



# **ESPN – Flash report**

## **2014/6**

**The fast implementation of devolved  
responsibility for social security in the UK**

Professor Jonathan Bradshaw  
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## **EUROPEAN COMMISSION**

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<b>Theme(s):</b>	<i>Broad social policy orientations</i>
<b>Title:</b>	<b>The fast implementation of devolved responsibility for social security in the UK</b>
<b>Category:</b>	<i>Policy debate Reform proposals Legislative reforms</i>
<b>Abstract:</b>	Following the Scottish referendum, discussions are underway to devolve social security responsibilities to Scotland with implications for Wales, Northern Ireland and lower tiers of English government. The timetable is very short.
<b>Description:</b>	In the closing stages of the Scottish referendum campaign when the polls suggested the outcome was very close, the UK political leaders jointly declared "We now pledge to strengthen further the powers of the Scottish Parliament, in particular in the areas of fiscal responsibility and social security". The day after the result (55% NO 45% YES), UK Prime Minister David Cameron announced that this commitment would be proceeded with rapidly and include other parts of the UK. Lord Smith of Kelvin is handling the Scottish discussions. That commission will hold cross-party talks and civic engagement to produce recommendations for further devolution by November 30 2014. This will be informed by a UK Government command paper, to be published by October 31 2014, and will result in the publication of draft clauses by January 25 2015. William Hague, the Leader of the House of Commons, has been asked by the Prime Minister to chair a committee to explore devolution in England.
<b>Outlook &amp; Commentary:</b>	<p>Proposals have been very vague (House of Commons Library 2014). Social security is huge. It takes a quarter of public expenditure, maintains the living standards of a large minority of the population at any one time, but everyone at some time. It is the base of solidarity. It is above all the safety net, the main vehicle that redistributes resources.</p> <p>Devolution is tricky. Since 1922, Northern Ireland (NI) has had devolved responsibility for social security and until recently has maintained parity with the rest of the UK, copying legislation and benefit levels. Now since the power sharing executive parity has stalled – the Welfare Reform Act 2012 has not been accepted, which means that Universal Credit, the spare room subsidy measure (the so-called "bedroom tax"), the benefit cap and PIP (Personal Independence Payments) don't apply in NI (and are unlikely ever to apply). In reaction to this, HM Treasury are deducting £112m this year from NI allocation of resources for NOT implementing welfare reform. This figure will rise to over £200m next year. Other services in NI are already being cut to compensate for this loss.</p> <p>Scotland has already seen some devolution: Council Tax Benefit is now "Council Tax Reduction" in Scotland. The Social Fund is now replaced in Scotland by the Scottish Welfare Fund. In both cases, English local authorities were left to their own devices, but the Scottish Government instituted a national scheme, backed up by extra resources. In Scotland prescriptions and eye tests, which in England have been the subject of</p>

	<p>means tests now are not in Scotland. The Scottish Government has also used schedule 5 of the Scotland Act 1998 to make discretionary housing payments available and has announced funding measures which effectively abolish the bedroom tax.</p> <p>It is very unclear what devolving social security might mean. Institute for Public Policy Research (IPPR) (2014) considered this issue before the referendum. They suggested then that there was no case for devolving retirement pension but there was a strong case for devolving the work programme because it is better organised locally, and housing benefit and possibly also attendance allowances – on the grounds that both interact with other policies – social housing and caring services. Whether housing benefit and attendance allowance would be enough to meet Scottish aspirations post referendum is doubtful. If Scotland had voted YES they would certainly have gone much further (see Scotland Government 2014).</p>
<b>Further reading:</b>	<p>IPPR(2014)<a href="http://www.ippr.org/assets/media/images/media/files/publication/2014/03/Devo-more-and-welfare_Mar2014_11993.pdf">http://www.ippr.org/assets/media/images/media/files/publication/2014/03/Devo-more-and-welfare_Mar2014_11993.pdf</a></p> <p>The Scottish Government (2014) Expert Working Group on Welfare <a href="http://www.scotland.gov.uk/Topics/People/welfarereform/expertworkinggrouponwelfare">http://www.scotland.gov.uk/Topics/People/welfarereform/expertworkinggrouponwelfare</a></p> <p>House of Commons Library (2014) Scotland Devolution proposals <a href="http://www.parliament.uk/business/publications/research/briefing-papers/SN06987/scotland-devolution-proposals">http://www.parliament.uk/business/publications/research/briefing-papers/SN06987/scotland-devolution-proposals</a></p>
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