The Smith Commission Report

Universal Credit

The Commission Report states:

44. The Scottish Government will be given the administrative power to change the frequency of UC payments, vary the existing plans for single household payments, and pay landlords direct for housing costs in Scotland.

45. The Scottish Parliament will have the power to vary the housing cost elements of UC, including varying the under-occupancy charge and local housing allowance rates, eligible rent, and deductions for non-dependents.

46. The power to vary the remaining elements of UC and the earnings taper will remain reserved. Conditionality and sanctions within UC will remain reserved.

Whilst it is positive that the decision to vary housing elements of Universal Credit, such as the ability to change frequency and to whom payments are delivered, it is not as much progress as sanctions within UC will not be devolved. Sanctions act as deterrents to those who are viewed to be “scrounging” from the system, and punish vulnerable individuals who are in need of state support. Recent research states that sanctions are applied not to those unwilling to look for work, but to those who are unable to do so with groups such as lone parents, the disabled and women disproportionately affected. To further this point, in May 2014 51% sanctions across the UK appealed to tribunals were overturned. CAS reported in November 2013 that of the 2% of JSA claimants that took their appeal to the tribunal 87% of these were successfully overturned. This calls into question how many sanctions are applied unfairly and not appealed against. CAS released a paper which exposed that a number of clients approaching bureaux due to sanctions but felt it would be too much hassle to complain, or fearful of making their relationship worse, and others felt they could get by for the four week period rather than appeal. This would lead to heavier sanctions at a later date if not appealed against, as well as an issue with access to a food bank if they had used up their food parcels limit. There is definite room for Scottish regulation of the application of sanctions in a fairer manner, or abolishing

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them in favour of an alternative system, perhaps incentives to adhere to work targets.

Benefits devolved outside Universal Credit

The Commission Report states:

49. Powers over the following benefits in Scotland will be devolved to the Scottish Parliament:

(1) Benefits for carers, disabled people and those who are ill: Attendance Allowance, Carer’s Allowance, Disability Living Allowance (DLA), Personal Independence Payment (PIP), Industrial Injuries Disablement Allowance and Severe Disablement Allowance.

(2) Benefits which currently comprise the Regulated Social Fund: Cold Weather Payment, Funeral Payment, Sure Start Maternity Grant and Winter Fuel Payment.

This appears to be a positive power and it will be interesting to view what benefits or replacements may be considered to replace or alter these benefits to make Scotland a fairer nation.

National Minimum Wage

The Commission Report states:

59. The National Minimum Wage will remain the same

Powers could be increased to raise the Scottish NMW to the living wage to afford every Scot a reasonable standard of living to prevent in-work poverty.

This could be encouraged in a wider perspective also; the Scottish Government could provide incentives to companies which pay the living wage and do more to promote and highlight the benefit to consumers to shop ethically and choose companies that support the living wage.

Tribunals

The Commission Report states:

63. All powers over the management and operation of all reserved tribunals (which includes administrative, judicial and legislative powers) will be devolved to the Scottish Parliament other than the Special Immigration Appeals Commission and the Proscribed Organisations Appeals Commission.
Could this mean that the fees to take an issue to a tribunal, such an employment tribunal, could be reduced or potentially rid-of? This would allow many opportunities for Scots to challenge decisions without fear of the potential financial impact and redress imbalances of power. This could be particularly relevant in regards to unlawful deductions from wages whereby employment tribunal fees can be above and beyond the cost of raising the issue. The right to appeal against unfair treatment should not be dependent on the individual’s ability to pay for fairness.

Betting, Gaming and Lotteries

The Commission Report states:

74. The Scottish Parliament will have the power to prevent the proliferation of Fixed-Odds Betting Terminals.

This power has not gone far enough, especially considering our position on gambling and concerns with gambling, debt and financial hardship. Further powers could consist of:

- Stronger advertisement regulations for instance, stronger regulation on TV advertising (in particular the time of day adverts are being aired), advertising in football stadiums, and recently it was noticed that SPT Subway was advertising LadyLuck on the train itself). [http://www.pressreader.com/uk/evening-times/20141220/textview](http://www.pressreader.com/uk/evening-times/20141220/textview)
- Further regulation about access/limits to gambling.
- Heightened cooperation from shops which contain Fixed-Odd Betting Terminals to provide information about services who deal with addiction and debt advice services.

6.2 Equalities:

The Commission Report states:

The Equality Act 2010 will remain reserved. The powers of the Scottish Parliament will include, but not be limited to, the introduction of gender quotas in respect of public bodies in Scotland.

Gender quotas are a positive power which can enable redress of socio-economic imbalances in Scottish society. The idea underpinning this notion is that to have more women in the public eye, as well as internally in the workforce, will change the perception of women’s roles and capabilities. This would have a longer term impact and change the socialisation and behaviour of women to fulfil their potential. There is a trade-off that gender quotas could prevent men (and in female dominated work, women) who are better suited to the role to get the job in place of a person less deserving who was awarded this because of their gender. However, this is off-set by the wider picture of the current situation which leads to many women being
prevented from fulfilling their potential due to the glass ceiling, lower career aspirations and both direct and indirect discrimination in the workplace.

**Consumer Protection**

The Commission Report states:

72. Consumer Advocacy and advice devolved to Scottish Parliament

We would advocate the set-up of a consumer organisation to co-ordinate and oversee money advice, including quality standards, training and qualifications.

73. The Scottish Parliament will have the power to prevent the proliferation of Payday Loan shops.

The Command Paper further states:

6.6.1 Planning powers are already devolved in Scotland, meaning that the Scottish Parliament already has legislative competence to pass laws in relation to planning, including the use of shops for payday loans businesses across Scotland.

6.6.2 Officials in the UK government and Scottish Government will continue to discuss this part of the Smith Commission Agreement to consider whether any other action is required to deliver it

Whilst this is a good start, more should be done to raise awareness of the negative impacts and alternatives to payday loans. Such as:

- **Regulation on advertising:** mainstream events and appealing to children (e.g. football matches, puppet advertising, attractive bright colours on adverts making it appear fun and non-serious to borrow money with high interest rates).
- **Further regulation on interest rates and charges.**
- **Regulation on delivery of sale of loan:** identify that the customer understands what they are signing up to and the impacts it may have upon their finances. There needs to be better affordability tests in the first instance.