



includem Submission: The role of Scottish Social Security in Covid-19 recovery

Social Security Committee inquiry – October 2020

We are includem

Our mission: To provide the support young people need to make positive changes in their lives, and inspire a more hopeful future for young people, their families and communities.

Our vision: A world where every young person is respected, valued, and has the opportunity to actively participate in all aspects of life and society.

We are a Scottish charity working closely with children, young people, and their families, who are facing difficult challenges in their lives. Our trust-based, inclusive model of support is centred on the needs of each young person. We help young people make positive life choices and empower them to transform their lives; creating better outcomes for young people and their communities.

Background

For the young people and families includem support, poverty remains the most persistent and far-reaching issue they face – and has devastating consequences on their ability to meet essential costs. The COVID-19 pandemic has undoubtedly shone a spotlight on poverty in Scotland, and has, for many, exacerbated financial stress and negatively impacted on mental health.

The majority of the young people includem support are vulnerable through a range of reasons including: being on the child protection register; looked after; on the edge of care; being in conflict with the law; being affected by poverty and deprivation. From working with families every day, includem is acutely aware of the wide-ranging and long-lasting effects of poverty on mental and physical health, educational attainment, and access to employment.

Last week we published a report *Poverty and the Impact of Coronavirus on Young People and Families in Scotland* based on research carried out with around half of all



young people and families supported by includem.¹ Of these families, the majority (65%) reported that social security was their primary source of income pre-pandemic. The remaining 35% reported that employment was their primary source of income at the start of lockdown, however this is changing as unemployment increases.

Poverty and COVID-19

Our research found that the pernicious and wide-ranging effects of poverty most harshly impact young people and families reliant on social security. Of those families:

- 82% reported their mental health is worse now than it was a year ago
- 63% are in a worse financial position than they were pre-pandemic
- 60% regularly struggle to pay for food
- 63% struggle to cover transport costs
- 68% regularly cannot meet heating costs
- 51% report their debt has worsened over the course of the pandemic
- 37% worry about meeting housing payments on a regular basis

Our families report consistent financial stress and instability. With the majority struggling to meet essential costs for food, heating, housing and transport, they are unable to plan long-term. **While Article 27 of the UNCRC enshrines the right for children to have a standard of living that is good enough to meet their physical and social needs and support their development, social security does not currently provide adequate financial support to ensure that all children in Scotland have this right in practice.**

Social security payments are too low, wages are often insufficient, and the cost of living is too high. As a result, many families are trapped in entrenched poverty. The pandemic has exacerbated financial stress and caused increased debt – although these issues are far from new.

Before the pandemic, children from impoverished families were ten times more likely to come into care. They have lower educational attainment and poorer short and long term physical and mental health. These are the same families that come from the poorest communities with the least community resources to assist them in practical ways and in representing their experiences.

¹ <https://www.includem.org/news/news/includem-research-reveals-covid-19-hitting-scotlands-poorest-families-hardest/>



Families have told us that high transport costs in particular can have wider effects on their finances: impacting their access to affordable food, and limiting choice. 63% of families supported by includem struggle to cover transport costs where social security is the primary income source. **We would like to see a rights-based approach to transport, including urgent action to make public transport more affordable, with a long-term plan to make public transport free at the point of use for all** – so our families can readily access employment, appointments, and a greater range of choice to purchase food and other essentials.

includem welcomes the Scottish Government's further increase in Discretionary Housing Payment funding and the eviction ban extension. However, we hear from many families we support that they are not able to reduce their debt in the current circumstances; 37% of families receiving social security struggle to meet housing payments on a regular basis.

We have further heard of children experiencing multiple school moves due to preventable changes in their housing, which can further widen the poverty-related attainment gap. **An expansion in affordable housing of a size that families need is essential.**

In the context of increasing unemployment during the pandemic, one family we spoke to powerfully stated:

“Covid has been tough but people who are struggling are still struggling, but some people who maybe never had issues now understand how hard times can be.”

At includem, we want to see a reshaping of our economy so that no family struggles just to meet the basics. We need to tackle the mental health crisis head-on by working towards the elimination of poverty and create an economy centred on the well-being and needs of children, young people, and families in Scotland – where their voices are at the heart of policy development and service delivery.

Experiences of Accessing Social Security

Families we support tell us that accessing social security can entrench debt – particularly for those who receive Universal Credit and must wait weeks before the initial payment. When asked what they most wanted to see change, families told us that they wanted greater financial security including an uplift in social security levels, a simpler process for accessing payments, and an end to long waits for their first payment:

“Financial support from the benefits agency”



“I would like to see more benefits”

“Benefits being simpler – 10 weeks with no income!”

includem frontline staff similarly highlighted social security access and payment levels as a key area they would like to see change:

“Application time for universal credit during COVID, some families went from being employed to state benefits, this saw them wait over 7 weeks in some cases which impacted on overall debt.”

“Easier access to benefits, especially when young people have moved from care of parents/kinship into alternative care but no funding can be given to the new care provider due to finances continuing to go to parent/kinship carer.”

To improve financial stability, includem recognises the importance of demand-led benefits that are easily accessible, have clear entitlement criteria, and give families a consistent income.

Discretionary payments can provide vital lifelines, but a reliance on these payments can cause particular anxieties for families where there is little (or insufficient) broader, consistent, financial support. We know that average Crisis Grant values from The Scottish Welfare Fund varied considerably across local authorities during the initial peak of the pandemic, and we welcomed recommendations to set a minimum awards amount for crisis grants, and to take a cash-first approach.²

While families have told us that they have also benefitted from other short-term cash injections from initiatives such as includem’s Young Person’s Fund and the Scottish Government Wellbeing Fund, **we need greater action at a governmental level to ensure that social security provides a secure, reliable financial foundation for families so that they can plan their finances long-term** without having to worry about how to pay the bills or falling further into debt.

Strengthening the Safety Net

Compounding financial uncertainty for families receiving social security is the punitive sanctions system. includem’s message on this is clear: when you sanction a

² <https://povertyinequality.scot/wp-content/uploads/2020/08/Scottish-Welfare-Fund-briefing-.pdf>



recipient, you effectively sanction the child. We believe this runs contrary to principles outlined by wider government commitments to strengthen children's rights and tackle child poverty. **No family should be left worse off through engagement with a system that is designed to support them.**

Bold solutions are required to strengthen the safety net that social security exists to provide. Proposals for a Universal Basic Income³ or Minimum Income Guarantee⁴ could forge a positive path towards financial security and stability, with a greater focus on non-conditional support.

However, it is essential that any proposals for a basic or minimum income should set a level of assured income that gives families the security to plan finances long-term. Our research has shown that all too many families must regularly make devastating choices between heating and eating, and struggle meeting essential day-to-day costs. In particular, families are left disconnected and digitally excluded as a result of entrenched poverty.⁵ **We believe that digital inclusion should be a right and not a privilege and reiterate calls for broadband to be economically accessible for all.**⁶

Scottish Child Payment

While the introduction of the Scottish Child Payment is a positive step forward, the first payments (for eligible families with children aged under 6) will not be issued until February 2021, and families with teenagers are not expected to benefit from this until 2022. With the average cost of raising a teenager coming in at over £400 per month, families with teenagers cannot wait another two years for support.

We support The Joseph Rowntree Foundation's calls for an interim alternative payment that will alleviate need while The Scottish Child Payment is fully implemented:

While we fully recognise why Social Security Scotland may not have the capacity or data to take this much larger volume of applications sooner, we would urge the Scottish Government and COSLA to prepare local government payment channels to be used as an interim alternative. Building on claims for Free School Meals, School Clothing Grant and Education Maintenance Allowance would only be a partial solution, since eligibility is

³ <https://reformscotland.com/wp-content/uploads/2020/04/basic-income-briefing.pdf>

⁴ <https://neweconomics.org/uploads/files/MIG-new.pdf>

⁵ https://www.includem.org/resources/1602001657_Poverty-and-the-Impact-of-Coronavirus-on-Young-People-and-Families---Includem---Oct-2020.pdf

⁶ <https://www.includem.org/resources/staying-connected-includem-digital-inclusion-report-may-2020.pdf>



more limited than for the Scottish Child Payment, but we believe this ‘workaround’ option for some is much better than all eligible families having to wait longer.⁷

includem also wishes for the government to engage with families to identify how much more they need to lift them out of poverty and give them financial independence – it is essential that the voices of those most harshly affected by poverty are heard in order to shape solutions.

Participation and Income

includem wishes to reiterate questions asked in our submission to the Equality and Human Rights Committee⁸ within the context of Social Security:

- *What will Scottish Government do to ensure that the voices of the most disadvantaged are heard and considered in the development of government policy?*
- *How will Scottish Government ensure that those families experiencing entrenched poverty have a minimum income which is sufficient for them to maintain a standard of life which meets their physical and social needs?*

Conclusion

No one should ever have to struggle to pay for the essential costs, to have to choose between heating or eating, yet our research shows that sadly this is the reality for many of the families we support.

Families have told us how poverty is affecting their mental health, how they struggle to afford internet access and housing costs. Social security payments are too low, wages are often insufficient, and the cost of living is too high. Many families are trapped in entrenched poverty, and the pandemic has exacerbated financial stress and caused increased debt. Coronavirus has shone a spotlight on the blight of poverty in Scotland.

For families reliant on social security, the impact of poverty is heightened, and it is deepening a crisis in mental ill health. Wide-ranging changes are required urgently to tackle poverty and ensure that social security provides a solid financial foundation for families.

⁷ <https://www.jrf.org.uk/report/poverty-scotland-2020>

⁸ <https://www.includem.org/resources/Includem-response-to-Equality-Human-Rights-Committee-on-vulnerable-young-people---June-2020.pdf>