



Multiple Jeopardy?

The impacts of the UK Government's proposed welfare reforms on women in Scotland

An Engender Background Paper

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1. Introduction

Since the June 2010 ‘emergency budget’ the UK government has sought to cut expenditure on public services and introduced proposals for reforming the welfare system. This briefing paper presents a very rapid overview of the changes that have already been introduced and those that are proposed in the Welfare Reform Bill currently going through the UK Parliament, and looks at what these may mean for women in Scotland.

Many people will be affected by these changes and other bodies such as the Scottish Campaign on Welfare Reform (SCoWR), which includes Child Poverty Action Group in Scotland along with Citizens Advice Scotland, Poverty Alliance, One Parent Families Scotland and other organisations are raising concerns about the UK Government’s Welfare Reform proposals¹. It is hoped that this paper can help to add to all the voices in challenging the detrimental impacts of the reforms and the inequalities that they may perpetuate and exacerbate.

2. What do people mean when they talk about ‘welfare reform’?

The term ‘welfare reform’ is being used to refer to two separate but linked processes:

- A wider programme of welfare reforms, covering all changes to the UK welfare system introduced by the current UK Government since June 2010. This includes changes already made in relation to housing benefit, tax credits and child benefits; and
- More narrowly it refers to the proposals for ‘simplifying’ the benefit system contained in the Welfare Reform Bill currently going through the UK Parliament.

Appendix 1 provides a timeline summarising what was introduced when.

¹ A number of organisations have also submitted evidence to the Scottish Parliament Health and Sport committee, see <http://scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/43319.aspx>

While changes to the welfare benefits system are a reserved policy area (that is the Scottish Government does not have legislative powers in this area), these changes can have an impact on demand for devolved services in Scotland. In addition, as the Scottish Government's Welfare Reform Scrutiny Group (WRSBG) points out, Scotland has a disproportionate share of key benefits claimants (WRSBG, Aug 2011).

The impacts of the wider squeeze on public services, and the implications for women as users of these services, and as providers is touched upon here, but it has not been possible to go into this in detail. This is because many of the available analyses are undertaken on a UK or GB wide level. Given the different socio-economic characteristics of the populations and the policies and strategies adopted by the Scottish Government (see, for example, the Scottish Government Economic Strategy (Scottish Government, 2011a) and Spending Review (Scottish Government, 2011b)), it is important to be cautious about using studies looking at the potential GB-wide impacts or which are based on analysis of data for England and Wales, to make assumptions about the possible effects in Scotland. Where, how and when the effects of the reforms will be felt most may be different between England and each of the devolved administrations².

No claims are made for the comprehensiveness for this review, nor can it possibly be the last word given that a number of the reforms are either still under discussion as the Welfare Reform Bill continues its passage through the UK parliament, or yet to be fully implemented. What it does aim to do is raise awareness of the possible scale and scope of the changes being introduced, and pose questions about what this may mean for women in Scotland: as workers, as parents and carers, as older women, as women from black and ethnic communities, as women who have disabilities. Few

² The Scottish Government has, for example, introduced the concept of the 'Social Wage' which aims to support households through measures such as the council tax freeze, free education and the abolition of prescription charges.

people will be unaffected by the changes, but women may disproportionately carry the burden.

3. The UK Government June 2010 'emergency budget'

The UK Government June 2010 'emergency budget' introduced changes in existing welfare benefit rates and also called for a reduction in public sector borrowing and a freeze on public sector pay. Some of the main elements of the budget are indicated in box 3.1.

Box 3.1: UK Government June 2010 Budget: Public expenditure and welfare benefits changes

- Public sector net borrowing to reduce from £149b in 2010 to £20bn in 2015/16
- Two year public sector pay freeze on staff earning more than £21,000
- People working in the public sector earning less than £21,000 will each receive a flat pay rise worth £250.00 in each of the two years
- Rise in the state pension age to 66 will be accelerated
- Benefits, tax credits and public service pensions will increase in line with Consumer Price Index (CPI) rather than Retail Price Index (RPI)
- Child Benefit to be frozen for three years from 2011/12
- Caps on Housing Benefit from April 2011. Local Housing Allowance for people in the private rented sector reduced from the 50th percentile (the median rent in an area) to the 30th percentile (the point below which 30% of rents fall)
- Sure Start maternity grant will go to first child only
- Eligibility for Child Tax Credits to be reduced for families with a household income of more than £40,000 from April 2011
- The Baby Addition of Child Tax Credit to be withdrawn from April 2011
- The Child element of Child Tax Credit will increase by £30 (on top of indexation in 2011/12) and by £50 in 2012/13

4. Proposed changes to the welfare benefit system: The Welfare Reform Bill 2010-2011

Following publication in July 2010 of a consultation document *21st Century Welfare* (DWP, 2010a) and a subsequent white paper, *Universal Credit: Welfare that Works* (DWP, 2010b), the UK Government published the Welfare Reform Bill in February 2011³. The main proposals included in the Bill are summarised in box 4.1 (Appendix 2 provides a more detailed summary).

³ Welfare Reform Bill 2010-2011 <http://services.parliament.uk/bills/2010-11/welfarereform.html>

Box 4.1: Key proposals contained in the Welfare Reform Bill 2010-2011

Part 1 Universal credit

This part covers proposals for the introduction of Universal Credit. This is an integrated working-age benefit to be paid to people in and out of work replacing Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income-based Job Seeker's Allowance and income-related Employment and Support Allowance. The aim of Universal Credit is to smooth the transition into work by reducing the support a person receives at a consistent rate as their earnings increase.

The financial support provided by Universal Credit will be underpinned by responsibilities which claimants may be required to meet.

Part 2 Working-age benefits

This part of the Bill makes provision for changes to the responsibilities of claimants of Job Seekers Allowance, Employment and Support Allowance and Income Support in the period leading up to the introduction of Universal Credit. Provision is made for the introduction of a claimant commitment.

Part 3 Other benefit changes

This part introduces changes in the ways Local Housing Allowance rates are set including the basis on which the rates will be set and also introducing a size criteria to the assessment of benefit.

It also includes proposals for the two discretionary elements of the Social Fund: Community Care Grants and Crisis Loans to be devolved.

Introduces changes to arrangements for State Pension Credit.

Part 4 Personal independence payment

This part introduces a new benefit, the Personal Independence Payment, which will replace the Disabled Living Allowance. This will consist of two components – the daily living component and the mobility component. For each component there will be two rates: standard and enhanced. Entitlement to either of the components (and the applicable rate) will be determined with reference to a new objective assessment.

Box 4.1: Key proposals contained in the Welfare Reform Bill 2010-2011 (cont.)

Part 5 Social Security: General

This part includes a proposal to cap the amount of welfare benefits a claimant or a couple receives by reference to average earnings of working households in GB.

Part 6 Miscellaneous

This part includes proposals to introduce a new 'gateway' to establish whether it is possible or appropriate to make a family-based maintenance agreement before the application can be accepted by the Child Maintenance and Enforcement Commission; Statutory collection service only available to applicants allowed through the gateway if the Commission is satisfied maintenance will not otherwise be paid.

(The UK Government also proposes imposing an up front and on-going collection charge on the parent with care for the use of the statutory maintenance scheme and a surcharge on the non-resident parent for every child maintenance payment collected).

This part also sets out plans to establish a Social Mobility and Child Commission.

Part 7 Final

This contains clauses relating to financial provision, the territorial extent of the Bill (including the provisions covering Scotland), when the different provisions of the Bill will come into effect following Royal Assent, the short title (Welfare Reform Act 2011), and Acts to be repealed when the Bill is passed.

5. A differential impact? Why these proposals are likely to have a greater impact on women

To understand why these changes are likely to have a disproportionate impact on women, the following provides some facts and figures on the position of women in Scotland:

- Although Scotland's population and household composition is not significantly different from the rest of Great Britain, Scotland

- has more than its population share of key benefits claimants (WRSG, 2011a)
- Women are the majority of those dependent on Income Support
 - 90% of lone parents are women and women make up 95% of lone parents dependent on Income Support (Breitenbach and Wasoff, 2007)
 - Women are the majority of those in receipt of state pensions and of pension credits. Women are more likely than men to be dependent on state benefits in retirement, and overall less likely to have access to occupational pensions schemes, especially if they were in low paid part time employment (Breitenbach and Wasoff, 2007)
 - In February 2011, there were 346,670 Disability Living Allowance (DLA) claimants in Scotland (WRSG, 2011a). Around one-half of these are likely to be women (DWP, 2011a). Disabled people are far less likely to be in employment than non-disabled people. Disabled women of working age are much less likely to be in employment than non-disabled women (Breitenbach and Wasoff, 2007)
 - Women comprise nearly 60% of those providing care to people in their own homes and 64% of those providing care to people outwith their home (Breitenbach and Wasoff, 2007)
 - Women are more likely to work part-time than men and to work in lower paid jobs. Even in those occupations in which women predominate, women may still be over-represented among those in lower grades and under-represented among those in managerial or senior positions (Breitenbach and Wasoff, 2007)
 - Over the year to March – May 2011 the unemployment rate for females rose by 0.2 percentage points to 6.7% (Scottish Government, 2011c). Data produced by Engender suggests that there has been a 20% increase in the number of women claiming Jobseekers Allowance in Scotland in the last year (Engender, 2011)
 - Women account for 64% of the public sector workforce
 - In the region of 20% of Scotland's population is over retirement age, of which 64.0% are women. Women also comprise nearly 62% of the 8% of the population aged 75 and over in Scotland (GROS, 2011).

Given this profile, women, whether as benefits claimants, users of public services, as low paid workers or as public sector employees are likely to be disproportionately affected by changes to the welfare system and public sector. However, as suggested above, assessments of the possible impacts that draw on GB-wide data or data for England and Wales cannot necessarily be translated wholesale to Scotland. There could therefore be an argument for saying that there needs to be a comparative analysis of the impact of the range of reforms between Scotland and England/Wales to assess whether, in addition to differential impacts for men and women within the administrations, the impacts on men and women in Scotland are different from the effects on their peers in England and Wales.

Another point to note is that the most recent Scotland-wide analysis of the position of men and women in Scotland was published in 2007 (Breitenbach and Wasoff, 2007). The nature of the changes in the economic and social environment since then suggests the urgent need to update this analysis.

In particular it is important to update gendered information on recipients of state benefits. Without this, as Breitenbach and Wasoff (2007) note, it will not be possible to track the changing gender balance of the population in receipt of state benefits. Importantly, without this information it will also be difficult to track the impacts for men and women of the proposed changes. As Breitenbach and Wasoff argue, “women’s greater dependency on benefits in their later years is an important contributory factor to their overall greater vulnerability to poverty” (2007, p. 155).

The next two sections focus on some of the key changes that are likely to have an impact on the majority of women at some point over their life course. This is followed by an overview that suggests that some groups of women may be affected even more than others.

6. Universal Credit: Gendered loss?

The UK Government June 2010 budget introduced a change to the basis on which benefits are uprated to reflect changes in the cost of living. In addition, the Welfare Reform Bill introduces a new benefit called Universal Credit, which will replace a number of other welfare benefits. Both changes will potentially disadvantage women.

Changing the basis for uprating benefits

From April 2011 the uprating of welfare benefits, tax credits and public sector pensions will be based on the Consumer Price Index (CPI), rather than the Retail Price Index (RPI). CPI is generally lower than RPI. Analysis suggests that this could result in rises in income being suppressed for around 1.6 million benefit claimants in Scotland (WRSG, 2011a). As noted above, given women's greater reliance on benefits this is likely increase women's vulnerability to poverty.

As women comprise a disproportionate number of public sector workers, the proposals to also link public sector pensions to CPI will, by extension, disproportionately affect women.

Universal Credit

“The term ‘Universal Credit’ is misleading for a payment which is not universal but means tested. We are concerned that the consultation document uses the word ‘dependency’ in relation to people who claim their rights to benefits and tax credits. For those who forfeit earnings in order to undertake paid child rearing and caring, often as lone parents, social security provides essential insurance. As a society, we rely mainly on women to do this, and it should not be pejoratively described as ‘welfare dependency.’ (Veitch and Bennett, 2010)

This quote from a paper produced by Oxfam in response to the UK Government's consultation document on its welfare reform proposals summarises much of the tenor, in letter and spirit, of the welfare reforms, and what these may mean for women. Given that the detail of the proposals are not yet available, the actual implications for

women have yet to be fully worked through, but the following suggests some areas of concern.

It has been estimated that approximately 140,000 households in Scotland will lose out from the introduction of Universal Credit (WRSG, 2011a). There are, however, likely to be some 'winners and losers'. Because of changes to the earnings disregards, some women may gain because they will be able to combine Universal Credit with 'mini jobs' of less than sixteen hours a week, depending on the way the credit is calculated (Stephenson and Harrison, 2011). Others, however, may be 'losers', and those at greatest risk are lone parents, the great majority of whom are women (see below).

Further, the rationale behind Universal Credit is to increase the incentive to work. However, labour market conditions (and the gendered nature of the labour market, see for example, Breitenbach and Wasoff, 2007; Scottish Government 2008; Reid Howie Associates/Equality Plus, 2010), together with childcare availability and costs, will significantly influence women's ability to find work.

Claims for Universal Credit will be paid on the basis of households rather than individuals and both members of a couple will be required to claim Universal Credit. The Government is, however, proposing that for couples one person should claim the Universal Credit on behalf of the family. There are concerns that this may leave women without any independent income. It also does not take into account the potential unequal control over the household 'purse' (Veitch and Bennett, 2010).

As part of these reforms it is proposed to introduce a cap on the total amount of benefit that working-age people can receive, so that households on out-of-work benefits will no longer receive more benefit than the average weekly wage earned by working households. The cap will apply to the combined income from the main out-of-work benefits (Jobseeker's Allowance, Income Support, and Employment Support Allowance) and other benefits such as Housing Benefit, Child Benefit and Child Tax Credit, Industrial Injuries

Disablement Benefit, Carer's Allowance (unless a member of the household is entitled to Disability Living Allowance, Personal Independence Payment, Attendance Allowance or Constant Attendance Allowance).

Because of the 'taper', that is the way Universal Credit will be withdrawn as income increases, second earners, frequently women, are likely to be worse off under Universal Credit. This may discourage women from seeking paid work, again leaving them without an independent income and increasing their vulnerability to poverty (and that of their children). This may also impact on women in later life by limiting their opportunities to contribute to occupational pension schemes.

The UK government also proposes that the Universal Credit will have a more severe sanctions regime, "Individuals who are able to look for or prepare for work should be required to do so as a condition of receiving benefit, and those who fail to meet their responsibilities should face a financial sanction" (DWP, 2010b, p.24). This is known as 'conditionality', and is tied to the introduction of a 'claimant commitment' setting out what is expected of each claimant. Failure to meet these commitments will incur tougher sanctions including loss of benefits if, for example, someone does not take part in Mandatory Work Activity. This may have implications for those with caring responsibilities, and in particular on women in low-income families. Comments on the proposals have suggested that conditionality is unlikely to change the behaviour of women with caring responsibilities living in poverty because of the difficulties of entering into and progress in paid work. On the other hand, the proposals, which could lead to a permanent loss of benefits "could imply destitution for the claimant and for the dependants of the claimant" (Veitch and Bennett, 2010, p.20).

7. Housing Benefit changes: No place to go?

Data from the 2007 gender audit (Breitenbach and Wasoff, 2007), indicate that:

- In 2005, around half of single pensioners owned their homes outright, 51% of men and 48% of women
- In 2005, 42% of both male and female pensioners lived in rented accommodation
- Single parents were least likely to be homeowners, with 68% being in rented accommodation in 2005
- Single men were more reliant than single women on rented accommodation in 2005, 50% compared with 43%
- Of those making applications to local authorities under homelessness legislation lone parents and single men make up the biggest groups. In 2005/06, single males made up 43% of all applicants, while lone parents (female and male) made up 25% of all applicants
- More recent data suggest that in 2009-2010 just over 6,100 households became homeless from the private rented sector in Scotland and this number has been increasing over the past 3 years (Scottish Government, 2011d).

If someone is on a low income and needs help to pay all or part of their rent they can apply to their local authority for Housing Benefit (HB). If someone is renting from a private landlord the amount of HB they are entitled to will be calculated using the Local Housing Allowance (LHA) rules. For people in council accommodation or other social housing the most HB they can receive will be based on their 'eligible rent'. This will be calculated on the basis of the rent paid, the applicant's personal and financial circumstances and the particulars of the home being rented.

As described earlier, among the wider welfare reforms introduced, or soon to be implemented by the UK Government are quite substantial changes to Housing Benefit criteria: both for those in the private rented sector and in the social housing sector. These changes, and when they were introduced or are to be implemented are summarised in Appendix 3.

Data produced by the Scottish Government Communities Analytical Services indicate that in July 2010:

- There were around 470,000 HB claimant households in Scotland
- Of these around 86,000 were in the private rental sector
- Around 65% of claimant households comprise single people without child dependants, 19% are singles with a child, 10% are couples without child dependants and 6% are couples with children
- The biggest single group are those aged over 65 years, comprising over 135,000 claimants. Around one-third of this group are single pensioners, two thirds of whom are women
- The great majority (93%) of single claimants aged over 65 years are in social housing rather than in private sector housing
- In terms of levels of HB, the average amount paid across Scotland is currently £66.62 per week. This ranges from an average of £59.40 for LA tenants, £61.94 for Responsible Social Landlord (RSL) tenants to £97.37 for unregulated LHA beneficiaries.
- (Scottish Government, 2011d)

It has been estimated that in Scotland nearly all of those living in the private rented sector claiming LHA will be affected (Scottish Government 2011d). Although few will be affected by the cap on LHA (based on numbers of bedrooms), and the removal of the five-bedroom rate, the cumulative impact of the removal of the £15 excess and the setting of LHA rates at the 30th percentile will affect around 55,000 families in Scotland, who will lose on average £10 per week.

Households comprising non-dependents or single people aged up to 35 years will also be affected. For the former, the deductions made for those not in work could result in young people being asked to leave the family home. For the latter the options for non-shared accommodation may be severely curtailed.

In addition around 10,000 households are likely to be affected with an average loss of £7.50 per week by restriction on HB to 90% after 12 months for claimants who are in receipt of Job Seeker's Allowance (Scottish Government 2011d).

For tenants in the social housing sector it has been estimated that up to 100,000 Scottish households could be affected by the restrictions on HB for working age social tenants who occupy a larger property than their family size warrants to a standard regional rate for a property of the appropriate size (Scottish Government 2011d). According to the Scottish Government's own analysis the shortage of smaller properties may make it difficult to avoid penalising those who are unable to move (Scottish Government 2011d).

The analysis by the Scottish Government Communities Analytical Services also draws attention to the potential impact of both the Housing Benefits changes in particular, and the welfare reforms in general on homelessness: increasing the number of homelessness presentations and reducing the options available to councils for preventing homelessness or securing settled outcomes for homeless applicants (Scottish Government 2011d).

Although drawing attention to the potential impacts on children, the Communities Analytical Services' analysis does not include an assessment of the specific impacts of the changes on women in Scotland.

The Department of Work and Pensions (DWP) has undertaken an assessment of the impact of the changes in LHA and the introduction of the household size cap on different household types (DWP, 2010c). Table 7.1 summarises the DWP data for households comprising single women, single men and couples and, by family type, those comprising lone parents, of the changes to LHA^{4,5,6}.

⁴ The data presented by the DWP do not allow comparisons by gender and other protected characteristics, e.g. disabled women, women from black and minority ethnic communities.

⁵ Housing Benefit is assessed on overall household income. The classification at the household level made is as 'couples', 'male' and 'female' (without partner).

⁶ Although not specified in the Impact Assessment it is assumed that this is based on GB-wide data.

Table 7.1: Proportion of LHA caseload affected by changes in LHA provisions, by household type

Household type ¹	% of LHA caseload affected by changes in LHA provisions (% of households on LHA caseloads prior to changes)				
	Cumulative impact	Impact of removal of £15 excess	Impact of applying caps to the 1 – 5 bedroom rates	Impact of capping 5 bedroom to 4 bedroom room rate	Impact of setting rents at the 30 th percentile With £15 excess and no caps on room rates
Single Women	46 (46)	45 (46)	50 (46)	50 (46)	47 (46)
Single Men	32 (32)	34 (32)	19 (32)	19 (32)	30 (32)
Couple	22 (22)	21 (22)	31 (22)	31 (22)	22 (22)
ALL	100	100	100	100	100
Family type					
Lone parent	32 (32)	32 (32)	44 (32)	46 (32)	34 (32)

¹This category includes single women and single men (without partners, with or without children), and couples (with or without children).

Source: Adapted from DWP (2010) Equality Impact Assessment for changes to the Local Housing Allowance arrangements and Housing Benefit size criteria for non-resident overnight carers (DWP, 2010c)

The DWP concludes that while some types of household will be affected more by some of the specific provisions, the cumulative impact does not disproportionately affect some household types more than others. Of all LHA recipients, single women households, for example, comprised 46% of the HB caseload and will comprise 46% of the caseload impacted by the cumulative changes; similarly, lone parent households comprised 32% of the caseload before the changes, and comprise 32% of those impacted by the changes

(DWP, 2010c). However, what the DWP analysis seems to overlook is that overall this still impacts on more women than men.

A similar conclusion seems to be drawn by the DWP in their equality assessment of the impacts of the size criteria for people in the social rented sector. Table 7.2 indicates the numbers anticipated to be affected and the likely average weekly reduction by household type for single men, single women, and by family type for lone parents.

Table 7.2: Proportion of HB caseload of claimants in social rented sector affected by changes in size restrictions

Household/ claimant type	Estimated number of claimants/ households affected	% of working age Social Rented Sector HB claimant/household affected	Av weekly HB reduction per affected claimant/household
Single female	350,000	52	14
Single male	160,000	24	13
Couple	160,000	24	14
All	670,000	100	13
Family type			
Aged under 60 lone parent	160,000	22	13

Source: Adapted from DWP (2011) Housing Benefit: Size criteria for people renting in the Social Rented Sector: Equality Impact Assessment (DWP, 2011c)

The DWP concludes on the basis of this that:

“Because there are higher numbers of female Housing Benefit claimants, any change to Housing Benefit would be expected to have a bigger impact on female claimants....larger numbers of female claimants are affected by the size criteria. However, as a proportion of the Housing Benefit caseload and the overall number of claimants in the social rented sector, the measure has no differential impact on claimants of either gender” (DWP, 2011c, p. 11).

This unfortunately still leaves 350,000 working age women living in the socially rented sector, in accommodation not considered appropriate to their household size, £14 worse off per week, compared with the 160,000 men who will be £13.00 worse off.

Apart from the apparent concern with maintaining the status quo to indicate 'equality' of impact, the DWP assessments do not appear to take into account the different life stages or trajectories that may disadvantage women. The household size criteria may, for example, disproportionately affect women who are lone parents and whose adult children move in and out of the family home (WBG, 2010a). As the Scottish Government's own analysis of the impact of size restrictions on those in the socially rented sector families suggests, options to move to social housing of the right size may also be limited (Scottish Government, 2011e).

While the numbers game may suggest that the status quo is maintained in terms of the distribution of impacts, in real terms women may again bear the brunt in terms of reductions in income, loss of community if they are required to move, and increased risk of homelessness (SWBG, 2011).

8. Multiple Jeopardy?

The cumulative impacts of the benefit changes that have already been introduced and those that are proposed may result in many women being at risk as a result of the social and structural factors that systematically disadvantage women. But some groups of women may be at risk of double or triple jeopardy because of the multiple sources of discrimination they may experience because of their role as carers, as older women, as women with disabilities, or because they come from a black or ethnic minority community. The following summarises the possible impacts for some of these groups.

Between a rock and a hard place: Women with childcare responsibilities/lone parents

The one group who are likely to bear the greatest burden of the welfare reforms are single parent families, the great majority of which are headed by women.

Analysis of data at GB level undertaken by the Institute of Fiscal Studies suggests that the tax and benefits changes to be introduced between 2010/2011 and 2014/15 will cause a larger loss for households comprising a single adult female than a single adult male. This is because of the particularly large losses for lone parents, the great majority of whom are women (Browne, 2011)⁷.

Lone parents are among the biggest losers because they are particularly reliant on income from benefits and tax credits. Lone parents will be particularly hit by:

- The switch to using the Consumer Prices Index as opposed to the higher Retail Prices Index for the uprating of benefits and tax credits
- Reductions in housing benefits
- Restrictions of the Sure Start Maternity Grant to the first child only (equivalent to a cut of £500.00 for low income pregnant mothers)
- The three-year freeze in the rate of child benefit
- A 10% cut in the amount of childcare costs for low income families provided by the childcare element of the Working Tax Credit (Fawcett Society, 2011a; Browne, 2011).

In addition, single women in general and lone parents in particular are likely to be most affected by the proposed Household Benefit cap. The DWP's own impact assessment acknowledges that *around 60% of customers who are likely to have their benefit reduced by the cap will be single females, but only around 3% to be single men* (DWP, 2011c, p.8). Most of the single women affected are likely to be lone

⁷ The analysis excluded the impact of Universal Credit because the details were not available at the time.

parents; this is because the DWP expects around 90% of households affected by the policy to have children. The DWP anticipates that the impact will be mitigated by the support available to help lone parents move into work and become eligible for Working Tax Credit (WTC), exempting them from the cap. Lone parents can become eligible for WTC when working 16 hours or more a week. Indicative of the current lack of detail relating to the changes the Impact Assessment notes “the Department is considering what mitigation might be appropriate once Working Tax Credit has been incorporated into Universal Credit” (DWP, 2011c, p.8).

Lone parents are already being squeezed by earlier changes that require them to move from Income Support to Jobseeker’s Allowance once their youngest child reaches five years old. The ‘lone parent conditionality’ requires lone parents to actively search for paid work and take up work if offered, or face cuts in the amount of benefits they receive. This is at a time when opportunities in the labour market are being reduced, particularly in the public sector. At the same time, the cuts to the childcare elements of Tax Credits (from 80% to 70% of childcare costs) make it difficult to pay for affordable childcare. As the Equalities and Human Rights Commission notes, the proposed welfare changes need to be underpinned by provision of affordable childcare. The cost of childcare is already a barrier for some people and a reduction in support for childcare costs may create a further disincentive to work (EHRC 2011a). The combination of the ‘lone parent conditionality’ criteria, together with the cut in support for childcare, are effectively putting lone parents (predominantly women), between a rock and a hard place.

In addition to the changes in benefits and taxes, Gingerbread has argued that there is a risk that the proposed changes to child maintenance arrangements, outlined in the Welfare Reform Bill (see Appendix 2.1), will “exacerbate the disadvantage of the children affected and increase the vulnerability of those left directly caring for children” (Gingerbread, 2011). This too will have a greater impact on women, who make up 97% of the statutory child maintenance service caseload (WRSG, 2011b). The DWP impact assessment, however, while recognising the “significant gender imbalance across both the parent with care and non-resident parent groups”, does not anticipate any “negative equality impacts” from either the introduction of a

'gateway' or of the introduction of a 'calculation only service'. It does not comment on the gender equality impacts of maintenance collection arrangements (DWP, 2011d).

Summing up the cumulative impact of public expenditure cuts and benefits changes for lone parents the Fawcett Society argues that this group, of whom the vast majority are women "look set to be hit the hardest from all quarters as a result of the government's deficit cutting approach" (Fawcett, 2011a, p.11).

Women with disabilities

Women with disabilities will be affected by the cuts in public services, the recent changes in entitlement to Incapacity Benefit and the proposed replacement of Disabled Living Allowance (DLA) by the Personal Independence Payment (PIP).

Over the period Spring 2011 – Spring 2014 disabled people who have been claiming Incapacity Benefit (IB) will have to undergo an assessment to see if they are eligible for Employment Support Allowance (ESA). People on ESA will be placed in two groups. Those whose disability is 'severe' or who are terminally ill will be in the support group and will not be expected to work. Those who are judged to be less severe are placed in the 'work related activity group' and are expected to take part in work-focused activity. There are two types of ESA – contributory (based on National Insurance (NI) contributions) and income related (for those who have not paid sufficient NI contributions). Contributory ESA will only be paid to people in the work related activity group for one year after which it will be means tested. If they have savings, assets or a partner who works then their benefits will stop (Stephenson and Harrison, 2011).

The expressed aim of this change is to move disabled people off benefits and into paid work. However, in addition to the concerns being expressed about the way the assessments are being carried out (see for example, Citizens Advice Bureau, 2010; EHRC, 2011b),

a combination of a depressed labour market and discrimination may work significantly to disadvantage disabled women.

The Personal Independence Payment, which will replace DLA, will comprise two components: a daily living component and a mobility component. For each component there will be two rates: standard and enhanced. Entitlement to either of the components (and the applicable rate) will be determined with reference to a new “objective assessment” to assess the ability of an individual to perform specified activities. Eligibility will be based on a qualifying period of six months (in place of the current period of three months), with an expectation that the entitlement conditions will continue for a further six months. People currently receiving DLA will be re-assessed.

The concern raised by the Equality and Human Rights Commission (EHRC) was that the focus of the assessment on the ability to carry out everyday activities could directly build in an emphasis on a medical model (EHRC, 2011b). The medical model focuses on the individual’s health or condition as the cause of the disability as opposed to a social model of disability that recognizes the barriers in society (environmental, attitudinal and organizational). Although not explicitly raised by the EHRC this shift may doubly disadvantage disabled women if it disregards or compounds the social factors that underpin inequality. It is not clear either, whether any assessment tool would itself be subject to an equality impact assessment.

The DWP’s own equality impact assessment of the changes acknowledges that some disabled people, who may have self-assessed as needing support, but who have lesser barriers to participation, will receive reduced support. The impacts of this will be reviewed as the assessment is developed. In terms of possible gender impacts, however, the DWP’s impact assessment concludes that

“no potential adverse impacts on either gender have been identified. As the numbers of men and women in receipt of Disability Living Allowance is almost equal there is no reason to suggest that either

men or women are more likely to be affected by the new benefit – either directly or indirectly.” (DWP, 2011a, p.6).

This perhaps needs further scrutiny, particularly since it is not clear whether this has been based on any evaluation of the experiences of current DLA recipients by gender, or whether the new assessment process will be equality impact assessed to ensure that it does not systematically disadvantage people with conditions that may be differentially distributed by gender (e.g. mental health problems). It also has to be seen in the light of the planned 20% reduction in PIP spending by 2016.

Women as carers

Changes to the Disability Living Allowance will affect both carers and people who receive care. As the EHRC states:

“There may be disproportionate impact on women, in particular women from lower socio-economic background who are also informal or formal carers, if benefits are reduced or taken away. This is because throughout their lives women are more likely to take on unpaid responsibilities than men. Of the six million carers in the UK (10% of the population), 58% are women” (EHRC, 2011b)

In this context, the move from DLA to PIP while, according to the DWP, not apparently impacting differentially on women as claimants, could impact on women as carers. If someone is, for example, currently receiving a middle or higher rate of DLA but is subsequently assessed as only eligible for the lower rate of PIP or not eligible at all, not only will the disabled person lose money, but their carer will also lose their carer’s allowance. Stephenson and Harrison (2011) argue that disabled people and carers are already at high risk of poverty. This change could lead to further hardship putting both the disabled person and the carer at risk of living in poverty.

The DWP does not appear to have included an equality impact assessment of the reforms on carers.

Women from black and minority ethnic communities

People from black and minority ethnic communities comprise around 3% of the population in Scotland. No recent data are available to indicate the break down by sex.

A recent Scottish Government analysis suggests that although there is diversity within and between groups in terms of income and poverty, as a whole people from black and minority ethnic communities have higher poverty rates. In addition minority ethnic households generally have lower incomes, have larger families and are more likely to have higher numbers of dependent children. Economic inactivity rates for women remain high among some groups (especially South Asian women) (Scottish Government, 2011f). Both minority ethnic women and men are less likely to be in employment and more likely to be unemployed than the white population, although there are differences between minority ethnic groups in patterns of labour market participation (Breitenbach and Wasoff, 2007). They may also be vulnerable to changes in the job market: between 2007 and 2009 the drop in employment rates for people from ethnic minorities was greater than the drop in rates for all people aged 16 – 64, suggesting that employment rates for ethnic minorities were more affected by the recession (Scottish Government, 2011c).

Taken together, employment patterns, household composition, levels of poverty and low incomes all point to the vulnerability of people from black and ethnic minority communities in general, and women in particular, to the impacts of reductions in public services and welfare benefits changes.

The Women's Budget Group (WBG, 2010a), for example, suggests that women from black and minority ethnic communities are more likely to live in poorer households so may be even harder hit than white women. Those with larger or extended families may be affected by the limitation of the Sure Start maternity grant to the first child; they may also be affected by Housing Benefit cuts if, as members of larger households they live in a property with more than three bedrooms.

Women of working age

Assessing the impacts of the different tax and benefits reforms for women as a whole, and for particular groups of women is complex, given the 'giving with one hand and taking with the other' dynamic which seems to be at work. So, for example, while many women in paid employment will benefit from the increase in personal tax allowance, overall it will benefit fewer women than men: the changes will give £514 million to women who pay tax and £680 million to men who pay tax (WBG, 2011). It will also do little to help the millions of people who earn less than this, the majority of whom are women.

Given the high proportion of women working in the public sector, cut backs in public expenditure will also make them vulnerable to job cuts or wage freezes. However, it is important to take into account the different policy initiatives in Scotland that may mean that the impacts for women in the public sector may be felt differently from those in England and Wales. This includes the Scottish Government's current policy of avoiding compulsory redundancies in the public sector, and the introduction in April 2011 of the Scottish Living Wage for low paid workers in this sector (initially set at £7.15 per hour). However, like their colleagues in England and Wales, public sector workers in Scotland earning over £21,000 pa are currently subject to a pay freeze: and women account for a majority of those earning more than the pay freeze threshold.

Older women not yet of retirement age

Older women, not yet of retirement age, will be affected by the changes in the age at which they can claim their state pensions. This includes speeding up the equilisation of male and female pensions rates so that women's pension age becomes 65 in November 2018. The pension age for men and women will increase to 66 years from December 2018, and again increase to 67 years between April 2026 and April 2028. Women currently in their mid-fifties will have only a limited time to adapt to the change.

Older women may also face barriers gaining or retaining employment, because of the 'double jeopardy' of age and sex discrimination. Furthermore, being unable to find paid employment may have a more

severe effect on women's incomes. Older women are less likely than men to have any private pension or redundancy payment to tide them over. In part this may be due to the expectation that they would receive their state pensions at age 60 (WBG, 2011). In addition older women may experience barriers to finding employment because of their caring responsibilities: as grandparents (with a knock on effect on parents, particularly women, in terms of their capacity to undertake paid work); and as informal carers of other family members (WBG, 2010 a, b).

Women of pensionable age

Although a number of welfare measures for pensioners have been protected, the Scottish Government anticipates that of pensioner households, single pensioners (the majority of whom are women) may suffer most from the combined effects of reduced services, increased costs and reduced incomes as a consequence of UK Government measures (Scottish Government, 2011f). This is against a background in which, across the UK, around two million pensioners are living in poverty, around two-thirds of whom are women.

The cut in the winter fuel allowance by £100 to £300 for households with members over 80 years old, and by £50 to £200 for pensioner households whose members are under 80, will have an immediate and disproportionate impact on women.

Given women's greater reliance on the state pension, the other major concern is the impact of the change in the basis on which the state pension will be calculated. From 2012 the basic pension will be subject to a 'triple lock': it will be uprated by the highest of earnings, Consumer Price Index or by 2.5% per annum. While in the medium to longer term this may prove to be beneficial, in the short term this is effectively a cut in the basic pension since all three parts of the 'lock' are projected to rise well below the Retail Price Index (WBG, 2011).

Women who are victims or at risk of being victims of violence and access to justice

In Scotland there is a continued commitment on the part of the Government to maintain the Government's equality budget to promote gender equality and enable key frontline support to tackle

violence against women and domestic abuse (Scottish Government, 2011f). However, concerns have been expressed both in England and Scotland about the likely impact of the reductions in public expenditure on services for women who are victims or at risk of domestic violence (Fawcett Society, 2011b; O'Hagan et al, 2010). This is clearly an area that needs to be monitored as the public expenditure cuts begin to be felt in Scotland.

Access to justice

A recent study notes that the cuts in the legal aid budget in England and Wales is likely to have a disproportionate impact on women, ethnic minorities and people with disabilities. Those contesting complex welfare benefit cases will be particularly affected (Criminal Justice Council, 2011).

Although a devolved matter, Scotland too is facing cuts in its Legal Aid budget as a result of the UK Government Comprehensive Spending Review (Scottish Government, 2011g). As part of reforming the Legal Aid system Scottish Government policy suggests attempts are being made to mitigate the worst effects of these cuts and not to limit the scope of legal aid: "The Government's view remains that wholesale reductions to scope can have a damaging impact on access to justice and can have adverse consequences for other parts of the justice system as well as wider society" (Scottish Government, 2011g, p.5).

Since April 2009 anyone with a disposable income of up to £25,000 is eligible for civil legal aid in Scotland. Figures produced by the Scottish Legal Aid Board suggest indicate that the gender split for applicants for civil legal aid was 52% female and 48% male⁸ (SLAB, 2010). A task for the future will be monitoring the gender impacts of the proposed reforms.

9. Punitive, regressive and unfair? Summarising the potential impacts of the welfare reforms on women in Scotland

⁸ Reflecting patterns for crime, 80% of applicants for criminal legal aid were male (Scottish Legal Aid Board Single Equality Scheme Annual Report, 2010 (SLAB, 2010 http://www.slab.org.uk/about_us/equality/index.html))

There is agreement on the need for, and value of, simplifying and making more transparent the currently labyrinthine benefits system. But the approach adopted by the UK Government, coupled with the reduction in public services is seen by many as punitive, regressive and unfair insofar as it differentially impacts on some groups more than others and fails to take into account the structural and social factors that underlay deprivation and inequality.

Cumulative and Regressive

A common thread in many of the analyses is the cumulative impact of the restraints on public spending, cuts in services and welfare reforms. Yet, as the Scottish Government Welfare Reform Scrutiny Group notes, the UK Government assessments of the welfare reform impacts do not include the equalities impacts of public spending reductions. For women in particular this may mean underestimating the negative and differential impacts; both for women as employees in the public sector and as users of public services.

This tunnel vision obscures the regressive and gendered nature of the combination of welfare reforms and cuts in public spending:

- Overall, the combined average annual loss in income and services for the poorest tenth of households is £1,514, equivalent to 21.7% of their household income. For the richest tenth of households, the annual loss in income and services is £2,685, equivalent to just 3.6% of their household income (STUC, 2010)
- Of the £8 billion raised in changes in direct taxes and benefits as a result of the UK Government June 2010 budget, £5.8 billion will be paid by women and £2.2 billion by men. This is because a larger share of women's income is made up of benefits and tax credits than men's. This will exacerbate the existing inequalities in income between men and women (WBG, 2010a).

Giving with one hand, taking with another?

Although the increases in Child Tax Credits for families on low incomes have been welcomed, analysis suggests that the gains may be outweighed by the losses. For example:

- Low income mothers and their children will be negatively affected by the changes in the ways benefits are uprated (being based on the lower Consumer Price Index instead of the Retail Price Index), together with the restriction of the Sure Start maternity grant to the first child, cuts in housing benefit and cuts in public services (WBG, 2010a).
- Child Tax Credits are not disregarded for the purposes of Housing Benefit, while Child Benefit is. Reducing the value of Child Benefit and replacing the income lost with Child Tax Credit may not look like a cut, but for families who receive Housing Benefit it will be, as their Child Tax Credit increase will be taken away from their Housing Benefit Allocation (STUC, 2010).
- While women in paid employment will benefit from the increases in personal tax allowance, any gains may be limited for the high proportion of women working in the public sector affected by pay freeze.

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Inequitable

“Measures to reduce the deficit are hitting women hard: cuts to their jobs, cuts to the benefits and services supporting women’s every day lives, and a growing likelihood that women will be the ones left ‘filling the gaps’ as state services are withdrawn.

This triple jeopardy is turning back time on women’s equality. It is pushing women out of the workforce, driving down women’s incomes and undermining women’s hard won rights to protection from violence and access to justice.” (Fawcett Society, 2011b)

The Equalities and Human Rights Commission highlights the links between having a ‘protected characteristic’ (for example, women, people from black and minority ethnic minorities, older people, people with disabilities) and not being in employment and having a low income. This means that these groups are likely to be over-

represented amongst those who require welfare support (EHRC, 2011b). As the previous sections have suggested, women in general, and some groups of women in particular, are among those most affected by the changes. Rather than being, in the language of the UK Government, 'fair', there is a very real risk that the welfare reforms fall disproportionately, inequitably and *unfairly* on one group – women.

10. 'A Life Raft for Women'?

The fundamental changes being introduced to the welfare system, whether indirectly through the impacts of expenditure cuts on public services, or directly through current and proposed welfare reforms will have significant impacts for women. The complexity of the changes, the lack of available detail in some areas, as well as the dynamic nature of the process, however, make it difficult to fully grasp or comprehend the extent of these impacts. There is undoubtedly a sense of a Government re-arranging the deck chairs on the Titanic. One thing is, however, clear, just like the Titanic, those with the least will experience the greatest losses. And on this occasion, women and children will be at the bottom of the list of those offered a place in the lifeboats.

In an attempt to encourage the UK Government to throw a 'life raft' for women the Fawcett Society have proposed a series of recommendations to mitigate the worst effects of the welfare reforms for women's equality (Fawcett, 2011b). These include:

- Protect Sure Start children's centres
- Ensure that the value of Child Benefit is not eroded
- Protect violence against women services from local authority cuts
- Restore support for child care costs for low-income families to pre-April 2011
- Provide an adequate level of support for childcare costs in the new Universal Credit system
- Ensure nurses, social workers, teachers and other public sector workers receive a fair income in retirement.

Within Scotland, the Scottish Government Welfare Reform Scrutiny Group – made up of both statutory and third sector organisations provides a potential avenue for increasing awareness of the differential impacts of the welfare reforms (WRSG, 2011b). In addition the Scottish Parliament Health and Sport Committee has been receiving evidence from a range of different bodies on the Welfare Reform Bill⁹.

To help monitor the impacts, the TUC has developed a ‘Women and the Cuts’ Toolkit (Stephenson, 2011) based on work undertaken in Coventry to assess the equalities and human rights impacts of the public sector cuts (Stephenson and Harrison, 2011). While an invaluable tool for thinking about how ‘austerity’ may differentially impact on women, it is important to consider how differences – demographic, economic, social and political may impact in Scotland. As suggested earlier, there may be an argument for updating the 2007 Gender Audit (Breitenbach and Wasoff, 2007), focusing on those areas of women’s experience likely to be affected by the tax and benefits changes, and wider welfare reforms, for women as employees, as service users and as claimants. This would provide a valuable baseline against which to monitor and assess the breadth and depth of the impacts on women and women’s equality in Scotland.

⁹ Scottish Parliament Health and Sport committee
<http://scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/43319.aspx>

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Appendix 1 The Welfare Reform timeline

A1.1 : What was introduced when?

The UK Government June 2010 Emergency Budget

Key Relevant Points:

- 77% of total consolidation to be achieved through spending reductions and 23% through tax increases
- Public sector net borrowing to reduce from £149b in 2010 to £20bn un 2015/16
- Two year public sector pay freeze on staff earning more than £21,000
- People earning less than £21,000 will each receive a flat pay rise worth £250.00 in each of the two years
- Rise in the state pension age to 66 will be accelerated
- Benefits, tax credits and public service pensions will increase in line with Consumer Price Index (CPI) rather than Retail Price Index (RPI)
- Child Benefit to be frozen for three years from 2011/12
- Caps on Housing Benefit from April 2011. Local Housing Allowance reduced from 50% of the average local rent to 30%
- Sure Start maternity grant will go to first child only
- Eligibility for child tax credits to be reduced for families with a household income of more than £40,000 from April 2011
- The Baby Addition of Child Tax Credit to be withdrawn from April 2011
- The Child element of Child Tax Credit will increase by £30 (on top of indexation in 2011/12 and by £50 in 2012/13).

July 2010 21st Century Welfare (Cm 7913).

Consultation document issued by UK government setting out a range of options for reform of the welfare system.

4 October 2010 Child benefit change announced by Chancellor of the Exchequer

From 2013, child benefit will no longer be a universal benefit. Where a parent earns in excess of £43,875 they will no longer be eligible to claim child benefit.

UK Government October 2010 Comprehensive Spending Review

Includes among its proposals:

- Introduction of Universal Credit to replace means tested working age benefits with an integrated payment
- Cap on household benefit payments from 2013 at around £500 a week for couple and lone parent households and around £350 a week for single adult households
- Time limit contributory Employment and Support Allowance for those in the Work Related Activity Group to one year, to improve work incentives
- Reduce the percentage of childcare costs that parents can claim through the childcare element of the Working Tax Credit (WTC) from 80 per cent to its previous 70 per cent level in April 2011
- Change the eligibility rules so that couples with children must work 24 hours a week between them, with one partner working at least 16 hours a week in order to qualify for the WTC, saving £390 million a year by 2014-15
- Freeze the basic and 30 hour elements of the WTC for three years from 2011-12
- Increase the child element above indexation by a further £30 in 2011-12 and £50 in 2012-13, in addition to the £150 and £60 increases provided at the June 2010 Budget.
- Speed up the pace of State Pension Age equilisation for women from April 2016 so that Women's State Pension Age reaches 65 in November 2018. The State Pension Age will then increase to 66 for both men and women from December 2018 to April 2020.
-

November 2010: Publication of the UK Government's White Paper: Universal Credit: Welfare that works (Cm 7957).

This set out the UK Government's welfare reform proposals with the aim "to improve work incentives, simplify the benefits system and

make it less costly to administer” (Bill Explanatory notes). Not all the measures in the White Paper require primary legislation.

December 2010, Disability Living Allowance reform (Cm 7984). The consultation paper sets out the Government’s proposals to replace disability living allowance with a personal independence payment.

January 2011 Strengthening families, promoting parental responsibility: the future of child maintenance (Cm 7990). This consultation document sets out the Government’s proposals for the reform of the Child Maintenance System

February 2011: Publication of Welfare Reform Bill 2010-2011. The Bill gives effect to the proposals contained in the White Paper that require primary legislation (this is outlined in more detail in section 3 below)

UK Government March 2011 Budget

Examples of proposals include:

- Income tax personal allowance for people aged under 65 years increases to £8105.00 from April 2012
- Direct tax rates to be linked to Consumer Price Index not Retail Price Index from April 2012 (and increases in employees National Insurance contributions, capital gains tax, and less generous Individual Savings Account allowances
- Winter fuel payment; temporary increase in place since 2008/09 not maintained
-
- Fuel duty to be cut
- Help for businesses e.g. reduction in Corporation Tax, no new regulations on small businesses, and business rate relief holiday for small firms extended.

UK Government Autumn Statement 2011

Proposals include:

- To set plans for public spending in 2015–16 and 2016–17 in line with the spending reductions over the Spending Review 2010 period
- To raise the State Pension age to 67 between April 2026 and April 2028
- To set public sector pay awards at an average of one per cent for each of the two years after the current pay freeze comes to an end
- To uprate the child element of the Child Tax Credit and disability elements of tax credits in line with the Consumer Prices Index in 2012–13. Neither the planned £110 above inflation increase to the child element of the Child Tax Credit nor the uprating of the couple and lone parent elements of the Working Tax Credit in 2012–13 will go ahead.

Scottish Government Economic Strategy 2011 and Spending Review 2011

It is important to bear in mind that although benefits and taxation are reserved to the UK Government, the Scottish Government is able, within the spending limits imposed by the UK Government, to set out its own commitments and priorities.

In September 2011 the Government published its Economic Strategy (Scottish Government, 2011a), this set out its six strategic priorities for stimulating and sustaining economic growth. One of these six priorities included 'equity', and a focus on addressing the causes of inequality and improving equality of opportunity and equality of outcome. Actions include, for example, addressing the barriers to participation in the labour market through "taking forward a range of actions to tackle gender stereotyping/ occupational segregation, which is a major contributor to the gender pay gap".

In the same month the Scottish Government published its own Spending Review 2011 (Scottish Government, 2011b). This states that despite a 36 per cent real terms cut to Scotland's capital budget in the UK spending review, Scottish Government-supported investment will grow over the next three years. Commitments identified in the Spending Review include:

- Focus on accelerating economic recovery to create jobs by switching over three quarters of a billion pounds from resource spending to support capital projects up to 2014-15
- Implement a shift to preventative spending with specific funding of £500 million over the next three years to encourage joint working across the public sector in adult social care, early years and tackling re-offending
- Pass on in full to the NHS in Scotland the Barnett consequential from increases in UK health spending¹⁰
- Freeze basic pay for 2012-13, to protect employment and continue the policy of no compulsory redundancies for those areas under direct Ministerial control, while paying the uprated Scottish Living Wage of £7.20 an hour and ensuring that any employee earning less than £21,000 continues to receive at least a £250 rise
- Deliver 125,000 modern apprenticeships and use public procurement as a lever for job creation by ensuring that major public contracts deliver new training and apprenticeship opportunities¹¹
- Introduce a new public health levy to tackle the cost problems associated with alcohol and tobacco through a business rates supplement paid by large retailers of both tobacco and alcohol from April 2012
- Increase employee pension contributions for NHS, teachers, police and fire schemes in Scotland, with in-built protection for the low paid.

A1.2 Equality impact assessments

The Women's Budget Group (WBG) points to the failure by the UK Government to undertake a gendered analysis of the proposals contained in the UK Government June 2010 budget, Spending Review and March 2011 budget. Their own analysis, however, exposes how women may prove to be 'losers'. For example, by 2014/5 the average household will lose public services worth 6.8% of

¹⁰ 'Barnett consequential' refers to the method used by the UK Treasury to adjust the amount of public expenditure allocated to Northern Ireland, Scotland and Wales to automatically reflect changes in spending levels allocated to public services in England, England and Wales or Great Britain, as appropriate (source: Wikipedia)

¹¹ While to be welcomed at a time of increasing unemployment among young people, the historical pattern of (gendered) occupational segregation (Reid Howie Associates/Equality Plus, 2010; Scottish Government, 2008) suggests the need to equality impact assess and monitor the implementation of this policy.

their income, female single pensioners, however, will lose 11.7 % and lone mothers 18.5%. Women also paid for 72% of the savings made by the government through changes in personal taxes and cuts in benefits in its June 2010 budget. Indirectly, too given the predominance of men at senior levels of corporate management, reductions in corporate tax liability can be expected to benefit more men than women. (WBG, 2010a, 2010b and 2011).

Unlike the UK government, the Scottish Government Spending Review Equality Impact assessment does aim to consider the differential impacts of the Spending Review: both by 'portfolio' or government department and by specific equalities group. The Impact Assessment identifies those areas, which, because of different employment patterns for men and women, and different usage of public services, the Scottish Government has sought to address gender equality (or minimize the negative impacts of cuts in public services). Examples cited include:

- The commitment to guarantee non-compulsory redundancies in the NHS. Given that three-quarters of the NHS workforce is female this will be of greater benefit to women than to men
- Protecting the wages of those working in the public sector earning under £21,000 or less will benefit low earners, women and also older staff
- The maintenance of the equality budget which will continue to support work in relation to gender equality and violence against women.

At the same time the Impact Assessment sounds the warning that:

“This is a challenging Budget in terms of the reductions in the funding available in the public sector. Detailed plans of how workforce efficiencies are to be delivered have not yet been articulated or assessed by our partners....acknowledging that women outnumber men across Scotland’s public sector, and particularly in administrative and back-office roles where efficiencies are anticipated, it is likely they may be negatively impacted by efficiency reductions in staffing” (Scottish Government, 2011f, p.92).

The Equality Impact Assessment also expresses the Scottish Government’s concerns about the potential impact of the UK Government’s Welfare Reform Programme, especially on single mothers.

Appendix 2. The Welfare Reform Bill 2010 – 2011

A2.1 The main elements of the Welfare Reform Bill (as at November 2011)¹²

The major proposal for reform is the introduction of a new benefit, to be known as Universal Credit, which will replace existing in and out of work benefits. The Bill also makes provision for a new benefit, Personal Independence Payment, which will replace the existing disability living allowance.

The Bill consists of 7 Parts:

Part 1 - Universal Credit

This part of the Bill contains provisions for the introduction of an integrated working-age benefit to be called Universal Credit, which, depending on the claimant's circumstances, will include a standard allowance (to cover basic living costs) along with additional elements for responsibility for children or young persons, housing costs and other particular needs.

Universal credit will be paid to people both in and out of work, replacing working tax credit, child tax credit, housing benefit, Income Support, income-based Job Seeker's Allowance and income-related Employment and Support Allowance. It will provide support for people between 18 (or younger in specific circumstances) and the age at which the claimant becomes eligible for state pension credit.

The aim of Universal Credit is to smooth the transition into work by reducing the support a person receives at a consistent rate as their earnings increase.

The financial support provided by Universal Credit will be underpinned by responsibilities which claimants may be required to meet. The level of those requirements will depend on the claimant's particular circumstances.

Part 2 Working-age benefits

This part of the Bill makes provision for changes to the responsibilities of claimants of Job Seekers Allowance, Employment

¹² This draws on the explanatory notes accompanying the Bill published on 16 June 2011

and Support Allowance and Income Support in the period leading up to the introduction of Universal Credit and the abolition of income-based Job Seeker's Allowance (JSA), income-related Employment and Support Allowance (ESA) and Income Support. In particular provision is made for the introduction of a claimant commitment. The claimant commitment will be a record of the requirements claimants are expected to meet in order to receive benefit and the consequences should they fail to do so.

Once the Universal Credit clauses have come into force, ESA and JSA will continue alongside universal credit as contributory benefits. The Bill also introduces longer-term reforms to align ESA and JSA more closely with the provisions for Universal Credit.

Part 3 Other benefit changes

In addition to bringing together a number of separate schemes for administering state compensation for work injuries, the main provisions included in this part of the Bill include:

- Changes in the ways Local Housing Allowance rates are set. From April 2013, in place of the determinations being set by local rent officers the Secretary of State will be able to set the allowance rate by reference to the lower of either the Consumer Price Index or the bottom 30th percentile of private sector rents. In addition, a size criteria will be included in the calculation of housing benefit for working age tenants in the social rented sector: claimants eligible rent will be restricted if their dwelling is larger than their need.
- Two of the discretionary elements of the Social Fund: Community Care Grants and Crisis Loans to be devolved. Budgeting Loans will be incorporated into Universal Credit. Current maternity and funeral loans, which can be claimed under the social fund, will, under the new arrangements be applications for a budgeting loan¹³.
- Changes to arrangements for State Pension Credit. In place of the current arrangements whereby a claimant is entitled to an

¹³A briefing paper prepared by One Parent Families Scotland also notes that from April 2011 Crisis Loan payments will no longer be paid for items such as cookers and beds; there is a reduction in the rate of the crisis loan paid for living expenses and an overall cap of three Crisis Loan awards for general living expenses in a rolling 12-month period (OPFS, nd).

additional amount if they or their partner is entitled to carer's allowance, the Bill proposes that carers or their partners are entitled to an additional amount if they or their partner has 'regular and substantial caring responsibilities'. 'Regular and substantial' will be defined in Regulations. The Bill also proposes a capital limit to be applied to the state pension credit, in relation to housing support.

Part 4 Personal Independence Payment

This sets out the framework for the new benefit, the Personal Independence Payment, which will replace the Disabled Living Allowance. The new payment will consist of two components – the daily living component and the mobility component. For each component there will be two rates: standard and enhanced. Entitlement to either of the components (and the applicable rate) will be determined with reference to a new objective assessment.

This new assessment will assess the ability of an individual to perform specified activities and will take into account the impact of physical, sensory, mental, intellectual and cognitive impairments on the individual in undertaking the specified activities.

The award of a Personal Independence Payment will normally be for a fixed period, unless the person making the award considers this to be inappropriate.

Personal independence payment is to be a non-contributory benefit, and is neither taxable nor means-tested.

Part 5 – Social security: General

Some of the key provisions (in the current context) under this part include:

- Capping the amount of welfare benefits a claimant or a couple receives by reference to average earnings of working households in GB.
- Extending the scope of existing provisions in relation to information sharing in relation to welfare services, between the

Secretary of State, local authorities and (in the interim) authorities administering housing benefit. This is also now broadened to include Scotland.

Part 6 Miscellaneous

Included under ‘Miscellaneous’ provisions two key proposals relate to child maintenance and child poverty¹⁴.

In the consultation document *Strengthening families, promoting parental responsibility: the future of child maintenance (Cm 7990)*, published in January 2011, the UK government document set out its view that parents should be encouraged and supported to make their own family-based arrangements for the maintenance of their children wherever possible, rather than using the statutory maintenance scheme. This is reflected in the proposals contained in the Welfare Reform Bill which proposes that a person applying for a child maintenance calculation under the statutory scheme (under the Child Support Act 1991), “may be required to take reasonable steps to establish whether it is possible or appropriate to make a family-based maintenance agreement before the application can be accepted by the Child Maintenance and Enforcement Commission” (Welfare Reform Bill, Explanatory Notes, June 2011 p.96). It is acknowledged that there will be circumstances where this is not appropriate, if the whereabouts of the other person is, or where there is a risk of abuse or violence.

An amendment to the Insolvency Act 1986 is also proposed to make it clear that arrears of child support are excluded from the debts which may be included in an individual voluntary arrangement.

Proposals to establish a Social Mobility and Child Poverty Commission are also included in this part of the Bill (this is in place of the Child Poverty Commission initially proposed in the Child Poverty Act 2010). The Commission, which will include members from the devolved administrations, will have a mandate to provide advice on how to measure socio-economic disadvantage, social mobility and child poverty. However, the Secretary of State does not require the

¹⁴ A further ‘miscellaneous’ provision, of less direct relevance to the current context, but of particular relevance to women is the proposal to remove the obligation for the Secretary of State, via Jobcentre Plus to advertise certain types of vacancies or opportunities in the sex industry (see Clause 135).

commission's permission to change the definition of 'persistent poverty', one of the targets defined in the Child Poverty Act 2010 for eradicating child poverty, nor the target itself. Further, neither the Secretary of State, nor Scottish ministers or the relevant Northern Ireland departments is obliged to request advice from or pay regard to the commission's advice when developing a UK Poverty Strategy.

Part 7 Final

This contains clauses relating to financial provision, the territorial extent of the Bill (including the provisions covering Scotland), when the different provisions of the Bill will come into effect following Royal Assent, and the short title (Welfare Reform Act 2011). It also sets out the Acts that will be repealed when the Bill is enacted.

Financial effects of the Bill

The Government estimates the net effect of the Bill on benefit expenditure (GB-wide) will be:

- Savings of £960m in the financial year 2012/13;
- Savings of £2,510m in the financial year 2013/14;
- Savings of £3,870m in the financial year 2014/15.

In addition there is a further £2bn set aside in the Spending Review to cover the costs of implementing Universal Credit.

A2.2 Equality impact assessments of the Welfare Reform Bill

The UK government has undertaken equality impact assessments in relation to each of the main components of the Welfare Reform Bill (<http://services.parliament.uk/bills/2010-11/welfarereform/documents.html>). According to the WRSG initial work by the DWP suggests that overall, the introduction of Universal Credit, one of the main planks of the legislation will have a positive impact on the main equalities groups. However, when DWP examined individual components of other elements of the welfare reform programme it was found that there are instances of disproportionate negative impacts, driven by the composition of benefit claimants. Women, for example, are likely to be disproportionately affected by changes to child maintenance clauses

than men because they comprise 97% of the caseload (WSRG, 2011a).

Appendix 3 Summary of Housing Benefit Reforms

Table A3.1 Summary of Housing Benefit Reforms, by date of implementation

Date of introduction	Reform
April 2011	Removal of £15 excess The removal of the provision that allows claimants to keep up to £15 of difference between LHA and actual rent
April 2011	Capping LHA rates from April 2011: £250 pw for 1 bedroom, £290 pw for 2 bedroom, £340 for 3 bedroom, £400 pw for 4 bedrooms or above, No 5 bed rate
April 2011	Basing LHA on the 30 th percentile (the point below which 30% of rents fall LHA is currently based on the median rent in an area (50 th percentile).
April 2011	Amending the size criteria to provide an extra bedroom for disabled claimants who have a non-resident carer.
April 2011	Up-rating non-dependent reductions to reflect rent increases since 2001/02 in April 2011 and annually on the same basis.
October 2011	Restore top 1% Restore the very high end of the market to the market evidence when setting rates.
New claimants from April 2012 Existing claimants on their review after April 2012.	Extend shared room rate to 35 years: Increase from age 25 to age 35 the age below which a single person LHA claimant is entitled only to HB to cover a room in accommodation with shared facilities.
April 2013	Up-rating LHA by Consumer Price Index rather than by using market evidence (or Retail Price Index).
April 2013	90% restriction to Job Seeker's Allowance Restricting HB to 90% of the full award after 12 months for claimants who are in receipt of Job Seeker's Allowance.
April 2013	Restriction for social tenants under-occupying: Restricting HB for working age social tenants who occupy a larger property than their family size warrants to a standard regional rate for a property of the appropriate size.
2013	Capping all benefits at £500 pw for a family and £350 pw for single people.

Source: Adapted from: Scottish Government (2011) *Housing Benefit changes: Scottish Impact Assessment*, (Scottish Government, 2011d)

