

# Evidence Response: The Future Delivery of Social Security in Scotland



Glasgow  
Council  
for the  
Voluntary  
Sector

## 27 August 2015

### 1. Introduction

- 1.1 Glasgow Council for the Voluntary Sector (GCVS) is the main development agency and advocate for voluntary and community organisations in Glasgow; we are a membership body with over 600 full and associate members.
- 1.2 The welfare reform agenda has had and continues to have significant impacts on people and services in Glasgow. GCVS aims to work with our members to identify the challenges and barriers causing difficulties, whilst building partnerships and networks to share information, ideas and good practice on how these difficulties can be mitigated.
- 1.3 In 2013 GCVS established a Welfare Reform Expert Group to help direct our welfare reform related activity. The Group hosts members from a wide range of organisations, each with direct links to people who experience social and economic inequality, a list of these organisations is attached as Appendix A. We are delighted to present this response to the Welfare Reform Committee Call for Evidence on the Future Delivery of Social Security in Scotland.

### 2. General Comments

- 2.1 GCVS would support full devolution of the social security system, however, we believe that the powers being devolved present an opportunity to make positive, if somewhat limited, changes for citizens in Scotland.
- 2.2 Scotland should strive for a Social Security System that is supportive, positive and approachable, focuses on positive outcomes for the individual and takes into consideration their current circumstances and capabilities. We would encourage the Scottish Parliament to take this opportunity to move as far as possible from the current UK system, which we believe is unsupportive, unresponsive and promotes a culture of stigma, inequality, fear and disempowerment.
- 2.3 The Scottish system should focus on social justice and equality, it should be simple to engage with and administer, although we acknowledge this may be difficult to achieve as people will be engaging with two systems. We would like to see Scotland lead the way in adopting a Plain English, easily accessible system of Social Security, where application processes and communications enable people to fully engage with the system.
- 2.4 Staff administering the Scottish system should be adequately trained and knowledgeable, taking a positive, asset based approach to those engaging and focussing on what people can

do, rather than what they cannot, helping to create and sustain a culture of understanding, equality, dignity and respect.

- 2.5 The Scottish system must be built upon a rights and entitlements foundation. Staff administering the system will have an important role in informing and empowering individuals, ensuring they know their rights and can easily access what they are entitled to.
- 2.6 As a provider of Social Security, frontline staff in any Scottish system could be the first port of call for those experiencing multiple exclusion or extreme disadvantage and they may, in fact, be the only system an individual engages with. To support a holistic, person-centred and supportive system all staff should receive mandatory attitudes, inequalities and exclusion training to raise awareness and understanding of the difficulties some people experience due to their current or previous circumstances.

### **3. Using Additional Powers**

- 3.1 The remainder of this document sets out our ideas for positive, practical changes that could be achieved with further powers. We recognise that there are limitations on what can be done in relation to the development and delivery of new or top-up benefits and would caution against instating benefits which would take families over the maximum benefit threshold, as this would seem to be a poor use of the limited funds we will receive.
- Under Occupancy Charges
- 3.2 We would welcome an end to the Under Occupancy Charge (UOC). Although the charge is mitigated through Discretionary Housing Payment, until the charge is completely abolished, some people will continue to be directly or indirectly affected by it.
- 3.3 At present people affected by the UOC have to apply for DHP through Glasgow City Council. Glasgow City Council and RSLs have been proactive in identifying everyone who is affected, however, Glasgow still does not have 100% take up, therefore some citizens continue to be affected by the charge and some RSLs have incurred increased rent arrears as a result. By abolishing the charge completely, both citizens and RSLs would be protected from rent arrears and the difficulties that arise thereof.
- 3.4 In terms of physical resources Glasgow does not have the required number of 1 bedroom properties to meet demand and, in general, social housing in Glasgow is under vast pressure; at the end of 2013 there were a total of 110,258<sup>1</sup> social rented properties in Glasgow with less than 8.5% (9,338) turnover in stock in the same year. If UOC continues only to be mitigated against through DHP and not fully abolished some RSLs may understandably be reluctant to offer larger property sizes to single people, fearing they will incur rent arrears in the future.
- 3.5 This is problematic for Glasgow, e.g. in relation to people affected by homelessness of whom the biggest demographic continues to be single males - if people cannot access permanent

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<sup>1</sup> Scottish Housing Regulator, Sector Analysis, Council Area profile of RSL Stock, 2013

tenancies the homelessness system becomes bottle-necked and, as we have witnessed in recent years, the number of people who are turned away without accommodation rises, leading to rough sleeping and increasing vulnerability. This is in direct conflict with the aims of RSLs' progressive letting policies. These policies aim to be flexible and to adapt to individuals' changing life circumstances; which can mean different housing requirements at different points in their lives.

- Non Dependent Deductions
- 3.6 Non-dependent deductions are excessively high, with non-dependents expected to contribute upwards of 19% of their weekly income to cover housing and council tax costs. Additionally the minimum non-dependent deduction is £14.55 per week, this charge is applied even to those who are not in work and/or are not claiming or receiving benefits – unless they come from an exempt group.
- 3.7 The system is problematic as deductions are taken directly from the Housing Benefit payment of the tenant, not from the salary or benefits of the non-dependent. If the non-dependent does not, cannot, or will not contribute to the housing costs the tenant is required to make this up from their other income, or indeed build up rent arrears, thereby putting their tenancy at risk.
- 3.8 Another negative outcome of the non-dependent deduction charges is the possibility that the tenant will lie about who lives in their house, or that the non-dependent will move out of the home, leaving the tenant open to legal proceedings, or with a spare bedroom and subject to UOC.
- 3.8 Under Universal Credit the non-dependent deduction charge is set at a flat rate of £68.37 per month. We acknowledge that this may be beneficial to those who would otherwise lose out when their non-dependent moves into work or increases their income and provides less uncertainty for those who live with a non-dependent who will not disclose their income as housing costs can be processed without waiting for income disclosures or using estimates and we would encourage Scotland to adopt this practice. However we would advocate for a review and revision of the charge - £68.37 is higher than the current minimum and we would also encourage Ministers to scrap non-dependent deductions when the non-dependent has no income.
- Discretionary Housing Payment
- 3.9 By abolishing the UOC Scotland could use Discretionary Housing Payments more effectively to support people transitioning from benefits to work or moving into a new property, either in the Private or Social Rented Sector – where a rent deposit is often required, but often difficult for those on benefits or low incomes to secure.
- 3.10 DHP and the Scottish Welfare Fund are benefits which have the potential to work well together and could be linked, particularly in the case of Community Care Grants e.g. embedding a rights and entitlements approach that would see anyone seeking a DHP to pay for a rent deposit made aware of, and encouraged to apply for, a Community Care Grant.

- 3.11 We note that Discretionary Housing Payments could be subject to Judicial Review if they are accompanied by a blanket policy, to avert this we would suggest changing the name of DHP to Additional Housing Payment – this new payment mechanism could stipulate eligibility criteria with a discretionary element attached and guidance for the use of this discretion.
- Direct payment of housing element of UC
- 3.12 The opportunity to pay the housing element of Universal Credit direct to landlords is welcome and could support some of Glasgow’s most vulnerable people whilst providing some financial security for housing providers.
- 3.13 A survey by Glasgow Homelessness Network, undertaken in 2013, found that many people who had previously experienced homelessness and were now in their own accommodation were worried about the move to direct payments. They self-assessed that this measure could put their tenancy at risk due to their personal circumstances.
- 3.14 Research from the Residential Landlords Association, an organisation representing the interests of private landlords in England and Wales, found that 63% of private tenants in receipt of Universal Credit were in rent arrears. The RLA also found that 91.6% of private landlords would be less likely to rent their property to people receiving benefits<sup>2</sup> – a potentially huge problem given the pressure on social housing in Glasgow.
- Varying the Frequency of UC Payments
- 3.15 The power to vary the frequency of payments to Universal Credit recipients is also welcome and GCVS would advocate a return to fortnightly payments for recipients.
- 3.16 Evidence shows that most people cycle on and off social security benefits and that many of these people cycle into low skilled, low paid jobs where wages are paid weekly or fortnightly, not on a monthly basis. We do not support the premise that paying Universal Credit on a monthly basis will help people who are moving into work get used to budgeting in this way.
- 3.17 Varying the frequency of UC payments will also serve to support people who have an addiction, again in a survey conducted in 2013, Glasgow Homelessness Network found that many citizens were concerned that they would not be able to budget and would use the monthly payment to support an addiction.
- 3.18 It is also important to note that, in real terms, benefits have been cut over the last 5 years and that people are finding it increasingly difficult to budget their money – not due to a lack of financial capability, but a lack of income. It would therefore seem immoral to present an individual with a monthly sum, which is still extremely modest, and expect them to make this last for an entire month.

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<sup>2</sup> RSA/SAL Universal Credit Survey, November 2012

- Split payment of UC
- 3.19 Again we welcome this new power and believe that it could be used to support some of the most vulnerable people in Glasgow. It is not difficult to see the potentially damaging consequences for vulnerable people and families who may be living with an abusive partner, or a partner who suffers from an addiction, or other issues, of not acting on this.
- 3.20 Many family charities across the UK raised concerns about this proposal as it has the potential to exacerbate already negative situations for people and families who are affected by abuse and/or addiction. Women’s Aid report that a lack of financial control can prevent women and children leaving situations of domestic and sexual violence and in a report from Refuge<sup>3</sup> 89% of women had experienced financial abuse as part of their domestic abuse experience. In light of this we believe the ability to split payments across the household could safeguard the health and wellbeing of individuals and children living in difficult circumstances.
- Additional Comments on UC Housing Element
- 3.21 At the moment UC Housing Element is paid only for the home in which you are living at the end of the assessment period. This means that people who move from accommodation during the assessment period will not receive any housing cost element unless they postpone their move. Additionally, if an individual moves from higher cost housing during the assessment period they will receive the housing costs for the less expensive property too. This is potentially problematic for people moving from temporary, emergency or supported accommodation, and also causes concern for the accommodation provider, who may find they receive no payment at all to their service. We would advocate a review of this process to protect both the individual/family and the accommodation provider.
- Carers Allowance
- 3.22 The current rules around Carers Allowance have resulted in a range of difficulties for Carers – particularly those in work – a maximum earnings threshold on Carers Allowance limits the income carers can earn to £110.00 per week, which is ridiculously low and equivalent to only 2 days of work at the Living Wage. We would encourage the Scottish Parliament to revisit the rules around Carers Allowance and work to ensure that people who have caring responsibilities can continue to use their skills, experience and expertise to progress their career, without losing out financially due to their caring responsibilities.
- 3.23 Carers Allowance is also taken into consideration when calculating Housing Benefit entitlement. We would encourage Ministers to investigate the possibility of excluding the future ‘Scottish Carers Allowance’ from the Housing Benefit calculation if possible to ensure Carers actually benefit from the allowance they are paid and do not have to use the allowance to offset any reduction in Housing Benefit.

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<sup>3</sup> Refuge, What’s yours is mine: The different forms of economic abuse and its impact on women and children experiencing domestic abuse,2008

- New and Top Up Benefits
- 3.24 We would be interested in exploring the idea of a new or top-up benefit which provides an interim or transition payment to people applying for Universal Credit. The processing times of Universal Credit are problematic, 5 weeks from application to payment, for all citizens, but particularly for new Scots. People who have recently received leave to remain often experience exceptional delays when receiving status, NINO and benefits. This often leads to destitution.
- 3.25 Scottish Refugee Council has evidenced the scale of this problem and findings are available in the report Insights into Integration Pathways<sup>4</sup>. While refugees are not yet affected by Universal Credit, Scottish Refugee Council anticipates that destitution of new refugees will worsen when they become subsumed by the Universal Credit system. At the moment new refugees can wait an average of 28 days for their Job Seeker's Allowance claim to be processed – twice as long as the Department for Work and Pensions own target.
- 3.26 Additionally, we would support changes to the rules around UC Housing Element, with a view to top-up benefits being introduced, in four areas particularly:
- i. Housing Benefit & Supported Accommodation
 

3.27 People currently living in temporary and supported accommodation find it difficult to return to work, or sustain work, due to the exceptionally high costs of living in supported and temporary accommodation. The earnings disregards do not leave people with adequate income to live a good quality of life. Being in supported or temporary accommodation therefore becomes a barrier to work. The interplay between individuals in this situation who are on Jobseekers Allowance also presents a challenge. If an individual is offered a job but refuses on the grounds that it is not financially viable, given their accommodation charges, they could be sanctioned.
  - ii. Housing Benefit Family Allowance Premium
 

3.28 The family allowance premium is being removed from Housing Benefit as a result of the 2016 Summer Budget and our members would like Ministers to consider how, if possible, this payment could be protected when the housing element of UC is devolved to Scotland.
  - iii. Ineligible Fuel Charges
 

3.29 Within Supported Accommodation and Emergency Accommodation properties the fuel costs of private rooms are ineligible to be paid by Housing Benefit. At present in Glasgow everyone who lives in Supported or Emergency Accommodation is charged £17.22 per week for fuel.

3.30 This charge represents almost 30% of the standard Jobseekers Allowance payment and if the individual does not pay it, they build up as rent arrears. Service providers also report an increase in service users avoiding support as they cannot afford the charge – thus the

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<sup>4</sup> Scottish Refugee Council, Integration into Integration Pathways, 2015

dynamic between service provider and the service user changes from one of support to one of debt collection. We would encourage Ministers to review this process and scope the possibility of introducing a standard, lower rate of fuel charge across Scotland.

iv. Housing Benefit for European Economic Area Migrants

3.31 There is currently a major disconnect between UK reserved benefit legislation and Scottish Homelessness Legislation in relation to EEA Migrants. This results in EEA Migrants being unable to claim/ineligible for Housing Benefit, but continuing to be entitled to accommodation under Scottish Law. At present Local Authorities are meeting housing costs in order to fulfil their statutory duty under the Homelessness etc. (Scotland) Act 2003. We encourage a scoping exercise to determine if Scotland's new powers could bring housing cost payments to EEA migrants in line with Scottish legislation and ensure Local Authorities are not required to use public monies to provide what we would deem a basic social security function.

• Employment Programmes

3.32 Full powers over employment programmes present a range of opportunities for Scotland to rework and revise employability support, making it person-centred and positive. We would offer these comments and suggestions on how these powers could be utilised:

- i. Ministers should review the definition of an employment programme. For some people the employability pathway starts at a very basic level e.g. confidence building or capacity building. Without a focus on these basic skills, more advanced employment programmes do little to support individuals, can actually be disempowering and represent a poor use of public funds.
- ii. All employment programmes should ensure the personal goals and aspirations of the individual are taken into account. People should not be forced to engage in employability programmes they have little or no interest in or have little to do with their chosen career or qualifications.
- iii. We would advocate an employment programme that does not reward providers for 'quick wins' – a practice that has resulted in providers cherry-picking those closest to the workplace and ignoring the needs of those further removed or with more complex issues.
- iv. Ministers should look to the many successful volunteering programmes operating across the country which are of equal, if not greater, benefit to people who wish to return to employment. Employment programmes could learn much from successful volunteering programmes such as those operated by our members Move On, Scottish Drugs Forum, Scottish Refugee Council and Glasgow Homelessness Network. These models operate on the principles of high quality training, excellent practical experience and supportive and empowering environments.
- v. Local community and voluntary organisations could be instrumental in successfully delivering employment programmes. A broader range of organisations can present a

broader range of training at a variety of levels and as community and voluntary organisations generally subscribe to the positive principles the Scottish Parliament wishes to embed in any new system, can be more responsive to the needs of individuals and communities from the outset.

- vi. A programme of practical interview/work trial interviews could be developed with employers. To engage in the process, employers must actively be looking to recruit someone and measures should be taken to ensure these new style of interviews do not allow employers to avoid recruitment. Candidates who are unsuccessful must be given constructive feedback on their performance, with guidance on how they could improve. This style of interview could be beneficial to people who find it difficult to engage in traditional verbal interviews where they are required to explain their experience – rather than show their skills.
- vii. Early intervention and prevention should be embedded in any employment programme – the current system, which does not immediately provide employment support to people, is counterintuitive and we believe employability support should be offered, immediately, to those who want it.
- viii. If possible, the links between employment support and sanctions should be severed. The sanctions regime is clearly unsupportive and there is no place for it within a positive, supportive, empowering and enabling system.
- ix. Any employment programme should focus on obtaining jobs for people to the best of their abilities. We believe that shoe-horning people into roles that they are unsuited to, have little hope for advancement and are often of low quality and importantly, low pay, will not equip Scotland with the kind of highly skilled labour force that we will need in the future if we are to compete on the world stage with other high performing countries.
- x. Instead of a one-size fits all programme, Scotland could be more imaginative in our use of public funds. If each person was allocated a budget, for example, which they could use to access the training that they need for the job that they wish to pursue, we could go some way towards developing the type of highly skilled – and well paid - workforce that we would all wish to see, while simultaneously reducing in-work poverty and by extension, child poverty.

#### **4. Further Information**

- 4.1 We would welcome any further enquiries from Ministers and are happy to discuss our submission in more detail. All enquiries should be directed to our Third Sector Welfare Reform Coordinator, Johanna Speirs on 0141 271 2302 or email: [johanna.speirs@gcvs.org.uk](mailto:johanna.speirs@gcvs.org.uk)



## **Appendix A – GCVS Welfare Reform Expert Group Membership**

Glasgow Council for the Voluntary Sector:

Glasgow Disability Alliance

Glasgow West of Scotland Housing Association Forum

Scottish Refugee Council

Govan Law Centre

Glasgow Homelessness Network

Southwest Glasgow Carers Centre

Greater Pollok Citizen Advice Bureau

One Parent Families Scotland

Move On

Includem

Enable

The Poverty Alliance

Scottish Drugs Forum

Greater Easterhouse Alcohol Awareness Project

Glasgow West Community and Voluntary Sector Network

Morag Gillespie – previously of Glasgow Caledonian University

Derek Holliday – peer volunteer with Navigate