

# Scottish passported benefits: Consultation on changes required as a result of the introduction of Universal Credit and Personal Independence Payment



## RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

### 1. Name/Organisation

Organisation Name

Engender

Title Mr  Ms  Mrs  Miss  Dr  *Please tick as appropriate*

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### 3. Permissions - I am responding as...

Individual

/

Group/Organisation

*Please tick as appropriate*

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

*Please tick as appropriate*  Yes  No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

*Please tick ONE of the following boxes*

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

*Please tick as appropriate*  Yes  No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

*Please tick as appropriate*  Yes  No

## About Engender

Engender is a membership organisation working on anti-sexist agendas nationally and internationally, to increase women's power and influence and make visible the impact of sexism on women, men and society. We provide a wide range of information and support to individuals, organisations and institutions who seek to achieve equality and justice.

We welcome the opportunity to comment on the Scottish Government's Consultation on Scottish Passported Benefits.

## CONSULTATION QUESTIONS

**Q1 The principles identified by the Social Security Advisory Committee to underpin the reform of passported benefits are: simplification, auto-entitlement, information transfer and making work pay. Do you think that these principles are helpful in the Scottish context?**

Yes  No  To an extent

As a member of the Scottish Campaign on Welfare Reform (SCOWR), Engender endorses the view that these principles are helpful to an extent in the Scottish context.

Radical simplification of the welfare system is one of SCOWR's key manifesto pledges. The current complexity of the system acts as a barrier to moving into work and increasing hours. This is particularly true for women, for whom barriers to employment often relate specifically to working patterns. A vast majority of part-time workers in Scotland are women, due to juggled responsibilities and discriminatory employment policies and culture.

Women have less money, less time and less economic independence than men. Women are the majority of those dependent on Income Support in Scotland and they also tend to be 'managers of poverty' within the household. The part time gender pay gap is 32% in Scotland, 92% of lone parents are women and women make up 95% of lone parents dependent on Income Support. Ways in which women living with disability will be impacted with the introduction of Personal Investment Plans are not fully understood, in light of the above and many other gendered socio-economic gender issues.

Clearly passported benefits and mitigating the impacts of welfare reform in Scotland are extremely gender-related. Making work pay is vital, but effective policies will depend on comprehensive gendered analysis of each benefit area individually. The tensions between simplification and making work pay require careful management and models must specifically aim to respond to women's (and therefore children's) poverty.

**Q2 What other principles would you like to see underpin any reform of passported benefits in Scotland?**

Reform of passported benefits must be underpinned by robust equalities impact analysis. Gender analysis is central to this, including ways in which gender and other marginalised groups intersect. For instance, women and older people; women and BME groups; women and older people and BME groups.

However, this should amount to more than a damage limitation exercise through the EQIA. Addressing gender injustice should underpin reform as an independent aim, feeding into the Scottish Government (SG) National Outcome of tackling inequality. As laid out in this consultation, this is particularly vital in the context of UK level cuts, which amount to approximately £2 billion from the Scottish welfare budget. Policies to mitigate UK welfare reform could have hugely beneficial impact on women and children in Scotland, **if** adequate analysis of structural gender realities informs their design and implementation.

More broadly, this review of passported benefits could feed in to a wide breadth of SG social policy agendas, if social justice imperatives genuinely underpin reform. These include equitable access to the justice system, health and educational services.

As set out in the SCOWR manifesto, we are calling for a welfare system that is premised on promoting dignity, human rights and social inclusion, and explicitly aims to address the stigmatisation and demonisation of welfare and low-income.

**Q3 Do you feel that it would be desirable to replace benefits in kind (i.e. providing the goods or services directly) with a cash alternative for some passported benefits?**

Yes  No  To an extent

A system of cashing up for benefits such as Legal Aid and support with court fees, would be extremely difficult to implement equitably and cost-effectively. It would create additional layers of administration, contradicting the identified principle of simplification.

Most importantly, it would create risks for claimants, particularly the most marginalised. For instance, legal aid, which enables women survivors of violence to access justice, would be seriously compromised. Domestic forms of abuse are often coupled with lack of economic independence for women, and cash transfers for legal aid could be appropriated or exacerbate violence.<sup>i</sup>

Practical issues such as transport costs and childcare are major barriers to accessing services for women living with poverty. At the margins, services not directly provided at the point of delivery could become inaccessible and counter-productive in many cases.

Cash alternatives could also undermine child poverty strategies, such as free school meals. There are many problems with targeted / conditional cash transfer models, including burden of choice. Given women's role in poverty management, this would also create additional pressures on their time and domestic responsibilities.

Evidence shows that many women put health and security needs of children and partners before their own.<sup>ii</sup> Cash alternatives could therefore undermine women's basic needs and rights.

Once more, this is particularly vital in the context of unprecedented cuts to the UK welfare system, which already fails to protect people from falling below the poverty line. Women will bear the brunt of welfare reform.<sup>iii</sup>

**Q4 Do you feel that it would be desirable to roll existing cash payments for passported benefits into the Universal Credit payment, to create a single income stream?**

Yes  No  To an extent

There are a range of ways in which Universal Credit (UC) is likely to have differing impacts on women and to impact on gender relations. Creating a single income stream could undermine the potential of passported benefits to support women living in poverty.

The rationale behind Universal Credit is to increase the incentive to work. However, labour market conditions and the gendered nature of the labour market, together with childcare availability and costs, will significantly influence women's ability to find work.

Claims for Universal Credit will be paid on the basis of households rather than individuals and both members of a couple will be required to claim Universal Credit. The Government is, however, proposing that for couples one person should claim the Universal Credit on behalf of the family. There are concerns that this may leave women without any independent income.

Because of the 'taper', second earners, frequently women, are likely to be worse off under Universal Credit. This may discourage women from seeking paid work, again leaving them without an independent income and increasing their vulnerability to poverty (and that of their children). This may also impact on women in later life by limiting their opportunities to contribute to occupational pension schemes.

The UK government also proposes that the Universal Credit will have a

more severe sanctions regime, “Individuals who are able to look for or prepare for work should be required to do so as a condition of receiving benefit, and those who fail to meet their responsibilities should face a financial sanction”.<sup>iv</sup> This may have implications for those with caring responsibilities, and in particular on women in low-income families.

Engender would also like to endorse and draw attention to respective sections of the SCOWR and CPAG responses. These focus on disparity between UK and Scottish government policy direction and resulting inappropriateness of aligning passported benefits with Universal Credit.

“Finally, SCOWR’s manifesto also call for a welfare system in Scotland suitable for Scotland. We make this call because we recognise there is a growing divergence in policy intentions, with regard to those matters that are devolved and the direction of UK welfare policy.... If [passport benefits which fall within areas of devolved responsibility] were to be cashed up in the UC, it’s difficult to see how this could be achieved without shifting responsibility away from the Scottish Parliament to Westminster.”

“It is also not addressed in the consultation whether the Scottish Government would have to fund administration of cash payments for these devolved responsibilities by DWP staff. Such an idea would also require amendments to the IT systems to bring in different entitlements in Scotland; and it is not clear whether this would actually be possible to achieve. Unless and until such a system is introduced across the UK, this seems to be completely unworkable, and risks control being ceded to the UK.”

**Q5 Do you think that the welfare system (i.e. receipt of Universal Credit or Personal Independence Payment) should form the basis for access to passported benefits?**

Yes  No  for some entitlements only (please specify which)

**Q6 If yes, what existing alternative mechanisms can you suggest to identify recipients and verify claims?**

**Q7 What could be done to make it easier for people to find out what benefits they are entitled to?**

**Q8 Do you wish to highlight any of the groups protected under the Equality Act as being particularly at risk in the reform of passported benefits?**

As outlined above, and in more detail in SCOWR's submission, a key risk is that passported benefits do not adequately take stock of the wider implications of UK welfare reform for marginalised groups. Women are potentially at particular risk for a range of structural and circumstantial reasons. In addition to the points made above, we would like to reiterate the following.

In general terms, women are at greater risk because:

- women's unemployment is rising in Scotland
- women tend to manage household budgets and child-related welfare benefits
- the vast majority of lone parents are women
- more women depend on Income Support
- women work in less secure jobs and face sexist discrimination in the workplace, particularly in times of economic recession
- women's unpaid care and childcare work props up the economy and many women are therefore extremely 'time poor'

This broader context must be factored into all measures designed to mitigate UK welfare reform, including reform of passported benefits.

It is vital this process does not add to pressure on women's time and domestic responsibilities, or clash with UK welfare entitlements in ways which undermine efforts to reduce women's poverty. Failure to comprehensively integrate gendered analysis of all passported benefits could exacerbate and perpetuate inequalities between women and men.

Another risk factor is the ongoing evolution of the welfare context and wider squeeze on public services. It is still not possible to predict the scale of impacts on women in Scotland, and new systems should therefore be designed with this in mind. If gender is properly mainstreamed in this process, passported benefit reform provides an opportunity to support women as workers, as parents and carers, as older women, as women from black and ethnic communities, as women who have disabilities.

In due course, monitoring and evaluation of implementation and usage of the various benefits must also include gendered data collection.

**Q9 What robust sources of evidence with regards to impact on protected equality groups should we draw on when considering the impact of future proposals?**

There is a dearth of adequate data disaggregated by gender in relation to the nexus between welfare reform, austerity measures and the broader economic context. We urgently need to understand the impacts on women, children and other marginalised and vulnerable groups more

comprehensively. Engender recommends that such research is undertaken at Scottish level as part of this process.

**Q10 Over the longer term, should the Scottish Government aspire to a move to a more coherent system of eligibility criteria for low-income benefits, such as linking income thresholds to one of the measures of poverty?**

Yes  No  To an extent

Please explain your answer

**Q11 Should the Scottish Government assess income:**

At household level

At individual level

It should vary according to the entitlement being applied for

Assessment at household level often masks women's lack of economic independence, corresponding levels of children's poverty, poverty management dynamics and other factors articulated above.

Access to justice benefits (Legal Aid, Exemption from court fees) could not be assessed at the household level without putting individuals at risk in many cases, particularly with regard to violence against women.

**Q12 Should the Scottish Government adopt a savings limit for some or all benefits?**

All  None  Some (please specify which)

Please explain your answer

**Q13 If you answered None, please suggest how we could identify those who do not qualify for Universal Credit because they have more than £16,000 savings.**

Comments

**Q14 Should the Scottish Government adopt the same savings limit as the Department for Work and Pensions – i.e. that no one with savings (excluding equity in your home) of more than £16,000 should receive any passported benefit?**

Yes  No

Please explain your answer

**Q15 Do you have any other comments within scope?**

Comments

Please send your response to [passportedenefitsconsultation@scotland.gsi.gov.uk](mailto:passportedenefitsconsultation@scotland.gsi.gov.uk) by Friday 28 September 2012.

An Easy Read version of the consultation is also available at [www.scotland.gsi.gov.uk](http://www.scotland.gsi.gov.uk)

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<sup>i</sup> <http://www.womensaid.org.uk/domestic-violence-articles.asp?section=00010001002200210002&itemid=2864>

<sup>ii</sup> <http://www.wbg.org.uk/documents/WBGWomensandchildrenspoverty.pdf>

<sup>iii</sup> [http://www.wrc.org.uk/includes/documents/cm\\_docs/2011/f/factsheet\\_women\\_and\\_the\\_cuts.pdf](http://www.wrc.org.uk/includes/documents/cm_docs/2011/f/factsheet_women_and_the_cuts.pdf)

<sup>iv</sup> <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>