

Benefits in Wales: opportunities and challenges for social security devolution

Draft agenda

09.30 **Zoom opens**

09.40 **Welcome**

(Victoria Winckler – Bevan Foundation/JRF)

09.45 **Introductory remarks**

(John Griffiths MS)

09.50 **Universal credit in Northern Ireland: a lifeline?** (Ruth Patrick/Mark Simpson/Joanna Close – UC:Us member/Allison Shuter – UC:Us member)

10.00 **How well is universal credit supporting people in Glasgow?**

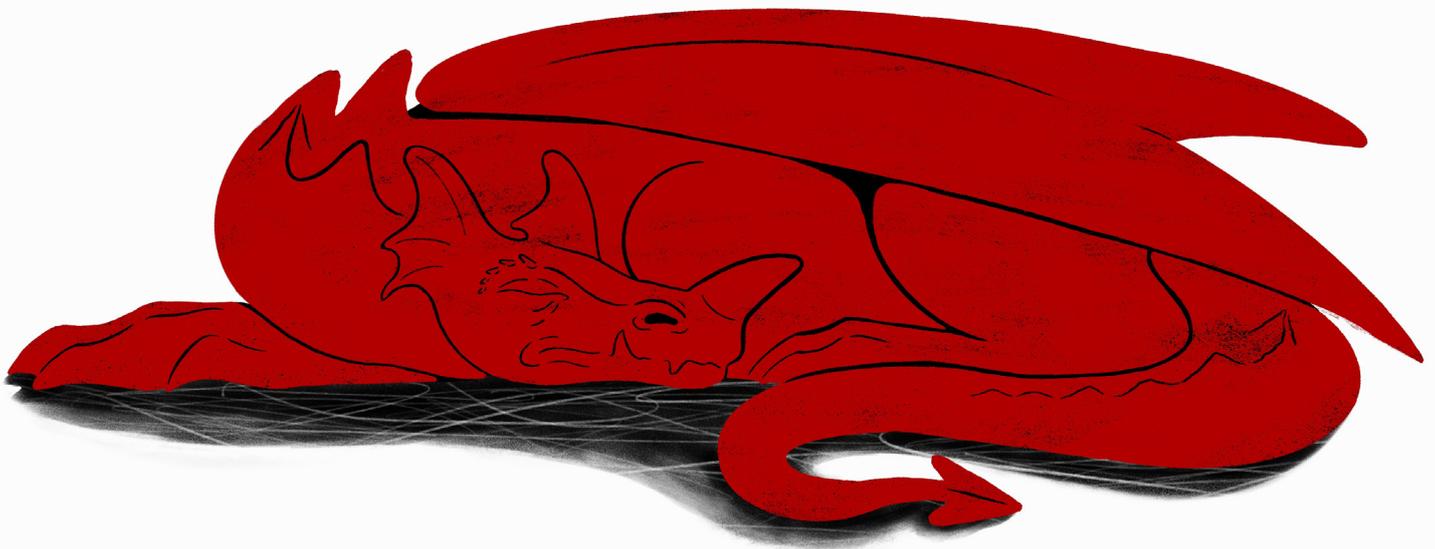
(Sharon Wright/Laura Robertson/Jackie Stockdale – Poverty Alliance community activist)

10.10 **Q&A on presentations**

10.20 **Open discussion of what Wales might learn from experiences in Northern Ireland and Scotland**

10.40 **Response to discussion** (Rod Hick – Cardiff University)

10.45 **Close** (Victoria Winckler)



Overview

Among the UK countries with extensive devolved powers, Wales stands out as being the only one with almost no competence for social security. The recent report of the Equality, Local Government and Communities Committee shows that there is now greater appetite for partial control of social security. Against this context, it is valuable to hear experiences and reflections of social security devolution in Northern Ireland (since 1921) and Scotland (since 2016), not least its impact on people who use the system. Two recent (2019) studies funded by the Joseph Rowntree Foundation, provide important insights into how recipients experience changes the distinctive operation of universal credit at devolved level. Each gathered claimants' experiences of universal credit, with the Scottish study also involving Jobcentre Plus staff, and used deliberative sessions to develop proposals for improvements to the benefit. Universal Credit is a useful case study of how devolved differences in how a specific benefit operates feed into differential experiences of that benefit, and of social security in general.

The Northern Ireland research was led by Ruth Patrick of the University of York and Mark Simpson of Ulster University, working with a group of universal credit claimants who now call themselves UC:Us. Ruth is an expert in participatory research with social security claimants and author of the book *For whose benefit? The everyday realities of welfare reform*. Mark has published extensively on social security in the context of devolution and is a member of the Scottish Commission on Social Security.

The Scottish research was led by Sharon Wright of the University of Glasgow and Laura Robertson (Poverty Alliance) with Alasdair Stewart of the University of Glasgow. Sharon is a Professor of Social Policy and expert on social security. Laura is a researcher at the Poverty Alliance, a Scottish charity working with members and individuals to end poverty.

Devolved responsibility for social security

Social security has been a devolved matter in Northern Ireland since 1921, but its system has nearly always been a mirror image of that in Great Britain. Maintenance of parity has been a political choice, but is encouraged by the Northern Ireland Act 1998, which requires consultation between the Northern Ireland Executive and UK Government on the desirability of a coordinated approach. There have also been strong budgetary drivers for parity: the UK Exchequer meets most of the cost of non-contributory benefits outside the block grant, with expenditure from the Northern Ireland budget only required to the extent that the devolved system is more generous than that for Great Britain, and tops up the Northern Ireland National Insurance Fund in years when per-capita contributions are lower than in Great Britain.

Scotland had no devolved competence for social security under the 1998 devolution settlement, but this has now changed. Since 2012 the Scottish Government has provided more money and played a stronger role in coordinating benefits delivered by local government, like discretionary housing payment and discretionary assistance (the Scottish Welfare Fund), than would be the case in England. The big change came in 2016, when responsibility for disability, carer, maternity, funeral and winter heating benefits was devolved. Scotland also gained the ability to top up reserved benefits provided by the UK Government, create new benefits and make some changes to how universal credit is paid. Reserved benefits will continue to account for more than 80% of total social security expenditure.

Less change has occurred in Wales, where social security remains fully reserved with the exception of functions that have been devolved to local government in England – chiefly council tax reduction and the Discretionary Assistance Fund. In its response to the Benefits in Wales report, the Welsh Government did not rule out seeking further devolved powers in the future, but stated that this was not a priority at present due to the need to focus on the COVID-19 pandemic.

Universal credit at devolved level?

Northern Ireland

Adherence to parity has weakened since 2012. Northern Ireland's social security system now differs to England and Wales in several small but significant respects. These fall within three broad headings.

Payment patterns

- Universal credit is calculated on the basis of a monthly assessment period, but payments are made twice per month by default.
- The housing costs element of universal credit is paid directly to landlords by default.
- It is supposed to be easier for joint-claim couples to request split payments than in Great Britain, but the number of split payments remains very low.

Supplementary payments

- Universal credit and housing benefit claimants whose award is reduced due to the social sector size criteria ('bedroom tax') receive a payment equivalent to the sum lost.
- Individuals subject to the household benefit cap receive a payment equivalent to the sum lost as long as they have children and have been in receipt of one of the capped benefits since November 2016.



Differences in payment arrangements and top-up payments are intended to help universal credit claimants in Northern Ireland manage their budget and cover their housing costs.

- New universal credit applicants can apply for a non-repayable grant from the contingency fund in addition to or instead of the advance payment, which must be repaid.
- Time-limited supplementary payments were made to claimants who lost a disability or carer premium due to the transition from disability living allowance to personal independence payment.

Administration of the system

Differences in administrative practice are harder to definitively identify, but the Department of Communities has a general aspiration that the Northern Ireland social security system should be more claimant-friendly than the system in Great Britain is often portrayed. One clear example is in the jobseeking conditionality regime – until the recent fall in sanctioning rates in Great Britain, far fewer sanctions were imposed in Northern Ireland and senior officials are on record as stating they regard a sanction as a failure of the system as much as a failure of the claimant.¹

Scotland

The Social Security (Scotland) Act 2018 is the foundation stone for the emerging devolved system, which identifies the areas in which new benefits can be created and puts in place a set of guiding principles. Secondary legislation is required to create new benefits (referred to as ‘social security assistance’). This process will take several more years to complete. Universal credit and the benefits it will replace have not been devolved, but there are some Scotland-specific features of universal credit. Again, key developments fall under several headings.

Scottish Choices’

- Claimants can choose to receive universal credit payments once or twice per month.
- Claimants can choose whether to have the housing costs element of universal credit paid into their bank account or directly to their landlord.

Related benefits

- The Scottish Child Payment will be an additional payment of £10 per child per week to every household in receipt of universal credit or one of the legacy benefits it is replacing.
- The Scottish Government has allocated additional funds to local government so that it can use discretionary housing payments to fully compensate all claimants whose housing costs award is reduced due to under-occupancy (the ‘bedroom tax’).
- The Scottish Welfare Fund, which provides support in a crisis, is subject to national minimum standards and can be used to meet needs resulting from a sanction.

Other devolved social security

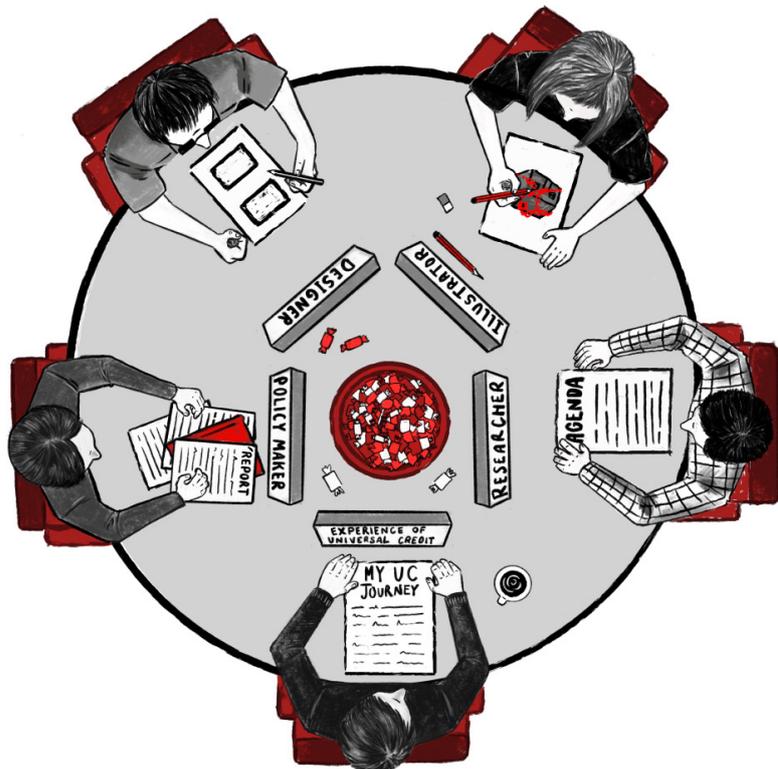
Scotland’s devolved social security powers are less extensive than Northern Ireland’s, and mainly concern disability and carer benefits. Devolved benefits (referred to as ‘social security assistance’) are at various stages of development. The development to date has been the establishment of a set of social security principles and a Charter (codesigned by benefit claimants) to guide both policymaking and the operational delivery of devolved assistance by Social Security Scotland. Key principles include that social security should contribute to the reduction of poverty and should respect the dignity of individuals.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf

The impact of devolution on claimant experiences of Universal Credit

Experiences specific to Northern Ireland and/or Scotland

- The distinctive features of universal credit in Northern Ireland and Scotland were generally helpful to claimants, but were not free of problems and could not eliminate the basic challenge of surviving on a very low income.
- Twice-monthly universal credit payments were largely preferred to monthly payments, but for claimants accustomed to fortnightly payments on the legacy system budgeting for even these extra few days could be difficult.
- Direct payment of rents to landlords was widely welcomed, but did not always take effect from the start of the claim, resulting in arrears when claimants did not realise they had to arrange to pay their own rents.
- Not being penalised for under-occupancy was a relief to participants in social housing, but there was no comparable help for private tenants with rents in excess of the local housing allowance and very little support for those with a mortgage.
- Jobseeking obligations associated with universal credit were seen as onerous (and not necessarily productive) in both locations, and fear of sanctions was widespread. However, participants in Glasgow acknowledged that sanctions were less prevalent than under the legacy system and only one participant in Northern Ireland had actually been sanctioned.
- Participants in Northern Ireland thought the non-repayable contingency fund for new universal credit claimants was an excellent idea – but few had heard of it before taking part in the research, so had missed their chance to apply.
- Awareness of the emergency support available outside universal credit – like the discretionary support scheme or Scottish welfare fund – was also poor, and some of the Glasgow participants did not realise they had a choice of payment patterns.



The two studies brought together different forms of expertise on social security and gathered claimant experiences of universal credit.

Common experiences

Despite the distinctive features outlined, universal credit largely works the same way across the UK. As a result, findings about claimants' experiences had much in common with research on universal credit in other locations. Headlines include:

- There were mixed views of the online application and claim management systems – some participants appreciated the convenience, while others struggled because of poor digital literacy or practical difficulty getting online.
- The five-week wait for a first universal credit payment frequently caused debt, which in turn led to lasting hardship. Benefit levels were regarded as inadequate in any case, and impossible to live on while an advance payment or another debt was being repaid.
- Participants with long term health problems felt universal credit had been designed with jobseekers in mind and did not really meet their needs.
- Poverty and the pressures of claim management were stressful and could exacerbate existing mental health conditions.
- Individuals' views on universal credit were shaped to a large extent by their interactions with the system and its staff. A sympathetic, knowledgeable work coach could make life much easier. An inexperienced, inflexible work coach, lack of privacy in a social security office or negative attitudes towards claimants damaged both faith in the system and self-esteem.



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What could Wales learn from the Scottish and Northern Irish experience?

The form and powers of the Welsh devolved institutions are comparable to Scotland and Northern Ireland. This includes the devolution of extensive social policy powers – but not, thus far, any significant control of social security. There may be scope for the Welsh Government and Senedd to play an expanded role in protecting citizens from poverty. What can be done to support claimants at regional level depends not only on what powers are devolved, but on the available budget and political will. These three factors interact differently in Scotland and Northern Ireland, and would likely interact differently again in Wales. Nonetheless, there are important lessons to be learned from the parts of the UK where devolved social security is already a reality, particularly from the people who use the system there. There is now an opportunity to reflect on how their experiences might help inform the next steps for Wales.

Further reading

Equality, Communities and Local Government Committee, *Benefits in Wales: options for better delivery* (Cardiff: Senedd, 2019)

Greater Manchester Poverty Action, 'Social security in Greater Manchester' (Manchester: GMPA, 2020)

R Patrick and M Simpson with UC:Us, Universal credit could be a lifeline in Northern Ireland (York: JRF, 2020)

L Robertson, S Wright and ABR Stewart, How well is universal credit supporting people in Glasgow? (York: JRF, 2020)

S Wright, Mental Health, Welfare Conditionality and Employment Support: Policy Recommendations and Key Findings (Glasgow: University of Glasgow, 2020)

Find out more about the work of UC:Us at www.ucus.org.uk and the Poverty Alliance at <https://www.povertyalliance.org/>