

## Social Security in Scotland

Sharon Wright, September 2020



### Introduction

Scotland is the devolved nation that has diverged most from the cost-cutting and disentanglement aims<sup>i</sup> of Westminster<sup>ii</sup> welfare reform. Post 2010, UK cuts have removed an estimated £3.7 billion of spending in Scotland and caused a projected 8% rise in child poverty<sup>iii</sup>. The benefits freeze and cuts to Universal Credit (UC) work allowances have had the greatest financial impacts<sup>iv</sup>. In response, the Scottish Parliament passed historic legislation, the Social Security (Scotland) Act 2018, to establish social security as a human right, based on the principles of 'fairness, dignity and respect'. Fourteen new benefits will be delivered by the new executive agency, Social Security Scotland. However, Scotland's devolved system covers only around 15% of the social security spend<sup>v</sup>, with most UK working age benefits operating awkwardly alongside. Consequently, poverty-inducing benefit freezes and harmful sanctions-based conditionality continue to operate throughout Scotland. This essay outlines the development of social security and employability services in Scotland and highlights lessons for Greater Manchester.

### Developing social security powers

In the first decade of devolution (1999-2011), the Scottish Parliament had very limited control over social security and UK policy and Jobcentre Plus (JCP) services operated across Scotland in the same way as England and Wales. However, following the global financial crisis, the UK government initiated large-scale cuts to the social security system, which impacted heavily on claimants in Scotland, particularly on disabled people<sup>vi</sup>. In 2011, the Scottish Parliament took the unprecedented step of refusing to approve the UK Welfare Reform Bill. When the UK legislation was passed anyway, as the Welfare Reform Act 2012, policy makers in Scotland entered a new mitigation phase (2011-2014). In 2018/19 the Scottish Government spent approximately £125 million mitigating UK cuts, for example via the Scottish Welfare Fund discretionary crisis and community care grants and discretionary housing payments<sup>vii</sup> for those subject to the 'bedroom tax'.

After the 'no' vote on Scottish independence in 2014, further welfare and fiscal powers were identified by the Smith Commission<sup>viii</sup>, negotiated and then transferred in the Scotland Act 2016. The new devolved social security system was developed via a genuine process of consultation and evidence gathering. It works alongside anti-poverty measures, including the Child Poverty (Scotland) Act 2017<sup>ix</sup> and the Fairer Scotland duty that requires public authorities to assess how they can reduce socio-economic inequalities<sup>x</sup>.

Innovatively, the Scottish Government (2019) also appointed 2,400 citizens to a user experience panel<sup>xi</sup>, who contributed to designing the new benefits system and co-created the social security charter<sup>xii</sup>. The devolved benefits currently operating are:

- Best Start Grant and Best Start Foods
- Carer's Allowance Supplement
- Young Carer Grant

Funeral Support Payment

- Help with heating costs
- Job Start Payment
- Scottish Child Payment

The most significant change is the development of disability and long-term ill-health benefits<sup>xiii</sup>, which will replace:

- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance
- Severe Disablement Allowance
- Industrial Injuries Disablement Benefit

The Scottish Parliament has consciously reformed policies and processes based on values and intended outcomes that contrast with the UK Government's.

### Employability Services

The Scottish Parliament took an explicit evidence-based decision in November 2016 to block the use of the UK sanctions system in devolved employment services and called UK Ministers and Department for Work and Pensions (DWP) officials to appear before the Social Security Committee to be held to account<sup>xiv</sup> for the harmful effects of sanctions and UC in Scotland. The transitional employability schemes, Work First Scotland and Work Able Scotland, operated during April 2017-2018. In 2018, Fair Start Scotland replaced these schemes and the UK DWP Work Programme, which previously operated throughout Scotland and was a main route for imposing detrimental sanctions. Fair Start Scotland employability services are for long-term ill or disabled people and disadvantaged job seekers, provided on a voluntary, sanction-free basis.

### Working age legacy benefits, Universal Credit (UC) and Jobcentre Plus (JCP)

Despite Scotland's new and more humane devolved social security system, the position for most working age benefit recipients remains basically the same as across the UK, with centrally controlled policy and delivery requirements determining eligibility, job search requirements, sanctions and benefit levels for claimants out-of-work and low-paid workers on tax credits or UC. The network of JCP offices continues to operate throughout Scotland and is subject to the same systems of managerial control and guidance as those in England and Wales. The 'legacy' benefits system (e.g. Employment and Support Allowance, with its problematic Work Capability Assessment, Income Support, Jobseeker's Allowance) has, since 2014, been gradually replaced by UC. In June 2017, the Scottish Parliament introduced UC 'flexibilities', meaning that claimants can choose to receive their payments fortnightly rather than monthly and can opt to have the housing element paid to their landlord.

### Funding social security

The ongoing challenge is to justify taxation to the electorate at the level necessary to compensate for UK welfare cuts and to prevent poverty. Although Scotland has also increased its income tax powers, politicians remain reluctant to increase taxes, which contributes – alongside the ongoing effects of UK cuts – to the gap between Scottish policy promises and outcomes. For example, Carer's Allowance was increased only to the level of JSA, which is a valuable increase for those who receive it, but still fails to prevent poverty.

### Lessons for Greater Manchester

Like Scotland, Greater Manchester could use existing political processes to gather and generate evidence of the local detrimental impacts of UK welfare cuts and reforms and to hold UK politicians and officials to account for their actions that result in harm to people living in Greater Manchester.

Scotland's approach also shows the value of listening to those with lived experience of social security and enabling local people to feed into the design of local policies and practices, for example via user experience panels. Principles could be established, such as 'fairness, dignity and respect' to guide local anti-poverty strategies.

Greater local social security powers could be negotiated, particularly to prevent poverty and to support groups who are worst affected by cuts to benefits and services, including disabled people, carers, lone parents, migrants, social tenants and those in vulnerable housing situations.

The main ongoing challenge is to build support for taxation to fund more humane social security provision.

#### About Sharon Wright

Sharon Wright is Professor of Social Policy at the University of Glasgow. She is an expert on Universal Credit, welfare conditionality and poverty. She investigates lived experiences of providing and receiving social security and employment services.

#### About the *Devolved approaches to social security in the UK – lessons for Greater Manchester* essays series

SHUSU  
Sustainable Housing &  
Urban Studies Unit

Greater Manchester Poverty Action (GMPA) and the Sustainable Housing and Urban Studies Unit (SHUSU) at the University of Salford invited academics to set out what lessons Greater Manchester can learn from approaches to social security in devolved settings across the UK. Three essays in this series look at aspects of social security policy and practice in Northern Ireland (*Reflections on Northern Ireland's mirror image approach to devolved social security*), Scotland (*Social security in Scotland*) and Wales (*Taking an assets-based approach to Jobcentre Plus support: Lessons from Wales*). A fourth essay (*What can local responses to COVID-19 tell us about the potential and challenges for devolved 'welfare'?*) looks at the role of local actors (from within both the public and VCSE sectors) in supporting people to access and understand welfare provision in the context of COVID-19 and consider the implications for future devolution of the social security system to Greater Manchester.

The essays series is a joint project between GMPA and SHUSU to help inform the development of social security policy in Greater Manchester. Any views expressed in the essays do not necessarily reflect the views of GMPA or SHUSU. The essays series contributes to two of GMPA's core aims to:

- Equip stakeholders from across public, private and VCSE sectors across Greater Manchester with the skills, knowledge and expertise they need to tackle poverty.
- Promote innovative policy and practice-based responses to poverty that draw on good practice, that are evidence based, collaborative and scalable.

The University of Salford is a Principal Partner of GMPA.

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- <sup>i</sup> Fletcher, D. R. and Wright, S. (2018) 'A hand up or a slap down? Criminalising benefit claimants in Britain via strategies of surveillance, sanctions and deterrence', *Critical Social Policy*, 38(2), pp. 323-344
- <sup>ii</sup> Scottish Parliament (2017) Citizens' Guide to Scottish Devolution, [https://www.parliament.scot/images/Parliament%20Publications/Your\\_Guide\\_Mar\\_2016.pdf](https://www.parliament.scot/images/Parliament%20Publications/Your_Guide_Mar_2016.pdf) [accessed 31 May 2019]
- <sup>iii</sup> Scottish Government (2010) *2018 Annual Report on Welfare Reform*, Edinburgh: Scottish Government, p6-7.
- <sup>iv</sup> *Ibid.* p6
- <sup>v</sup> Scottish Government (2017) *Consultation on Social Security in Scotland*, Edinburgh: Scottish Government, p 1.
- <sup>vi</sup> Beatty, C. and Fothergill, S. (2016) *The uneven impact of welfare reform: the financial losses to places and people*, Sheffield: CRESR
- <sup>vii</sup> *Ibid.* p7
- <sup>viii</sup> [http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB\\_15-03\\_The\\_Smith\\_Commission\\_Report-Overview.pdf](http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_15-03_The_Smith_Commission_Report-Overview.pdf), p30-37
- <sup>ix</sup> Scottish Government (2019) *Every child, every chance: tackling child poverty delivery plan, first year progress report 2018-19*, Edinburgh: Scottish Government.
- <sup>x</sup> Scottish Government (2016) *Fairer Scotland action plan*, Edinburgh: Scottish Government.
- <sup>xi</sup> Scottish Government (2019) *Social Security: user experience panels*, Edinburgh: Scottish Government.
- <sup>xii</sup> Scottish Government/Social Security Scotland (2019) *Our Charter*, Dundee: Social Security Scotland.
- <sup>xiii</sup> Scottish Government (2019) *Disability assistance in Scotland: consultation*, Edinburgh: Scottish Government.
- <sup>xiv</sup> Scottish Parliament (2016) [Social Security Committee, Session 5, Thursday 3<sup>rd</sup> November](#), Edinburgh