

## **WELFARE REFORM COMMITTEE**

### **THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND**

#### **WRITTEN SUBMISSION RECEIVED FROM ONE PARENT FAMILIES SCOTLAND**

One Parent Families Scotland is Scotland's leading single parent organisation. Building on seventy years of advocacy and service-delivery expertise, OPFS provides expert information, advice and support, along with training activities, work preparation programmes and flexible childcare. OPFS delivers services across Scotland in Edinburgh, Dundee, Glasgow, Renfrewshire, Lanarkshire and Aberdeen and provides support to over 5,000 families and 12,000 children. This response draws on our experience as service providers, supporting single parents across Scotland as well as previous consultations which we have conducted into their experiences of and views on welfare reform.<sup>1</sup>

OPFS has a vision of a Scotland in which all families, without exception, can prosper from life's opportunities. To this end we are working towards a Scotland where single parent families are free from poverty and have sufficient resources not just to survive but to thrive; are treated with dignity and respect and have equal opportunities and life chances, enabling them to flourish and achieve their full potential.

Along with other members of the Scottish Campaign on Welfare Reform (SCoWR) OPFS calls for a social security system based on the following principles:

1. benefits should be set at a level where no one is left in poverty and all have sufficient income to lead a dignified life.
2. respect for human rights and dignity must be the cornerstone of a new approach to social security
3. the social security system should be simplified – by for example increasing the proportion of non-means tested benefits and rolling back punitive and costly conditionality and sanctions
4. investment should be made in the support needed to enable everyone to participate fully in society
5. welfare benefits should work for Scotland – areas of reserved social security must take account of the different legislative housing, childcare, education, social care and training landscape in Scotland.<sup>2</sup>

We want to see newly devolved social security powers for Scotland used in line with these principles and so welcome the Committee's focus on how new

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<sup>1</sup> OPFS Stakeholder Focus Group Discussions Report, February 2014, Response to the Scottish Government Expert Working Group on Welfare: Call for Evidence <http://www.gov.scot/Resource/0045/00451857.pdf>

<sup>2</sup> OPFS is member of the Scottish Campaign on Welfare Reform <http://www.cpag.org.uk/sites/default/files/SCoWR%20manifesto%202013.pdf>

powers can be developed to ensure that the principles of dignity, respect, support, equality and common sense are embedded in the new system.

### **Single parents and poverty**

There are over 169,707 single parents in Scotland<sup>3</sup>. By 2033, this is projected to rise to 238,000 (24% to 38%)<sup>4</sup> Because of the additional barriers they face, single parents are more at risk of being in poverty. Over four in every ten (43%) children in single parent families are poor, compared to just over two in ten (22%) of children in couple families.<sup>5</sup> Research shows that single parents are more likely to report having poor health (13%) being disabled or having a long term condition (15%) and have a disabled child (17%) than parents in couple families, where the figures are 7%, 9% and 14% respectively.<sup>6</sup>

### **Devolution**

The Smith Commission proposed new devolved welfare powers across a number of areas. In contrast, the draft clauses set out in the UK Government's Command Paper<sup>7</sup> appear to restrict these proposals in various ways<sup>8</sup> as does the subsequent Scotland Bill being debated at Westminster. There are a number of unresolved overarching issues, which could limit the Scottish Parliament's ability to develop newly devolved powers in an autonomous way. These include the "no detriment" clause which would give the UK the right to claw back monies if variations in expenditure in Scotland were deemed to be detrimental to the UK budget. The new Welfare Reform and Work Bill is also likely to result in further restrictions and ongoing cuts to the overall UK social security budget will also have an impact on the devolved budgets for the new social security powers.

Nevertheless, despite these restrictions, newly extended powers do offer opportunities for the Scottish Parliament and Government to develop legislation and policy to better tackle poverty and inequality in Scotland. The

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<sup>3</sup> Scotland's Census 2011 - Table KS107SC - Lone parent households with dependent children

<sup>4</sup> Household Projections for Scotland, National Records of Scotland, 2008

<sup>5</sup> Households Below Average Income (HBAI) 1994/95-2011/12, Table 4.5db. DWP 2013

<sup>6</sup> Maplethorpe N, et al

Families with children in Britain: Findings from the 2008 Families and Children Study (FACS) (Research Report No. 656). London: DWP; 2008.

Available at: <https://www.gov.uk/government/publications/families-with-children-in-britain-findings-from-the-2008-families-and-children-study-facs-rr656>

<sup>7</sup> UK Government (2015) Scotland in the United Kingdom: An enduring settlement. London: HM Government. Available at

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/397079/Scotland\\_EnduringSettlement\\_acc.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/397079/Scotland_EnduringSettlement_acc.pdf)

<sup>8</sup> Scottish Government (2015c) Further Devolution for Scotland: The Draft Clauses, Spice Briefing 15/16. Available at

[http://www.scottish.parliament.uk/ResearchBriefingsAndFactsheets/S4/SB\\_15-16\\_Further\\_Devolution\\_for\\_Scotland- The\\_Draft\\_Clauses.pdf](http://www.scottish.parliament.uk/ResearchBriefingsAndFactsheets/S4/SB_15-16_Further_Devolution_for_Scotland- The_Draft_Clauses.pdf)

devolution of aspects of social security provision and employability services is part of a wider set of newly devolved powers including taxation and equalities legislation. Decisions about spending on social security must be seen in the context of these new powers *and* budgets for spending on existing devolved areas. This will involve difficult decisions but given the impacts of poverty on single parents and their children and the wider costs of poverty to society as a whole, it is critical that the Scottish Parliament make use of all its devolved powers to prioritise tackling poverty.

### **Overarching considerations**

On the whole, our social security system guarantees equality of entitlement across the UK. However, in England the introduction of the local welfare assistance scheme (replacing the previous national scheme), has undermined this principle of fairness, throwing many into greater poverty on the basis of a postcode lottery. To support equality, entitlement must be based on assessment of people's individual circumstances, not simply where they live. Such an approach requires a national scheme which guarantees standards and entitlement across Scotland.

An effective and independent system of appeal is crucial to ensuring the dignity and human rights of claimants. A properly constituted, national appeals service is needed to deliver a just and fair system for all.

To ensure a high quality service which puts the needs of service users first, services should be provided by not for profit providers. We do not think that the provision of essential services to families who are in poverty and therefore often in a very vulnerable position, ought to be provided by the private sector whose primary duty is to their shareholders rather than service users. As well as safeguarding individuals, public (and voluntary sector) provision can more readily facilitate opportunities for service user participation and democratic accountability.

When developing and delivering the newly devolved services the Scottish Parliament, Government and service providers should be mindful of their duties under the Equality Act, to promote equality and ensure that provision is meeting the needs of those with protected characteristics. This is relevant in relation to publicising the new benefits, developing eligibility criteria and ensuring that those delivering the scheme have in-depth knowledge of those using its services and their needs.

The UK is signatory to a number of international treaties that guarantee social and economic rights including the United Nations Convention on the Rights of the Child (UNCRC) and the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). A human rights approach must be incorporated into both the design and delivery of social security and services.

In addition, the provision of cash entitlements (rather than support in kind) is fundamental to any system which aims to treat people with dignity and respect. Cash payments allow parents independence and choice. Support in kind increases stigma and undermines independence. It is also likely to

increase administrative costs.

## **Questions**

**How should the new welfare powers proposed by the Smith Agreement be used to improve or change:**

- a) Personal Independence Payments, Disability Living Allowance Attendance Allowance and Carer's Allowance**

### **Personal Independence Payments, Disability Living Allowance Attendance Allowance**

The current wording of the Scotland Bill places unreasonable restrictions on the Scottish Parliaments powers to design eligibility criteria which would support single parent families which disabled members.

Already, previous changes to assessment criteria and the resulting cuts to disability benefits have had devastating impact on many disabled adults and children pushing them into greater poverty and impacting on their ability to participate equally in society.

Any assessment process must have regard for the UN Convention on the Rights of Persons with Disabilities. The Convention sets out disabled peoples political, economic, social and cultural rights - covering all areas of life, including mobility, health, education, work, recreation and equality before the law. To ensure that any new benefits are compatible with Convention rights, there is a need to ensure that eligibility criteria are framed to support disabled people enjoy access to all these aspects of life rather than more limited approaches.

To promote independence and avoid stigma it is essential that disability benefits remain as financial benefits to which disabled people have statutory entitlement. Disability benefits should not be subsumed into social care or other budgets as this opens the door to a postcode lottery. Pooling resources in this way also means that monies, which are currently paid directly to parents, are at risk of the cuts being imposed on other budgets. To avoid confusion, erosion of entitlement and a lack of transparency and oversight, OPFS believes control over disability benefits should be held at Scottish national level and that it should not be devolved to local authorities.

Many disabled people report very negative experiences of assessments for disability benefits. They are often treated with a lack of dignity and respect, the evidence they give misrepresented and the interviews/examinations are cursory and/or not relevant to their condition or disability.

This is due to the very restrictive eligibility criteria and compounded by the fact that assessments are made by private companies. There is ample evidence that the drive for efficiency and profits has had a very negative impact on the service that disabled people receive. To ensure a high quality service, which puts the needs of service users first, services need to be provided by not for profit providers.

With regard to assessments, the person themselves - first and foremost, and then any carers and professionals who are providing treatment and support should provide the main basis of the assessment (rather than face to face to face assessment by someone who does not know the claimant).

The frequency and quality of the reviews that people currently undergo are completely inappropriate. Reviews are regularly carried out even where medical evidence clearly shows that someone has a degenerative condition or no prospect of change. Reviews should be based on appropriate evidence, not scheduled on an arbitrary basis and should not be required at all where someone has a chronic or degenerative condition.

Measures to promote equality should include ensuring accessibility including the availability of a variety of accessible communication options for all devolved benefits. To promote equality, and counter negative stereotyping and stigma, delivery agents should have disability awareness training, which is co-produced by disabled people.

### **Carers Benefits**

Currently, the Bill would restrict payment of carers' benefits to those over 16, not in full time education or "gainfully employed". OPFS believes the eligibility requirements linked to age and employment should be removed from the Bill. The education restriction prevents single parents with additional caring responsibilities from improving their employability through education. Similarly, the exclusion of those in employment does nothing to help parents maintain or improve their employability. We should be supporting those who want to combine caring responsibilities with paid work rather than penalising them.

We welcome the Scottish Government's commitment to increasing the level of Carers' Allowance. However it should be kept in mind that the majority of single parents on low incomes rely on means tested benefits like JSA and housing benefit and do not have other sources of income. Any additional carers' benefit therefore will not benefit them, as it will be taken into account in calculating their entitlement to means tested benefits. The Scottish Parliament should consider how it may be able to redress this through others means such as top ups or the creation of new benefits.

### **b) Universal Credit (housing element and administrative arrangements) and Discretionary Housing Payments**

#### **Administrative arrangement for Universal Credit (UC) payments**

Current levels of benefits entitlement are very far below what families need to live with dignity and respect. Enabling single parents families to choose the frequency of their Universal Credit payments rather than imposing a monthly regime, would greatly assist them to better budget for their needs. Similarly, families ought to have a choice over how their housing payments are administered, including the option of having the housing element paid directly to their landlord.

### **Levels of UC housing element payments**

Cuts to housing benefit have left many families in the private sector struggling to meet their rent and put food on table for themselves and their children. There is an urgent need to increase support for families via the housing element of universal credit to prevent poverty, including child poverty, overcrowding and mounting indebtedness.

### **Discretionary housing payments**

As a result of cuts to housing benefit, some single parent families who previously would have been entitled to help with housing costs are no longer eligible. The Bill, as it stands would prevent those without an entitlement to housing benefit (or the housing element of universal credit) from claiming a discretionally housing payment (DHP). It also excludes those who have been sanctioned (unless they meet other criteria) from help.

There is a large amount of evidence which shows that sanctions are often applied in an arbitrary and unfair way, plunging families into severe poverty, with devastating effects on people's health and wellbeing. These findings chime with our own experience; working with single parents who are sanctioned or threatened with sanctions through no fault of their own.

Over time more single parents, with younger and younger children are being brought into the sanctioning regime. The UK government has recently announced that single parents aged 18 or over with a child of 3 years old or over will no longer be entitled to Income Support. This means that parents as young as 18 now face the possibility of being sanctioned if they fail to meet JSA conditions.

DHPs should be available to all, regardless of whether someone has an entitlement to help with housing costs or has been sanctioned so that it can be effectively targeted at those who need it most. Discretionally housing payments, by their nature are targeting at those who are vulnerable to it impact of poverty. As such they are an important tool, along with the help available via the Scottish Welfare Fund in tackling poverty and child poverty.

### **c) The Work Programme and Work Choice**

In this section we have focused on the Work Programme as that is the programme which majority of our service users are referred to.

#### **The Work Programme**

OPFS supports single parents to access education and training to enable them to move into better paid, more sustainable employment. Currently the Bill only devolves powers to assist those who have been unemployed for twelve months. We believe this is unnecessarily restrictive and should be removed. Many single parents, who have recently moved out of paid employment, or are claiming Income Support or are carers would be keen to take up non-mandatory employability programmes given the opportunity.

The Work Programme, as it is currently designed, is insufficient to tackle the

problems faced by single parents wishing to move into paid work. Just one in 10 people have been helped back to work by the government's £5 billion Work Programme flagship scheme leading to accusations that the programme is "worse than doing nothing". In fact the UK Government missed every single one of its minimum targets and in nearly half the UK, the Work Programme is literally worse than doing nothing.<sup>9</sup> As with disability assessments, private providers have been severely criticised in relation to both outcomes for participants and the cost to the public purse.

Many single parents experiences of the Work Programme are very negative, both in terms of how well the scheme supports them to find sustainable work which fits with their caring responsibilities and in relation to the attitudes of staff. Often, staff appear to completely disregard the fact that parents have responsibilities for children and make completely unreasonable demands on them. In some cases this can be compounded by overtly hostile attitudes towards single parents. When parents are unable to comply, they can be sanctioned, lose benefit and are often plunged into financial crisis, punishing parents and children alike.

The devolution of the Work Programme provides the opportunity for the Scottish Parliament to legislate for a different model, one which is better able to meet the needs of single parents and more responsive to local labour market conditions. We already have good evidence about what works for single parents in Scotland<sup>10</sup> has a proven track record of delivering successful schemes delivered by voluntary sector/local authority partnerships such as "Working for Families", Big Lottery funded "Making it Work" programmes and the SCVO Community Jobs Programme.

Single parents tell us they want good, well-resourced help and assistance with finding and moving into work and that they would engage with these services without the threat of sanctions. As it stands, the Scotland Bill will devolve responsibility for the Work Programme to the Scottish Government whilst maintaining the current sanctioning regime, which underpins both referrals to, and the policing of the Work Programme by the DWP. This would seriously restrict Parliament's opportunities to develop effective employability services.

OPFS believes that to provide a holistic approach to supporting people to achieve their potential; in the long term, skills and employability services should be integrated and the direct link with benefits removed.

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<sup>9</sup> See Public Accounts Committee - Twenty-First Report, The Work Programme <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/work-programme-report/> and [http://www.pcs.org.uk/en/news\\_and\\_events/pcs\\_comment/pcs\\_comment.cfm/work-programme-still-worse-than-doing-nothing](http://www.pcs.org.uk/en/news_and_events/pcs_comment/pcs_comment.cfm/work-programme-still-worse-than-doing-nothing),

<sup>10</sup> Evaluation of the Working for Families Fund (2004-2008); Napier University; 2009 <http://www.scotland.gov.uk/Resource/Doc/269769/0080320.pdf>

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However, notwithstanding the final detail of devolution, there is more that could be done regardless of where powers lie. To make the new Work Programme more effective (and crucially to minimise the impact of sanctioning on single parents, if it is still in place) there are several practical steps which we recommend.

The Scottish Government should take steps to promote and develop a Scottish good practice approach to any UK sanctioning regime. This should:

- be customised and implemented by local authorities and others concerned with the tackling poverty and inequalities, alongside Jobcentre Plus and Work Programme providers
- provide guidance and support to management and staff about need to take the appropriate guidance, legislation and treaties into consideration in relation to making any referral for sanctioning. These include:
  - Lone parent flexibilities - special rules within social security guidance and legislation which apply to single parents (Whilst in theory these flexibilities ought to provide some protection against being unfairly sanctioned, in practice they are routinely ignored)
  - The United Nations Convention on the Rights of the Child (UNCRC)<sup>11</sup> guarantees children the right to a standard of living adequate for the child's development (Article 27) and the right to benefit from social security (Article 26).
- Work Programme providers should receive training in how to apply the appropriate guidance and legislation and should be subject to ongoing monitoring to check that these are adhered to.

To promote equality, counteract stigma and negative stereotypes and provide effective services which meet parents needs (and safeguard the wellbeing of their children) the new Work Programme providers should have training in the issues faced by single parents. This training should be co-produced by single parents and organizations with expertise in the issues for single parents.

#### **d) The Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.**

##### **Delivery of benefits overall**

As noted earlier, to promote equality of access and entitlement a national scheme should be maintained. A national scheme does not imply a remote and inaccessible service, options for local face-to-face engagement should be available for example, and employability services should be tailored to local

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<sup>11</sup> [http://www.unicef.org/crc/files/Rights\\_overview.pdf](http://www.unicef.org/crc/files/Rights_overview.pdf) summary fact sheet of UNCRC

market conditions, but standards and entitlement should be coordinated nationally.

Adequate resources for staff training and for administration and decision-making is very important. We see many single parents families left penniless and in crisis simply because of DWP and HMRC delays and mistakes. The completely inadequate and lengthy review and appeals process also leaves many parents without money for extended periods. This has been exacerbated by the introduction of mandatory reconsiderations. Sufficient resources to support these functions and provide a decent service would make a big difference to the levels of poverty experienced by many single parent families.

In term of reviews and appeals, as a first step we recommend that mandatory reconsiderations are abolished and that delivery agents have binding targets for how long they can take to make decisions on applications and reviews.

Systems which support automatic passporting to other benefits and associated entitlements should be automated as far a possible so that parents receive their entitlements without making separate applications. (But alternative methods must also be in place for those who may be entitled to support while not claiming. benefits (for example young pregnant women). This will support take up, especially amongst those who may face challenges making a claim.

Where passporting for one benefit is reliant on entitlement to another, and as a result of devolution these two benefits are now are now administered by separate jurisdictions, it is essential that intergovernmental protocols for coordinating these are discussed and agreed at the earliest possible opportunity to prevent administrative problems and loss of benefits for claimants in the transition period.

Similarly if the work Programme is only partially devolved (in so far the DWP retains powers to sanction Work Programme participants) there will be need to be detailed intergovernmental cooperation to ensure that participants are able to benefit fully from the newly devolved Work Programme.

### **The Regulated Social Fund**

The regulated social fund provides a safety net to many families at times of major upheaval including bereavement and the birth of a baby. Cuts to maternity payments have hit single mothers and their children very hard. The level of Maternity Grants has not been increased since 2002 and urgently needs uprating to reflect the real cost of having a baby. We support calls to make Maternity Grant payable for all children - not just the first child, (as was the case previously before this provision was abolished). OPFS also believes that the Scottish Government should work towards extending Maternity Grants to all mothers, not just those on low income in order to increase take up and reduce stigma.

Maternity Grants must continue to be made as cash payments and not as items in kind. Parents are best placed to make decisions about what they need for their new baby depending on what resources they have available and should be able to maintain the choice and independence they currently have. There is already a large body of evidence that payments in kind (initially introduced for asylum seekers) increase stigma and undermine independence.

Overall, these measures would play a very important part in tackling child poverty and support the Scottish Government's early intervention approach, ensuring that newborns get a better start in life.

### **Top ups and new benefits**

Cuts to social security budgets since 2010 as are having a profoundly negative impact on the lives of the many single parents. These include cuts to housing benefit, tax credits (including especially help with childcare costs), benefits associated with pregnancy, maternity, young children and child benefit. More generally, the switch from using the RPI to CPI index as a measure of inflation for annual uprating and the subsequent imposition of a 1% uprating cap for most benefits has been a very significant cause of increasing poverty for single parents families and others. In addition, the current UK Government has announced a raft of further cuts including a freeze in working-age benefits, tax Credits and Child Benefit for two years from 2016-17; lowering the households' Benefit Cap; and removing automatic entitlement to housing support for 18 to 21 year olds.

New research from JRF has looked at the projected impact of the recent budget announcement for different people on minimum wages since 2010. They found that single parents have been the biggest losers. In 2010 a single parent working full time on the minimum wage, was typically just short of the minimum they needed to live with dignity (97 per cent). This shortfall will grow to around (around 71 per cent) by 2020.<sup>12</sup>

The ability to top up benefits could reverse some of these impacts by, for example, restoring RPI as a measure of uprating in the first instance and targeting the uprating of specific benefits. To support single parents and their children we recommend that children's benefits in particular be targeted for uprating. This would target funds at tackling child poverty, support the Scottish government's Getting it Right for Every Child aims and provide investment in early years, helping children to get a better start in life.

Although the extent of devolution remains uncertain, what is certain is that the Scottish Government will have substantial addition new powers over the shape of social security and a range of other areas in Scotland. Given the impact of welfare reform on single parents is crucial that these powers are put to use to tackle poverty and inequality.

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<sup>12</sup> Hirsch, D., Will the 2015 Summer Budget improve living standards in 2020? JRF  
<http://www.jrf.org.uk/publication/will-2015-summer-budget-improve-living-standards-2020>

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