



## **Scottish Women's Budget Group submission**

### **Social Security Inquiry on the role of Scottish social security in Covid-19 recovery**

The Scottish Women's Budget Group (SWBG) is an independent analysis and campaign group that aims to promote gender analysis in public policy and public finance decisions through budgetary processes. SWBG brings together a wide range of women from across Scotland who have an interest in women's equality and want to achieve better gender equality in our society and has focused on encouraging active gender analysis in the Scottish Budget process since 2000.

### **What will the economic downturn look like for different people in Scotland and how should Scottish social security support them through it? In the context of UK social security and of other ways of providing support, what is the role of Scottish social security in an economic recession?**

The Covid-19 pandemic and resultant lockdown and economic crisis have highlighted and sharpened existing inequalities within our society. Women, black and ethnic minority communities and disabled people are economically the hardest hit by the crisis and the risk of deepening existing inequalities is high. As highlighted by the Women's Budget Group (UK) and feminist organisations in Scotland, women have been on the frontline of the Covid-19 crisis, making up the majority of health and care workers and the majority of workers at high risk of exposure to Covid-19. But all too often in jobs that are underpaid and undervalued. Alongside this, other sectors which have a predominately female workforce have been harder hit by the impact of lockdown and ongoing restrictions of social distancing, with risk of unemployment or reducing working hours remaining high.

In this context the Scottish social security system has an important role to play in the short, medium and long-term recovery building from its commitment to create a system based on human rights, dignity and respect and working to provide a genuine safety net when people need it.

As part of the UK wide project, the Commission on a Gender Equal Economy, we are pleased to bring to the Committee's attention [Creating a Caring Economy: A Call to Action, the Commission's final publication](#). This report sets out eight steps to create a caring economy, based on gender equality, wellbeing and sustainability, in the recovery from Covid-19. Investment in a caring social security system which is based on dignity and autonomy is a key step in building a caring economy and there are actions that can be taken now in Scotland that move us towards its realization.

[Analysis by Close the Gap](#) concludes that job disruption will disproportionately impact women, with women in low-paid jobs being particularly affected; women are disproportionately affected by the need for more unpaid care, impacting their ability to do paid work; women, particularly BME women, young women and women on zero-hours contracts are more likely to work in a sector the has been shut down; women are more likely to lose their job in the predicted 'jobs recession' and a rise in underemployment will disproportionately affect women. All these factors mean that women are facing a rising tide of poverty which highlights the importance of a gendered response to the jobs recession and appropriate social security measures put in place to act as a safety net. Critical to this is a need for gender analysis and gender-sensitive sex-disaggregated data on the impacts of Covid-19 incorporated into policymaking.

As we reach the end of the furlough scheme there is a very real risk that those taking furlough will be at disproportionate risk of redundancy. In order to make informed policy choices new information will

be needed by parliament, we recommend the publication of redundancy audit data by medium and large companies, in line with gender pay gap reporting standards, which would allow parliament to understand the scale of the impact on redundancy and its gendered nature. The gendered effects of the furlough scheme must be anticipated and form part of calls for the extension of furlough or similar measures to keep women in the labour market.

Single parent households, of which the vast majority are female headed households, face the highest rate of poverty in Scotland, according to a recent report by the Joseph Rowntree Foundation (JRF). As One Parent Families Scotland put it 'single parents are at the sharp end of existing inequalities and this year has only made things worse.' The impact of additional caring and home-schooling responsibilities impacting their ability to do paid work, alongside the impacts that are more likely to affect women in the labour market all compound the challenges faces by single parent households.

As highlighted by the Coalition of Carers, 1 in 4 carers live in poverty, 36% of carers out of work compared to 23% of the general population and 60% of unpaid care work is conducted by women. Yet, during the Covid-19 crisis the reliance on unpaid care work has increased, with social care packages reducing, reduction in respite care and a closure of childcare. Significant investment is needed in the care system, alongside, more support to unpaid carers.

Glasgow Disability Alliance has been working to ensure the voices of disabled people are heard while building the recovery to the pandemic. They describe Covid-19 as "supercharging inequalities" already faced by people with disabilities, and the pandemic creating new inequalities and the real risk that recovery and renewal will leave disabled people even further behind – unless action is taken to supercharge disabled people's involvement in the recovery. Despite increased costs of living, which was recognized by the top up to Universal Credit, disability benefits have not received any top-up, there has been extra barriers in accessing social security with a 58% drop in PiP applications at the start of lock down and lengthy delays to claims. At the time when people needed the safety net of social security most it was found lacking, causing extra stress at a time when health fears, the impact of shielding and changes/reductions to support packages were having devastating effects.

Women with no recourse to public funds have been thrown into insecurity and possible destitution with no safety net available when this crisis hit, according to the Women's Budget Group they have been stranded by the social security system despite being disproportionately represented amongst frontline staff during the pandemic. At the same time women with no recourse to public funds whose visas may have come up for renewal have had to continue to find funds for expensive visa renewal fees for themselves and their dependents.

Covid-19 and the related economic crisis has shown us how quickly individuals' situations can change and in turn the importance of having a responsive, flexible social security system that supports people in times of change, including those who are self-employed, 'gig economy' workers and freelance workers, whose earnings are subject to sharp variations. Social security income is a central part of the income for many, and growing numbers of, households. Income security must be a core ambition of the Scottish Government and Scottish Parliament and the use of Scottish social security powers to boost the income of women facing poverty and continue to call on the UK Government to end policies like the two child limit, the benefit cap and no recourse to public funds – which have a disproportionate impact on women, is a vital part of this process. More detail on specific actions are outlined in response to the questions below.

**Can, and should, Social Security Scotland do more than meet the expected increased demand for benefits and deliver on existing policy commitments? What should its ambitions be? Within the social security and borrowing powers available to Scottish Ministers what could be achieved and delivered?**

We believe that social security in Scotland needs to have wider ambitions than just meeting increased demands and delivering on existing policy commitments. There are both short and longer-term

actions that Social Security Scotland can take to demonstrate that Scotland wants to invest in a caring social security system. The key recommendations for the [Creating a Caring Economy report](#) are as follows and we urge the Committee to build ambition based on these recommendations, and where devolved powers limit action to call for change at UK Government:

- Ensure the social security system operates in a way that safeguards dignity, beginning with the withdrawal of punitive and unreasonable sanctions
- Ensure that the social security system provides more autonomy for women; for instance, each partner in a household establishing their own claim to benefits
- Improve and extend individual non-means-tested benefits to replace means-tested benefits wherever possible
- Ensure benefits to meet additional costs of caring for children and of living with disabilities are non-means-tested and are increased to reflect the real level of these costs
- Provide support for those doing long-term unpaid care, through a significantly increased Carer's Allowance
- Implement a non-earnings related, non-contributory pension for all that genuinely supports a decent standard of living
- Ensure that people are not excluded from social security because of their migration status. This means abolishing the 'no recourse to public funds' policy and extending the Destitution Domestic Violence Concession to all migrant women
- Embed flexibility into the social security system in order to support the self-employed, 'gig economy' workers and freelance workers, whose earnings are subject to sharp variations

### **If we look to do more, or differently, what are the relatively easier changes that could be made to Scottish benefits that would not require significant additional capacity in Social Security Scotland?**

With the above broader recommendations in mind we make the following specific recommendations for action in Scotland.

#### **Short term**

It is welcome that Carers Allowance in Scotland has been uplifted by 13% compared to other areas in the UK, and the additional one off payment to carers at the start of the pandemic. These actions show that Scotland can take a different approach and demonstrates the potential power of delivering social security in Scotland. However, unpaid care has been undervalued for so long that these efforts do not go far enough to redress the balance, with most carers not able to access these additional funds. We support the calls from the Coalition of Carers in Scotland for a Social Security system which works for unpaid carers and allows them to meet their needs and live with dignity. Mechanisms need to be put in place to further increase support provided by Carers Allowance and to extend access to carers support including for example extending the Job Start Payment to include young people in receipt of Carers Allowance and commitment to a Carer Recognition Payment for carers in receipt of State Pension similar to the Young Carer Grant.

With transition of powers to manage disability assistance to the Social Security Agency, the Scottish Government should work to ensure that these are provided quickly, and in line with the vision to be delivered with dignity and respect. Social Security Scotland should listen to the views of people with disabilities on how to conduct the application and interview process to be able to best meet their needs and reduce stress in the process. Transition of Disability Assistance to Social Security Scotland has been delayed as capacity is stretched within the agency, yet in order for Scotland to take action on increasing poverty levels of those with disabilities this power is needed more than ever. A timetable should be provided for the transition of Disability Assistance and in the shorter term options

for emergency one off payments to deal with the rising costs of living brought about by the pandemic should be sought.

Scottish Child Payment (SCP) will start payment at the end of February 2021. While this is a welcome move it will take some time for all eligible for the SCP to be able to access it, with those with children over six having to wait until 2022. All efforts must be made to speed up the payment of this new support or provide short-term urgent access to support of an equivalent value through other mechanisms as advocated for by the End Child Poverty coalition. At the same time a review of the level of support provided is needed given the increasing rates of poverty, and in turn child poverty, brought about by the pandemic.

Work between Scottish Government and COSLA to look for local solutions to the hardships experienced by people with no recourse to public funds (NRPF) must be restarted. With an urgency in finding a solution to allow individuals with NRPF to access, at a minimum, crisis support, at the same rate as those able to access social security, via the Scottish Welfare Fund. A more ambitious vision would look at how the Scottish Government can broaden the ambitions of the New Scots Policy to provide social security when needed. In the medium term this could involve access to devolved funds such as the SCP, as children should not face poverty based on the immigration status of their parent/guardian, or Carers Allowance - individuals can be subject to immigration control and still provide long term care which should be valued.

Alongside nationwide benefits, crisis support available through the Scottish Welfare Fund has shown that increased spending can be delivered at speed. This is an important action and demonstrates agility within the system when needed most. However, analysis by the Poverty and Inequality Commission found some key concerns about how this was delivered with variations at Local Authority level, including lack of awareness and barriers such as digital exclusion hampering easy, dignified access to people most in need. There is a lack of clarity on analysis about the impact of this additional spending or consistency of disaggregated data on sex, ethnicity and disability. The Scottish Welfare Fund must provide consistent and adequate support in a crisis.

In the process of developing the new system, there is still considerable work to be done by Social Security Scotland and Scottish Government on embedding equalities and human rights analysis in decision making and consultation process, data gathering, policy proposals and evaluation of impact and take up. There are ongoing issues with equality impact assessments that have failed to start with an understanding of current inequalities and how policy on social security benefits might affect different people differently, and ensuring that the delivery and implementation of policies as well as the benefit itself reaches people appropriately. Disability and Carers' Benefits Advisory Group has consistently raised concerns and sought to encourage the SG and SSS to develop more robust equalities analysis and reflect that in policy proposals. Hearing the voices of those most affected is a crucial piece in bringing this together and ensuring that plans on paper meet needs in practice.

By taking a human rights budgeting approach, with gendered analysis at its core, the Scottish Government and Scottish Parliament would be ensuring that the legal duties to secure the realisation of rights of disabled people, children, and to social security and income for all would be met. In #YourBudgetYourRights, the Scottish Human Rights Commission and its partners, including SWBG, have outlined approaches to policy analysis and development that would ensure that human rights are respected, protected and fulfilled across all policy domains and in the formulation and allocation of public spending in Scotland.

In scrutinising the forthcoming Draft Budget 2021-2022, this Committee in common with all committees of the Scottish Parliament must ensure robust scrutiny of spending proposals in relation to stated anti-poverty objectives, including the Child Poverty Targets and other commitments within the Fairer Scotland proposals. Committee scrutiny must consider and seek to reveal the equality

dimensions of decisions made to deliver and to withdraw or suspend funds. While significant sums have been allocated to immediate needs during the ongoing pandemic, they have potentially not met the diverse needs of disabled people, older people, and the range of different households. Recent allocations may also have resulted in funds being withdrawn or suspended from community or even national organisations who would have otherwise provided support and services at local levels. These funding decisions at national and local government level will have impacted on individuals and households differently. Understanding those impacts and their diverse effects is essential for improving services, meeting need and ensuring ‘no-one is left behind.’

### **Longer term**

In the longer-term Social Security in Scotland should be setting its ambitions much higher than top-up, sticking plaster measures, on top of a failing system. The Social Security Committee should set in motion a review of a Minimum Income Guarantee, also referred to as Guaranteed Decent Income, which would replace Universal Credit, Employment Support Allowance, Income Support, Jobseeker’s Allowance and Working Tax Credits. This review should draw upon information in the New Economic Foundation’s Minimum Income Guarantee and Joseph Rowntree Foundation Minimum Income Standards about what amount of money is needed for an acceptable standard of living. To work effectively it requires an equalities lens to ensure additional payments are available for disabled people and those caring for children.

### **What changes could be made that would not require significant input from the Department for Work and Pensions (UK)?**

The short term recommendations noted in section 3 do not require significant input from the DWP, and fit within the current powers for the Scottish Parliament.

### **What are the constraints and barriers to doing more in Scotland?**

Universal Credit provides an unreliable foundation as the core benefit that Scotland-based payments are passported from. It constrains Scotland from fully living up to values set out for Social Security Scotland in people’s experience of ‘the system’ and stops Scotland from demonstrating a different route on devolved funds.

In the immediate term as a response to the financial insecurity and instability generated by the economic consequences of Covid-19, SWBG echoes the calls from the End Child Poverty coalition and anti-poverty advocacy organisations for the temporary uplift to Universal Credit to be maintained.

Social Security Scotland needs the capacity, in terms of staff and resources, to be able to deliver plans for an ambitious system in Scotland. Delays to existing plans on SCP and Disability Assistance, albeit at a time of significant turmoil, suggest strain already exists within the system.

### **Should the main focus be on discretionary funds or on entitlements? In terms of recovery from Covid-19, is it more effective to provide support through discretionary funds allocated to local authorities or through demand led**

Forecasts on unemployment and rising poverty rates mean demand-led funding is going to be an important principle going into the recovery from Covid-19 to ensure individuals and families are supported when they need it most.

Wherever support is delivered it must uphold the commitments of Social Security Scotland to be human rights based, delivered with dignity and respect. Consistency in delivery needs to be monitored to ensure that people aren’t being stranded by the system. This includes translating the

principles of Social Security Scotland to Local Authority level, where much delivery happens but, as yet, the principles are not embedded.