



# Scotland moves away from the UK in social security policy

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*Since World War II, the UK social security system has been largely UK-wide. After devolution in 1999, for a time this broadly remained true. But Scotland is now diverging from the Westminster government's policies in three ways: in the principles on which the social security system and anti-poverty policies are based; in the mitigation of "welfare reforms" and other changes to benefits; and in the governance of the social security system.*

## Description

Since World War II, the core social security system in the UK (both insurance and assistance) has been based on UK-wide legislation and regulation delivered by central government civil servants. The benefits were the same throughout the UK – i.e. in Great Britain (England, Wales and Scotland) as well as Northern Ireland. Local councils (municipalities) only had responsibility for delivering (but not regulating) housing benefit and council tax benefit. Even in Northern Ireland, which had its own Parliament and civil service, the policy was to maintain parity with Great Britain. Now, following devolution of some powers in this area to Scotland, the governance of social security is changing.

First, the Social Security (Scotland) Act 2018 recognises social security as a human right and states: "respect for the dignity of individuals is to be at the heart of the Scottish social security system" and "social security is an investment in the people of Scotland". It bases social security provision on 7 principles, including these. The Child Poverty (Scotland) Act 2017 re-introduced statutory targets (abandoned by the Westminster government) and reporting, and a delivery plan was published which stated that "poverty is fundamentally about lack of income". In addition to compensation for benefit cuts, some new benefits have been introduced or changed in Scotland and there is a

commitment to introducing an "income supplement".

Secondly, Scotland has a different approach to benefits in practice. Initially, the differences were modest; but they have increased considerably over time. Thus, in Scotland, prescriptions are now free of charge (as in Wales and Northern Ireland), whereas in England help is only available following a means test (and for some specific groups on other grounds). Scotland (and Wales) never abolished the means-tested Educational Maintenance Allowance for young people staying on at school and has effectively abolished the "bedroom tax" (or "abolition of the spare room subsidy" for social tenants on housing benefit, as the Westminster government describes it). Under the Scotland Act 2016, some powers in relation to payment of universal credit have been devolved to the Scottish government, which has taken advantage of this to introduce twice-monthly payment and direct payment of the element for housing costs to landlords by default.

Scotland is now often also more generous. For example, the Scottish Government has used the Scotland Act 1998 to make discretionary housing payments to compensate for benefit cuts (as local authorities elsewhere have done). When parts of the discretionary Social Fund were localised as local welfare assistance and the funding cut in England, Scotland maintained a national level Scottish

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Welfare Fund and backed it with extra resources. Council tax benefit is now “council tax reduction” in Scotland.

Now the Scottish Government has new powers to top up UK social security payments and create new benefits. There is a Cabinet Secretary for Social Security (not “welfare”); a Social Security Committee in the Scottish Parliament; a new Scottish Government Social Security Directorate; a new Social Security Agency; and a new independent scrutiny body to hold Scotland’s social security system to account (the Scottish Commission on Social Security). In addition, a new statutory Poverty and Inequality Commission is being established to advise Scottish Ministers.

Best Start grants will replace Sure Start maternity grants. Grants for second and subsequent children will be restored; and new grants will be given for children at the start of nursery and primary school. In addition, a new national minimum school clothing grant has been introduced. The Carers Allowance is being raised to the same level as jobseeker’s allowance. Different processes will be created to award benefits for disability.

Taxation is now also a devolved issue to some extent. The Scottish Parliament has used this to vary income tax rates and thresholds.

Thirdly, Scotland has a different approach to governance. It

involves key stakeholders in designing the legislation on social security, setting up “Experience Panels” of people who have used the social security system. It is developing a social security charter, setting out what people can expect from the system in clear language, which includes consultation. Its powers over employment support will also be used to develop a new, voluntary, approach to such provision.

## Outlook & commentary

So far, the results are modest; and Scotland will have control over only 11 benefits and 15% of social security spending. Universal credit will be administered by Westminster. However, the new approach in Scotland can provide not just opportunities to evaluate different principles and provisions, but also a good example for others wishing to reform social security and anti-poverty policies. Change is being driven in part by the increasing awareness of the impact on Scotland of austerity cuts in the UK. A recent annual “welfare reform” report from the Scottish Government said that the cuts imposed by the UK Government will continue to reduce benefit spending: by 2020/21, annual social security spending in Scotland is expected to have been reduced by £3.7 billion compared with 2010.

## Further reading

Child Poverty Action Group in Scotland (2018), Welfare reform: the impact on families in Scotland

Child Poverty Action Group in Scotland (2016), Poverty in Scotland 2016: Tools for Transformation, Child Poverty Action Group

Patrick, R. (2018), What we can learn from Scotland’s approach to social security, blog 38 for Social Policy Association: <http://www.social-policy.org.uk/50-for-50/scotland-social-security/>

Scottish Government (2018a), Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22

Scottish Government (2018b), Annual Reform on Welfare Reform

Simpson, M., McKeever, G. and Gray, A.M. (2017), Social Security Systems based on Dignity and Respect, Report for Equality and Human Rights Commission: <https://www.equalityhumanrights.com/en/publication-download/social-security-systems-based-dignity-and-respect>

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