

Scottish Parliament Social Security Committee Consultation:

“Social Security and in Work Poverty”

23rd August 2018.

The Consultation

The Scottish Parliament’s Social Security Committee has launched an inquiry into social security and in-work poverty. The Committee will focus on the potential impact of Universal Credit on in-work poverty and is seeking input from organisations and individuals to inform their view.

The Scottish Women’s Convention (SWC)

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 a variety of Parliamentary, Governmental and organisational consultation papers at both a Scottish and UK level.

The Scottish Women’s Convention engages with women using numerous communication channels including Roadshow events, Thematic Conferences and regional contact groups. This submission provides the views of women and reflects their opinions and experiences in a number of key areas relevant to the issues set out below.

What impact will Universal Credit have on in-work poverty in Scotland?

In work poverty has faced an insurmountable growth over the past few years due to a number of reasons. In terms of Universal Credit and ongoing welfare cuts, these have been cruelly unfair to applicants, singling out the most vulnerable in society and leaving them in dire straits. The increase in food bank usage and welfare funds clearly illustrates the acute problems with the policy and the way it is administered. With income inequality only set to increase, social security should be looked upon as a humane way in which to alleviate the brunt of injustices felt by many at the lower end of the scale.

Changes to the welfare benefits system over the last few years has brought forth a number of challenges, all of which are impacting on women in a number of ways. Social security and welfare reforms, including universal credit, disproportionately affects women for a number of reasons including:

- Promulgation of women in low paid and precarious contracts including zero hours and the domination of such in industries which mostly employ females such as hospitality. These types of employment pay minimum and offer little in terms of wage rises as opposed to increases in costs of living and mean many women have to rely on social security.
- The lack of an efficient administrative system and delays in payments for women has led to many describing the other means they have turned to in order just to pay rent and be able to live. Given that lower income brackets often struggle for good credit, this has led to a reliance on pay day loan companies where money can be transferred within fifteen minutes and give relief for a few weeks. However, the huge interest applied to these means that women struggle even more down the line.
- An unequal distribution of caring for children and relatives which sees women reduce hours or leave work unfairly hit, despite the large sums of money this saves the state annually.

What is the experience so far in full-service areas in Scotland for those who are in work who are moving or have moved on to Universal Credit?

The continuous reforms in terms of social security has left women with little to no confidence in the system, with many whose areas will see a roll out soon saying they are “*dreading*” it due to the mistakes being made. It is felt that there are too many catches put in place in order to trip people up and reduce or cancel their money altogether. Changes to the welfare benefits system implemented by the UK Government means that many women are being forced back into work, or they will lose their benefits completely.

“It’s a case of getting women back to work as soon as possible, without any regard to their circumstances. The stress they go through places significant strain on their physical and mental health. Women are being let down as a result.”

The rise in private rental prices as well as a lack of sustainable social housing in many areas has led women to struggle exponentially. This has led to problems with costs of living and unremitting stress over evictions and rent arrears. Whilst the move by the SG to allow UC payments directly to landlords is welcomed, many are still unsure of the procedure of this with some reporting they have not been informed. Additionally, the waiting period from application of UC onto getting funds has left many in a continuous cycle of rent arrears and struggling to make ends meet. There is also a common problem with landlords discriminating against tenants for being on UC, many fear that a number of landlords will be unwilling to extend tenancy agreements or charge fees per day for late rent due to the unpredictability of the system.

Universal credit has impacted on women in a number of ways due to reforms brought into the system including:

Reforms to Work Allowance: The reductions in how much someone can earn before seeing a decrease in their UC has left many women out of pocket with many commenting they have been told to simply *“uptake more hours”* in order to make ends meet. However, this is oftentimes simply not possible due to the contracts they are on, a lack of overtime and childcare issues. This is also an issue in non-disabled women without children who face no work allowance at all. Many noted that whilst the DWP has stressed that UC is more beneficial for those on contracts who may work differing hours every month or so, this does not always translate into practice. Women have reported receiving payments that are imbalanced as to what they have actually earned, leaving them severely out of pocket and unable to budget for the coming month.

“There are no guarantees my employer will increase my hours. I need this money to pay for my childcare. If they can’t increase my hours I really don’t know how I’m going to manage.”

“You feel like a burden. It’s so demoralising. People just assume you don’t want to work and that you’re lazy when this is the last thing. Why would anyone rather be stuck in this system than out earning?”

Work Conditionality Groupings: A number of women have reported being placed in the wrong “work conditionality” groups with a disregard of their needs such as disabilities. This has had a detrimental effect in terms of sanctioning when they cannot meet the requirements for their particular grouping. Being placed in the wrong work conditionality category has left many women vulnerable and having to uptake employment when they should not be.

“There is a disregard for mental health within the system. They keep going on about tackling mental health but it’s the people on the breadline who are suffering and getting treated as scroungers when their asking for some leeway.”

Online Applications: There needs to be less reliance and more support for those who do not have access to online processes. This has a significant impact on women who may not be computer literate or those in rural areas who may be impacted by slow internet connections. In addition, whilst this is touted as the simplest way of applying for universal credit, oftentimes the process is lengthy and complicated. Many have noted that a simple mistake on the form can lead to delays of a number of weeks.

Face to face interviews: When attending interviews at the job centre, many women have reported that there is very little that is allowed in terms of exceptional circumstances if they are late or miss the appointment. This can be particularly harsh in rural areas where public transport is severely limited. Women have spoken about what it would mean to have locally based support which takes into account the needs of the community such as transport issues that they may face.

Overpayments: There are often difficulties when administrative errors have led to overpayments, meaning that these are then deducted the next month with little to no explanation as to how this has happened given.

Case managers: UC case managers are seen as overloaded with work and do not have time to explain procedures correctly to applicants. This is a particular problem for women who may be particularly vulnerable and need additional support.

Appeals: There is no uniform time limit procedure for the turnaround of a mandatory reconsideration for UC with many women unsure how to budget or find money owing to these constraints.

Sanctioning: Sanctions are seen to be “*one size fits all*” and do not take into account individual circumstances. In line with feelings of waiting to be tripped up, many feel these are put in place so as to ensure pay is decreased with disregard for what a person might be going through personally. This is further compounded by the fact that hardship payments are subject to certain conditions and are recoverable, meaning reductions even after sanctions have been lifted.

What is known about those experiencing in-work poverty in Scotland who do not claim or are not eligible for Universal Credit?

Women have spoken about a number of issues relating to in work poverty. With many noting a perception that because someone is employed that they will be in a financially secure place, when more often than not the opposite is true.

“There’s a perception you’re either unemployed and on benefits or in work and doing fine. There’s no middle ground.”

Part Time Work

Women make up the vast majority of part time workers, a high number of which are employed at only minimum wage. One of the main issues women have is that this continues to be significantly lower than what is needed to live on. This is a particular issue with sectors that routinely offer part time employment and are dominated by women.

Precarious Contracts

Exploitative contracts not only do a great deal of harm to women’s health but can often force them out of employment due to the likes of childcare issues. The insecure hours can often lead to financial insecurity and benefit sanctions.

“The jobs that are offered through the Jobcentre are low waged, low skilled and often part-time or zero hour’s 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.”

Young Women

Women under the age of 25 make up much of certain industries such as hospitality and care within Scotland. This is routinely exploited through the use of age bands for the National Minimum Wage allowing employers to pay these women indiscriminately lower wages than those older for doing equal work. The difference in rates of pay dependent on age can make it extremely difficult for young women to enter into and sustain employment.

Not only does this contribute to in work poverty, it has a sheer detrimental effect on women in education, lone mothers and those with caring responsibilities having to take up other jobs. The childcare workforce, for example, is overwhelmingly made up of women. In private nurseries in particular, young women who care for children on a daily basis are often only paid the minimum.

Housing

It is widely recognised that there is a critical need for more affordable, appropriate housing overall in Scotland, particularly in the social housing sector. This can make it difficult for women and can seriously curtail their ability to enter into employment or education.

Food Banks

The rise in food bank usage throughout Scotland to unprecedented levels never before seen is tantamount to the neglect that UC has left many women in. A wide proportion of users are in work, often full time, but still rely on these places. These are seen as “life savers” for many women and their families. These problems have led to many women having to make choices between the likes of eating or buying necessities such as shampoo. This rise in hygiene poverty is seen as quite hidden within society and under discussed at a policy level.

“You are living wage to wage, maxing out overdrafts and credit cards. It’s just a never ending cycle.”

“The problem is it’s always on your mind. You can’t think of anything but arrears and fees for bank charges.”

What can or should the Scottish Government do to mitigate any detrimental impact?

Whilst women have acknowledged the work that the SG has done in terms of the devolved powers over social security and supplementary powers over payments within Scotland, there is still confusion over who administers what. Suggestions have included:

- Encourage trade union representation in sectors with low uptake and with high numbers of young women on precarious contracts

- Ensure social security devolved to Scotland keeps pace with inflation
- Increase the flexibility of Early Learning and Childcare (ELC) provision for women including expanded return to work programmes for those who partake. This should include emphasising the range of employment options that parents may undertake and guidelines that consider parents in precarious working conditions such as zero hour contracts.
- More value placed on jobs which routinely go underpaid and where women dominate. For instance, in the care sector.
- Ensure adequate resources for the Scottish Welfare Fund and increased awareness for those in need.
- Illustrate awareness of social security as a fundamental human right to alleviate stigma.
- Attempt to resolve some form of mitigation for cuts to work allowances including using powers to top up benefits.
- Raise awareness of other available options for those in receipt of UC such as Education Maintenance Allowance and NHS Patient Travel Costs in a clear and comprehensive manner.
- Look at increasing supplementary “top up” benefits. For instance, in terms of carer’s allowance where a number of conditions must be met such as working less than sixteen hours a week in order to qualify.

For further information, please contact

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