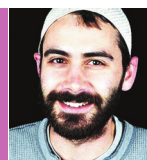
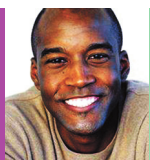


A New Future for Social Security in Scotland

BEMIS Policy Position

February 2017



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In our report *Poverty and Ethnicity: Agenda and Policy Development in Scotland – Lived Experience of Ethnic and Cultural Minority Communities*¹, BEMIS recommended that the Scottish Government should consider, as a priority, the potential inherent in the devolution of further social security powers particularly via the prism of our objective to embed socio-economic and cultural rights in decision making.

For example, the Nepalese community in Aberdeen have identified ‘no recourse to public funds’ as a primary variable in their mitigation of community susceptibility to in-work poverty. Further, they have identified that access to Child Tax Credits to those most vulnerable would have a significantly beneficial impact.

Currently those with ‘limited leave to remain’ have ‘no recourse to public funds’, and those with ‘person subject to immigration control’ status are not entitled to most social security benefits and tax credits except in certain limited circumstances².

With the ability to create new benefits (see below), and under our obligation under the United Nations Charter on the Rights of the Child as well as the International Covenant on Economic, Social and Cultural Rights³, we should give serious consideration to those who currently reside in this immigration ‘grey area’ to ensure that all children in Scotland have an equal chance in life at the earliest stage.

BEMIS, therefore, recommends the Scottish Government to identify and pursue innovative ways of opening up social security resources to all citizens of Scotland, including those with ‘no recourse to public funds’, in order to address and mitigate in-work poverty, attainment gaps, and child poverty.

From 5 September 2016, the Scottish Parliament assumed powers to⁴:

- Create new benefits in devolved areas.
- Top up reserved benefits (such Universal Credit, Tax Credits and Child Benefit).
- Make discretionary payments and assistance.
- Change employment support.
- Make changes to Universal Credit for the costs of rented accommodation.
- Make changes to Universal Credit on the timing of payments and recipients.

In addition, from 1 April 2017, the Scottish Parliament will take on the power to make discretionary housing payments. Other welfare powers (including responsibility for carers and disability benefits, maternity payments and funeral payments) will transfer at a later date.

¹ <http://bemis.org.uk/PDF/bemis-poverty-and-ethnicity.pdf>

² <http://researchbriefings.files.parliament.uk/documents/SN06847/SN06847.pdf>

³ <http://www.gov.scot/Topics/Justice/policies/human-rights/internationaltreatyobligations>

⁴ <https://www.gov.uk/government/news/new-welfare-powers-transferred-to-the-scottish-parliament>

In monetary terms, £2.7 billion (about 15 per cent) of the £17.5 billion spent in Scotland in total will be devolved⁵. A total of £2,127 million was spent on Tax Credits in Scotland in 2014-2015⁶.

In order to deliver the new welfare powers, a new Scottish Social Security Agency will be created⁷.

The Scottish Government has outlined its vision for social security in *A New Future for Social Security in Scotland*⁸. In it, they argue that 'public service delivery should be respectful, person-centred and preserve the dignity of people in poverty'.

More specifically, the Scottish Government has outlined the following vision: 'Social Security is important to all of us and able to support each of us when we need it'. The following five principles will guide the way the powers will be used⁹:

- Social security is an investment in the people of Scotland
- Respect for the dignity of individuals is at the heart of everything we do
- Our processes and services will be evidenced and designed with the people of Scotland
- We will strive for continuous improvement in all our policies, processes and systems, putting user experience first
- We will demonstrate that our services are efficient and value for money

Scottish Human Rights Commission, in their submission¹⁰ to the Scottish Government's social security consultation, argues – and BEMIS agrees – that 'human rights provide a legal and objective foundation to the concepts of "dignity" and "respect" to be built into the social security system'. Thus, *human rights* help reframe 'the conceptual basis for the provision of social protection as a universal right and therefore entitlement, to be realised in support for the realisation of all other human rights and broader social justice, as opposed to a welfare model tainted by preconceptions of charity, stigma and discrimination and punitive practices'.

Prevention agenda is a cornerstone of Scottish Government's public service reform: 'there will be a clear focus on prevention and early intervention, with the aim of breaking cycles of inequality and poverty'¹¹. The enactment of prevention and early intervention agenda is paramount to childhood and early year's policies¹². Having access to Child Tax Credits would have a positive knock-on effect on preventing child poverty and the widening of the attainment gap among Scotland's diverse communities.

⁵ <http://www.gov.scot/Publications/2016/07/9955/2>

⁶ http://www.parliament.scot/ResearchBriefingsAndFactsheets/S5/SB_16-45_New_Social_Security_Powers.pdf

⁷ <http://www.gov.scot/Resource/0049/00496621.pdf>

⁸ <http://www.gov.scot/Resource/0049/00496621.pdf>

⁹ <http://www.gov.scot/Resource/0049/00496621.pdf>

¹⁰ <http://www.scottishhumanrights.com/media/1505/shrc-submission-on-a-new-future-for-social-security-271016.pdf>

¹¹ <http://www.gov.scot/Topics/Government/PublicServiceReform>

¹² <http://www.gov.scot/Resource/Doc/215889/0057733.pdf>

In order to evidence this, the Child Poverty Action Group in Scotland asked the Social Policy Research Unit at the University of York to analyse the impact of increases to child benefit and child tax credits on child poverty rates in the UK and Scotland¹³. The researchers found that if the Scottish Government were to increase child benefit by £5 per child per week, 30,000 children would be lifted out of poverty after housing costs. If the increase was £10 per child per week, 59,000 children would be lifted out of poverty. The costs of these increases would be £256 million and £512 million respectively.

Finally, and importantly, migrants' social rights (i.e. legal access to social benefits) is a critical issue because the social inclusion of new residents can combat the emergence of permanent social and political divisions in society. It is crucial to see newcomers and their children as citizens – as argued by TH Marshall, social policies are enabling in that they furnish resources for individual development and enhance capabilities that are essential to exercising political rights. Thus, social rights aid the political incorporation of migrants as active citizens¹⁴.

In order to progress the issues raised here, the following questions should to be considered between BEMIS, The Scottish Government and key stakeholders. A multi-agency approach will be required to pursue this agenda and BEMIS are prepared to be the administrative pivot for such action, however we will need additional data from Scottish Government and partners:

Next Steps:

- How many people in Scotland currently have 'no recourse to public funds'?
- How many children are affected by their parents' 'no recourse to public funds'?
- Where do these people live and work? What is their mean salary?
- What 'new power' could be used to address the inequalities outlined in this document? What would we call it?
- How much would it cost?
- Is it legal? I.e. how can we facilitate a payment without breaching reserved area of immigration status?
- Could payment be embedded within devolved area i.e. Education Grant, Health, Welfare Fund grant?

BEMIS propose a further meeting with Scottish Government colleagues to consider questions outlined above, feasibility of the proposal and facilitating access to Data in order to identify a monetary value to proposed extension of 'Social Security; Fulfilling our Potential' scheme.

¹³

http://eprints.whiterose.ac.uk/97092/1/Impact_of_CB_CTC_top_ups_on_child_poverty_rates_BAHC_adjustedfinal_JDamend_.pdf

¹⁴ D. Sainsbury (2012) Welfare States and Immigrant Rights: The Politics of Inclusion and Exclusion. Oxford: Oxford University Press.