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Social Security Experience Panels: Universal Credit Scottish Choices



EQUALITY, POVERTY AND SOCIAL SECURITY



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Background

The Scottish Government will become responsible for some of the benefits currently delivered by the Department for Work and Pensions (DWP). As part of the work to prepare for this change, the Scottish Government have set up the Social Security Experience Panels. Experience Panels are made up of over 2,400 people who have recent experience of at least one of the benefits that will be devolved to Scotland. Universal Credit is not being devolved to Scotland. However, the Scotland Act 2016 allows Scottish Ministers to introduce flexibilities with regard to the person to whom, and the time when, Universal Credit is to be paid in Scotland. The Experience Panels includes people with experience of Universal Credit alongside their experience of one of the 11 benefits that are being devolved. The Scottish Government is working with Experience Panel members to design a new social security system that works for the people of Scotland.

We asked panel members who had experience of receiving Universal Credit to answer a short survey about their experience of the Universal Credit Scottish choices and possible split payments of the Universal Credit award between couples in the future.

Since 4 October 2017, the Scottish Government has given people in Scotland the choice to receive their Universal Credit award either monthly or twice monthly and have the housing costs in their Universal Credit award paid directly to their landlord in both the private and social rented sector. These are known as the Universal Credit Scottish choices and are available to everyone receiving Universal Credit in full service areas across Scotland. The DWP is delivering the Universal Credit Scottish choices on behalf of the Scottish Government.

The Universal Credit Scottish choices are available in “full service” areas. This is where people both make and maintain their Universal Credit claim online. It should be noted that responsibility for Universal Credit is not devolved to the Scottish Government. As such, there are limitations to the Scottish Government’s ability to change Universal Credit. Some of the areas that Scottish Government cannot change include:

- that awards are based on an assessment periods of one month, and that this is based on the initial date of claim;
- awards are assessed at a household level (for example if a couple live together the award is based on their circumstances as a couple rather than as individuals; and
- how income is taken into account when calculating the payment.

The Scottish Government is currently developing the policy on split payments of the Universal Credit award between members of a household in Scotland. This research will be used to inform that policy.

About the research

This report details the results of the Universal Credit Scottish choices survey which took place between 13 July 2018 and 15 August 2018.

The research involved a short online survey. The survey was also made available to complete through calling our helpline or through a paper survey form. The majority of respondents chose to complete the survey online.

Respondents were recruited from the Scottish Government Social Security Experience Panel. To ensure that all those with recent experience of Universal Credit were included, the invitation to participate was sent to all panel members. However, not all panel members have experience of Universal Credit, so the figures included in the report should be regarded in that context. 127 panel members responded. However, of those, only 57 had experience of Universal Credit. Respondents who said they did not have experience of Universal Credit were directed to a thank you note at the end of the survey and did not answer the remaining questions. 247 panel members had previously told us that they have experience of Universal Credit. While this might be slightly higher now, this means the response rate for this survey was approximately 23%. In this report, we have included percentages to give a sense of proportion, but it should be borne in mind that these refer to a number below 100.

The information was added to information from the 'About Your Benefits and You' (Scottish Government, 2017) and 'Social Security Experience Panels: Who is in the panels and their experiences so far' (Scottish Government, 2018) surveys. The data collected in these surveys was linked to the information supplied by participants of this survey as part of the longitudinal dataset for this project.

Of the 57 responses, two in five (40 per cent) have told us that they identify as women or girls, and more than a quarter (28 per cent) identify as men or boys. The remainder identify in another way, have told us that they prefer not to say, or have not told us their gender. Almost a third of respondents (32 per cent) have told us that they have a disability or long term health condition, and almost a quarter (24 per cent) have told us that they are a carer.

Almost nine in ten (88 per cent) of those respondents had experience of receiving Universal Credit as an individual. Less than 10 had experience of receiving Universal Credit as a couple or both as an individual and as part of a couple.

Not all of those who had experience of Universal Credit may have been offered the Scottish choices by the time they completed this survey. Reasons include if their experience of Universal Credit predates when the choices were made available, or if they live in an area where the "full service" was not yet running and the choices were not yet offered.

As the response rate for this survey is relatively low, and the survey was self-selecting, the figures included in this should be regarded as reflective of the

experiences and views of these respondents only, and not as being indicative or representative of a wider population of Universal Credit clients in Scotland.

It is also worth noting that several respondents commented on the amount of Universal Credit being inadequate. As the Scottish Government does not have decision making power in this regard – only in relation to the Scottish choices – this report does not go into detail on these points.

All quotes are from Experience Panel members who responded to this survey.

Summary

Awareness of the availability of the Universal Credit Scottish choices appeared to be relatively low among respondents in this survey. Many of those who were unaware of Universal Credit Scottish choices, had, however, taken up the option to have payments made directly to their landlord, or twice monthly payments. Others who were not aware of the choices or who had not taken up these options may have been in receipt of Universal Credit before the options were available in their area.

A number of respondents felt positively about the option to have payments made directly to landlords and to have twice monthly payments. Reasons included that payments directly to landlords would reduce stress, and that twice monthly payments could make it easier to budget.

However, many respondents had not been offered these choices, and some said that there was a lack of information generally about the options available to them on Universal Credit.

Many respondents were positive about the idea of split payments for couples. Most respondents felt that payments should be split based on individual circumstances, but some were unsure or felt they should be split equally. The main reasons given for people's views on split payments related to ensuring that the costs associated with looking after children were reaching the right person, ensuring that people could have financial independence from their partner, and to protect people in abusive relationships. Some were against the idea that payments should be calculated for couples or households, and felt that that each applicant should be treated as an individual. As noted above, this is an area in relation to which Scottish Government does not have decision making power.

Respondents' Experience of Universal Credit Scottish Choices

Awareness and uptake of Universal Credit Scottish choices

Respondents were asked about their awareness of the Universal Credit Scottish choices. Of the 57 respondents who had experience of Universal Credit, more than a quarter (28 per cent) had heard of Universal Credit Scottish choices, almost two thirds (63 per cent) said that they hadn't and less than ten said they weren't sure. It should be noted that the Universal Credit Scottish choices have been available to some people in receipt of Universal Credit since 4 October 2017, so not all respondents to this survey will have been able to experience them. Statistics on numbers of people being offered and accepting the Universal Credit Scottish choices has been reported separately.¹

56 respondents told us whether or not they had chosen to take up one of the Scottish choices. Almost a quarter (23 per cent) of respondents had chosen to take up one of the Universal Credit Scottish choices on offer, and more than one in five (21 per cent) respondents had chosen to take up both. Some respondents described the positive impact that these choices had for them and positive experiences of accessing these:

"I find it less stressful to have payments made directly to landlord and to receive my Universal Credits payments twice monthly"

"I had heard of these options before claiming Universal Credit so asked for more information from my work coach and the changes were applied faster than either of us expected"

More than three in five (64 per cent) of the respondents who had opted to take up one or more of the Scottish choices, had also said that they either had not heard of the Universal Credit Scottish choices, or were not sure if they had. This could suggest that they were unaware that the options that they had been given were only available to them because they live in Scotland.

Of those who had chosen to take up one or more of the Universal Credit Scottish choices more than half (52 per cent) said it had helped them to manage their household finances better, more than two in five (44 per cent) said that it hadn't. Less than 10 respondents said that they weren't sure if it had.

¹ Management information on Universal Credit Scottish Choices up to August 2018 is available here: <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/UCMIAug2018>

Payments made directly to landlords

Of the 56 respondents who told us which choices they had opted for, almost two in five (39 per cent) said they had chosen payments to be made directly to landlords.

“I think direct to the landlord is the best way... people on the breadline will too easily dip into it if needs arise. It's hard but protect your roof at all costs.”

Others also said that they would have liked to have had this option:

“Personally I would have preferred payments sent to my landlord as I ended up in debt, also being paid monthly left me in debt. I was never offered any other choice.”

“I would prefer it paid straight to Landlord so that if there were issues it would come straight from DWP and I wouldn't get into trouble.”

Others said that they would not trust the DWP to make direct payments.

“I would not trust the DWP to pay directly as so many others have not had it paid even though they thought it was and been threatened with eviction”

Twice monthly payments

More than a quarter of the respondents (27 per cent) said they had chosen twice monthly payments. A number of others commented that they had not been offered this choice but would find it helpful, or that they had requested it but that it did not happen. Some also described problems with making monthly payments last to cover bills like rent.

“Getting money monthly is a nightmare and very hard to budget for that length of time. I was never told about twice monthly payments or being able to have the rent element paid directly to landlord etc.”

“Universal Credit pay my rent at the end of the month when my rent is supposed to be paid on the first of the month”

“The amount of Universal Credit is far too small to be able to budget for a four/five week period.”

However, a small number of respondents found this option confusing or said they would like the option but that it wouldn't work with their finances:

“I was confused up until recently the difference between 'twice monthly' and 'fortnightly'. When I was asked originally when registering I was sure I was asked if I wanted to be paid Fortnightly or Monthly.”

“Being one of the first people put on Universal Credit I did not have a choice of payment dates but earlier this year I did try and alter the payments to twice monthly BUT my second monthly payment would have put me 6 weeks in arrears so it was not workable and I declined to use it. The process in trying to do it was quick and efficient.”

Others described issues around payments dates and assessment periods which unfortunately are not within the scope of the responsibilities devolved to the Scottish Government on Universal Credit:

“The system does not reconcile with all monthly dates when payment is due to account for weekends and holidays nor allow for monthly top ups due to private landlord.”

Respondents who didn't take up the Scottish choices

Less than 10 respondents said they were offered these choices but didn't choose either. Reasons for not taking up these options included being used to receiving monthly payments when receiving a salary or confidence in their ability to budget for regular bill payments.

More than half (54 per cent) of respondents said they hadn't been offered these choices. Some also commented on the lack of information available to them generally, including not having the options explained to them, or having to request these options when speaking to advisors before they were offered.

“The adviser at the Job Centre in [town] (on my weekly meetings) did not advise this. I found out myself and have also found many other people in this town are unaware of the fortnightly payment and direct payment to landlord“

“Getting money monthly is a nightmare and very hard to budget for that length of time. I was never told about twice monthly payments or being able to have the rent element paid directly to landlord etc.”

Respondents' Views on Split Payments

Whether payments should be split

Respondents were asked their views on whether payments made to couples should be split between them, or paid to one individual.

Three in five (60 per cent) respondents said that all Universal Credit payments should be split between the couple and paid as two separate payments – 53 people responded to this question. The reasons given for this included the need for fairness, and to protect children or partners in cases of abusive or controlling relationships.

Less than ten suggested other options for splitting payments, including allowing the couple to decide, and the suggestion that the housing payment should be shared whilst the rest would be split.

“Each partner should receive some money into their account. It should be fairly split as most couples have money commitments and bills to pay. If one partner was controlling all the money and spent it on addiction or their own needs, the other members of the family may have to do without necessities for a whole month.”

A third (34 per cent) said that all Universal Credit payments should go to one individual in the couple.

Among those who felt that payments should not be split, reasons included the view that payments should always be made to individuals and should not be awarded to couples. This was a reoccurring theme in relation to questions about whether and how payments should be split between couples. However, it should be noted that the Scottish Government is unable to amend the rules of Universal Credit which requires couples who live together to claim jointly.

“I have never claimed "as a couple" and am not in that situation now. However, I believe all social security payments should be based "on the individual" as the "basic unit" of society - there should not be special treatment for "couples" in a society that is re-orienting to being based on "individual living" (which is the fairest arrangement because every person is entitled to equal respect).”

“The payments should be based on individuals, not as couples.”

“Everyone should be assessed as an individual basis. Not all family homes split everything.”

Others felt that split payments make things more complicated or that the award is awarded to a household so shouldn't be split.

"I don't think split payments are a good idea at all! It just creates the need for more complicated data in the system and more admin costs. It also doesn't encourage couples to work together with their finances."

How payments should be split

Respondents were asked whether they thought that payments should be split equally or split based on individual circumstances (e.g. the person who has caring responsibilities for a child would get the child element of the Universal Credit award). 50 people responded to this question

Three quarters (76 per cent) of respondents felt that payments should be split based on individual circumstance such as responsibility for a child. Almost a quarter (24 per cent) of respondents felt that payments should be split equally between the couple.

The reasons given for these views included the importance of prioritising parental responsibility in looking at individual circumstances.

"Kids come first"

"I feel this is best as I am a mother and I would always be in charge of providing for my children even in a relationship"

"I believe that the carer should have access to the benefits as a priority, as they live with the responsibility of being the carer to the children and should not have to rely on someone else (partner), to decide how much is needed on a daily basis."

Other reasons included concerns about protecting income for people who might be in an abusive relationship and ensuring that everyone has financial independence:

"I believe that although UC is not a salary for a person's mental wellbeing they should receive the UC payment which most reflects their role in the household as well as their individual self-worth. Important to the individual to feel that they too are contributing to the overall family income even if it is to be put together jointly. It's important for the individual to be viewed in their own right."

Of those who felt that payments should be split equally between a couple, reasons included allowing the couple to agree different responsibilities between themselves.

“Both people would then have an equal amount to share or pool as necessary, or to agree different responsibilities in looking after the children without having to arrange money transfers etc... Useful if a couple do not have a joint account. This of course should be offered to the couple to decide and agree as a payment method.”

Option to say no to split payments

Respondents were asked whether if Universal Credit payments were automatically split between a couple, they would like a way to be able to say no to this and get a single payment instead. 52 people responded to this question.

More than three in five (63 per cent) respondents said that they would like a way to be able to say no to this and get a single payment instead. Less than ten said that they would not want this option, and one in five (21 per cent) said that they were not sure.

Among those who said that they would like to be able to say no, a key reason given was that respondents fundamentally felt that payments should be calculated for individuals, and not couples. This seemed to be the critical factor for many of these respondents, rather than an opposition to split payments specifically. As noted above, the requirement for co-habiting couple to apply jointly is not an area where Scottish Government has the power to implement change.

Others were in favour of the option to say no to the split payment due to concerns about circumstances where one of the couple may be ill, have a learning disability or act as the primary carer for the other. Some felt it was important to have choice.

“If I am too ill to care for myself it would make it hard to access my account as we don't have joint accounts”

“All couples deal with finances in their own way. If one partner has addiction problems, for instance, it could be disastrous if that person has control of the budget.”

Reasons for not wanting the option to say no to split payments between a couple included:

- that separate payments make sure that both of the couple have access to money and prevents one person having control;

- individuals having responsibility for their own income;
- concerns over the potential for this option to be abused in situations of domestic abuse; and
- the importance of the main carer of children having access to the payment.

Some pointed out that if couples want the money in one place they can arrange a transfer to the relevant account.

“If a couple want the money together they can transfer it to a joint account. Separate payments make sure both people have access to money that nobody else has control over”

“Situations may arise, spousal abuse for example, If anyone is in that situation they need to have the means to change their situation...one person controlling the money would prevent that...”

“No one in a couple should be dependent on the other for financial security.”

Among those who weren't sure if they would want this option, reasons included that the situation wouldn't apply to them, or that it would depend on the individual circumstances. Some felt that there were circumstances where there shouldn't be a choice offered, for example in instances of domestic abuse.

Managing household income with split payments

Respondents were asked whether split payments would help them to better manage their household income. 53 people responded to this question. More than two in five (43 per cent) respondents felt that split payments would help them to manage their household income better, two in five (40 per cent) did not, and less than 10 said that they weren't sure.

Among those who said that split payments would help them to manage their household income better, reasons included having independence and would protect against abusive relationships:

“We should all have the freedom to buy an ice cream...”

“Helps avoid coercive control, and just because you are part of a couple does not mean you lose your right to individual control over finances”

“I wouldn't have to ask for money.”

Some commented that this option would allow couples to share responsibility for finances:

“If you have a smaller amount to budget with, it allows you to manage exactly which outgoings as a couple one individual is responsible for, and which they may jointly have to contribute to. I believe this would help individuals within a household to manage their finances better, making them less likely to run up debt and therefore ceasing the need for payday loans with their horrendous rates of interest.”

A small number of responses suggested that some respondents had misunderstood what was meant by “split payments” and had interpreted this to mean twice monthly payments. Their comments on twice monthly payment options have been included in the relevant section above.

Among those who did not think that split payments would help to manage their household income, reasons included that they were single so didn't feel that this applied to them. Others had concerns about split payments meaning that one of the couple could spend their share and not contribute towards household bills, or concerns that the split payment could lead to debt or arguments.

“What happens the one is in a bad relationship and can't get out, the other has the same money but not helping towards the household, that's putting the household at a risk in debt”

“It's still the same amount of money but now it's running the risk of one person blowing it on something.”

Among those who weren't sure, the main reason given was that the respondent didn't feel the situation would apply to them.

Next Steps

The Scottish Government will continue to work with the Experience Panels in the development of Scotland's new social security system. This will include further research on individual benefits in addition to other work to assist in the development of Social Security Scotland.

The Scottish Government will use the advice and feedback from Experience Panel members in this project to inform our policy approach for split payments in Universal Credit awards in Scotland. The Scottish Government will also consider how the advice and feedback affects the existing Universal Credit Scottish choices policy.

How to access background or source data

The data collected for this social research publication:

- are available in more detail through Scottish Neighbourhood Statistics
- are available via an alternative route <specify or delete this text>
- may be made available on request, subject to consideration of legal and ethical factors. Please contact Catherine.henry@gov.scot for further information.
- cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.



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The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

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