliament, and would facilitate the creation of new benefits. This has the potential to reduce inequalities and improve health if the value of these benefits can be increased and their conditionality reduced. However, it is not clear whether the assessment of eligibility for these benefits is proposed for devolution – the main aspect of the current regime which is theorised to be most detrimental to health.

The proposed devolution of services for those who are unemployed (currently very focused on 'employability' and skills) is a potentially important opportunity. The current UK approach to unemployment is almost entirely supply-side orientated despite a lack of high quality and sufficiently well paid employment being the most important factor in explaining the current unemployment data.<sup>24</sup> The quality of many of the current suite of 'employability' services is at best unclear, with a very modest impact on reducing unemployment and a poor record of enhancing the skills and motivation of job-seekers. If the powers over this sector are devolved in the future there would be an opportunity to use the resources much more efficiently to identify genuine skills gaps and frictional unemployment and address these issues directly. The focus of employment policy could then be re-orientated towards demand side measures and attaining full employment.

It is also worth noting that part of the Smith commission proposal is to devolve the power to introduce gender quotas for public bodies. This could ensure that one aspect of gender inequality is reduced, and this is likely to be a helpful policy in ensuring better governance, and ultimately performance, of public sector bodies.

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