

Submission to UN Special Rapporteur on extreme poverty and human rights

13 September 2018

Our position

The Scottish Council for Voluntary Organisations (SCVO), our members, and the wider third sector welcome the UN Special Rapporteur on extreme poverty and human rights, Philip Alston, to the UK and Scotland.

Our response has been developed openly with input from the Scottish third sector:
https://opengovpioneers.miraheze.org/wiki/Poverty_and_human_rights

Key concerns include:

- The negative impact of austerity on social protections
- The deeply flawed Universal Credit system which pushes people into poverty, debt, and crisis
- The digital divide which is a barrier to digital services and inclusion
- The threat to human rights protections posed by leaving the EU
- The loss of European funds and significant impact of this on the third sector's work with people in poverty and other vulnerable communities.

SCVO, would welcome the opportunity to arrange a meeting between the Rapporteur and our members to discuss these concerns, the wider concerns of the sector, and to share how the many communities the third sector work with experience poverty.

Poverty in Scotland

Poverty and inequality are not inevitable. Despite this, in 2014/17 [19%](#), or almost one million, people in Scotland lived in poverty after housing costs. Similarly, [58%](#) of working-age adults in working households lived in relative poverty before housing costs. Among lone mothers, those living in poverty after housing costs reached 37% in 2014/15. While over a third of people in minority ethnic groups lived in poverty ([36%](#)), as did [29%](#) of households with a disabled family member. These individuals and families face very real challenges. They may battle with hunger, struggle to pay their bills, or to heat their homes. In the long term, poverty will impact their health, wellbeing, and life chances. These challenges represent a failure to fulfil the right to an adequate standard of living and in many cases result in infringements on other economic, social, civil and political rights. Scotland can do better.

Austerity

SCVO and the wider third sector, welcomed the Scottish Government's aspiration to take a rights-based approach to the Social Security (Scotland) Act 2018. The 11 entitlements devolved to Scotland are, however, largely claimed by older people and disabled people. The majority of entitlements remain reserved to Westminster where a culture of cuts and sanctions, driven by the UK Government's austerity agenda, dominates. As a result, without a culture change at a UK level, the levels of poverty experienced by those reliant upon their right to social security is unlikely to improve significantly. Therefore, despite being among the most economically developed nations in the world, both the UK and Scotland will fail to fulfil the rights of their citizens and commitment to the [Sustainable Development Goals](#) (SDGs). Rather, it is [predicted that poverty in the UK will increase](#) in the next few years and towards 2030 as social protections are reduced.

Universal Credit (UC), the UK Government's new benefit system for working age claimants, is just one example of the impact austerity driven policies can have on people and communities.

Universal Credit

In the UK, [1.1 million](#) people were on Universal Credit (UC) in August 2018, of whom 410,000 (37%), were in employment. In Scotland, UC Full Service will be fully available by the end of 2018, with a migration from older entitlements between July 2019 and March 2023. It is anticipated that when Full Service rollout is complete 652,500 people in Scotland will claim UC.

SCVO, the Scottish Federation of Housing Associations (SFHA), Scottish Women's Aid, members of the Scottish Campaign for Welfare Reform (SCoWR), and others across the third sector and civil society believe, that for many, UC worsens poverty. To protect people from poverty and its consequences there is a need to listen to those claiming UC and redesign elements that simply aren't working. For example:

- The five week wait for the first payment pushes people into poverty, debt and crisis. In addition, up to a fifth of new claimants do not get their first payment in full.
- While the DWP offers advances, these must be paid back, often worsening indebtedness.
- The DWP can reduce a UC payment by up to 40% of a claimant's personal allowance; outstanding tax credit payments previously not pursued by HMRC are being deducted. Many individuals face deductions for overpayments they were unaware of.
- Assessments are based on the individual's circumstances on the day of assessment rather than considering their circumstances over a month. This is particularly problematic for individuals who are not paid monthly. Depending upon their assessment date, two claimants in the same job on the same salary and paid the same day can receive different levels of UC. As a result, individuals are unsure of what they will receive each month.
- The limitation of UC to the first two children in each family will put a further [200,000](#) children into poverty.
- Household payments of UC by default are bad for gender equality. Women are twice as dependent on social security as men, [are disproportionately affected by austerity](#), and have a right to an independent income. Automatic split-payments would encourage the financial independence of women. In June 2018, of the

880,000 households on UC, just 20 received a split-payment. Reducing the economic inequality faced by women is essential to both realise their rights and achieve the Sustainable Development Goals (SDGs).

Similarly there is a need to [revisit the sanctions and conditionality regime that accompanies Universal Credit](#) which puts pressure on individuals to participate in employability activities incompatible with caring roles or to take on low-paid work below their skill level. Insufficient childcare provision also guarantees that some parents will be subject to sanctions, resulting in financial insecurity.

Address poverty and realise rights

While SCVO and many of our members believe that urgent action is needed to halt and improve Universal Credit, we stress that the Scottish Government have tools available to them through which they can address poverty and realise rights. As a starting point, the Scottish Government can ensure access to some independent income by automatically splitting household payments of UC into individual payments. Split-payments of UC were unanimously supported at Stage 3 of the Social Security (Scotland) Act 2018. SCVO, Scottish Women's Aid and others believe a timescale for realising this commitment should be introduced, encouraging the UK and Scottish Governments' to engage positively and quickly to cost and negotiate the IT changes needed to roll out automatic split-payments. [Topping up entitlements, introducing a universal basic income or a minimum income guarantee](#), are also avenues that the Scottish Government can and should explore [we recognise that the Scottish Government plan to support some basic income pilots and to introduce an income supplement for parents on low incomes].

Despite the very real poverty experienced by communities across Scotland, last year the Scottish Government [failed to spend European Structural and Investment Fund \(ESIF\)](#) monies in real terms due to poor management. As a result, millions of pounds have been decommitted by the European Commission. More must be done to ensure that Structural Funds post-Brexit, or their replacements, are utilised in full to fulfill rights and realise the SDGs.

The most empowering and effective route out of poverty is, for many people, fair, sustainable and meaningful employment. By incentivising and strengthening the [Business pledge](#) the Scottish Government could further encourage a culture of fair work. The Scottish Government could require all businesses to commit to the Business pledge, or as a minimum the [Living Wage](#), to receive public contracts. SCVO, [UNISON](#), and others across Scottish civil society, believe that EU law would allow the Living Wage to be set as a contract condition.

SCVO recognise that paid employment is not always the best way for people to contribute to society. At particular points in their lives they may make a bigger contribution by being supported as carers, volunteers, learners, or activists. Support would ensure more people are willing, engaged and confident to take on paid employment when it suits their circumstances. Devolved employability programmes, such as [Fair Start](#), could be designed in a different way from present to offer the opportunity to create [person-centred rights based services](#) rather than focusing solely on getting people into work as quickly as possible.

Internet access

In 2016 the UN declared access to broadband to be a basic right. Without internet access in the home individuals have limited access to public services, channels for civic and democratic participation, knowledge and information tools, opportunities for social engagement, the labour market, and learning opportunities. Despite this, many individuals and households in Scotland and the UK cannot afford the devices and connections needed to benefit from the advantages the internet offers.

Home internet access varies considerably by household income. In 2016, 63% of households in Scotland with an income of £15,000 or less had home internet access rising to 98% in households with incomes over £40,000 (Scottish Household Survey, 2016). Additionally, only 65% of social housing tenants have home internet access, compared to 88% of home owners or private rented tenants. Older people, those with disabilities, and those in social housing or on low incomes are all more likely to be digitally excluded.

The internet is an enabling service that can reduce costs across a range of household spending, for example, by shopping online for cheaper deals or through price comparisons. [Estimates suggest](#) that a household on an average income can save £744 a year from having broadband in the home.

Similarly, telecommunications tariffs are increasingly structured around inclusive packages. As a result, individuals and families with basic packages pay more per unit of consumption, creating a poverty premium (Consumer Futures 2013).

New technology in the welfare system

The UK and Scottish Government are increasingly moving services online. The Department for Work and Pensions, for example, planned for 80% of Universal Credit applications to be completed online by 2017 as part of a transition towards digital only services.

The ability to make and maintain claims online is central to Universal Credit. Individuals with limited access to online facilities or who find new technology challenging are at a significant disadvantage. UC can also provide help with housing costs and a landlord portal is being distributed to social landlords. Evidence suggests that the current DWP systems are not adequately developed. In particular, there is no alignment between deductions from UC and housing costs. This can lead to arrears and threaten tenancy sustainment.

The digitalisation of public services can simplify and integrate services. However, the people most likely to be supported by public services are also those most likely to be digitally excluded. Online public services must be accessible to all. The varied needs of public services users must be considered with [supported by initiatives](#) to ensure that everyone can use and access digital services. Equal access to digital services is essential to reducing inequalities, poverty, meeting the SDGs and fulfilling rights.

Brexit rights and poverty

SCVO have worked closely with our members to explore the potential impacts of the vote to leave the EU. During engagement events and in our [‘State of the Sector’](#) survey, the threat to human rights protections has arisen as a fundamental concern. 80% of survey

respondents believe leaving the EU will negatively impact rights and equalities. Similarly, 86% of respondents feel leaving the EU will negatively impact the Scottish Economy, effecting public spending, disposable income, charitable giving and, subsequently, funding for many third sector organisations who often support vulnerable communities. Negative economic impacts will also be felt most deeply by people in poverty, often those reliant on inadequate social security entitlements which have not kept pace with inflation.

Brexit will also see an end to the European Social Fund, a direct investment in social policy that tackles inequality, poverty and reduces disparities between regions. Over the last programming period, the value of European funding to Scotland was £800 million of which voluntary organisations received a significant share. Similarly, third sector organisations often successfully bid for transnational funding from the European Commission. It is difficult to assess the scale of this funding – although it is known to be significant. The loss of these funds will have a significant impact on the sectors work with people in poverty and other vulnerable communities.

The UK and Scotland currently import many foods and medicines. People in poverty have limited financial resources and fewer networks through which they can access food and medicine if issues arise. Trade deals made with those outside of the EU may also impact rights and protections.

Legal protections

The EU has been the driving force behind many advancements in human rights protections in the UK. In matters relating to gender rights and disability rights, progress has been made despite resistance from UK Governments. Even if EU legislation is transposed into domestic legislation, there is a risk that human rights in the UK would not keep pace with EU progress. Minimum wage rights, sick pay, paternity pay, maternity benefits, adoption leave, workplace rights and the [many advances](#) in gender and disability rights are all threatened.

The Scottish First Minister's Standing Council on Europe seeks to ensure there is no regression in human rights protections and that Scotland keeps pace with progressive EU and ECHR developments. Similarly, the [Scotland Declaration on Human Rights](#), supported by over 170 civil society organisations, states that signatories support human rights and equality and that principles of transparency, non-regression, participation, and progression, should govern all decision-making on rights.

Brexit will also have a significant impact on EU citizens living in Scotland, particularly the most vulnerable citizens who may struggle to pay for settled status, or to provide evidence that they have lived in the UK for five years. As a result they will be at risk of being declared an unlawful immigrant and of losing everything: their home; their employment; their health services; and their community. More must be done to protect and fulfil the rights of all communities living in Scotland.

Conclusion

The causes of poverty are diverse and multifaceted. However, currently in both the UK and Scotland inadequate and flawed social protections, unequal access to the internet and digital devices, and the very real threats posed by Brexit, undermine rights and economic security. A co-ordinated vision to tackle poverty and inequality, realise rights and achieve the Sustainable Development Goals (SDGs) is urgently needed. Central to this vision is a truly

rights-based social security system in both Scotland and the UK, action to ensure fair work while recognising everyone's contribution to society, initiatives to address the digital divide, and opposition to the removal of our European citizenship and rights.

About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 138,000 paid staff and approximately 1.3 million volunteers. The sector manages an income of £5.3 billion.

SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1,900 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies.

As the only inclusive representative umbrella organisation for the sector SCVO:

- has the largest Scotland-wide membership from the sector – our 1,900 members include charities, community groups, social enterprises and voluntary organisations of all shapes and sizes
- our governance and membership structures are democratic and accountable - with an elected board and policy committee from the sector, we are managed by the sector, for the sector
- brings together organisations and networks connecting across the whole of Scotland
- SCVO works to support people to take voluntary action to help themselves and others, and to bring about social change.

Further details about SCVO can be found at www.scvo.org.uk.

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