

## **SUBMISSION FROM POVERTY ALLIANCE**

### **About the Poverty Alliance**

The Poverty Alliance is a national membership organisation with over 160 members. Our primary aim is to tackle poverty. We seek to do this by empowering people living in poverty to combat poverty on their own behalf and to build the capacity of agencies working with them, to do this. We work to foster public debate about poverty and social exclusion and support the development of social policies that promote social justice and combat poverty in Scotland.

The Poverty Alliance plays a leading role in the Scottish Campaign for Welfare Reform (SCOWR) campaigning, alongside our partners, for a welfare system which protects people from poverty, respect human rights and treat people with dignity, is simple, enables everyone to participate fully in society and is suitable for Scotland. We have been actively campaigning alongside our colleagues to mitigate the worst impacts of welfare reform and to highlight the issues for the Scottish Parliament.

#### **1. Are you generally in favour of the Bill and its provisions?**

#### **2. What are your views on this principle?**

We are in favour of the Bill in general because having voted to reject parts of the Legislative Consent Motion it is clear that the Scottish Parliament must now bring forward legislation which is required to introduce various legislative changes to areas of devolved competency, which will inevitably flow from the implementation of the UK Welfare Reform Act in 2013.

#### **3. What are your views on the proposed powers in relation to Universal Credit?**

#### **4. Do you have any other comments on the introduction of Universal Credit?**

#### **5. What are your views on the proposed powers in relation to Personal Independence Payments?**

#### **6. Do you have any other comments on the introduction of Personal Independence Payments?**

The powers in relation to both Universal Credit and PIP are necessary since it was in relation to these elements of the UK Bill that the Scottish Parliament voted to refuse the Legislative Consent Motion.

From a technical point of view these powers must enable the Scottish Parliament to make secondary legislation which will set out entitlement to passported benefits which will in future, be linked to entitlement to both Universal Credit and PIP (and indeed other criteria which Parliament may decide).

The Poverty Alliance have set out in detail our wider concerns about the introduction of Universal Credit and PIP in our submission to the Health and Sport Committee last year available at [http://povertyalliance.org/news\\_pubs/briefings/hscom\\_welfare\\_evidencenov2011](http://povertyalliance.org/news_pubs/briefings/hscom_welfare_evidencenov2011) .

In relation to Universal Credit we conclude that we are unconvinced by the arguments that individuals and families will be better off under Universal Credit. Since the publication of that paper there have not been any significant changes in UK government policy (for example, on help with child care costs, cuts to housing benefit or council tax - all of which will fundamentally impact on the claims that people will be better off), which would substantially alter that conclusion. Furthermore, the £18 billion worth of cuts currently being implemented and which will be rolled up into the new system, will outweigh any potential benefits. The recent announcement in the Budget of the UK Government's intention to cut a further £10 billion from the welfare budget undermines these arguments further.

With regard to wider concerns about the introduction of PIP, again, as noted in our previous evidence, individuals living in poverty and grassroots organisations who we work with have raised very serious concerns about the cumulative impact of the introduction of PIP alongside a whole range of other changes (including the speeded up transfer to Employment and Support Allowance ) on disabled people and those in ill health.

Whilst these wider concerns will not have a direct bearing on the Bill currently before the Committee, they will nevertheless have an important bearing on the subordinate legislation which will flow from the Bill, including legislation setting out the new criteria for passported benefit discussed below.

We also note that the Bill intends that regulations which will amend subordinate legislation under Part 1 and Part 2, 3 (b) are subject to the negative procedure. We are mindful of the fact that the Parliament has only partial information at this stage about the structure of UC and PIP. However, given that much of the important detail about the new criteria for passported benefits will be in such amendments, we would want to know what plans the Committee has to ensure that such regulations receive adequate scrutiny.

## **7. What are your views on the proposed subordinate legislation powers in the Bill?**

We cannot comment on the provisions from a legal point of view, as to whether they will achieve the aims set out in the commentary (or indeed whether they may have some other unintended consequences). However, we agree broadly that the Scottish Parliament should have the powers to make appropriate amendments to both Acts and regulations since without these there would be detrimental impacts on many individuals and families living in poverty.

## **8. Do you have any other comments on regulations that would follow this Bill on 'passported' benefits and eligibility for them?**

Yes, as a member of SCOWR we have submitted evidence to the UK Social Security Advisory Committee last year. Although this was evidence to a Westminster Committee the points we make are equally applicable in Scotland. Indeed we hope that unlike Westminster, the Scottish Parliament will engage positively with the suggestions we have put forward.

Our detailed comments are available at:

<http://www.povertyalliance.org.uk/ckfinder/userfiles/files/SCoWR%20response%20to%20passported%20benefits%20consultation%20July%202011%20FINAL.pdf>

However, two key points are that with regard to Universal Credit we are calling for entitlement to any amount of universal credit to act as a passport to the various “passported benefits”. This would be a significant contribution toward a broader strategy to mitigate the impact of the UK Welfare Reform Act and contribute to the Scottish Government’s wider anti poverty strategy set out in *Achieving our Potential* and the *Scottish Child Poverty Strategy*. It would also simplify the current system and dramatically reduce the administrative costs involved in complex means testing.

With regard to PIP, it is clear that the intention is to disqualify large numbers of individuals who are currently in receipt of DLA. It is essential therefore that entitlement to passported benefits for disabled people is structured so that individuals who are denied benefit following the introduction of PIP can still access the additional help they need. There will also be a need (at least) for a proxy to passport those who fail on making a new claim for PIP but would clearly have been entitled to help via DLA.

### **9. Do you have any views on the assumptions and calculations contained in the Financial Memorandum?**

We note the Financial Memorandum states that “It is expected that provision of passported benefits will be retained at the current level and that the cost will be met from existing budgets.” (at 33).

Given that the projected impact of the £18 billion worth of welfare benefit cuts currently being implemented is impacting on the poorest and often most vulnerable members in society, committing additional resources at this time toward passported benefits, as described above, would help in mitigating against these impacts.

### **Effects on Equal Opportunities, Human Rights, Island Communities and Sustainable Development**

### **10. Are you satisfied in the assessments that have taken place in regard to these matters and in the conclusions reached by the Scottish Government?**

In our recent briefing to this Committee (on March 13<sup>th</sup>) we highlight that there is wealth of evidence which shows that the UK Welfare Reform Act will increase not only socio - economic inequality but also other types of inequality (for example disabled people and women who will both be disproportionately impacted by the changes). When bringing forward subordinate legislation for passported entitlement therefore we would urge the Scottish Parliament to draw on this evidence in

formulating new criteria, so that as far as possible the new schemes mitigate against these impacts.

**MAGGIE KELLY  
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THE POVERTY ALLIANCE**