

Rt Hon Esther McVey MP  
Secretary of State for Work and Pensions  
Caxton House  
Tothill Street  
London  
SW1H 9NA  
United Kingdom

16 October 2018

Dear Esther McVey MP Secretary of State for Work and Pensions,

### **Universal Credit**

The Scottish Council for Voluntary Organisations (SCVO) is the national membership organisation for Scotland's charities, voluntary organisations and social enterprises and has a membership of 2000 organisations.

SCVO, the Scottish Federation of Housing Associations (SFHA), One Parent Families Scotland (OPFS), many of our members, and the wider Scottish third sector believe that [Universal Credit is deeply flawed](#). The piloting of Universal Credit in areas across Scotland and the rest of the UK has shown that the system traps people in poverty, debt, and crisis, undermining their rights.

This is deeply worrying as in Scotland, Universal Credit Full Service will be fully available by the end of 2018, with a migration from older legacy entitlements between July 2019 and March 2023. When Full Service rollout is complete, it is anticipated that 652,500 people in Scotland will claim UC.

The roll-out of Universal Credit must therefore be halted and flaws urgently addressed to protect people, families, and communities in Scotland and from across the UK from the negative impacts of a system that simply is not working. Problems include, but are not limited to:

- A five week wait for the first payment
- Up to a fifth of new claimants do not receive their first payment in full
- Individuals face deductions for overpayments of other entitlements which they have not been made unaware of
- Assessments are based on the individual's circumstances on the day of assessment rather than over a month

As a result, individuals and families face uncertainty and instability, unsure of what they will receive month-by-month and unable to plan accordingly, trapping them in a cycle of poverty.

Similarly, there are fundamental flaws in how Universal credit is administered.

- The decision to limit UC to the first two children in each family which 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, [have been disproportionately affected by austerity](#), and have a right to an independent income
- [The sanctions and conditionality regime that accompanies Universal Credit](#) puts pressure on individuals to participate in employability activities that are incompatible with caring roles and low-paid. Similarly, working single parents lose, on average, £800 a year due to cuts to work allowances, with some losing over £2,000 a year, this must be reversed. Insufficient childcare provision also guarantees that some parents will be subject to sanctions. Employment is not always the best way for people to contribute to society and the system should recognise this.

In addition, evidence suggests that the DWP system used to administer UC is not adequately developed with no alignment between deductions from UC and housing costs. This can lead to arrears and threaten tenancy sustainment.

The drive to make and maintain claims online also puts individuals with limited access to online facilities, or who find new technology challenging, at a significant disadvantage. SCVO appreciate that the digitalisation of public services can simplify and integrate services, however, it must be recognised that the people most likely to be supported by public services are also those most likely to be digitally excluded.

These flaws 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.

It is clear that as a result of austerity, the roll-out of Universal Credit has been underfunded. SCVO, the SFHA, OPFS and others, would welcome additional investment, however, until the fundamental flaws in the system are fixed and the crude way Universal Credit is administered revisited, the levels of poverty experienced by those reliant upon their right to social security is unlikely to improve significantly.

Universal Credit fails the people it is designed to support. As currently administrated, Universal Credit is not fit for purpose and must be halted.

Yours sincerely,

Anna Fowlie, Chief Executive, SCVO

Counter Signatories

Sally Thomas Chief Executive, Scottish Federation of Housing Associations (SFHA)

Satwat Rehman Chief Executive, One Parent Families Scotland (OPFS)