

The Future Delivery of Social Security in Scotland

Response to the Call for Evidence

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Introduction

The Salvation Army in Scotland engages with many people who constantly face issues of poverty and who rely on welfare provision. We give support through our homelessness services and church-based community services, which include food banks, community cafés, lunch clubs, debt advice, drop-in centres, drug and alcohol support, and employment projects.¹ We therefore welcome the opportunity to respond to this call for evidence on the future delivery of social security in Scotland.

We have chosen to respond to the particular issues affecting our service users, while leaving specialised health and disability charities to comment on matters such as Personal Independence Payments, Disability Living Allowance Attendance Allowance and Carer's Allowance.

Universal Credit and Discretionary Housing Payments

We believe that the way housing support is offered under Universal Credit (UC) is problematic. One monthly payment, which includes housing costs and is paid to a single member of a household, can prove difficult for many. Based on our work in employment, debt advice and homelessness, we would advise direct payment of housing costs to landlords as the default option, from which individuals can seek to opt-out if they so wish. Similarly, we feel that many households would benefit from a default payment schedule of weekly or fortnightly payments, with an option to move to monthly payments on request.

The Smith Agreement gives the Scottish Parliament the power to vary the housing cost elements of UC, including varying the under-occupancy charge (bedroom tax) and local housing allowance rate and deductions for dependants. Presumably this would also enable the Scottish Parliament to counteract the planned removal of automatic entitlement to housing support from 18 to 21 year olds. All of these powers could be used to create a system of housing support that more adequately reflects the needs of the local population and the local housing market conditions.

An added benefit of this approach would be that Discretionary Housing Payments would no longer need to be used to top-up long-term shortfalls in housing support entitlement due to policy changes

¹ In Scotland we have 15 homelessness projects, including residential, drop-in, floating support and resettlement services. Our church-based community services operate in 75 locations across the country.

that the Scottish Parliament does not support.² This would allow such discretionary funds to once again be used for the purpose they were intended for, i.e. providing short-term support to households experiencing unexpected hardship.

The Work Programme and Work Choice

We will be responding to the more detailed call for evidence on this topic in the discussion paper *Creating a Fairer Scotland: Employability Support*. For now we can say that, in general terms, we find that Work Programme works for some but not for others. In particular, the pure payment-by-result model, coupled with the payments attracted by each payment group and the poor correlation between payment group and actual needs, means that there are insufficient resources to effectively support those who are furthest from the labour market.

The performance in Work Choice suggests that a programme with more upfront funding can produce better outcomes for this particular group. However it needs to be remembered that Work Choice is currently voluntary at the point of entry and outcome measures are different from those used in Work programme, making it difficult to directly compare the two programmes. In addition Work Choice is a relatively short and expensive programme when compared to Work Programme. This may present difficulties when scaling up this approach. The Scottish Parliament may wish to consider whether localised programmes that draw together the expertise of organisations already present in a locality may offer better value for money.

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² The latest report shows that between April and June 2015, more than 84,000 DHPs were awarded across Scotland. This is up from 61,000 in the same period for 2014 and is largely due to the impact of the bedroom tax. In the financial year 2015/16 the Scottish Government is committing £35 million to help local authorities offset the bedroom tax.

[\[http://m.stv.tv/news/scotland/1327387-84000-discretionary-housing-payments-awarded-in-three-months/\]](http://m.stv.tv/news/scotland/1327387-84000-discretionary-housing-payments-awarded-in-three-months/)