What impact will Universal Credit have on in-work poverty in Scotland?

What is known about those experiencing in-work poverty in Scotland who do not claim or are not eligible for Universal credit?

What is the experience so far in full-service areas in Scotland for those who are in work who are moving or have moved on to Universal Credit?

What can or should the Scottish Government do to mitigate any detrimental impact?

Whilst we welcome the opportunity to offer views on the above questions, it is felt that our answers will have limitations in informing this inquiry. As an organisation, we do not work directly with patients/clients to offer welfare advice or provide a welfare rights service but, instead, refer to and work in partnership with local advice sector partners in the local authorities and third sector. In answering the questions posed, therefore, our comments are limited to what we know about our own staff in relation to these issues and the information gleaned from partners involved in the welfare reform/poverty and health agenda.

For example, we are informed by Foodbank colleagues that an increasing number of referrals for emergency food supplies are for those in work and we also know anecdotally from Housing Association partners that many working tenants for whom payment of rent was not previously a problem, are now falling into difficulties with rent arrears. However, it is assumed that such organisations will themselves be responding to the inquiry, providing evidence in more detailed terms.

We offer training for our staff on Impact of Poverty Awareness and evaluation information suggests greater awareness of poverty in general and, in particular, raised awareness of poverty as a potential problem for members of our workforce. Attendees report becoming more mindful, understanding and sensitive to the issue.

We also operate a hospital-based welfare advice facility at Ninewells in Dundee where services are provided by partner organisations. Since the service was launched in January 2017, we know from usage data gathered that on average almost 20% of people accessing the Centre are NHS staff and that around 90% of those are presenting with benefits issues of one kind or another. At the moment, many enquiries at the Centre relate to transition from Disability Living Allowance to Personal Independence Payment and this can in some cases have a negative impact on income for a working household. What we are unable to
assess, however, is the extent to which staff usage can be attributed to the introduction of Universal Credit. Full-service Universal Credit was rolled out in Tayside relatively recently – November 2017 in Dundee City and Angus, April 2018 in Perth and Kinross – and so we are not yet witnessing the full impact of this. It is also unlikely that many of our staff in receipt of legacy benefits would yet have been moved on to Universal Credit unless there had been a significant change in circumstances. Only after managed migration begins sometime next year might we be in a better position to offer more robust data.

We acknowledge the steps already taken by the Scottish Government in an effort to mitigate the impact of welfare reform, in particular the introduction of Universal Credit. The Scottish Flexibilities for full-service Universal Credit claimants and continued support to local authorities to provide Discretionary Housing Payments for affected households, for example, appear to be having some ameliorative effect. We would hope also that introduction of the Scottish Living Wage for public sector employees and the recent pay award might help to counteract some of the difficulties being experienced by our staff and help reduce in-work poverty in the long term.