

SUBMISSION FROM SCOTTISH CAMPAIGN ON WELFARE REFORM

The Scottish Campaign on Welfare Reform welcomes the establishment of the Welfare Reform Committee. We recognise that the first priority for the Committee is to scrutinise the Welfare Reform (Scotland) Bill and also the secondary legislation that will follow this bill.

SCoWR also welcomes the recent announcement by the First Minister that the 10% cut in funding for successor arrangements for the replacement for council tax benefit in Scotland will not be passed on to claimants for 1 year. This has been a key SCoWR call and it will benefit many of the poorest individuals and families in Scotland and is therefore very welcome indeed.

Having now had time to consider the submissions made by various organisations to the Bill – many by our own members – and in light of the session you will hold with the Cabinet Secretary for Health, Wellbeing and Cities Strategy, we would like to make some additional comments and highlight areas of concern.

The first relates to modelling the impact of welfare changes on Scotland. SCoWR would very much like to know what stage the Scottish Government are at in this process and what can be shared with the Committee and the third sector at this point. The Committee has asked organisations what impact assessments they have been making but they will of course realise it is not always possible due to resourcing or staffing issues for organisations to carry out such assessment. However as the Scottish Government has committed to sharing modelling and analysis, this would help many organisations in their policy formulation.

SCoWR recognises there is still a lack of detail about much of the welfare reform changes that are to be implemented, and that the Scottish Government has begun analysis of the reforms on different household types. But we also note that the other devolved administrations have taken steps to look at the wider impact of the changes ahead and we would like to see a similar approach taken in Scotland.

In January 2012, the Welsh Government's Minister for Education and Skills announced he had established a ministerial task and finish group for welfare to assess and monitor the impact of the UK Government's welfare reform on the Welsh Government's policies and services. This Group then commissioned a programme of work to analyse the impact. The first stage of this analysis¹ was published in February and was drawn in large part from the Institute for Fiscal Studies reports which have assessed the combined impact of the coming tax and benefit changes. The main aim of this early analysis was to analyse the existing evidence on the broad cumulative impact of the welfare reforms on individuals and households in Wales. Equally in 2010, the Institute of Fiscal Studies was commissioned by the Law Centre of Northern Ireland and the ESRC Centre for the Microeconomic Analysis of

¹ Welsh Government. *Analysing the impact of the UK Government's welfare reforms in Wales - Stage 1 Analysis*. February 2012. Available online at: <http://wales.gov.uk/docs/dcells/publications/120228welfarereformen.pdf>

Public Policy at IFS to carry out an impact of tax and benefit reforms in Northern Ireland which was subsequently published in December 2010².

Similar analysis and modelling for Scotland would help the Scottish Government, councils, the third sector and also the public understand further the impact on Scotland's people that the changes ahead will bring; and again as stated above, provide much needed information for policy development. To be able to develop the secondary legislation and regulations on passporting benefits, to develop policy on mitigating the damaging impact of the Welfare Reform Act and for organisations to play a part in this, such modelling is required to be carried out and shared as soon as possible.

Second, as SCoWR has stated previously, we believe that in designing new eligibility criteria for passported benefits, the Scottish Government must ensure that there is a simple structure without too many complicated rules. Such a system must also ensure that all claimants can access clear and timely information. The Scottish Government's approach should avoid introducing a whole raft of new disincentives to moving into employment. It should also play an important role in mitigating some of the wider impacts of the Welfare Reform Act. It should also ensure that these benefits, which can be an important part of a household's budget, remain available to those who need them.

We are also keen to ensure that the Scottish Government is aware of the wide range of passported benefits which exist – some of which were not detailed in the information provided to the Committee. These include local authority provided benefits such as free school milk, clothing grants, support for participation in extra-curricular activities and leisure services. They also include health benefits such as healthy start vouchers and free vitamins

What we would also like the Committee to consider however, is that during this process, a big picture view is taken and the development of eligibility criteria is not done without taking into consideration wider policy areas. As Scotland now has free prescriptions, there will be no need to establish the criteria for eligibility for prescriptions; therefore also no need to see if anyone would be disenfranchised through new eligibility rules under the new Universal Credit as will have to be done in England. It is therefore important that work is done to take into account other Scottish Government policy commitments that may impact on passported benefits. For example, if local authorities were to roll out free school meals for P1-3 as a minimum, then what is currently a passported benefit for those children with parents who meet the current criteria, would be an entitlement for all. Equally providing accessible and affordable childcare in early years and wraparound care in school years, would help lone parents and parents on low incomes in the workplace – including entering the workforce

Third, SCoWR is concerned that the Scottish Government's Spending Review and Scottish Budget 2012-13 did not fully consider the impact of UK welfare reform

² Institute of Fiscal Studies The Impact of Tax and Benefit Reforms to be Introduced between 2010-11 and 2014-15 in Northern Ireland. December 2010. Available online at: <http://www.ifs.org.uk/bns/bn114.pdf>

changes. Given the impact on individuals and families experiencing poverty and exclusion, public and voluntary sector services, and the Scottish economy as a whole, we believe that this needs to be urgently considered. Notwithstanding the recent announcement in on council tax benefit which, as noted above, is very welcome indeed, in general there is a need for decisions relating to welfare impacts to be better embedded within wider policy, including the child poverty strategy and the governments anti poverty strategy, so that both individuals in poverty and those agencies who will be supporting them over the coming period are prioritised, and that this is reflected in budgetary decisions.

Fourth, we would like to know what work is going on to 'future-proof' the eligibility criteria that will be developed. Although we can see what the impact of the changes so far announced will be, we would like the Committee to consider what would happen if the Coalition Government introduce further welfare changes over the next three years that could further reduce who is eligible for benefits, and therefore reduce those who access passported benefits. The Chancellor has already stated he believes a further £10 billion worth of cuts are needed to the welfare budget which means a further cut of approximately £1 billion for Scotland on top of the £2.5 billion cuts we can already expect, so we could well see further changes in the lifetime of the current UK Parliament.

Finally, the evidence submitted by Prof Paul Spicker which raises questions about whether or not Scottish Government have the power and competence to deliver benefits and the replacement Social Fund under current legislation is also of concern. He raises serious points in relation to a lack of clarity about the scope and impact of the UK Welfare Reform Act and we are keen to be assured that the Scottish Government is satisfied that it has the legislative competence it needs to deliver adequate social fund replacement and passported benefit arrangements.

**MAGGIE KELLY,
SCOWR CO-ORDINATOR
APRIL 2012**