

Fairness, Equality, Responsiveness



Citizens Advice Scotland Submission to The Smith Commission

October 2014

Introduction

Our issues

Powers for a purpose

Our approach

Co-ordination and Communication

Resourcing and funding

Strengthening the powers of the Scottish Parliament

Social security – benefits

Debt and Financial Products & Services

Employment and Employability

Energy

Consumer advice, advocacy & education and Consumer protection

Conclusion

Summary of recommendations

Introduction

Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), and the Citizen Advice consumer service form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Adviceguide provides information on rights and helps people solve their problems.

Our Citizens Advice Bureaux network, which includes telephone helpline Citizens Advice Direct, deliver frontline advice services through more than 200 service points across the country, from city centres to rural communities. This network of bureaux is staffed by a team of paid staff and volunteers.

Nearly 2500 volunteers work in citizens advice bureaux all over Scotland, helping in a variety of ways but mainly as advisers. The average time given to volunteering each week is six hours. If we paid all those volunteers the average wage for those six hours the additional wage bill to CAB across Scotland every year would be just shy of £10 million.

Recent research by the Fraser of Allander Institute into the economic benefits of advice shows that the Scottish CAB Service contributes an annual total benefit to the common good in Scotland of nearly £180 million.

In addition the Citizens Advice consumer service provides a helpline service for those needing advice and information on consumer rights and helps to solve problems with consumer goods and services. Citizens Advice Scotland delivers part of this Great Britain wide service from a call centre in Stornoway, helping people in Scotland and across other parts of Great Britain.

Since April 2014, CAS also has responsibility for the delivery of the Extra Help Unit which, through a team of telephone caseworkers based in Glasgow, helps people throughout Great Britain who have complex energy or postal complaints or are at risk of having their gas or electricity cut off. Clients are referred to the service through the CACH, Ofgem, the Energy Ombudsman, or their local elected representative.

Citizen Advice Scotland's simple but robust vision is paramount to all our goals:

“A fairer Scotland where people as citizens and consumers are empowered and their rights respected.”

Our issues

We are champions for both citizens and consumers and in 2013/14 the Citizens Advice Service in Scotland helped over 330,000 clients in Scotland directly, dealing with over one million issues. In addition, the Scottish zone of our self-help website Adviceguide received approximately 4.2 million unique page views. In 2013/14, our citizens advice bureaux recorded a financial gain for clients of over £125 million.

When clients seek advice, CAB record the issues that are presented, and categorise them into 15 distinct advice areas overall. Within those advice areas we have several levels and types of advice. This database gives the Scottish CAB Service a unique insight into how policies, practices, and processes are impacting on people in local communities across the country.

The table below shows the 2013/14 share of all issues within the 15 distinct overall areas of advice we use to record our issues, alongside that of the Citizens Advice consumer service. These advice areas are further divided into other levels of issues within that advice area.

Advice areas in Scotland – Scottish Bureau	No of Issues	% of CAB advice
Benefits, Tax Credits and National Insurance	324,281	36.6%
Debt	243,996	27.5%
Employment	65,500	7.4%
Housing	54,909	6.2%
Legal	35,362	4.0%
Financial products and services	29,304	3.3%
Tax	24,501	2.8%
Relationship	22,997	2.6%
Utilities and communications	20,372	2.3%
Consumer Goods and Services	20,232	2.3%
NHS Concern or Complaint	13,901	1.6%
Health and community care	13,480	1.5%
Travel, transport and holidays	9,027	1.0%
Immigration, Asylum and Nationality	5,872	0.7%
Education	3,347	0.4%
Scottish CAB (inc Citizens Advice Direct) Total	887,081	100.0%
Citizens Advice consumer service ¹	176,799	
Total Issues	1,063,880	

¹ Please note the Citizens Advice consumer service is a Great Britain wide service delivered in part by Citizens Advice Scotland from a call centre in Stornoway. This figure is all the issues we dealt with in 13/14 for callers across GB. Approximately a third of these issues are from Scottish callers.

Powers for a purpose

Our principles

We do not believe that powers should be devolved for the sake of devolving them, or because it is easy to do so. We also realise that devolving powers or disentangling some areas will not be easy, and in some cases may prove to be difficult and take time and effort so equally we do not believe that this should be a reason not to devolve a power if it will benefit the people who live and work in Scotland. We believe powers must be devolved for a purpose.

With this in mind, we therefore set three principles in place and applied them to each of the advice areas the citizens advice service clients present with. **These three principles are fairness, equality and responsiveness.**

We believe if the principles are adhered to, and a conclusion is made that devolved powers would mean a fairer, equitable and responsive means of governing Scotland then all efforts should be made to devolve powers and provide a workable solution for Scotland and the rest of the UK.

We also understand that devolving powers may take some time. CAS would rather time was taken to ensure the right approach, and full and proper establishment of powers and relevant structures were put in place rather than legislation rushed through which results in holes that need mending in future years.

Whilst we understand fully the need and desire to outline the areas which should be devolved, we believe this can be done in the agreed timetable. However we consider that it may take further time for the full detail of how and when powers should be devolved, what structures would be needed for those powers to be exercised by the Scottish Parliament and whether existing structures can be transferred or will need to be set up from scratch. We must bear in mind current examples of how long it can take to fully realise new structures and/or powers. For example the time taken for the Scotland Act 2012 to be both passed by parliaments and then implemented. A further example is the time taken to establish new social security systems and the subsequent issues that have arisen; for example, seven years from introduction of legislation to the full roll out of the new Universal Credit system and at least five years for Personal Independence Payment from legislation to the full migration to all that qualify.

Our approach

In preparing this response, we have examined the publications of the various Commissions set up by Labour, Conservatives and Liberal Democrats in response to possible further powers for the Scottish Parliament published between 2012 and May 2014 as well as the main political parties' responses to the Smith Commission; we also looked to Schedule 5 of the Scotland Act.

Adopting an evidence led approach, we have assessed what we believe are in the best interests of Scotland when it comes to devolving further powers to the Scottish Parliament in relation to the issues our service deals with. We have adhered to our principles in assessing whether powers that could be devolved to the Scottish parliament are in the best interest of the people of Scotland using our evidence base of approximately 330,000 clients with over a million issues each year.

We have used case studies from our service within our 'Strengthening the powers of the Scottish Parliament' section below to illustrate the cases that we see on a regular basis. We hope both our statistics and our case evidence will highlight how devolving powers and increasing communication and co-ordination between parliaments, governments, and policy making institutions could majorly benefit the citizens of Scotland and the rest of the UK.

We don't consider that the short time limit that the Smith Commission has had to consider areas that are to be devolved has given enough time for citizens or organisations to fully respond. For political parties, discussing and engaging with these issues has been ongoing for years. But for organisations such as ours, this is a new process and one we feel has been done with such speed, that many people who would have liked to take time to discuss and deliberate issues, will be excluded. There has been very limited engagement with the public in the short timescales allowed. We hope that whilst the principles of devolution may be agreed in the timescales set out – ie January, there will be more time for full discussion of the process of 'how' these areas are to be devolved and which new structures are to be established or old structures transferred, with the principle organisations involved and most importantly the stakeholders and users of these services and powers – the citizens of Scotland. We have also further thoughts about monitoring the future of devolved powers which we will come to later.

The responses from political parties mention areas such as empowerment for people and sovereignty of the people of Scotland. That is what the Citizens Advice Service in Scotland is ultimately here for. To advise and empower. We examine the problems people bring to our advice services and advocate and campaign for change where it's needed most.

That is one of the reasons we have chosen responsiveness as a key principle. We want systems and powers to be both responsive and accountable to the people that use them. The people lend authority to policy makers through our democratic system and their authority is derived from that process. However when systems are remote, neither responsive nor accountable, then the legitimacy for them wavers.

Our network of bureaux are in the heart of communities across Scotland. They are well trusted, well used, and well respected and have been now for 75 years. Whilst

we may often have concerns with the funding given to that network and the differences that lie in funding positions across the country, essentially most CAB rely on local authorities for funding. Associated with that funding is ensuring that the funding provided is to allow that CAB to provide a local response to local need.

This needs to be used as a principle for all forms of governance. We have found in the work we do that people do not fit into homogenous groups. They also don't fit neatly into policy areas. The best actions for our clients are when alignment of policy at Scottish and UK level. When clients present with a problem at their local CAB, the problem may be the same, but the causes of that problem can be very different. Food poverty can be caused by a variety of reasons - maladministration and the sanctioning of people's benefits being the biggest reasons for CAS clients but the reasons for that sanction and administration problems can vary widely; fuel poverty can be for a variety of reasons such as a colder climate in the north of Scotland or a badly insulated rented home in a central belt city; someone in major debt could have that problem because they are not earning enough to cover basic bills and essentials or because of a major life event such as death or redundancy that has caused hardship for a household's economics.

Those that govern us should heed that and whenever and wherever possible respond at the most local level possible to the policy challenges for our community – social justice, tackling inequalities, poverty, social mobility, employment and opportunity.

Co-ordination and Communication

We believe that there must be increased co-ordination and communication between the UK and Scottish Governments – as well as when appropriate the other devolved administrations of the UK and the various agencies and stakeholders involved in policy and legislation development in government. At its heart this increased co-ordination and communication should have an aim of being more responsive to the needs and wants of the citizens of the UK.

We believe that cooperating and communication are crucial and there must be a major effort made by UK Government and Parliament, and other organisations and institutions, to be more inclusive and representative of all of the UK.

We would hope with all of our recommendations below being taken into account, that parliaments and administrations across the UK alongside their elected representatives could feel that they are equal partners in the UK with each country's voice being as important as another.

Monitoring new powers

We want to see the newly devolved powers that are recommended and the subsequent legislation that is introduced, brought back to the people of Scotland to respond to. As stated in 'Our Approach' above, we are concerned at the speed of this whole process and believe legislation in haste can lead to legislation that doesn't lead to what is needed or wanted. Therefore we believe that, built into the new powers legislation that is to be brought forward, there must be a system of monitoring and review - with people at the heart of the process. This should be done on a regular basis to ensure the powers, the systems and the structures that will need to be put in place are getting it right for the people of Scotland. There should be no blame culture if something needs adjusted or changed, it should be part of an ongoing process that ensures our policies and processes remain fit for purpose. A people's parliament or a form of regional assemblies could be the way for this to be done. Engagement with civic Scotland should also be paramount.

Continuing the increased empowerment and engagement of the Scottish electorate in how policies are developed, how our country and institutions are run should be kept in mind by the Smith Commission and all levels of our governments. Engagement in politics and elections will be high if people feel they have a say and policies are reflective of views and responsive to needs and wants.

Parliament and Government

We believe that there should be an examination of how a system could be developed that would allow government and parliaments to work together more cohesively on areas of policy that impact across the UK.

Within our Parliaments, joint committees could be set up to scrutinise policies that impact across GB but remain reserved or part reserved, for example, social security, energy, employment, and the economy. We do not want to put onerous burdens on our parliamentarians but already there are committees on areas of policy set up both in Westminster and Holyrood and so it should be possible for joint committees to be set up with representatives from both parliaments who could have a reportage function to their own committees. Such committees should also rotate where they

meet and if involving several administrations or representatives from across the UK reflect that in choosing meeting venues. The former Scottish Grand Committee used to do just that and met across Scotland. We do not want such an idea to not get off the ground as the onus is always on those outside of Westminster to be the ones who always have to travel.

In addition we believe that more formal and transparent joint government committees or commissions and working groups could also have a role in looking at various policies and how joint work on issues of joint interest can be progressed. This was done previously on corporation tax with the UK Government and devolved administrations. A more robust and formal structure could take this forward so areas where all governments want to see change can work together to achieve it eg tackling child poverty, reducing health inequalities, increasing employment opportunities.

Devolution has allowed policies to be made in Scotland for Scotland. This has increased democracy and responsiveness with the electorate being able to view the policies on offer before a Scottish Parliament election and providing a mandate for those policies to be implemented. The legislative process is transparent and allows for consultation and scrutiny and includes the involvement of people and organisations representing citizens.

However, with devolution, we are concerned that the views of Scotland's people and organisations are often forgotten or sidelined at Westminster. This can create a distance that is not necessary. We would like to see UK Government departments and Parliamentary Committees both take more heed of the views of Scottish organisations and include them in their consultations and deliberations.

For example, in oral evidence to Committees a proportionate amount of views should be taken from Scottish organisations/people. We see a predominance of organisations speaking for England and Wales, or based in England and speaking for Great Britain, but not Scotland. We would like to see committees pay more attention to those who have made submissions and hear from them. Not just because we can give a voice to citizens from Scotland but because we can also give a voice to ALL citizens impacted by policies or views on legislation and how it would affect people. Our citizens in debt, on zero hour contracts, who have had benefits sanctioned, who have a consumer problem, or are in food and fuel poverty have the same issues as counterparts in other parts of the UK but it seems that Scottish organisations cannot get their voice heard proportionately.

Added to this, we believe there should be a commitment for Committees to meet around the UK to make it easier for those that they want to hear from to travel to them. Scottish Parliament Committees have met outside of Edinburgh and indeed set up sessions to meet citizens of Scotland to hear from them in both private and public outside of the Scottish Parliament. The Scottish Government Cabinet regularly meets around Scotland hosting public meetings as part of their being out within the country. The Scottish Affairs Select Committee has also held sessions outside of London in the constituencies of members which allowed local organisations to attend – including CAB. These examples show how the workings of parliament and government can be opened up to people and give people a sense of ownership and inclusion in our legislative procedures.

This can also be true for many organisations with UK Government departments. Whilst CAS has good relations with relevant Westminster departments – and we have worked hard to get them - it is no longer a matter of course that all departments would look to CAS or other Scottish organisations for involvement in policy development or pre-legislation consultation and discussion. This would have been the case pre-devolution. Geographical distance can be problematic and cause a distance in communication. But Ministers visiting Scottish organisations and stakeholders and listening to views at events or conferences or meetings here are just as important to any work that goes on in London only. All parts of the UK would benefit from this approach.

We also believe that it is important that there are channels of communication that are transparent and responsive between Ministers and the two Parliaments. UK Government Ministers must attend Scottish Parliament committees when they are scrutinising or examining or reporting on areas of policy that are reserved to the UK Government. It is no longer good enough to send officials when a Minister has been invited or rely on Ministers from the Scotland Office to be held to account for every aspect of UK Government policy. The Ministers themselves are accountable.

The respect agenda should become the foundation for a written agreement between our governments that ensures proper scrutiny of policies that impact on Scotland's people, if being carried out in the Scottish Parliament, are done with the compliance of relevant UK ministers. UK Ministers should accept responsibility to engage with Scottish stakeholders including the Scottish Government, the Scottish Parliament, and organisations.

Equally we would hope UK Parliament Committees would also look to being more inclusive of the views of Scottish stakeholders including the Scottish Government if they believe there could be something to be gained by asking a Scottish Government Minister to highlight how policies are working in Scotland and what can be learnt or what could be a recommendation for further joint working on areas of policy, eg youth employment, child poverty, housing policies.

Listening and responsiveness

We also believe that many current UK policy making institutions should and could be much more responsive to listening to and responding to the concerns, the views, and ideas of those in Scotland when it comes to policy areas that impact on them.

We agree with arguments that the status and functions of certain UK institutions should be given a protected and independent constitutional position but it is how that is achieved that is significant. As we have outlined above, we believe that many institutions that deal with reserved issues should be more responsive and have a mandated role to listen to Scottish stakeholders and respond to the needs of the people of Scotland that they serve. This includes listening to agencies and organisations that represent the citizens of Scotland.

And as said previously we need to move away from a London centric approach for meetings and conferences. The Financial Conduct Authority held meetings in Edinburgh with stakeholders both pre their launch in April 2014 and after; the Competition and Market Authority held their first ever Board meeting in Scotland in September. This should happen far more often and not be an unusual occurrence but common place. Maybe it is because both these institutions are new and do not

have established traditional set ways of conducting themselves, maybe it is because they are genuinely making an effort to open up their processes of working. Either way they are to be commended for doing so and we recommend others follow in their footsteps.

Resourcing and funding

We recognise that CAS are not economists and we therefore believe we are not in a position to provide evidence on taxation and financial powers. Equally in the short time provided to respond to the Smith Commission, we cannot examine what the costs of devolving such powers would be for the Scottish Government/local authorities.

What we do very much believe though, is in a checks and balances approach to fiscal responsibility. The Scottish Government should not be expected to have all spending and no income powers. These must be relevant though and be appropriate to current costs. If powers are to be devolved that include spending then there must also be a way of ensuring that the Scottish Government can raise money to realise those spending commitments. Equally as there is likely to need to be a mix of money raised in Scotland to be spent in Scotland alongside a block grant from the UK Government this must also be a fair share of Scotland's resources.

We also firmly believe that any areas that are to be devolved must be alongside the correct funding to allow for those powers to be established and then run. We do not want to see a situation like that of the devolution of the council tax reduction and the social fund which came with effective cuts at the point of devolution.

Whilst the political parties and Smith Commission discuss whether or not the Barnett formula is the most appropriate way forward for the block grant, again we would come back to basic principles of fairness and equality. Although there doesn't seem to be an appetite to change the Barnett formula, CAS would warn that if there is to be any new formula or equalising payment it must take into account Scotland's geography, rurality, and particular socio economic needs.

Financial freedoms to local authorities

This is obviously a sensitive area for CAS as our network of bureaux are largely funded by local authorities alongside a mix of grants and national project funding. As a voluntary service with no basis in statute for provision, bureaux can be easier to cut than other services when council budgets are being decided. Whilst we recognise that there are sound arguments in giving local authorities more finances and financial freedoms, we would be concerned if areas such as advice services were not given their due place and recognised for the major benefits they provide to society. This includes being a preventative service that has proven to save money in the long term – to all our public services as well as generating income in our economy and supporting jobs through our client financial gain which in 2013/14 stood at £125 million.

Strengthening the powers of the Scottish Parliament

The Smith Commission is aiming to produce a set of proposals to strengthen the powers of the Scottish Parliament within the UK. We now go on to examine areas that could be devolved in relation to the issues the citizen advice service deals with. We have divided these into five overall areas which are:

- Social security – benefits
- Debt and Financial Products & Services
- Employment and Employability
- Energy
- Consumer advice, advocacy & education and Consumer protection

Social security - benefits

By using the term social security we mean any system of welfare or state benefits. We recognise that the language has changed, and that social security and welfare and benefits are now interchangeable but we prefer the term social security and use that here.

The aim of the social security system should be to provide a coherent, fair safety net for the citizens of Scotland in order to achieve a more equal and socially just society. Ultimately, every Scottish citizen should have the ability to access the essentials for living and expect to be treated in a dignified manner by the wider society.

A good social security system can prevent problems and costs arising in other areas, for example by helping to avoid destitution, homelessness and worsening physical and mental health. It can also support local economies by increasing citizens' spending power. Conversely, if the system is poorly designed or badly administered it can have the reverse effect.

Research from the Fraser of Allander Institute in 2012 on the economic benefits of advice used data from the Civil and Social Justice Survey to focus on the costs of adverse consequences had advice from the Scottish CAB not been provided, alongside the savings that were made as a result of that advice. These adverse consequences showed that those who experience problems with benefits, debt, housing, and employment amongst other things also suffer other adverse consequences such as physical and stress-related illness, personal violence, needing to move home (or homelessness), and relationship breakdowns. It is often society that then has to deal with and pick up the costs of these additional problems.

CAS considers that recent policy and legislative changes to social security along with cuts to benefits have put an increased pressure on public services – especially those at local authority level - as well as removing money from local economies that would have been spent by those on benefits whether in work or out of work. These pressures have come from areas such as those we outline above and also the rise in people presenting in crisis and desperation to CAB. Our evidence shows people are needing to be signposted to other areas for further support in numbers they weren't before – foodbanks (CAB across Scotland now refer one in every 42 clients they see to a foodbank); NHS services; housing and homelessness services, and debt services. These services are those funded by the public purse or charities who rely on both public funding and fundraising.

However this is not a reason to see social security devolved. What is a reason though is, as shown above, the complex and interrelated nature of benefits and other social policy areas.

Poverty and poor health and low life expectancy are inexorably linked. Food and fuel poverty are prevalent in those households where incomes are low. The increase of in-work poverty shows that employment practices (such as the rise in zero hours contracts and underemployment for those who can only find part time jobs but want and need to work full time), wage levels, cost of childcare, and in-work benefits (or lack of) are connected. These are all examples of where not only have CAB witnessed a rise in demand for our services but so too have other services.

This shows that for the root problems to be dealt with, a much more holistic and joined up approach is needed than we presently have within our current devolved settlement.

We need government to be able to tackle the social policy issues we have in the round to look at the connections between health, employment, housing, and benefits etc and have one coherent strategy that will tackle the challenges Scotland faces. So for poverty to be tackled fully, for our most vulnerable to be cared for, to support those who can work in to suitable employment, but to take care of those who are too ill to work for a period of time, we need strategies that can work with and between each other.

CAS has expressed concerns about the impact of the current welfare reforms on vulnerable individuals and families. In particular we have highlighted the problems created by a sanctions regime which sees claimants losing all benefits for protracted periods of time and effectively being rendered destitute without access to money for either food or fuel or to meet other basic needs. Some of the problems experienced by our clients emanate from the policy itself, and some from the manner in which benefits are administered.

At present, in the absence of an opportunity to revisit these issues at a UK level, we have to conclude that the only opportunity to resolve these problems lies with the devolution of all social security (excluding pensions) to the Scottish Government. This is a pragmatic decision based on the needs of our clients, and with our three principles in mind, and not one that is based on a preference in itself for one system of determining and delivering on social security over another – whether UK wide or devolved to Scotland.

We believe that all social security apart from the state pension should be devolved to the Scottish Parliament. This includes working age benefits, tax credits, pension credit and winter fuel payment and we explain why more fully below. We hope our case studies below will also help to illustrate why we have come to this decision.

If this happens CAS looks forward to working with both governments to ensure a smooth transfer of social security from Westminster to Holyrood and we will continue our call for a social security structure to be based on a clear framework of six principles that would ensure it is holistic, reflects the needs of the Scottish population and provide a valuable reference point and tool for accountability as the system develops over time. We believe these six principles - which we set out in our responses to the Scottish Government's Expert Working Group on Welfare in 2013 - underpin the development of any social security system:

- Based on clear and fair rights and responsibilities
- Responsive to need
- Transparent and accountable
- Fairly administered
- Sustainable and integrated with other services
- Developed in consultation

With the administration of benefits devolved, we would hope that it could be more consistent across Scotland, that problems including maladministration could be spotted and tackled in a quick and timely manner and without disproportionate effort, and that administration could become more cost-effective if delivered locally. This would ensure fairness and responsiveness.

A smaller, more responsive system also means that there is an opportunity not just to shift and move the current system but to design a new social security system that is relevant and responsive to the needs of the Scottish public and with appropriate tapers to avoid benefits traps, so that no one is worse off in work. A system can be put in place to support people who are destitute, and a wider multi-agency strategy to prevent destitution can be put in place with all agencies working together under one administration.

A Scottish based system can also respond more to Scotland's particular needs. For example areas where disability levels are higher there may need to be a more locally targeted approach to how benefits, education, skills and training and the work programme all work together for the benefit of people seeking work but with barriers to doing so. This can be achieved through smaller and more localised systems.

The only areas of welfare that have been devolved at this point are elements of the discretionary social fund – now the Scottish Welfare Fund (SWF) – and Council Tax Reduction (though as stated there are benefits provided by the Scottish Government and Scottish local authorities such as free school meals or school uniform grants).

If we look at the case of the SWF we can see that it has matched our principles of fairness, equality and responsiveness. The SWF is delivered by Scotland's councils so responsiveness is met by allowing for local discretion on delivery but within national guidelines. The service aims to be a holistic support service so that people can access or be signposted to other support and advice such as budgeting advice, income maximisation, debt support, or housing/homelessness support so helping achieve our principles of fairness and equality.

The devolution of this benefit was very speedy so the scheme was established very quickly in April 2013. There were undoubtedly teething problems but these were resolved through close working between the Scottish Government, COSLA and CAS. We were able to see the problems in the system in real time through our case evidence and discussion with CAB and clients and report these so issues could be resolved and the system made more fair and responsive for users. Since its introduction in 2013, guidance has been revised, training carried out, and the Scottish Government and COSLA closely monitor the system.

CAS firmly believe that it's the nature of this benefit now being delivered locally that has allowed us to influence change for the benefit of our clients and work closely with all stakeholders to formulate a better system. The closeness of all agencies involved and the will to continually improve on the system has led to a better result for those who use the SWF. We believe that this example could be replicated across the social security system.

We can also look at the example of the under-occupation penalty and Discretionary Housing Payments to show how it would be better for citizens if their differing needs could be responded to at a local level. When the under-occupation penalty was

introduced in 2013 it became apparent that in some rural areas and in the Scottish Islands, there were no one-bedroomed properties available for people to move to so they were being hit by a charge they could do nothing about. Eventually this was resolved in part due to a DHP funding stream being made available to cover this. We would argue that a better response would have been to introduce exceptions, but that aside, it took time and effort for this anomaly to be signalled to the UK Government so that a change could be made. We do not think that would be case within a smaller system.

Under a devolved administration, the policies put in place could reflect the priorities of Scotland and those that are put forward by political parties in their manifestos alongside interrelated areas such as housing and employment.

The social security system should operate within a network of other social support which should be integrated at financial, policy and operational levels, both at local government and Scottish government level. A fully devolved social security system can ensure that it is integrated with areas such as:

- Health services
- Social services
- Housing and homelessness services
- Employment support
- Childcare provision
- Independent advice and advocacy, including money and debt advice

These are all devolved areas and show how an integrated and multi-agency and coordinated approach through all these systems working together could ensure a more responsive and fair system.

We understand why political parties have advocated devolving only part of the current benefits system eg housing benefit and attendance allowance as it would fit neatly into current structures. However we feel that only devolving part of the system does not meet our three principles. When parts of the social fund were devolved (now the Scottish Welfare Fund) it was not clear why maternity grants and funeral payments remained reserved. With the introduction of Universal Credit, the passporting of benefits under the Scottish Government, such as access to free school meals, needed to be addressed.

With one system, benefits can be administered fairly and effectively with the integration of administration between different benefits which will allow for clear routes for passporting to other relevant benefits.

With the introduction of Universal Credit which will incorporate six current benefit payments into one single monthly payment, we do not believe it is possible to remove parts of these and devolve them. This will cause confusion and further layers of administration and bureaucracy for people. The duplication of effort and administration by having two systems of social security does not meet any of our principles of fairness, equality or responsiveness.

Whilst we recognise that one of the reasons that housing benefit has been recommended as a devolved social security area is because of the links with

housing policy which is devolved, we believe that by removing it from Universal Credit takes away links that this welfare benefit has with other benefits including JobSeekers Allowance (JSA) and Employment and Support Allowance (ESA).

We also believe that by devolving only part of the benefits system, there would be a duplication of work and effort from all those involved and there will be major practical headaches involving linking computer systems and programmes in an attempt to separate parts of the current very complex benefits.

By devolving all of social security a multi-agency approach can also be brought to those in receipt of benefits. The Work Programme and Job Centres can work with those administering JSA and ESA (or equivalents) and ensure that they have a say in part of whatever system of responsibilities and claimants commitments and rights that are drawn up that ensures responses must be proportionate. For example JSA claimants can be sanctioned for missing a Work Programme appointment as it is outwith the remit of the Work Programme to intervene when they know there has been a mitigating reason for a missed appointment and to clarify that a claimant has attended all other appointments. By joining up all the agencies involved we would hope that our belief in a social security system being one that supports claimants and treats them with dignity and respect is possible.

For the reasons outlined above of having a multi-agency approach, we agree partially that there is a case for the Scottish Government acting as an agent for UK government in areas such JCP and Work Programme, especially with training and education devolved already which could link with the Work Programme. This certainly could meet our responsiveness criteria, however if those agencies are carrying out policies that are at odds with policies of the Scottish Government then we cannot see how such an arrangement could work in practice – again as outlined in example above. So for this reason we reject that this would be a practical arrangement that would be good for the people of Scotland or the rest of the UK. Instead we believe it adds to the argument that all of social security and the accompanying agencies involved should be devolved.

If JSA, ESA etc are not to be paid by the Scottish Government and the policies surrounding benefits conditionality, administration and process remains with DWP, it is unclear what the benefit to the Scottish people would be. The administration must come with the powers to change systems to be more fair, transparent and responsive and thereby ensure that the system is working for people. This is not the case right now and there cannot be a piece-meal approach to the changes that are necessary for a social security system fit for the 21st century.

We note that by devolving benefits that it is very likely that there could be a change in payments, conditionality and responses for conditions not being met, and tapers. We believe that this is appropriate to meet the needs of Scotland and to allow for full integration of benefit policies with other policies and strategies outlined above.

We firmly believe that there should be no 'parity principle' applied as there is in Northern Ireland. Whilst Northern Ireland has powers over welfare benefits, the parity principle means Stormont must pay the same amount of benefits as on the mainland and if they don't, the NI Administration may face a corresponding cut to their block grant.

There appears to be no appetite for devolving the state pension and we see no reason to advocate doing so. It is one relatively simple payment made on basis of age and is not related to being in receipt of other benefits. We do believe that working age benefits and the state pension should be separated and that doing so would make it clearer and more transparent to everyone what was involved in each system in terms of process and funding.

However we do advocate that winter fuel payments and pension credit should be devolved to allow the Scottish Government to decide on levels of minimum income for pension credit and to make the winter fuel payment much more responsive to those pensioners living in Scotland which is colder than other parts of the UK. The triggers for the winter fuel payment could be set differently from that of the rest of the UK and if thought appropriate could possibly be rolled out to other sections of society such as those on low incomes or disability benefits.

Case studies

(Acronyms: Department of Work and Pensions DWP; Discretionary Housing Payments DHP; Employment and Support Allowance ESA; Housing Benefit HB; Jobseekers Allowance JSA)

In work poverty

- A client is employed on a zero hours contract and neither she nor her husband can claim any benefits. However her unpredictable working hours and wages are causing financial hardship to the family which includes a ten month old daughter. They are struggling with rent payments and were enquiring about bankruptcy.
- A client who works 16 hours per week at the National Minimum Wage is not entitled to any other benefits or additional earnings. She has rent and Council Tax arrears and is struggling to pay her essential expenditure. The client has tried to increase her hours at work, and tried to apply for a different role with her employer, but they have not allowed her to.
- A client who is struggling financially after being unable to get an increase in work from his current part-time employment asked for a food parcel. The client is struggling with food and fuel bills and cannot afford to provide support to his two children who live with their mother. Previously he would have been entitled to Working Tax Credit.
- A newly-qualified nursery nurse has a new job on a zero hours contract that pays less than the appropriate National Minimum Wage for her age. She is now only getting four hours work per week, is not entitled to benefits support.
- A 20 year-old client who works 25 hours per week, with occasional overtime. Aside from a single person Council Tax Reduction, which the client already claims, she is not entitled to any support from the benefits system. Once her housing costs are paid, the client is left with less than £180 per month, less than Jobseeker's Allowance for someone her age.

Lack of dignity, equality and fairness

- One client in receipt of ESA and in the Work Related Activity Group, was heavily pregnant and was told that she could do work focussed interviews by telephone to meet her commitments. The client at first completed her Work Focussed Interview over the telephone, but was then told by Jobcentre Plus that this was not enough and she would have to attend a meeting with A4E despite being heavily pregnant. Client gave birth to a baby girl and left the baby in the Maternity Hospital in order to attend A4E appointment. She has now gone back to the hospital.
- A client who cannot read or write went to the Jobcentre and was handed a bit of paper with a web address and told to apply online, even with his difficulties. He was also given a number to call and after holding for some time eventually gave up.
- A client's son, aged 19 years, made a claim for JSA. He was verbally insulted about his physical appearance and hygiene at Jobcentre Plus when he signed on.

The young man has special needs including autism and was left emotionally distressed, as was his mother who had to accompany him.

- A 17 year old client living with his sister went to the Jobcentre to ask for help applying for jobs as he is dyslexic and has ADHD. The JCP would not give him any help but said he still had to do the applications. He subsequently received a sanction.

Maladministration (often leading to crisis situations)

- A client is going through the trauma of cancer and does not understand the processes involved in claiming ESA and needed major support from her CAB. The CAB adviser was surprised she had not been referred to specialist help with the benefit system through either DWP or NHS. The client had a letter from the DWP which indicates that they cannot process her ESA claim until she provides information in the form of a medical certificate and wage slips. The client had handed these into JCP three weeks previously. The client has been using credit cards to manage financially and she is concerned about managing to pay these when bills come in.
- One client's ESA was due on 11th September, but it was not paid into the bank. The client contacted the DWP who told her that they did not have a current medical certificate for her but she assured them that she had submitted the certificate. A subsequent search by DWP revealed that they did in fact have the new medical certificate. The client's benefit has been delayed as a result of this situation, and she had to go to the food bank.
- A client is currently claiming ESA but has not received a payment. The CAB adviser called ESA enquiry line three times over two days to find out why. When finally got through was told there would be a decision within three hours but on phoning back there was still no explanation. The CAB called the following day to be told a decision would be made within the hour and they would call back. They didn't so the CAB called again to be told a payment would be made that day, but still no explanation was given.
- One client sent a letter recorded delivery requesting a mandatory reconsideration payment of Severe Disability Premium to Benefits Centre and it was confirmed as delivered. When this was chased up, the DWP said there was no record of the request on the DWP system and the documents had to be re-sent by fax.

Sanctions

- A client was sanctioned for two weeks for not doing enough to find work. The client cannot read and write, the client advises he has told them this on numerous occasions but to no avail. He has also been told he has to do his searching online even though he doesn't have a computer and can't use one. He had been booked on a computer course but due to the sanction he couldn't attend as he didn't have the bus fare. He has never been referred to any disability adviser despite his numeracy and literacy issues.

- A client's only income is JSA and this has been sanctioned until December, because when he was moved from one temporary homeless accommodation to another, some appointment letters did not reach him
- A client feels she is being picked on by a Jobcentre staff member who she finds rude and bullying. The client is continuously being sanctioned and has even received a new sanction before the previous sanction is completed. The client is so nervous that she is scared to go to sign on. She is having sleepless nights and needs sleeping pills. She tried to talk to someone about the problem at the Jobcentre but was not allowed.
- A client was unwell one day and could not attend a signing on appointment. The client's daughter called the Jobcentre to ask if she could attend a different day, but the adviser was extremely rude to her. The client was then sanctioned for not attending and had to live on a reduced income.

Sanctions – Housing Benefit and Council Tax Reduction

- A client's JSA claim was sanctioned. The Jobcentre reported it as 'stopped' to the Council, so the client's Housing Benefit was cut. He is now in rent arrears.
- A client's in-work JSA claim was sanctioned. The client now has rent arrears as her Housing Association had stopped her DHP payments due to the information they had been given. The client had been unaware of this.

Sanctions - Homelessness

- A client's JSA had been sanctioned and he had no money to keep his appointment with the council homelessness team. He had been sleeping on a friend's sofa after being evicted from his flat. When he raised the problem with the Jobcentre, he was told to walk the 24 miles to the appointment and his sanction was increased for complaining.
- A client had not received any benefits for over a year after he was sanctioned for missing a medical. This led to him being evicted and he now has to live with his mother and rely on her for financial support.

Working, benefits, and childcare

- A client who had just started a new job was struggling to pay nursery registration and fees of £292. She was not able to access support from JSA and would need to wait for a Child Tax Credit application to be processed.
- A lone parent with a two year-old child wanted to know if she would be better off giving up work and claiming Income Support, as she cannot find a job other than her current one that means she has to leave for work at 5.30am. As a result she is struggling to pay child-minder costs and is now in rent arrears.
- A single parent who worked part-time earning the National Minimum Wage could not afford to pay for childcare during the school holidays, despite claiming all the tax credit and benefit support they were entitled to.

Delays - medical assessments

- One client has been on contribution-based ESA for one year. He has not yet been assessed or received the Work Related Activity component, and only received payments of £72.40 weekly for a year.
- A client suffered a stroke and had a long period of rehabilitation. The client is getting very near to reaching the 365 day cut off for contribution based ESA but has still not been assessed due to ATOS backlog.

Delays - PIP

- One client who is disabled and finds it difficult to get around applied for PIP and has been sent for a face to face assessment. However, he is thinking of not continuing the claim as the assessment is going to be carried out in a city 35 miles away, which he does not know, cannot afford to travel to, and would not manage that length of journey.
- One client was referred for a PIP assessment five months ago, after half his tongue was removed due to cancer. The CAB spoke to the assessment provider who confirmed they had received his application but it would take a 'minimum of six to seven months' for a medical or contact with a healthcare professional.
- One client whose PIP claim had been subject to a very lengthy delay, has left her with no income other than what her husband grants her from his pension. The client suffers considerable medical problems, and the additional stress of waiting for any decision to be made is making her health worse.

Delays - mandatory reconsideration

- A client who is 61 and suffers from ill health attended an assessment four months previously was told of the decision not to award him ESA. He felt that the medical practitioner had not taken full account of his medical history and symptoms and the bureau assisted him in completing a Mandatory Reconsideration. The client has still not received any correspondence or decision from the DWP four months later. He has been without any form of income since then and has been referred to the local food bank.
- A client sent a mandatory reconsideration request 12 weeks previously and is without money and destitute. The CAB adviser called the DWP who confirmed that the request had been received but there was still no decision.
- A client was awaiting a mandatory reconsideration of her ESA which has been stopped. She has had no benefits for two months and has nothing to live on. She has applied for JSA and had been advised by the Jobcentre go to her CAB for help to phone for a short term advance of benefit. The Jobcentre no longer have phones for the public to use and therefore refer all clients to CAB for assistance.

Universal Credit

- A client who was a recovering substance abuser was transferred to Universal Credit. In four months he went from having no debt to owing £4,500 in rent,

Council Tax arrears and overpayments. The client was found dead in his flat two weeks after coming to CAB.

- A client was moved onto Universal Credit despite having rent arrears. Now he is left with a disposable income of £7.67 per month, has no food and has a debt of £5,535.

Winter Fuel Payment

- A client had a letter regarding a payment of £135 towards winter fuel payments. She had been trying to phone the number to claim by the deadline but needs a current meter reading or a current fuel bill. The client lives in sheltered housing and as a result has never had an electric bill.
- A client came in to find out why he had not received his Winter Fuel Payment. After being passed from the Winter Fuel Payment Helpline, to his bank, to the banking liaison team, the Payment Helpline (again) and the Jobcentre Plus (twice) no one could provide him with an answer, other than to call back next month if it had not arrived.

Social Fund Funeral Payments

- A client was wrongly informed by a funeral director that she was eligible for a funeral grant when she isn't actually on a qualifying benefit. Despite this, the client is on a very low income and is now worried about she will not be able to afford the £3,000 cost.
- A client is on a low income and receives working tax credits. Her mother passed away recently but she is not eligible for social fund help for the funeral costs. As a result the client is not sure how she can afford the cost and is considering a loan from a doorstep lender.
- A client on disability benefits applied to the social fund for help with funeral costs of her partner. She has been told that the funds would be supplied but they would take four to six weeks to be released. The funeral director says they will not go forward without a deposit of at least £500 leaving her with no choice but to delay the funeral until she gets the grant.

Debt and Financial Products & Services

Debt remains the second largest advice area that CAB clients present with. Issues we deal with include debt or arrears in any form of payment, loans and credit, bills, rent, credit or store cards, energy/utility debts, welfare overpayments and social fund debts, court fines. We also deal with the remedies to these debts including bankruptcy, Debt Arrangement Scheme, repayment schemes, and also money advice and budgeting.

The Citizens Advice Service in Scotland also deal with financial products and services and our advice within this area includes credit referencing, loans and insurance, pensions, savings and investments, hire purchase; and also the selling and administration (or misselling / maladministration) of financial products and services, discrimination in accessing these services, or the problems in accessing banking and credit and financial services.

We note that this is not an area examined by any of the parties considering the future of devolved powers with the exception of one mention of tackling payday lenders and that is in connection with licensing powers for local authorities. Whilst this in itself is welcome and we would agree that this is an area that should be devolved, it doesn't really tackle the main problems caused by the massive majority of lenders who are online. In addition it doesn't tackle the root causes of people needing to access payday loans, or those who get into other forms of debt due to a lack of affordable and accessible credit in the marketplace as well as economic constraints of rising prices at a time of stagnant wages. As is often said in relation to payday loans and increasing debt there is too much month left at the end of the money.

However whilst tackling payday lending, basic banking, and increasing access to affordable credit would certainly meet our three principles, we don't believe it is possible to devolve powers that would allow this to happen any more than it is at present. Banking, finance, and credit remain areas that cannot be transferred under our present devolved system and indeed we note there are no proposals from any party for this to be addressed.

The solutions to so many of these issues are political and policy driven rather than a matter of where those decisions are made so again we would urge Governments to work together to tackle them and use each other and the variety of organisations and agencies involved in this area for the ideas on how to do so. This is a key area which could be examined by a joint committee or working group approach as we discussed earlier and include voices from across the UK to seek solutions.

Case studies

Payday Loans & Access to credit

- A client got into multiple debts with doorstep lenders and local payday lending shops after she found it difficult to meet the basic living costs of her family after a drop in her income following redundancy.
- A client entered into an expensive payday loan with a local shop to pay for a repair to her car that she needed to get to work. The client came to CAB as the repayment date was soon and she wondered if she could get a loan elsewhere. She has tried her bank, credit card companies and the local credit union but none will take her on due to a previous bad credit history.
- A client has multiple debts through payday loan shops in his town totalling £1,500. The client was borrowing money from the stores and then gambling the money in nearby bookmakers. The client is in substantial other debt (over £5,000) but little checks were done before he was lent the money.

Basic Banking

- A client with high debt levels went to his CAB for help as he had been turned down for a basic bank account at the three banks in the town. His only option appears to be a post office card account but that has no direct debit facility.
- A client had been refused by all the banks in the local town due to him being sequestrated five years ago. He is now attempting to be added as a joint account holder with his wife as he is unable to open an account in his name only.
- A client who is in the process of becoming bankrupt has been told by her bank they will close her account when that happens. She has tried all the other banks in the town but none are willing to take her on. The CAB have found the nearest bank that can provide the facility is in another town 15 miles away. The client is reliant on public transport so this is not an ideal option.

Employment and Employability

Pay & Employment rights

We can follow the logic that if social security is devolved that employment law and responsibility for the minimum wage should also be devolved to allow for reducing in-work benefits by increasing the minimum wage. However we do not believe that by devolving any of these areas, fairness, equality or responsiveness would be reached for the people of Scotland or the rest of the UK with in the current system of devolved government – though it could possibly be reached through a system of full federalism.

However we would firmly recommend, as stated before, that there is an increase in the co-operation and communication between both Governments on these areas and for the UK Government to pay more heed to those organisations who speak for workers and working conditions in Scotland.

Equalities

We are in agreement with parties who have considered the issue of equalities legislation and agreed that this is an area where devolving the powers would be to the benefit of people in Scotland and in particular help enhance the representation of women and other sections of society within our public institutions including public boards. We would hope that by this happening, it would highlight to the business world and other sectors the benefit of having governing Boards and structures which reflect the society we live in much more equally.

Tribunals

The Tribunals (Scotland) Act of earlier this year was part of a number of changes to the justice system made recently in Scotland and merged the Scottish Court Service (SCS) and the Scottish Tribunals Service (STS) into one public body. We commended the aims of the new Scottish Tribunals Service (STS) in particular the principle of placing the user at the core of process and procedure.

The STS provides administrative support to six Tribunals but there are a number of Tribunals which remain reserved and governed by the UK Tribunals, Courts and Enforcement Act 2007 including employment, Social Entitlement (Social Security and Child Support Appeals), and immigration and asylum. The STS also have responsibility for Tribunals that deal with reserved issues, but have specific Scottish jurisdiction and structures (such as the tribunal that deals with War Pensions).

CAS believes in an accessible justice system which puts users at the core of the process and we think that the Tribunals (Scotland) Act establishes firm foundations on which Scottish Tribunals can grow.

Reserved tribunals represent the majority of tribunal-administered justice in Scotland and we believe that by devolving certain Tribunals to Scotland we could ensure those foundations, combined with our current oversight arrangements means that all tribunals which operate in Scotland meet the same standards of accessibility, fairness and efficiency.

If social security is devolved, then the Social Entitlement Tribunal should also be devolved. If social security is not devolved, we still believe, for the reasons outlined above, that there is a case for this Tribunal to be devolved.

We also believe that devolving Employment Tribunals would increase and further access to justice for Scotland's people.

We do not believe that, in either case, it is an issue that the law is reserved but the enforcement devolved. We have precedence in this area. Consumer credit is a reserved issue yet enforcement of consumer rights are through the Scottish courts – obviously a devolved area. If employment (or social security) remains reserved, the Scottish Parliament could still have the enforcement of employment rights devolved and administer it through the Scottish Tribunals Service.

A smooth transition of these Tribunals to Scottish jurisdiction should be possible because of the recent changes made to the STS and could be of major benefit to users.

Case studies

Employment

- A client was employed as a groom for six months, but was not paid at all. The client was locked in the stables whilst working and made to work seven days a week for long periods of time. He is owed approximately £6,000.
- A carer on a zero hours contract had just returned to work after maternity leave. Previously she had been able to be more flexible in the range of hours that she was willing to work but has now asked to be considered for hours within the 9am to 3pm range to look after her children. Now, her manager sometimes only gives her one or two hours' work each week and the client is worried she will lose her Working Tax Credit and have to make a large repayment.
- A client was hired and worked for a week at a fast food outlet. When she asked for her wages she was dismissed and told that she wasn't entitled to any pay as she was leaving. The employer has apparently done this to other staff.
- A client's hours were reduced from 22 to 12 per week. She took on another part time job to supplement her income, but was then dismissed because she wasn't available to work every day of the week. She had been employed for over two years, but deterred from making an employment tribunal claim due to the fees involved
- A client has worked at a hotel for four years on an 'as and when required' basis, usually around 50 hours per week. Now he has been given no shifts and advised that there will be no more work for him, but when he went online to look for a second job, his employer had advertised his own job.

National Minimum Wage

- A client went to his local CAB to seek employment advice. He was working in a hotel, six hours a day, six days a week and paid considerably below the National Minimum Wage. In addition to his regular hours, the client is expected to be constantly 'on call' and is not allowed to leave the hotel in case he is needed for some task, including on his day off.
- A 23 year-old client has worked for a hairdresser for three years, but was only paid £2.68 per hour [National Minimum Wage at the time was £6.31 per hour]
- A client started a new job at a car valet company. He was told that his first week was 'training' and was only paid £3 per hour.
- A client is paid £6.21 per hour, less than the National Minimum Wage. She has mentioned to her employer that she is not earning the minimum wage, but does not want to raise it again as she needs the job.

Employment Tribunals

- A client was planning on going to the Employment Tribunal to claim unpaid wages. A claim for unpaid wages would incur a fee of £160 and a hearing fee of £230 making the total cost £390. His unpaid wages would be £601 and this would be subject to tax and NI so the client decided not to go ahead.
- A client made a claim to the tribunal for unfair dismissal from a hotel he had worked in for five years. The Tribunal requested a hearing fee of £950; however a last minute offer through ACAS to settle was made. The client had almost paid the fee and if he had it would have been non-refundable.

Energy

Our contribution here relates to the domestic energy market and is based on the evidence we have from our clients who have presented with energy problems, as well as our policy and research work into how current practices and policies impact on our citizens.

Our service has traditionally dealt with energy issues that include areas such as billing and meter reading/pre-payment meters, charges and disconnection, methods of payment, complaints and redress, and energy assistance applications. With new responsibilities we have with the transfer of Consumer Futures and the Extra Help Unit (EHU) to CAS in 2014, we also are now looking at new energy areas. For example through the EHU we are dealing with people across Great Britain who are at the point of disconnection and dealing direct with energy suppliers. Through Consumer Futures policy work which is both across Scotland and Great Britain we represent the interests of consumers in the energy market and directly with energy companies. Through our work we can recommend changes that are in the best interests of our citizens.

CAS is actively pursuing policy work in connection with the 'poverty premium' which adds an estimated 10p to costs for every £1 spent overall by low income households on a range of goods and services. We are examining the causes and effects of the poverty premium and making recommendations for positive change. Whilst the poverty premium hits many areas of life, energy is a prime area. In addition, over several years now, we have seen an increase in fuel poverty with an increasing proportion of household income being spent on fuel.

The future direction of energy policy is currently the subject of intense national debate, in particular the impact on consumers of decisions taken by the Scottish and UK Governments, OFGEM and the industry itself. Research and studies have shown that consumers see their energy bills continue to rise, whilst company profits increase. Above inflation price rises have occurred despite household incomes remaining largely static. As a result, ordinary consumers feel squeezed, energy issues continue to make headline news, and trust in the industry remains extremely low.

Our research shows that that utility costs are an increasing concern for Scottish households - even more so than for those in England and Wales. A recent report on the consumer issues that the Citizens Advice Service in Scotland dealt with in 2013/14 showed that energy ranked as the fourth top issue for consumers and we recorded a 79% increase in the number of cases related to household fuel bills.

Critically, in many key areas that directly affect energy policy, Scotland is distinct from the rest of the UK. This includes our generally colder climate leading to a greater need for heating; a different domestic fuel mix means more homes are without access to mains gas hence a greater reliance on electric heating, heating oil, etc; the different mix of housing stock means there are more hard to treat properties including those with solid stone walls, tenements, flats, etc; and a very different geography with more remote and rural locations which creates specific challenges around energy infrastructure and fuel poverty in particular.

There is now an opportunity to ensure that energy policy is more responsive to the unique conditions of the Scottish energy market, and places the needs of Scottish consumers at its heart.

One very practical means of achieving this would be to ensure that the Scottish Parliament and Government play a much greater role in setting the regulatory framework within which the UK energy market currently operates. We believe this could be achieved by instituting joint oversight of Ofgem with the UK Parliament and Government. Such an arrangement would ensure a regulatory regime that took full account of issues of more concern in Scotland, such as the impact of locational charging or extending consumer protection in relation to heating fuels other than mains gas and electricity.

The policy landscape is further complicated by increasingly divergent approaches to the delivery of large scale energy efficiency programmes and schemes to tackle fuel poverty, an area of policy already devolved to the Scottish Parliament. The UK Government has progressively reduced public funding to such schemes and instead relied on up-front costs being met by private sector providers through the Energy Company Obligation (ECO) and Green Deal, and then recovered from consumers through either long term loans or a charge on electricity bills. The Scottish Government has sought to maintain public funding of such schemes, something made increasingly difficult by a UK Government spending decision it had little influence over.

CAS believes that, to ensure greater accountability and clarity on decision making in relation to energy, the Scottish Parliament should have responsibility for raising and administering more of the resources necessary to match its energy policy responsibilities. For this reason, we call for Scotland's share of carbon tax revenues from the EU Emissions Trading Scheme and carbon price floor mechanism to be allocated to the Scottish Parliament. Although clearly a decision for the Scottish Parliament and Government of the day, we would advocate that these resources could best be used to implement an ambitious and enhanced household energy efficiency programme across Scotland, such as that outlined in a Verco/Cambridge Econometrics paper commissioned by our predecessor organisation, Consumer Futures Scotland published earlier this year.

Case studies

Poverty Premium

- A client wanted to change to another energy company as they were offering a better deal than her current supplier. The client couldn't move as she had an outstanding balance and they won't allow her to move until it's paid off. The client can't afford this as she is on a very low income so she is stuck on the higher rate.
- A client wanted to change from a card electricity meter 'pay as you go' to direct debit as it was cheaper. The client has a post office card account and therefore can't set up direct debits. The client had reported she had been turned down by all the banks for a current account, even the basic ones, as she had previously been bankrupt.

Fuel Poverty & Energy Efficiency

- A client in severe hardship received a letter from an energy company with notice of electricity disconnection for an overdue payment of £59. The client had no money and had walked five miles from his village to get to his local CAB and was walking back again.
- A client had no money to put into her pre-payment meter and is already running on the emergency allowance. She has chronic asthma and the cold exacerbates the health problem. She received help from CAB to access the Scottish Welfare Fund to help top up the meter.
- A client said they found it difficult to heat the house in the winter due to cost and has decided to move next year as her current property is difficult to insulate. She has recurring bronchitis and while she doesn't want to move her health suffers if the house is too cold.
- A client who is retired and owns the house, has no mortgage payments but still struggles to make ends meet due to having to pay over £2,500 in energy costs a year for her small house. Because so much of her income is spent on her energy bills she feels she can't afford to get insulation installed.
- An off grid client is struggling using a single halogen lamp heater after no longer being able to carry coal into his home. This is costing a lot to run to heat the room sufficiently but the client doesn't know how to manage any other way.
- A client struggles with her electricity powered storage heater as she is off grid. She gets heat at the wrong time of day and is spending around 40% of her income on the fuel bill. She is worried about the reports of an increased fuel bill and has come to the CAB to see if there is any help on offer.
- A client has raised the issue of better windows in her private rented property a number of times as it is making it difficult to heat her home. The landlord is refusing to do the repairs and the client would move home but is worried about the cost of doing so as she is single mum working part time.

- A client is in fuel poverty with prepayment meters due to having her benefit sanctioned. A standing charge has accrued on both gas and electricity and as a result any money he puts in is used to pay that before he gets any heat or power.

Consumer advice, advocacy & education and consumer protection

Our Consumer Advice consumer service and network of bureaux dealt with well over 282,000 consumer issues in 2013/14 for people living in Scotland. Our top five consumer issues across the service were unsecured credit; credit card debt; bank accounts; energy; and private rented housing. Consumer issues such as these are categorised in different advice areas (as shown earlier in our section on our issues) but when we look at all these consumer issues together its accounts for 30% of our workload. In addition, CAS has responsibility for speaking out for consumers across energy, postal services and water through our Consumer Futures work and also a role in consumer advocacy and education which were previously the role of the Office of Fair Trading. Therefore consumer advice, advocacy and education are areas we are passionate about.

We note that two of the political parties have brought forward ideas around consumer protection and consumer advocacy. We note in particular the detail with which the Scottish Labour Devolution Commission has considered changes in the consumer landscape in relation to the new responsibilities of Citizens Advice Scotland and the former roles of Consumer Futures, the OFT and Extra Help Unit etc. However CAS believes that it is clear that since publication the points raised in the report have been fully addressed. Through the changes that have taken place since April 2014 the voice of consumers in Scotland has been strengthened and consumer campaigning increased. All to the benefit of the citizens of Scotland. Therefore we should move on to other practical ways we can ensure that the consumer voice can continue to be heard and responded to, how we achieve that, and through which government and agencies.

It is clear that both gaps and duplication of work are possible within the current system that sees consumer protection legislation be reserved to Westminster yet be enforced in Scotland through Trading Standards, and consumer advice and advocacy again lying with the UK Government but yet delivered by agencies in Scotland such as ourselves and others working in the field of consumer advice education and advocacy, and financial capability,

We believe that consumer protection should be devolved to allow for a more fair, equal and responsive way of tackling enforcement of these issues and to prevent duplication of work and effort and instead allow agencies to note and fill any gaps in provision. In light of much of what we have said on co-operation between Governments, we also agree with the Scottish Government's idea of working with the UK Government on a Scottish Consumer Ombudsman. This is exactly the sort of example of where a joint committee would benefit all the people of the United Kingdom.

We are aware that being responsible for consumer advice, advocacy and education through our network of citizens advice bureaux, Consumer Advice consumer service and the Extra Help Unit means we have a vested interest in the recommendations for devolving, or not, the powers in this area.

Again, we would agree with those that have examined this issue and concluded that it would be in the best interests of the people of Scotland for consumer education

and advice – and the funding thereof – to be devolved to the Scottish Government. We believe that this clearly allows for more responsiveness for the citizens and consumers of our country and will also increase fairness and equality in this area. If this recommendation is taken forward, we look forward to working with all the relevant partners to ensure a smooth transition takes place and relevant and responsive structures put in place.

Case studies

Consumer protection

- A client bought a used car for £8,000 from a national dealer. The client has had multiple problems and has been back and forward to the dealer who attempts to repair but never solves the issue. The client wants to return the car and receive a refund but the trader will not accept. The trader is not covered by an alternative dispute system and so the client's only option would be to take the case to the small claims court although the client is unsure about doing this.
- A client bought a laptop from an electronics shop but it stopped working after a month. She returned it to the shop but they are refusing a refund, have sent it for repair but it is still broken. The client's only option is to take the firm to the small claims court as there is no alternative dispute service. The client is unwilling to go to court as she is scared of the process.
- A client bought wooden flooring from a hardware shop. Since its installation a couple of months ago it has warped. The trader has sent out an inspector who says it's 'been overused through too much walking on the surface'. The client is in deadlock and there is no dispute resolution or appeals service, his only option is the small claims court. The client is worried about legal bills incurred by using this approach.
- A client had additional solar panels installed on his roof after he was very happy with the ones he already had. The new ones don't generate as much energy as the old ones but the company refused to replace them saying that they are not comparable despite him buying a more expensive model. The client has tried to negotiate a reduction and has spoken to a solicitor who has tried to help. The company is not signed up to any appeals service so his only option is to take the case to the small claims court.
- A client reported receiving threatening letters from a private parking firm for a charge of £150. She has appealed and told the firm she sold the car months ago and sent proof. The company are ignoring her and there is nowhere she can turn to.

Summary of recommendations

Co-ordination and Communication

1. Newly devolved powers and the subsequent legislation brought back to the people of Scotland to respond to.
2. Build into the legislation a system of monitoring and review with people at the heart of the process including a people's parliament and engagement with civic Scotland.
3. Within our Parliaments, joint committees could be set up to scrutinise policies that impact across GB but remain reserved or part reserved. Such committees should rotate where they meet.
4. Joint government committees or commissions and working groups should have a role in examining joint work on issues of joint interest.
5. Ministers, Committees, and UK policy making institutions should be much more responsive to listening to and responding to the concerns, the views, and ideas of those in Scotland when it comes to policy areas that impact on them and hold meetings outside of London.
6. There should be a written agreement between our governments that ensures proper scrutiny of policies is able to be done by Scottish Parliament committees if they impact on Scotland's people.

Resourcing and funding

1. If powers are to be devolved that include spending then there must also be a way of ensuring that the Scottish Government can raise money to realise those spending commitments.
2. Any areas that are to be devolved must be alongside the correct funding to allow for those powers to be established and then run.
3. If there is to be any new formula or equalising payment it must take into account Scotland's geography, rurality, and particular socio economic needs.
4. Advice services should be given their due place and recognised for the major benefits they provide to society.

Strengthening the powers of the Scottish Parliament

Social security - benefits

1. Government should be able to tackle the social policy issues we have in the round to look at the connections between health, employment, housing, and benefits etc and have one coherent strategy that will tackle the challenges
2. The practical problems that would come about through devolving only part of the social security system would lead to a duplication of work and effort from all those involved.
3. All social security benefits (welfare) apart from the state pension should be devolved to meet the needs of Scotland and to allow for full integration of benefit policies with other policies and strategies and allow for a multi-agency approach to tackle Scotland's particular needs. This includes working age benefits, tax credits, and fuel payments and pension credit.
4. The state pension should not be devolved.
5. Benefits and the state pension should be separated.

Debt and Financial Products & Services

1. We believe banking, finance, and credit remain areas that should not be transferred under our present devolved system.
2. To tackle issues such as payday lending, basic banking, and increasing access to affordable credit, policy and political decisions are needed. This can be achieved by governments working together through a structure such as a joint committee or working group.
3. We believe that tackling payday lenders through increased licensing powers for local authorities should be agreed.

Employment and Employability

1. We believe that a level playing field across the UK ensures our principles are met within the area of employment law and pay and having two systems of pay and employment conditions could be counterproductive so do not advocate the devolution of employment law or wage setting.
2. We recommend an increase in co-operation on these areas between the governments of the UK and an increase in listening to those organisations who speak for workers and working conditions in Scotland.
3. We agree that equalities legislation is an area where devolving the powers would benefit of people in Scotland.

4. If social security is devolved, then the Social Entitlement Tribunal should also be devolved. If social security is not devolved, we still believe there is a case for this Tribunal to be devolved.
5. We believe that devolving Employment Tribunals would increase and further access to justice for Scotland's people.

Energy

1. There is an opportunity to ensure that energy policy is more responsive to the unique conditions of the Scottish energy market, and places the needs of Scottish consumers at its heart.
2. The Scottish Parliament and Government should play a much greater role in setting the regulatory framework within which the UK energy market through having joint oversight of OFGEM with the UK Parliament and Government.
3. Scotland's share of carbon tax revenues from the EU Emissions Trading Scheme and carbon price floor mechanism should be allocated to the Scottish Parliament.

Consumer advice, advocacy & education and consumer protection

1. We note that two of the political parties have brought forward ideas around consumer protection and consumer advocacy.
2. We believe that consumer protection should be devolved to allow for a more fair, equal and responsive way of tackling enforcement of these issues and to prevent duplication of work and effort.
3. We agree that the Scottish Government should work with the UK Government on a Scottish Consumer Ombudsman.
4. We believe it would be in the best interests of the people of Scotland for consumer education and advice – and the funding thereof – to be devolved to the Scottish Government.

Citizens Advice Scotland (CAS), our 61 member Citizen Advice Bureaux (CAB), the Citizen Advice consumer service, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Adviceguide provides information on rights and helps people solve their problems.

We are champions for both citizens and consumers and in 2013/14 the Citizens Advice Service in Scotland helped over **330,000 clients** in Scotland and dealt with **over one million issues** overall. In addition, the Scottish zone of our self-help website Adviceguide received approximately **4.2 million** unique page views. In 2013/14, our citizens advice bureaux recorded a financial gain for clients of over **£125 million**. If we paid our volunteers it would cost the service **£10 million**. Research by the Fraser of Allander Institute into the economic benefits of advice shows that the Scottish CAB Service contributes an annual total benefit to the common good in Scotland of nearly **£180 million**.

Our Citizens Advice Bureaux network, which includes telephone helpline Citizens Advice Direct, deliver frontline advice services through more than 200 service points across the country, from city centres to rural communities. This network of bureaux is staffed by a team of paid staff and nearly 2500 volunteers.

In addition the Citizens Advice consumer service provides a helpline service for those needing advice and information on consumer rights and helps to solve problems with consumer goods and services. Citizens Advice Scotland delivers part of this Great Britain wide service from a call centre in Stornoway, helping people in Scotland and across other parts of Great Britain.

The Extra Help Unit, through a team of telephone caseworkers based in Glasgow, helps people throughout Great Britain who have complex energy or postal complaints or are at risk of having their gas or electricity cut off who are referred through our consumer helpline, Ofgem, the Energy Ombudsman, or their local elected representative.

Citizen Advice Scotland's simple but robust vision is paramount to all our goals:

“A fairer Scotland where people as citizens and consumers are empowered and their rights respected.”

Citizens Advice Scotland
Spectrum House
2 Powderhall Road
Edinburgh EH7 4GB
Tel: 0131 550 1000
Email: enquiries@cas.org.uk
www.cas.org.uk



 www.facebook.com/citizensadvicescotland

 www.twitter.com/CitAdviceScot

Want advice online? www.adviceguide.org.uk/scotland

Problem with goods or services? Call **03454 04 05 06** for the Citizens Advice consumer service

The Scottish Association of Citizens Advice Bureaux - Citizens Advice Scotland (Scottish charity SC016637)