



## Scottish Parliament Welfare Reform Committee Response to the Women and Welfare Call for Evidence

### *“What is the impact of welfare reform on women?”*

February 2015

The Scottish Women's Convention (SWC) is funded to engage with women throughout Scotland in order that their views might influence public policy.

The SWC uses the views of women to respond to Scottish and UK Government consultation papers.

#### SWC Evidence Source

Throughout the SWC annual roadshow programmes over the past few years, the SWC has consulted with women throughout Scotland on welfare reform. The SWC has also undertaken a survey looking at the questions for consideration set out by the Welfare Reform Committee on women and welfare. This response outlines key issues with regards to the impact of welfare reform on women, their families and communities as a whole.

#### Purpose of the Consultation

In March 2015 the Welfare Reform Committee of the Scottish Parliament agreed to conduct an inquiry into the experiences of women when dealing with the recent welfare reforms. The Committee wants to know:

*“What is the impact of welfare reform on women?”*

The Committee is seeking submissions to address the following questions, specifically looking for comments or examples of the particular ways in which women's experience differs from men's.

- What is your (or your clients) experience of being on benefits or employment support?
- How has your (or your clients) experience with the benefit system changed in recent years since the introduction of the welfare reforms?
- Are there any challenges involved in being in receipt of your (your clients) particular benefits?
- What would be your priorities for change when certain benefits / elements of employment support are devolved to Scotland?
- Do you have any suggestions of practical improvements that you would like to see when certain benefits / elements of employment support are under Scottish control?

## Introduction

Overall, it is clear that welfare reform measures are having an adverse impact on women. The SWC has been consulting with women throughout Scotland on the issue of welfare reform for a number of years and in a recent survey on women and welfare, over 70% of respondents agreed with this statement.

*“Women, who still manage household budgets and support children’s day to day lives proportionately more than men, are bearing the brunt of austerity cuts and demonising of those on benefits.”*

### **What is you (or your clients) experience of being on benefits or employment support?**

Changes to the welfare benefits system are having, and will continue to have, a significant impact on women and their families. There are real concerns that the introduction of Universal Credit (UC), which will replace a number of existing benefits including Jobseekers Allowance, Housing and Council Tax benefit, and Working and Child Tax Credits, will have a profound impact on the lives of many. The same concerns also exist with regards to Personal Independence Payment (PIP), which will replace Disability Living Allowance (DLA).

*“I know there are a lot of people who are really worried about what’s going to happen to them. They see these reforms as a real financial assault on women.”*

Women have commented on a number of areas associated with being on benefits or employment support. These include, but are not limited to:

- the application process, which must be carried out online;
- fit for work assessments when seeking employment;
- difficulties in accessing Jobcentres in remote and rural areas;
- the lack of childcare both for attending interviews and work itself;
- administration and payment of benefits, particularly with regards to claims being made by and paid to a household as opposed to individual claimants;
- difficulties around claiming working and child tax credits; and
- the impact on women who work within the Department of Work and Pensions (DWP), Jobcentres and support services.

### **How has your (or your clients) experience with the benefit system changed in recent years since the introduction of the welfare reforms? Are there any challenges involved in being in receipt of your (or your clients) particular benefits?**

Changes to the welfare benefits system over the last few years bring with them a number of challenges, all of which are impacting on women in a number of ways.

## Tax Credits

Changes to tax credit entitlement are having a significant impact on women. Lone parents must now work at least 16 hours per week to qualify. For couples, joint working hours need to be at least 24 a week with one person working at least 16 hours per week. In a couple where only one person is working, that person must be working 24 hours a week.

*“I don’t know whether my employer is going to be willing or able to give me the hours I need to be able to still get tax credits. If I lose them, I can’t afford to put my child into nursery and will have to either give up work or rely on friends and family for childcare. I’m really concerned.”*

The prevalence of part-time work, as well as the increased use of exploitative zero-hours contracts, makes it extremely difficult for women to apply for tax credits.

*“Although I received very little in the way of tax credits, the reduction has meant I am no longer entitled to additional support. I am sick of hearing how unemployed people are at the mercy of foodbanks when in fact I know more than a few people in badly paid, precarious work who have to rely on foodbanks so they can afford to pay other bills such as council tax, housing and utility costs.”*

Entitlement to tax credits cease when families earn over income thresholds. In many cases the increase in wages is nowhere near the amount lost in essential tax credits. This can actively discourage women from seeking promotion in the workplace.

*“My employer wanted to increase my wages due to a role change, however if they had done so I would have lost out on the tax credits I rely on to pay my childcare, which would in turn have meant I was unable to keep working. Thankfully they were extremely understanding about my situation, but I know that isn’t the case for everyone.”*

### **Carers Allowance**

As with tax credits, there are thresholds for entitlement to carers allowance. Carers, the majority of whom are women, often work part-time because full-time hours do not suit their needs. If their wages increase, they can lose out.

*“I’m a carer in receipt of carers allowance and I work part-time. The UK Government increased the minimum wage last October, which took my wage marginally over the threshold for entitlement. As a result I lost my carers allowance and other top-up benefits which my family relied on. I am more stressed now than I have ever been.”*

### **Accessing Jobcentre Plus and DWP**

Many women have commented on experiences they have had when dealing with the DWP and Jobcentre Plus since the changes to the welfare benefits system came into force.

*“Attending the Jobcentre has been an awful experience. The staff are so busy – that’s not necessarily their fault – and you get very little practical help. I felt that my abilities and experiences were not taken into account and that the appointments I had were nothing more than tick-box exercises.”*

Women have commented on the hypocrisy when mistakes are made by the DWP and the length of time taken to rectify them. This is contradicts with the potential sanctions claimants face if they make errors or do not provide the relevant information.

### **Barriers to employment and education**

Survey data indicates that two thirds of respondents do not believe that the welfare benefits system as a whole is helpful for women who wish to access education and employment. Many are apprehensive when undertaking work or accessing education in case they lose the benefits they receive, and as a result are significantly financially worse off.

*“The jobs that are offered through the Jobcentre are low waged, low skilled and often part-time or zero hours contracts. Local Authority childcare can be extremely inflexible, and private provision costs more than many people pay for housing costs. Work does not always pay. If anything, the welfare benefits system locks women into a cycle of poverty.”*

The welfare benefits system is also extremely discouraging for older women, particularly those who have been made redundant from the public and private sectors. Many have worked in these jobs for a number of years.

*“No account is taken of skills or abilities. It took the Jobcentre five weeks to advise me on funding for learning. Older women like me, who have little formal qualifications, but years of experience and knowledge, are being told to attend courses where skills are basic. I was encouraged to prepare a CV, however most jobs must be applied for using a form. The whole process has made me feel demoralised.”*

### **Sanctions**

One of the most significant changes brought about by the welfare reforms is the impact of sanctions.

*“Sanctions have hit people hard and have left many with even lower self-esteem and confidence than they had previously. Women have been coming to the organisation I work with asking for sanitary products because they have been sanctioned and have no money.”*

There have been examples of women organising childcare for appointments at the Jobcentre, only to get there and be told they have been given the wrong date and will have to return the next day. It is very difficult to organise childcare at such short notice, and as a result women have to either take their children with them, which is not always appropriate, or fail to attend the rescheduled appointment and be sanctioned. The lack of public transport in many areas further exacerbates barriers. There is a real lack of flexibility within the process.

*“I live in a rural area where there is only one bus per hour to take me to the nearest Jobcentre. If that bus is running late, or not running at all, which is sometimes the case, I can't get to my appointment on time and risk being left with nothing.”*

### **CASE STUDY**

*“As a Family Care Worker, I support several women affected by welfare reform. One particular young parent has experienced benefit sanctions because she is not engaging with her Jobcentre Plus Advisor as she is expected to. Her youngest child is three and mum has stated that she will not be able to take up employment until the child starts school in August 2016 (due to a number of factors including lack of support and Social Services involvement). The parent is still however expected to attend six-weekly appointments and do work related activities such as creating a CV, writing covering letters and completing forms. The parent has mental health issues which she did not want to disclose with her advisor, is under stress because of Social Services involvement and is not coping well with trying to meet the requirements of all of the agencies she is involved with. The sanctions and stress are impacting on her and her children equally.”*

**What would be your priorities for change when certain benefits/elements of employment support are devolved to Scotland? Do you have any suggestions of practical improvements that you would like to see when certain benefits/elements of employment support are under Scottish control?**

There are a number of ways in which the devolution of further powers to the Scottish Parliament could be beneficial for women accessing the welfare benefits system.

A number of women have informed the SWC that, in their opinion, the proposed powers do not go far enough.

*“This level of devolution is not enough to allow welfare benefits in Scotland to be redesigned to adequately support those most in need in a joined up way. Westminster will still be able to undermine support and budgets at any time with serious impact on families and communities, resulting in pressure on other public costs. It’s a good start but simply not enough has been devolved to make a meaningful difference.”*

Where the Scottish Parliament and Scottish Government have powers, however, the following suggestions have been made by women.

### Welfare Rights Advisors

Access to appropriate and informed welfare rights advisors is essential. Training for trainers programmes, whereby members of the community are given the necessary tools and information to provide sound and sensible money matters advice and guidance would be of great assistance.

*“We need to look at legislating for the provision of more welfare rights advisors. They provide a truly essential service and at present are struggling to cope with ever increasing workloads. The pressure they face has caused many to suffer from both physical and mental ill health. Support for those who work in this field is so important.”*

There is very little additional support or information around personal and household budgeting. More needs to be done at a local level to assist women and their families so they are not at risk of severe financial hardship. It is hoped that the transfer of this power will allow the Scottish Government to allocate specific funding to services which offer advice and support to those involved in the welfare system.

### Health

*“I hope the Scottish Government can deliver a much more compassionate system that understands the difficulties that people face when coming to terms with their own illness and disabilities. Often they will play down symptoms and strive to be ‘alright’. There needs to be more medically minded people making decisions about those with new, long lasting or evolving disabilities and illnesses.”*

Those with mental health issues are often assessed as ‘fit for work’ because they are able to carry out the tasks asked of them in interviews. The nature of their illness, however, can make it very difficult for them to even get out of bed some days.

*“We need to look at supporting those with mental health issues like depression to allow them to work part-time rather than working full-time. It is often difficult to sustain full-time work so the individual has to leave and claim benefits. That cycle needs to be broken.”*

### Payments

The way in which benefits will be administered is causing concern amongst women throughout Scotland. Previously, each person in a household made an individual claim, however under the new system the benefit will go to the household overall. The likelihood is that in many cases the man will receive the money. This has the potential to put women at risk of having little or no financial independence, particularly if they have an abusive or controlling partner.

UC will be paid monthly in arrears. Previously, individual payments were made on a weekly basis to claimants. Under the old system, housing and council tax benefits were paid directly to the landlord. These will now go directly to the claimant. There is a real worry that families will end up in debt as a result of these imposed changes.

*“People should be given the option of having rent paid directly to their landlord at the start of their claim. Women are used to managing their money in a certain way, getting small payments throughout the month which spreads their finances. There will be so many who fall into rent arrears or who have to rely on pay day loans because they don't know how to handle a lump sum once a month.”*

### The Work Programme

The Work Programme has also come under criticism in the past. It is not designed around the needs of women and is very gender specific. Rural women in particular face significant barriers in accessing and participating in the programme. The policy is designed with a complete disregard of the geography of Scotland. Rather than attempting to mitigate the effects of legislation, policies and practices already handed down, it will be possible to design a system that best reflects the needs of those seeking work in Scotland as a whole.

It is hoped that in implementing the Work Programme, the Scottish Government will ensure that those seeking employment are not encouraged to take up exploitative zero hours contracts, which make it very difficult for women to access additional support through tax credits and top up benefits.

*“Parents trying to bring up their families are being abused by zero hours contracts and are being forced to access foodbanks in order to feed their children. Companies are using these to their own advantage, rather than to benefit the employee.”*

### Reserved Powers

The Scottish Government may be able to take positive steps the Scottish Government with the powers being transferred to them. Despite this, women remain concerned about the potential risks and conflicts which could arise as a result of certain aspects being devolved but some remaining reserved. For example, one of the biggest issues around welfare reform is the imposition of sanctions on those who do not comply with work-related requirements. As sanctions and conditionality are to remain reserved, serious tensions could arise between policies put in place by the Scottish Government with regards to the Work Programme, and the sanctions that can be imposed by the Jobcentre Plus, a UK-level institution. This could be particularly problematic given the findings of the Scottish Parliament Welfare Reform Committee in its report on sanctions. The Committee found a number of flaws in the system, including a lack of flexibility with regards to appointments, no matter the circumstances, which often include childcare and transport issues. It seems somewhat at odds that on one hand, the Scottish Government can create a Work Programme which best suits the needs of Scottish people, yet on the other hand the sanctions associated with that remain with Westminster. Those seeking work could be at a detriment as a result.

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