

# Social Security Committee Inquiry: COVID-19 and Social Security

## Citizens Advice Scotland Response: October 2020

*Scotland's Citizens Advice Network empowers people in every corner of Scotland through our local bureaux (CAB) and national services by providing free, confidential, and independent advice. We use people's real-life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help, and we change lives for the better.*

### Summary

Citizens Advice Scotland (CAS) welcomes the opportunity to contribute to the Social Security Committee's call for evidence on the role of Scottish Social Security in COVID-19 recovery.

Social security at its most basic should act as a safety net – a floor beneath which none of us can fall – to prevent poverty and destitution. However, the reality is that currently there are gaps in the social security system, mainly in relation to reserved benefits, which people currently can and do fall right through.

Our response seeks to highlight areas where changes could be made to ensure that social security plays the full role that it should in supporting people living in Scotland through an unprecedented public health and economic crisis.

### CAS recommends:

- **The UK Government commits to making the £20 a week uplift to UC permanent.**
- **The Scottish Government doubles the Carer's Allowance Supplement payment in December, as was done in June.**
- **The Scottish Government uprates SCP at least in line with inflation from when it was announced to when it goes into payment, at a cost of around £4m.**
- **The Scottish Government provides additional proportionate resources to local authorities for the administration of the Scottish Welfare Fund and the Discretionary Housing Payment fund, not just the "pots" themselves.**
- **The Scottish Government commits to "topping-up" SWF and DHP for the rest of this financial year as needed, to ensure that local authorities can permit access to everyone who is eligible without having to consider future budgetary demands at the detriment of individuals in need.**
- **The Scottish Government works with local authorities to ensure that in all local authorities the Scottish Welfare Fund can be accessed through a phone claim as well as online.**
- **The Committee examines the delivery and administration of the Scottish Welfare Fund.**
- **The Scottish Government fully adopts a Human Rights Budgeting Approach to ensure that resources are used as effectively as possible.**

## Q1. What will the economic downturn look like for different people in Scotland and how should Scottish social security support people through it?

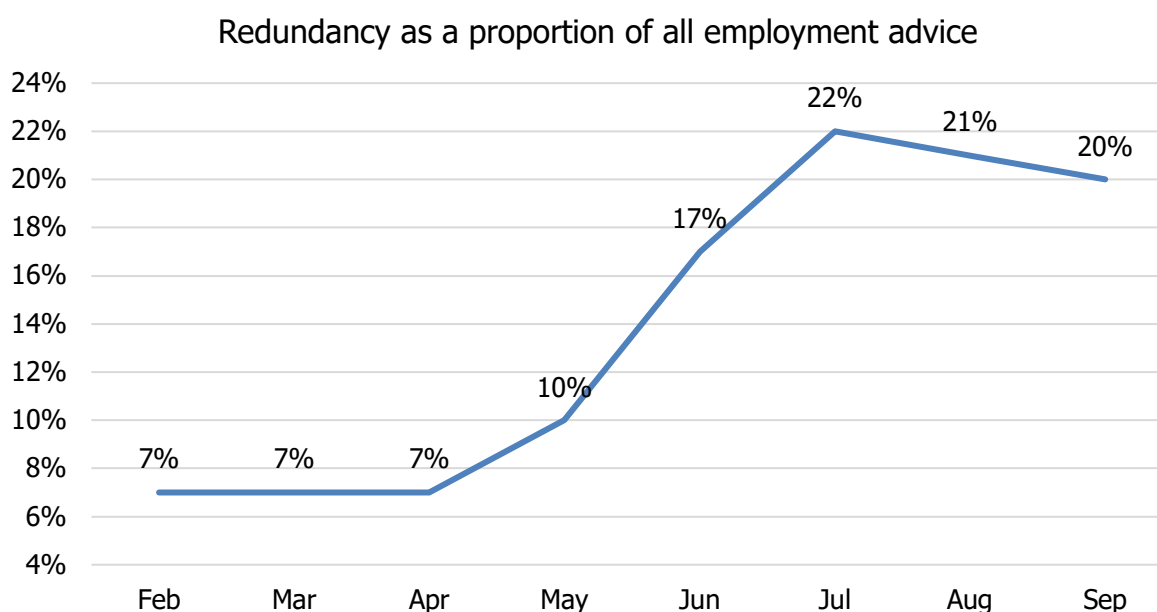
The economic damage caused by the on-going public health emergency is being witnessed every day by the Citizens Advice network across Scotland. Social security advice is the most sought area of advice by people using CAB – accounting for almost half of the advice provided in March (48%) and 43% of all advice provided in August.<sup>12</sup> Following social security, the largest advice areas for CAB are debt, employment and housing.

### CAS Evidence on the Economic Downturn<sup>3</sup>

Our evidence shows an early upsurge in advice on Universal Credit and Crisis Grants, a growth in demand for redundancy and employment advice and an increased demand for rent arrears advice by those in the Private Rented Sector. Our data also shows a change in the demographic of people seeking advice from CAB for the first time in comparison with those who visited a CAB pre-lockdown; new clients are more likely to be younger, owner-occupiers and in employment. The economic consequences of COVID-19 are expansive in depth and breadth across society.

Official statistics show that unemployment is rising in Scotland<sup>4</sup>. The impact that COVID-19 has had on jobs is reflected in the almost doubling of redundancy as a proportion of employment advice given by CAB between April and June (see chart 1). Similarly, there has been a notable increase in visits to content related to redundancy on CAS' public advice website (see chart 2).

Chart 1 – Advice on redundancy as a proportion of all employment advice given (CAB data)



Month	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Redundancy %	7%	7%	7%	10%	17%	22%	21%	20%

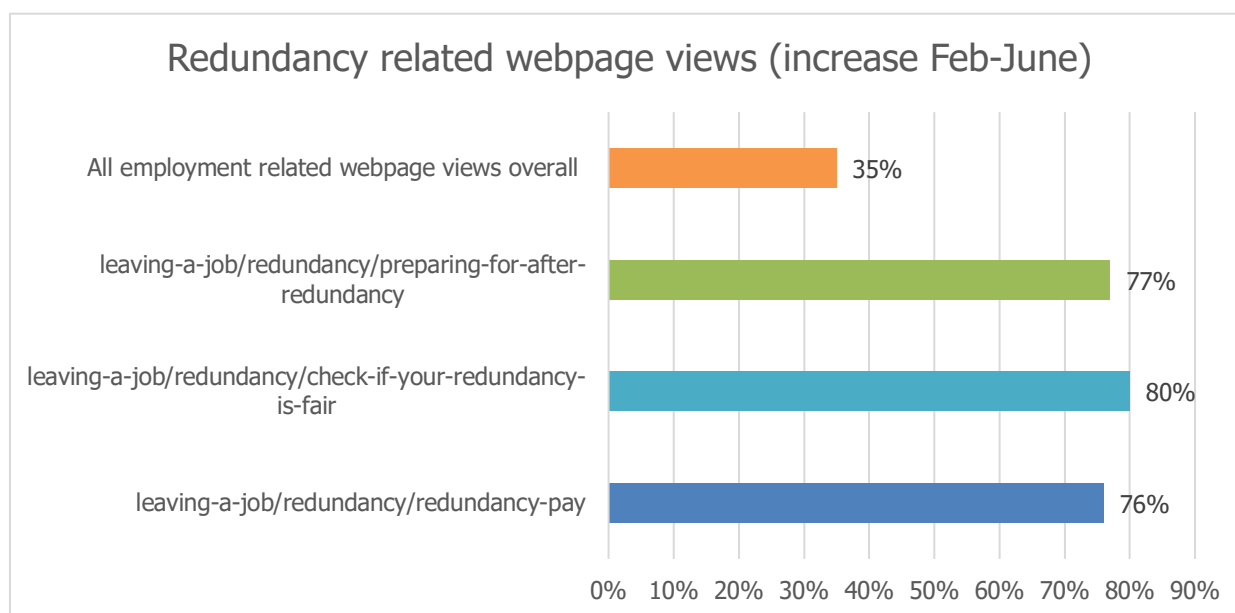
<sup>1</sup> CAS, [Impact of COVID-19 on advice sought from the Scottish Citizens Advice Network](#) – March 2020

<sup>2</sup> CAS, [Impact of COVID-19 on advice sought from the Scottish Citizens Advice Network](#) – July & August 2020

<sup>3</sup> Note on the data: All charts are based on advice code data. These are recorded by advisers every time advice in relation to a particular topic is issued. All figures and trends are expressed as proportionate to their "parent" advice code category: e.g. redundancy advice is expressed as a proportion of all employment issues. This allows for more effective comparisons between months when overall numbers of clients fluctuate and/or there are changes in advice provision (e.g. the shift to telephone and email at lockdown).

<sup>4</sup> ONS, [Labour Force Survey](#), Scotland

Chart 2. Redundancy related website page views (CAS public advice site)



Webpage	February – June increase in views (%)
leaving-a-job/redundancy/redundancy-pay	76%
leaving-a-job/redundancy/check-if-your-redundancy-is-fair	80%
leaving-a-job/redundancy/preparing-for-after-redundancy	77%
All employment related webpage views	35%

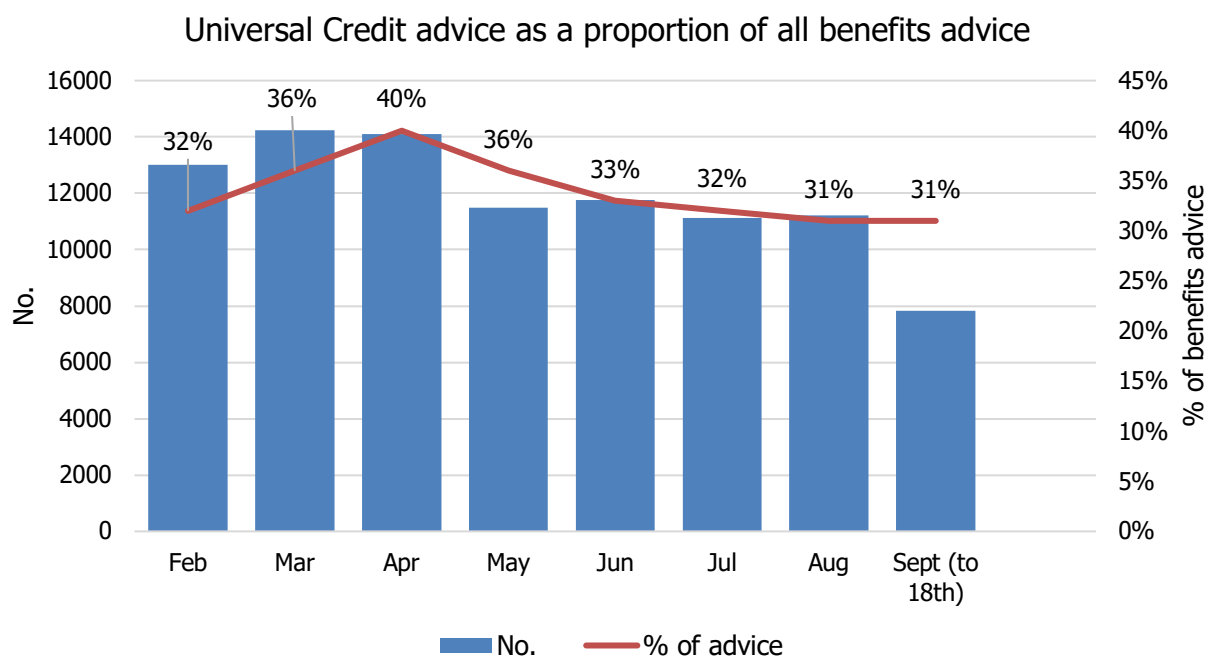
CAS called for a targeted extension of the Job Retention Scheme, beyond October, to prevent a tidal wave of redundancies over winter and expressed concern over the gaps in the recently announced Jobs Support Scheme. Whilst action to protect jobs is vital, social security must act as the safety net that ensures no one experiences poverty and destitution when they are out of or unable to work.

The main means tested social security payment for those out of work or working on a low income is Universal Credit, reserved to the UK Government. CAS has long called for a series of changes to Universal Credit to fix identified issues in the design and delivery; including the removal of the five week wait for first payment by the introduction of a non-repayable assessment period payment.

CAS welcomed changes to Universal Credit introduced in response to the pandemic, including the £20 per week uplift and the suspension of the Minimum Income Floor for the self-employed. Recent CAS research found without the additional £20 a week announced in March, 8 in 10 CAB complex debt clients would be in a negative budget. Instead, the additional money has reduced the numbers of these clients who are in a negative budget by more than a fifth (22%). If the £20 a week uplift is not extended and made permanent beyond April 2021, the UK Government risk creating an income crisis. **CAS recommends the UK Government make the increase permanent and commit to doing so now.**

Overall Universal Credit claims spiked in the early phases on the pandemic – this can be seen by a growth in the advice provided by CAB (Chart 3).

Chart 3. Universal Credit advice as a proportion of all benefits advice (CAB data)



	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept (to 18 <sup>th</sup> )
<i>Number of pieces of advice</i>	13002	14241	14100	11487	11761	11132	11216	7834
<i>Proportion of all benefits advice</i>	32%	36%	40%	36%	33%	32%	31%	31%

It is notable that the majority of students are not entitled to Universal Credit, only students with children or limited capability for work are eligible. This exclusion has compounded the financial hardship of a demographic that populated the workforce of the hospitality, tourism and retail sectors. It is also a concern that 16 and 17 year olds who are not in education are not eligible for Universal Credit. Those with No Recourse to Public Funds are completely excluded from financial support under Universal Credit, as was the case for the CAB client below.

**Citizens Alert:** A West of Scotland CAB reports of a client who is an international student with a young child. The client's work has dried up, they have not been furloughed and have been unable to find alternative employment due to the COVID-19 pandemic. The client has been pushed into severe financial hardship due to No Recourse to Public Funds. The client is also building rent arrears.

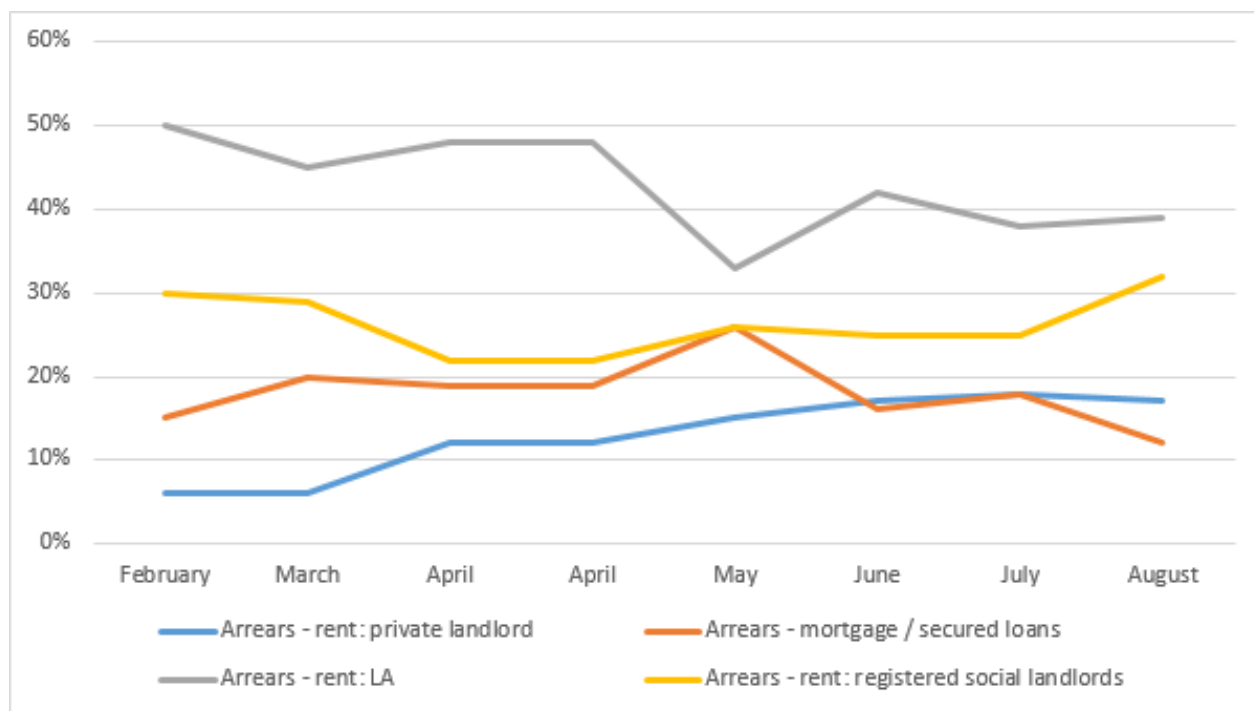
The early peak of Scottish Welfare Fund Crisis Grant advice coincided with the rise in advice on Universal Credit. In April, 1071 pieces of advice on Crisis Grants were provided by CAB in comparison to 476 in February – a 125% increase.<sup>5</sup>

For those in the private rented sector (PRS) the economic downturn could potentially have catastrophic effects for people trying to stay in the place they call home. The loss of regular employment has led to arrears mounting up for housing costs. It is unlikely that we will emerge from this crisis without many

<sup>5</sup> CAS, Impact of COVID-19 on advice sought from the Scottish Citizens Advice Network – September 2020

people in significant rent arrears. Radical thinking is required to find solutions, and people’s homes must be prioritised over landlord or mortgage provider profit. Recent CAS research found 1 in 4 people are concerned about paying rent.<sup>6</sup> Chart 4 shows the changes in the proportion of advice on arrears given by CAB.

Chart 4. Changes in proportion of advice on housing cost arrears (CAB data)



Type of housing cost arrears	February	March	April	May	June	July	August
Arrears - rent: private landlord	6%	6%	12%	15%	17%	18%	17%
Arrears - mortgage / secured loans	15%	20%	19%	26%	16%	18%	12%
Arrears - rent: LA	50%	45%	48%	33%	42%	38%	39%
Arrears - rent: registered social landlords	30%	29%	22%	26%	25%	25%	32%

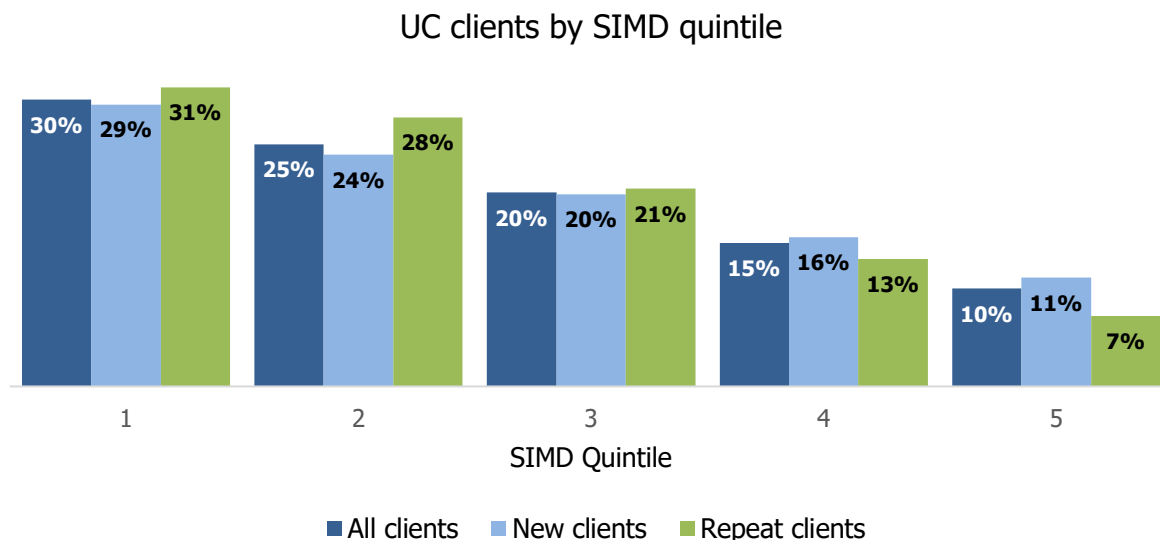
The CAB client in the case below has experienced housing issues caused by loss of earnings and the unresponsive wait for social security in the form of Universal Credit.

**Citizens Alert:** A West of Scotland CAB reports of a client who is self-employed and unable to work due to the pandemic. The client had made an application for UC but was in the five week waiting period for first payment. The client had informed their landlord of the circumstances and has arrears of around £400. The client has been harassed by their landlord who has sent an excessive amount of text messages to the client each day demanding payment and threatening the client with eviction.

<sup>6</sup> CAS external polling, carried out by Mark Diffley Consultancy and Research – fieldwork August 2020

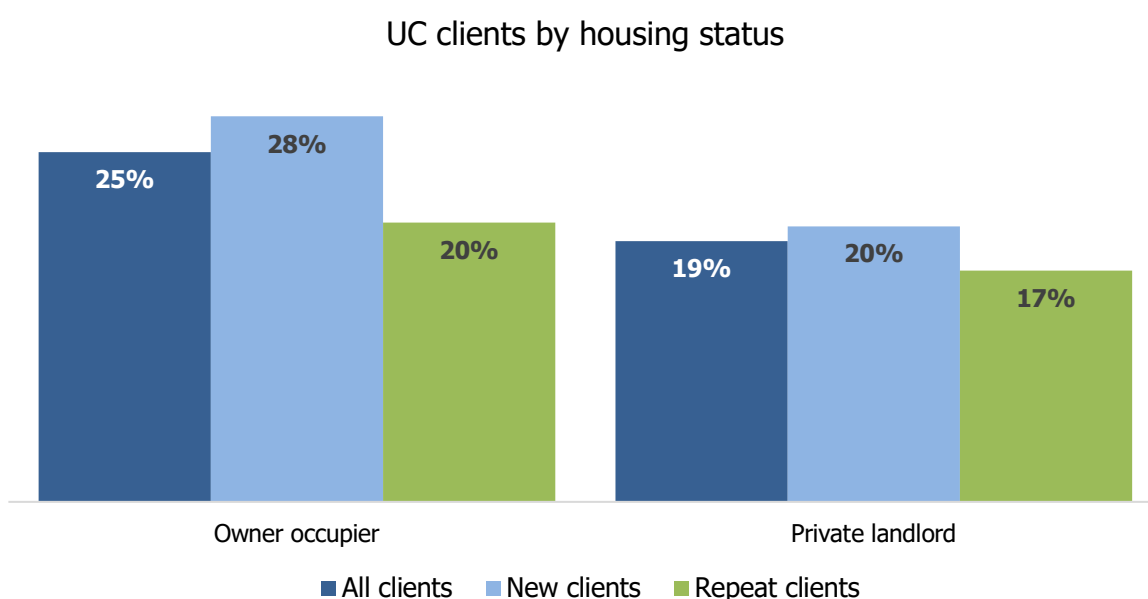
Across the Citizens Advice network there has been a change in the demographics of the people seeking advice. Charts 5 and 6 show the increase in new clients seeking advice on Universal Credit who are from the least deprived areas and who are homeowners or renting in the PRS.

Chart 5. UC clients by SIMD quintile (CAB data)



SIMD Quintile	All clients	New clients (first contact since April)	Repeat clients (used CAB previously and revisited since April)
1	4870 (30%)	3445 (29%)	1425 (31%)
2	4115 (25%)	2833 (24%)	1282 (28%)
3	3292 (20%)	2350 (20%)	942 (21%)
4	2436 (15%)	1828 (16%)	608 (13%)
5	1665 (10%)	1331 (11%)	334 (7%)

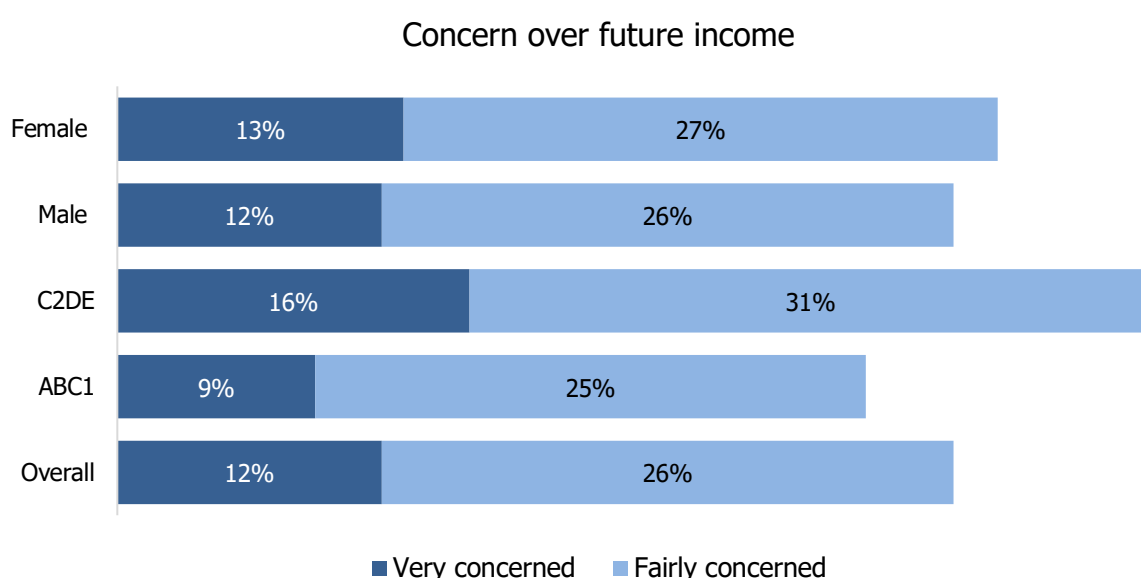
Chart 6. UC clients by housing status (CAB data)



	<i>All clients</i>	<i>New clients (first contact since April)</i>	<i>Repeat clients (used CAB previously and revisited since April)</i>
<i>Owner occupier</i>	2888 (25%)	2116 (28%)	772 (20%)
<i>Private landlord</i>	2152 (19%)	1513 (20%)	639 (17%)

The economic downturn has and will continue to have profound consequences for many people in Scotland. External polling carried out by CAS in August found that 1 in 3 people are concerned about their future income (chart 7). Concern was slightly higher among females and people from a 'lower' socio-economic status.

Chart 7 – CAS External Polling (August 2020)



	<i>Female</i>	<i>Male</i>	<i>C2DE</i>	<i>ABC1</i>	<i>Overall</i>
<i>Very concerned</i>	71 (13%)	62 (16%)	62 (16%)	52 (9%)	133 (12%)
<i>Fairly concerned</i>	148 (27%)	140 (26%)	118 (31%)	141 (25%)	288 (26%)

In sharing the data gathered through the Citizens Advice network and through our external polling we hope to give insight to the Committee on the wide-ranging impacts of COVID-19 across employment, housing and social security. Recognising how these interact and are intrinsically linked must be at the fore of thinking in relation to how social security can support people through economic tough times.

So far, many of the worst impacts of an economic downturn have been mitigated by measures such as the Job Retention Scheme, while mortgage and debt repayment holidays and the extension of extended notice periods for evictions have given breathing space to those facing financial difficulties. However, as these begin to draw to an end, many will find themselves without the vital support and protections they have had thus far.

It is clear that the economic downturn may look slightly different for different people dependent on a number of factors, including employment status, housing status, savings and support networks. However, a uniting undercurrent should be that regardless of how a person finds themselves in a position where they do not have sufficient income; social security must provide a safety net – a floor beneath which none of us can fall – to prevent poverty and destitution.

## **In the context of UK social security and of other ways of providing support, what role should Scottish social security have in an economic recession?**

Social security has a fundamental role in supporting citizens during an economic recession. At its most basic, social security should be the safety net that protects from poverty and destitution. Determining the balance of where Scottish social security has a role, within the context of UK social security requires consideration. As Universal Credit is the main means tested benefit for people of working age, the role UC plays in supporting people through the economic recession cannot be understated. CAS is currently calling for the UK Government to commit to making the £20 a week increase to UC permanent.

Considering the role of Scottish social security within the wider context, the principles of the Social Security Act Scotland (2018) note that social security is an investment in the people of Scotland, a human right and essential to the realisation of other human rights in Scotland that will contribute to reducing poverty in Scotland.

The unprecedented and at times unpredictable nature of the COVID-19 pandemic makes emergency crisis payments a vital part of social security support. Later in this response, under question 3, CAS details issues with the Scottish Welfare Fund that are acting as barriers to accessing and receiving this vital support.

The Scottish Government has the power to set the level of benefits that it is currently and will shortly be paying. In recognising the contribution that carers make to society at all times, but even more so during the pandemic, the adequacy of carer support should be considered. **CAS recommends that the Scottish Government again doubles the Carer's Allowance Supplement payment in December, as was done in June.**

The forthcoming Scottish Child Payment is another area where the Scottish Government could act to increase payment levels. CAS was delighted that the Scottish Government recently legislated to ensure this payment is uprated annually, but this will not come into effect until April 2022. A boost in the value as it goes into payment would help mitigate the financial impact of COVID on Scotland's poorest families.

Longer term, the adequacy of disability benefits and carers benefits must be reviewed. As stated in the Scottish Campaign for Rights to Social Security report [\*Beyond a Safe and Secure Transition\*](#) the adequacy of disability and carers benefits must be reviewed to ensure that recipients have sufficient income to lead a dignified life.

## **Q2. Can, and should, Social Security Scotland do more than meet the expected increased demand for benefits and deliver on existing policy commitments? What should its ambitions be? Within the social security and borrowing powers available to Scottish Ministers what could be achieved and delivered?**



CAS welcomed the Scottish Government commitment to minimise the delay COVID19 caused to the implementation of the Scottish Child Payment, despite the significant impact COVID-19 has had on the agency. We understand the delay the pandemic has had on forthcoming disability and carers benefits but would welcome the publication of a revised timetable for the delivery of these payments.

Given the unprecedented economic and public health emergency that Scotland is facing the Scottish Government and the agency must be ambitious in its aspirations for the coming year. Part of governance involves the prioritisation of budgeting choices, and we would suggest the adoption of a [Human Rights Budgeting approach](#) across the Scottish Budget to ensure that resources are distributed in a way that puts people first

Specifically, **CAS recommends the Scottish Government uprates SCP at least in line with inflation from when it was announced to when it goes into payment, at a cost of around £4m.**<sup>7</sup> The agency should be ambitious in its work to automate the application process to ensure the greatest possible take-up, with the Scottish Government working with DWP to resolve the data issues which will allow the increase in eligibility to over 6s as soon as is feasible.

We would also encourage Scottish Government to consider how their social security powers can be used to mitigate the financial impact of COVID19 on people on very low incomes who will not be eligible for SCP.

Carers are invaluable to society, though their value is not always recognised in monetary terms. CAS welcomed the additional Carer's Allowance Supplement paid in June and recommends the Scottish Government gets support to carers in time for Christmas, by again doubling the Carer's Allowance Supplement due to be paid in December, as was done in June. This vital extra support for carers would cost just under £20m.<sup>8</sup>

Under Question 3, we detail the importance of ensuring the Scottish Welfare Fund is functioning as it should. CAS is concerned that at present, the SWF is not meeting all of its objectives due to delivery and administrative problems. Crisis Grants are a lifeline for people in a severe income crisis, whether this be caused by the five week wait for Universal Credit or an unexpected expense. Local authorities and the Scottish Government must consistently monitor how the SWF is functioning and consider what changes can be made to the fund to ensure better promotion and access, and a fairer more consistent decision making process across local authorities. As additional elements, such as the new self-isolation payment are added under the administration of local authority SWF teams, care must be taken to ensure the purpose and capacity of the fund is not diluted.

CAS welcomes the additional monies for local authority administered funds like the Scottish Welfare Fund and Discretionary Housing Payments. Throughout and beyond the remainder of the emergency period, **CAS recommends proportionate resources are given to local authorities for the administration of those funds, not just the "pots" themselves.**

Local authorities and COSLA have also noted the need to balance existing and future need when deciding to grant payments like DHPs or grants from the Scottish Welfare Fund. This may mean the same application could theoretically be approved in one quarter, but not another. The responsible

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<sup>7</sup> Based on an inflation rate of approximately 2% over two years, current Scottish Government estimates of the number of children eligible for SCP is 194,000 children, total cost = £4,035,200.

<sup>8</sup> Based on an estimated 83,000 eligible carer's receiving an additional £230.10, total cost = £19,098,300.

management of budgets in a normal financial year is prudent, but denying support for existing need on the basis of possible future need during this year in particular, will likely lead to significant detriment for individuals affected and greater costs for local authorities at a later date.

**CAS recommends Scottish Government commits to “topping-up” SWF and DHP for the rest of this financial year as needed, to ensure that local authorities can permit access to everyone who is eligible without having to consider future budgetary demands at the detriment of individuals in need.** CAS also recommends that Scottish Government ensures local authorities are adequately resourced to deliver these payments in a way that meets the ambition within this year’s Programme for Government of developing a human rights based approach to social security at the local authority level.

On DHPs in particular, the Scottish Government’s three housing resilience groups have an interest in and insight on this matter. **CAS recommends the Scottish Government works with these resilience groups as well as local authorities to maximise the benefits this fund can bring and prevent evictions.**

### **Q3. If we look to do more, or differently, what are the relatively easier changes that could be made to Scottish benefits that would not require significant additional capacity in Social Security Scotland?**

Without impacting on capacity, existing or soon to be paid Scottish benefits could be uprated to provide a cash boost directly to people. For example, Scottish Child Payment is due to come into payment in February. **CAS recommends the Scottish Government uprates SCP at least in line with inflation from when it was announced to when it goes into payment, at a cost of around £4m.**

A means of reducing the capacity required in Social Security Scotland is to consider what more can be done to automate processes, where this is appropriate. This includes exploring again with the Department for Work and Pensions the possible routes to automation of SCP. Extending Scottish Child Payment to those over 6 should also be explored urgently to minimise the number of reapplications that will need to be dealt with.

CAS welcomed the additional Carer’s Allowance Supplement payment paid in June. As we approach December, when the next payment is due to be made, **CAS recommends the Scottish Government again utilises this mechanism to provide the same additional £230.10 cash boost to carers.** This vital extra support for carers would cost just under £20m.

The Scottish Welfare Fund is a vital source of support for many people in crisis or requiring support to move or stay in their home. There have been a notable number of issues with the administration of the fund, which if solved would enable this element of social security to be more effective. Whilst CAS welcomes the additional funding that was put into the SWF earlier in the year, it is not clear how local authorities have increased their capacity to distribute a larger fund nor if funding has been provided specifically for this purpose. The differing approaches of local authorities has led to considerable variation when it comes to accessing support from the SWF. Recent research by the Poverty and Inequality Commission found that the percentage of applications awarded crisis grants varied considerably across local authorities.<sup>9</sup> Ranging from as low as 42% in some areas up to 92% in others.

<sup>9</sup> Poverty and Inequality Commission, [The role of the Scottish Welfare Fund during the COVID-19 pandemic](#)

Some local authorities had spent almost a fifth of their Scottish Welfare Fund budget in April and May, whereas other local authorities spent less than a twentieth (5%) of their total budget during these two months.

Considering the renewed importance of the role of the SWF in providing emergency assistance, now including administering the new self-isolation payment, **CAS recommends the Committee examine the delivery and administration of the SWF.** This work could explore how a fairer, more consistent and easier to access application process to the support provided through SWF could be achieved across all 32 local authorities building on the work of the Poverty and Inequality Commission's report into the SWF response to COVID-19.<sup>10</sup> **CAS recommends the Scottish Government support COSLA and local authorities to share best practice between local authorities on an on-going basis throughout the crisis period.**

Over the pandemic, multiple CAB in different local authorities have reported problems with the initial application process. Mainly, that often local authorities are not permitting phone claims and are requiring people to submit an online application. Many CAB are reporting an increase in advice seeking from people who are unable to complete an application online and are finding themselves in extreme hardship.

The cases below highlight some of the issues caused by digital and technological barriers to accessing the fund for CAB clients:

**Citizens Alert** *A West of Scotland CAB reports of a client who is a lone-parent with three young children who applied for a Community Care Grant through their local authority. The application form is a PDF file, which the client is unable to edit on her phone. The client was told they must print, sign and return the form. The local authority told the client they could not help them complete the form and signposted the person to CAB.*

**Citizens Alert:** *A West of Scotland CAB reports of a client who did not have the IT equipment required to produce and submit supporting evidence (bank statements) for his claim to the SWF within a set timescale of a few hours. The client was also refused an initial telephone claim for the SWF and required the assistance of a CAB adviser to make the claim online for the client.*

**Citizens Alert:** *An East of Scotland CAB reports of a client who was unable to make a phone application as their local authority does not accept phone claims for the Scottish Welfare Fund. The CAB adviser completed the application for the client; however, the local authority also required a permission mandate to be completed. The client is unable to access the internet to provide a digital signature. The client called the local authority to give verbal permission, however this used the client's phone credit and if the client had not had credit in their phone or the assistance of a CAB adviser, they would have been unable to access the SWF.*

**CAS recommends that the Scottish Government work with local authorities to ensure that in all local authorities the Scottish Welfare Fund can be accessed through a phone claim as well as online. This would ensure that everyone can access the Scottish Welfare Fund, regardless of their digital access or skills or disability.**

<sup>10</sup> Poverty and Inequality Commission, [The role of the Scottish Welfare Fund during the COVID-19 pandemic](#)

At the beginning of the COVID-19 pandemic, the Citizens Advice network quickly mobilised to develop and deliver Scotland's Citizens Advice National Helpline. In the wake of face-to-face advice being removed in the initial national lockdown, ensuring that people in Scotland could still access free, independent advice was at the heart of the development of the National Helpline. Scotland Citizen's Advice National Helpline can be accessed by anyone in Scotland seeking advice about any issue they might have, be it related to social security, housing or any of the other vast variety of issues that our network advise on. In undertaking the implementation of a national helpline, whilst working remotely, the Citizens Advice network has valuable experience into how this can be done. We would be happy to share our lessons from this undertaking with COSLA and Local Authorities to show how quickly and efficiently phonelines can be set up, even whilst working remotely.

CAB have also reported that clients have received incorrect information from local authorities and where the local authority appears to have made an incorrect decision. One CAB, in the early stages of the initial lockdown, reported that a client had been told that no Community Care Grants were being processed due to local authority office closures.

**Citizens Alert:** *A West of Scotland CAB reports of a client who was self-employed with no income expected for a number of weeks. The client had called their local authority Scottish Welfare Fund to be told that if he applied for the fund he would have to pay this back. Despite the CAB adviser reassuring the client that this advice was incorrect the client was too anxious to apply to the SWF.*

**Citizens Alert:** *A West of Scotland CAB reports of a client who applied for a Community Care Grant and was told as the local authority offices are closed no applications for Community Care Grants are being processed. The client required a bed, fridge and cooker for her new accommodation.*

**Citizens Alert:** *A North of Scotland CAB reports of a client who was denied a Crisis Grant as they had made three previous applications, despite the three award rule being relaxed. The client was refused the opportunity to have their application reviewed when a discretionary payment could have been made.*

**CAS recommends that Local Authorities are kept up to date with explanatory notes explaining clearly where the guidance for SWF and DHP has changed to support LA staff and prevent incorrect decisions.**

Given it is likely that the economic uncertainty and pandemic will be on-going into the future, the Scottish Government should consider what changes can be made to elements of the SWF to improve how the fund functions.

#### **Q4. What changes could be made that would not require significant input from the Department for Work and Pensions (UK)?**

The devolution of social security powers and the implications of setting up a new social security system have meant that input from the DWP is often required. This has been furthered by the linkage of payments such as the Scottish Child Payment to Universal Credit entitlement. If for example, SCP was made a type of assistance in its own right rather than a top-up benefit, the reliance on DWP data would be removed. We understand that designing new benefits in this way allows them to be rolled out more quickly through secondary legislation, but we urge the Scottish Government not to stop there and to review SCP once it is up and running to determine whether it could be made more robust through primary legislation.

The Scottish Government can seek to renew their focus on benefit take-up campaigns and activity. Primarily, working to understand take up levels in Scotland through improved data collection on current levels of take-up and estimated eligibility data. This would enable targeted action to improve take up by those currently missing out for a variety of reasons.

Many of those accessing the social security system at present are doing so for the first time. Independent advice and independent advocacy is a crucial part of ensuring that people can access what they are entitled to. Advice services play a vital role in ensuring that people can access their right to social security. As demand is expected to increase as the economic impact of the pandemic reaches full effect, ensuring that advice services are resourced adequately is essential.

## **Q5. What are the constraints and barriers to doing more in Scotland?**

CAS acknowledges the fiscal constraints within which the Scottish Government is acting. Despite this, the Scottish Government has the power to prioritise resources and the existing budget whilst also raising income through tax raising powers.

The Scottish Parliament's social security powers fall broadly into three groups:

1. Point-of-life or crisis payments. These include the Best Start Grant, the Funeral Support Payment, the Scottish Welfare Fund and Discretionary Housing Payments.
2. Benefits for disabled people and carers. These include the forthcoming Child Disability Payment, Adult Disability Payment, Pension-age Disability Payment, devolved Carer's Allowance; and the already active Carer's Allowance Supplement and Young Carer Grant.
3. Powers to create new or 'top-up' benefits. So far two of these benefits have been announced – the Scottish Child Payment, and the Job Start Payment.

The power to create new benefits in areas of devolved responsibility<sup>17</sup> allows the Scottish Government to create benefits which are not covered by the devolved powers or 'are not otherwise connected with reserved matters' – that do not remove or alter reserved benefits, such as Universal Credit. There are also restrictions on directly offsetting benefit sanctions.

The power to create discretionary payments to 'top-up' reserved benefits<sup>18</sup> enables the Scottish Government to make supplementary payments to a person who is entitled to a reserved benefit and appears to require additional financial assistance for the purposes for which the benefit is intended. As above, there are also restrictions on directly offsetting benefit sanctions.

Whilst fairly wide-ranging in theory, these powers have a number of practical constraints:

- Both the powers require new social security benefits administered by Social Security Scotland to be set up. Whilst the reference to 'top-up' sometimes leads people to expect they will be included within DWP benefits, neither the UK or Scottish Governments have intended them to be used in this way.
- Any new scheme would take time to establish.
- Any scheme that relied on supplementing existing DWP benefits would require suitable information to be shared with the Scottish Government by DWP and HMRC.

- The Scottish Government has mitigated a number of UK Government benefit changes, including providing funding to mitigate the impact of the Bedroom Tax, and to provide additional funds for the Scottish Welfare Fund and Discretionary Housing Payments.
- There is no transfer of funding from the UK Government to pay for new benefits.

Despite the barriers noted above, the prevention of destitution and poverty must be at the fore of Scottish Government budgetary decisions. A thriving economy cannot exist without a populace that is financially healthy. Social security is a key fiscal lever and an underpinning element of a humane society. **CAS recommends the adoption of a Human Rights Budgeting Approach to ensure that resources are used as effectively as possible to fulfil those aims.** Maximising take-up, reviewing and solving the issues with emergency assistance through the SWF, exploring all possible options to get direct financial assistance into the hands of people struggling is essential.

### **Q6. Should the main focus be on discretionary funds or on entitlements? In terms of recovery from Covid-19, is it more effective to provide support through discretionary funds allocated to local authorities or through demand led benefits delivered through Social Security Scotland?**

CAS believes there is a place for both discretionary funds and entitlements in the long run and that these should not be framed in opposition. The reality of the UK reserved benefit system is that there is likely to be an ongoing need for a crisis payment – for example during the five week wait for Universal Credit. Discretionary funds play a vital role in instances like this. It is difficult to conceive how entitlement based crisis payments could ever function in this gap.

Notwithstanding the aforementioned issues with the current administration of the SWF if these issues were resolved comprehensively and consistently – it would allow for better functioning of the SWF. CAS believes that greater consistency across the application of discretionary criteria is required and this could be achieved by reviewing and renewing the eligibility criteria for the SWF and ensuring local authorities have the resources to deliver a human rights based approach to social security at a local level.

#### **For more information please contact:**

Debbie Horne, Senior Policy Officer (Social Justice)  
[Debbie.Horne@cas.org.uk](mailto:Debbie.Horne@cas.org.uk)