

# **The Scottish Welfare Fund: a changing context**

**Jim McCormick, JRF**

**SPSO Conference, 8 Feb 2018**

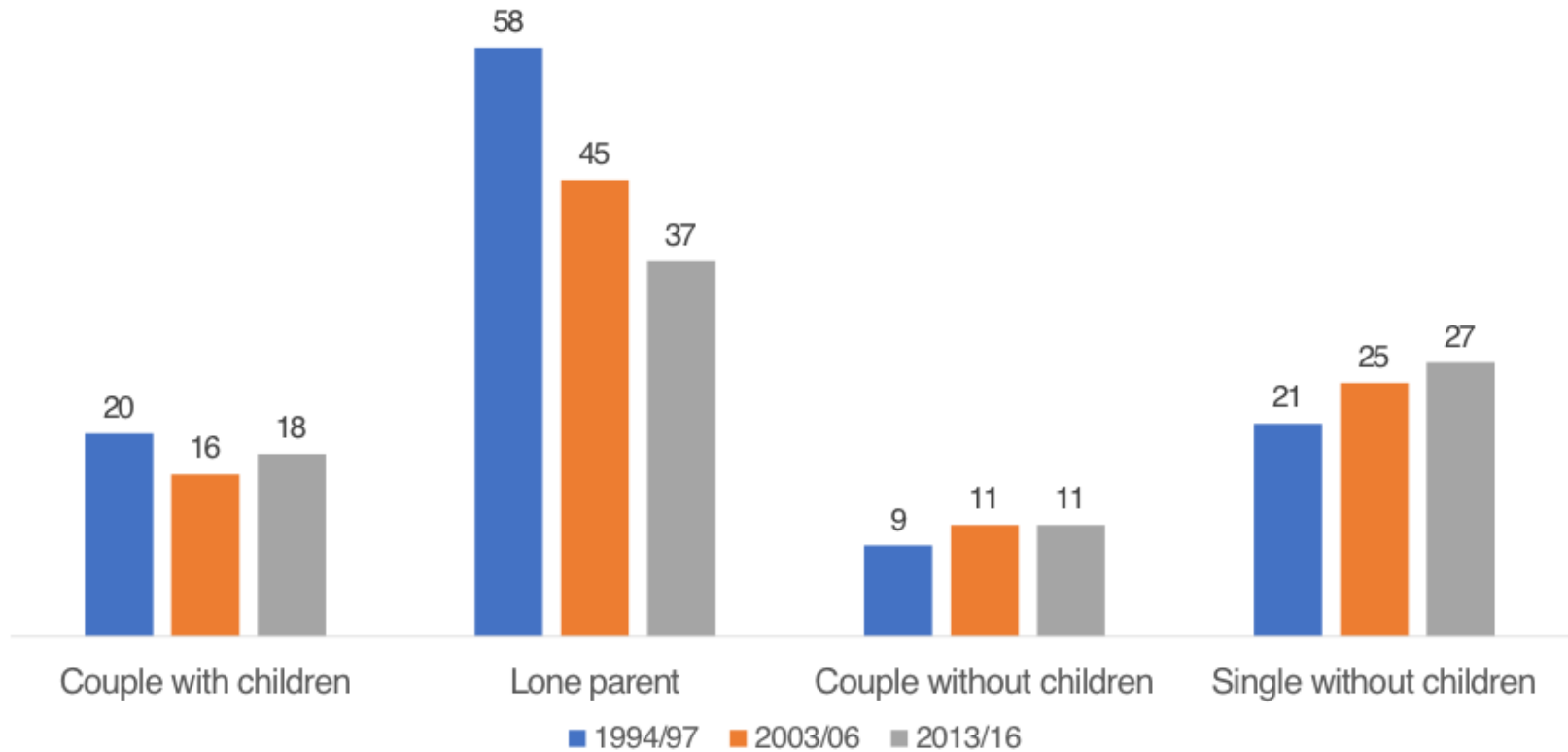
# Towards income adequacy



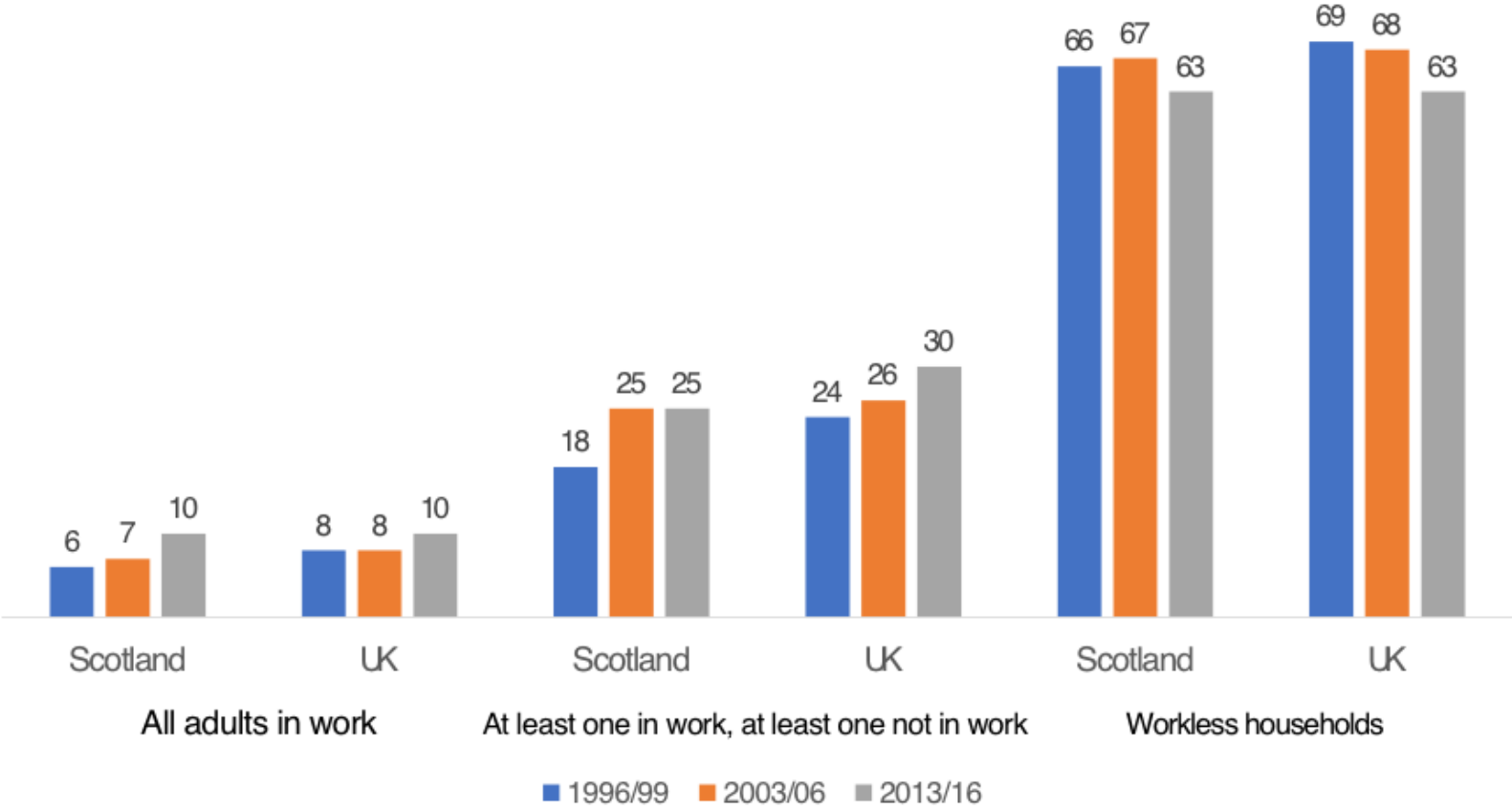
# Poverty in Scotland report (Dec 2017)

- Turning points and warning bells: progress is set to unravel
- Latest IFS projections on *Living standards, poverty & inequality* - relative child poverty in Scotland likely to rise 4-5% by 2021-22
- Single biggest driver is UK social security policy: net effect of freeze on working-age benefits, Universal Credit, two-child limit and household benefit cap (and impact of reversal - IPPR Scotland)

# Poverty in Scotland by working age households



# Poverty in Scotland by household work status



# Low income working families have lost out from changes to benefits since 2015

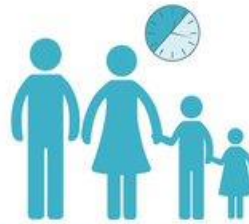
Gains from tax threshold and universal credit taper minus losses from lower than expected National Living Wage, benefits freeze & work allowance cut.



## Lone parent with 2 children

working full time on  
National Living Wage

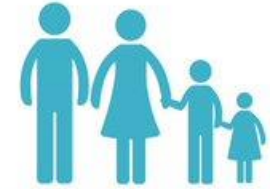
**-£2,586**



## Couple with 2 children

1 working full time + 1 part time  
on National Living Wage

**-£960**



## Couple with 2 children

both working full time  
earning £25K

**-£560**

# Address the root causes of poverty

## 5 point plan to **#solveukpoverty**



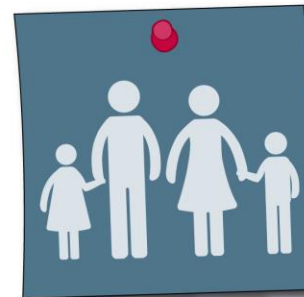
Boost incomes  
and reduce costs



Deliver an effective  
benefit system



Improve education  
standards  
and raise skills



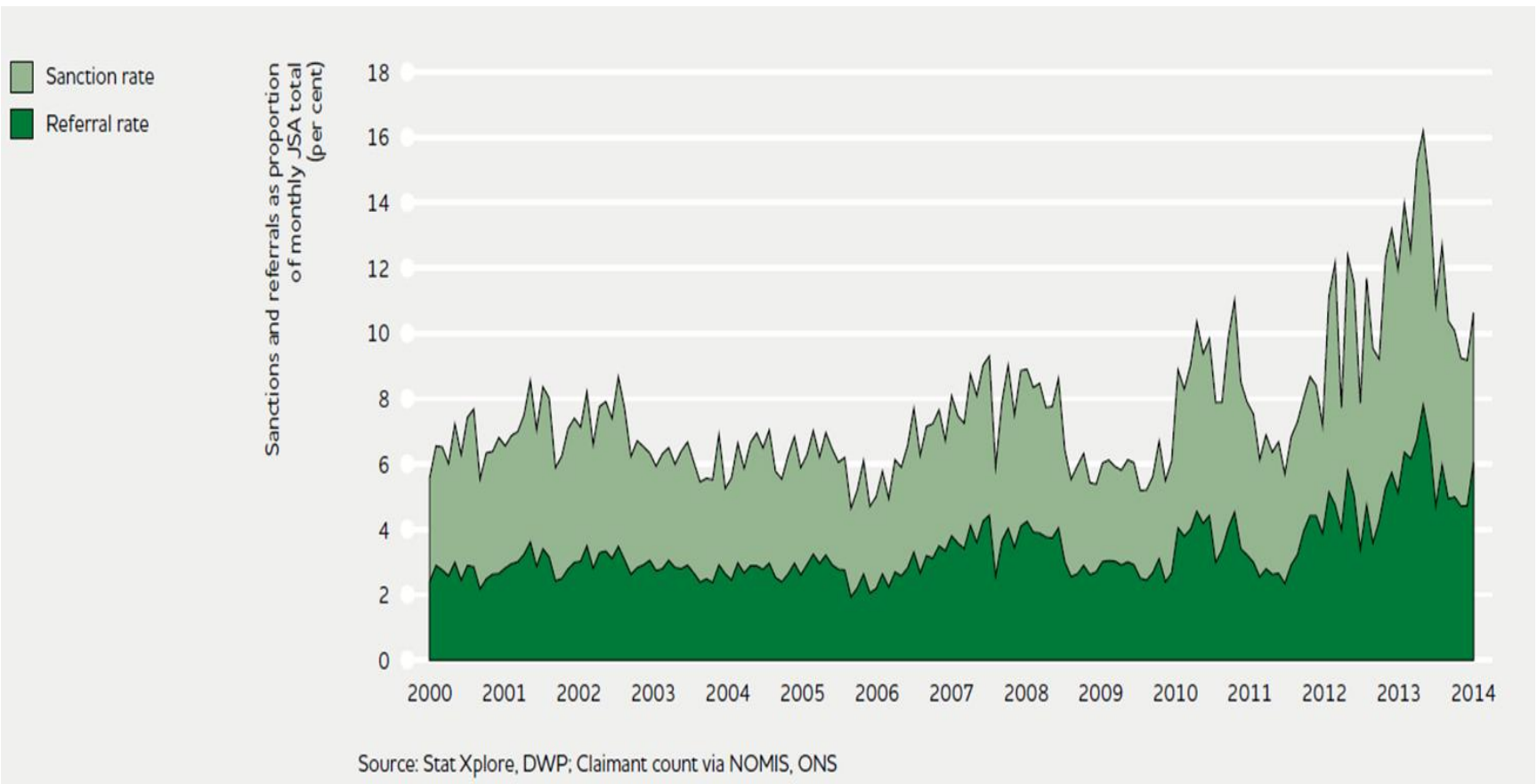
Strengthen families  
and communities



Promote long-term  
economic growth  
benefiting everyone

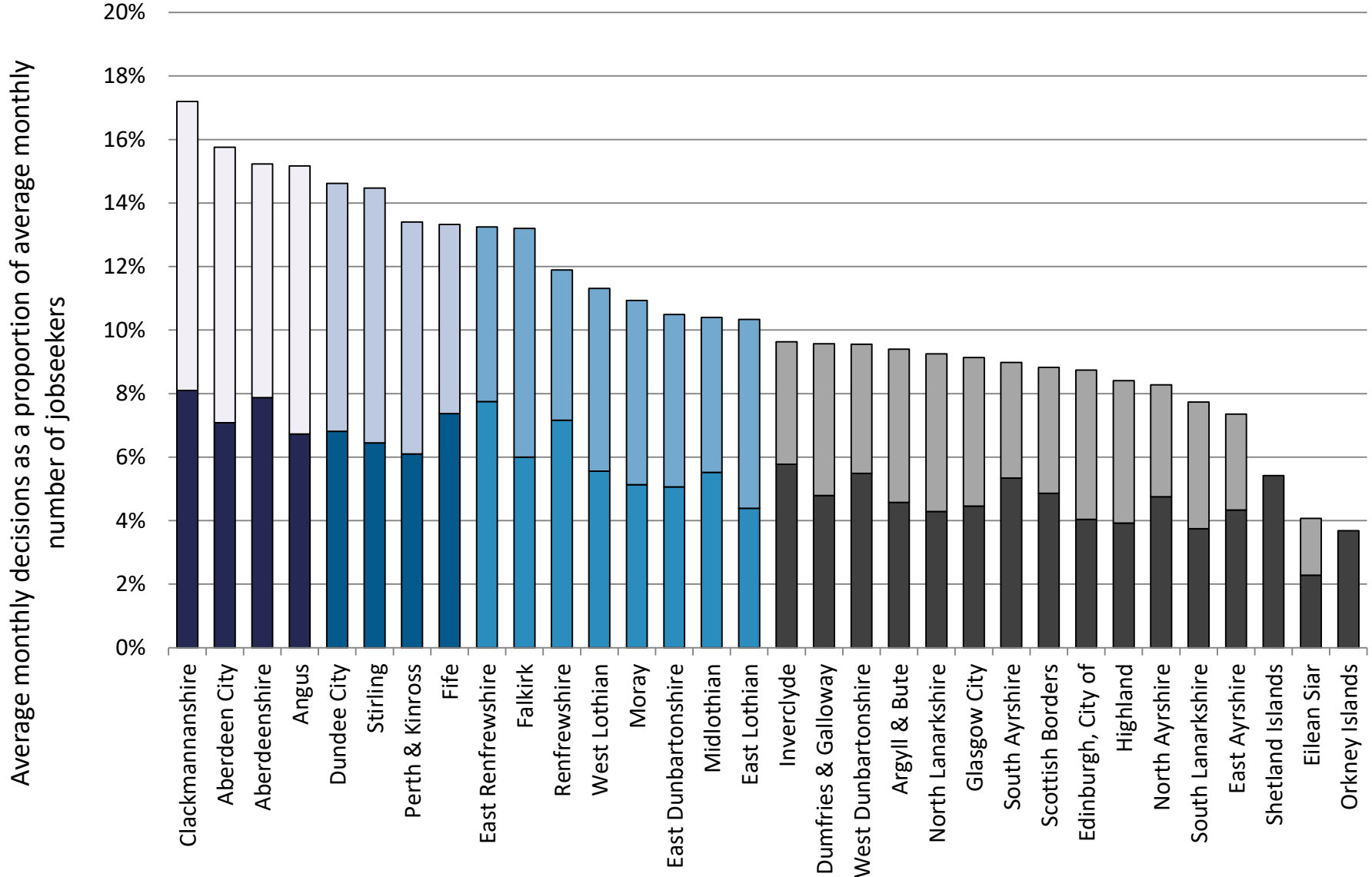
# When SWF began: trend in JSA sanctions

At its peak, 1 in 6 JSA claimants were being referred for a sanction each month



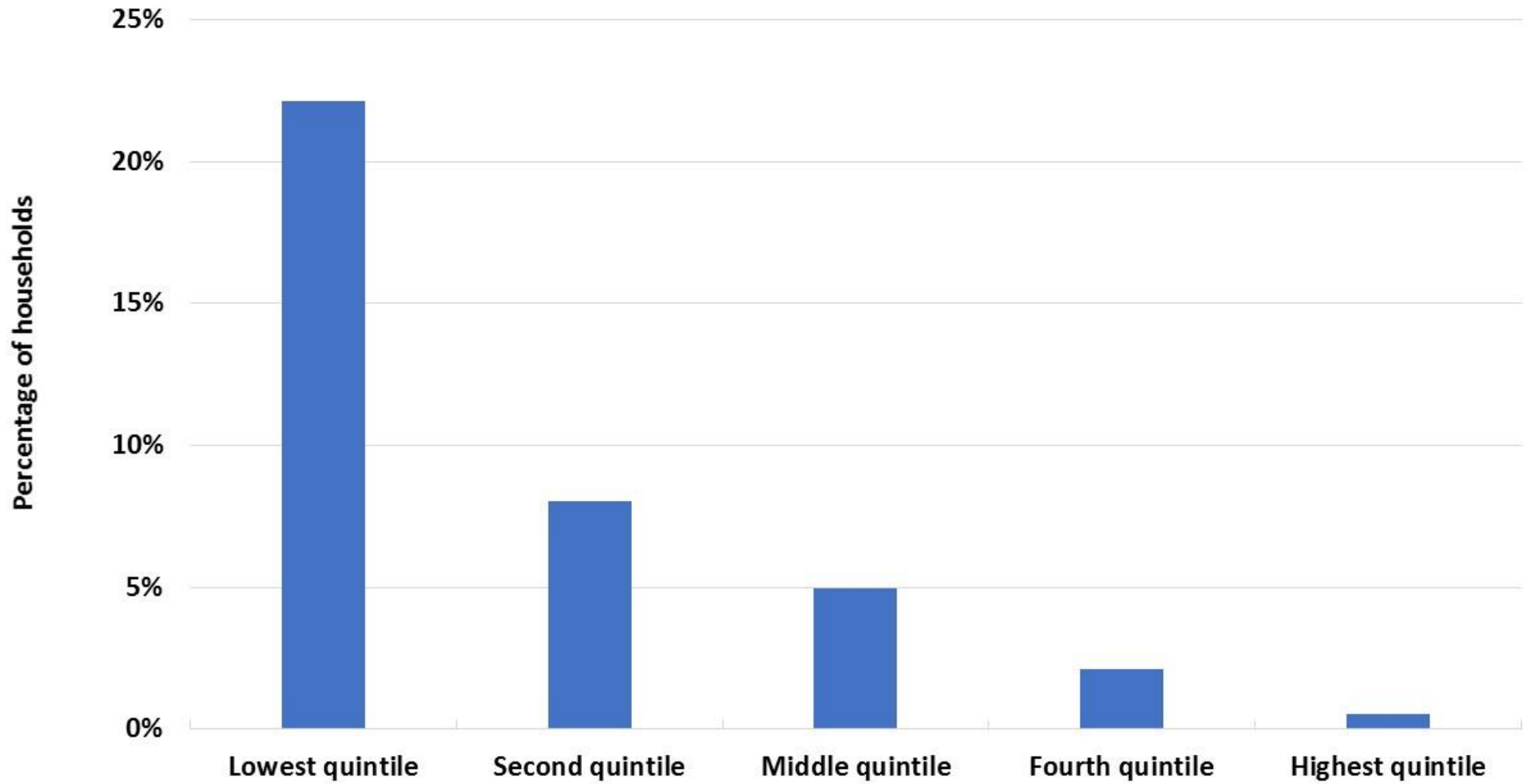


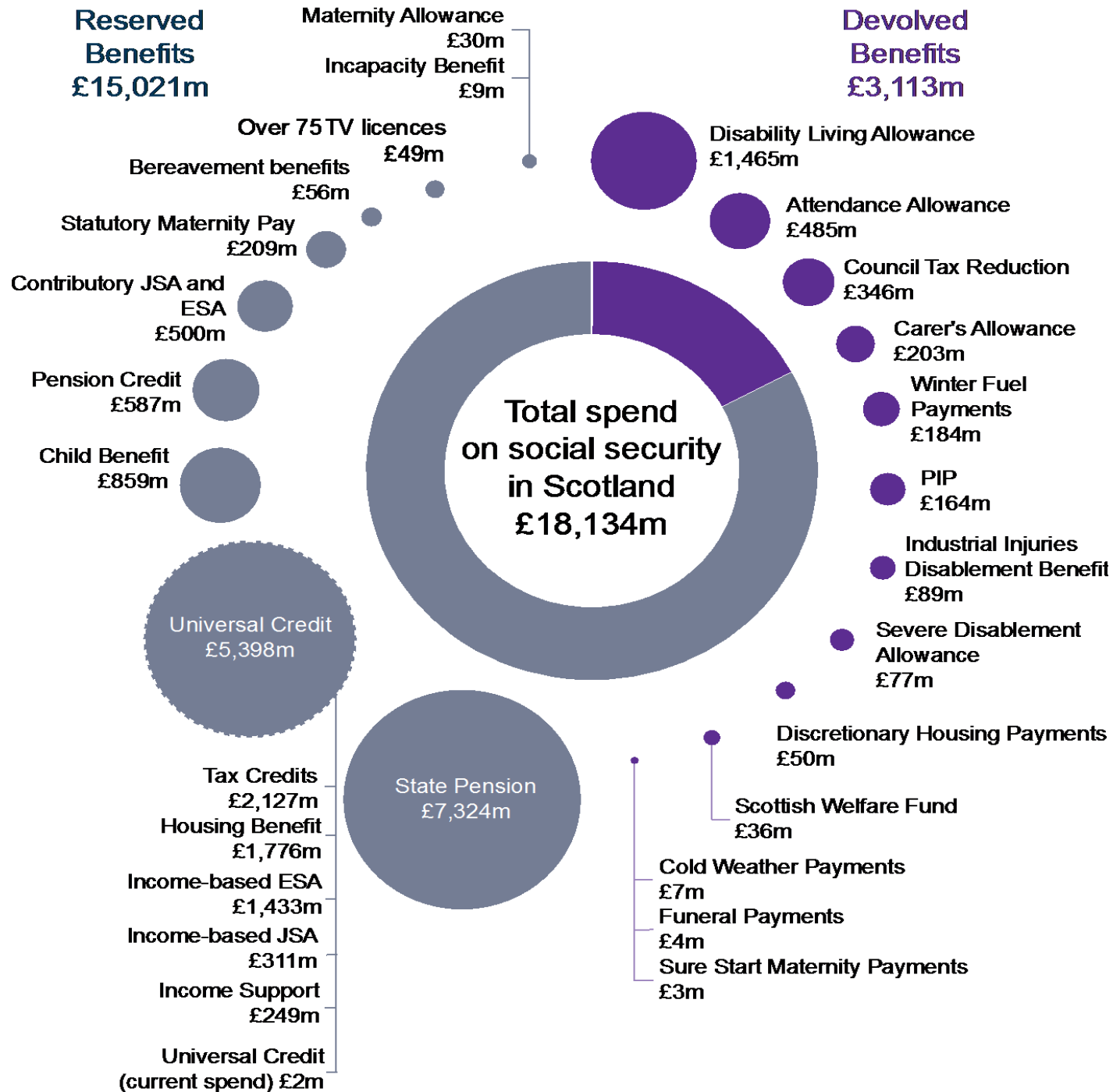
# JSA sanctions: variation by local area



Source: Stat Xplore, DWP; Claimant Count statistics via NOMIS; ONS. The data are for the first half of 2014.

## Proportion of households in Scotland with problem debt, by income quintile, 2015/16





# Social security devolution

- Social Security Bill at Committee Stage Two
- Principles include: Dignity & Respect, maximise take-up, achieve value for money
- New Agency with key sites in Dundee and Glasgow and co-location with local public services
- Charter to be co-designed: what people can expect, including individual redress
- Proposed Scottish Social Security Commission: scrutiny of secondary legislation & guidance and oversight of system performance

# BUILDING CONNECTIONS - OUTCOMES

TYPES OF OUTCOME



Referrals made



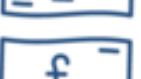
Financial gains made



Debt identified and managed

£992,778

707



Building Connections

Springburn job centre

72



Secured a range of positive outcomes, including employment, development and training opportunities



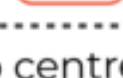
359



£144,777

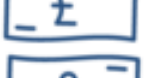
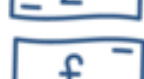


£57,065



Parkhead job centre partnership suite

£848,001



276



£155,766



Deep End Advice Worker project

## Interaction and evaluation

- Ongoing significance of UK social security decisions
- Scottish flexibilities within Universal Credit to aid budgeting and reduce arrears
- Consequential uses of the Scottish Welfare Fund (housing costs for 18-21 year olds not otherwise met)
- Citizens facing four ways: HMRC, DWP, Councils, Scottish Social Security Agency
- Understanding impacts: broad and deep (user experiences, prevention, equalities) as well as learning at the sharp end (the role of complaints)

@jrf\_uk #SolveUKPoverty

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