

Poverty Alliance submission to Equalities and Human Rights Committee: The impact of Covid-19 pandemic on Equalities and Human Rights

9th June 2020

About the Poverty Alliance

The Poverty Alliance is Scotland's anti-poverty network. Together, we influence policy and practice, provide evidence through research, support communities to challenge poverty and build public support for the solutions to tackle poverty.

Our members include grassroots community groups, activists who are experiencing poverty, academics, large national NGOs, voluntary organisations, statutory organisations, trade unions, and faith groups.

Background

Since the unfolding of the Covid-19 crisis, life has changed immeasurably for people in every community across the country. But as the weeks and months have passed it has become clear that the impact of the crisis is not being felt equally and that people living on low incomes – particularly disabled people and people with long-term conditions, black and minority ethnic (BAME) groups, women (in particular women who are lone parents and who are in low-paid work), and unpaid carers - are being disproportionately impacted.

People already living in poverty have seen its grip tighten, while many more people continue to be swept into poverty. It is clear that what began as a health crisis is creating a poverty and inequality crisis, with potentially significant longer-term implications for the human rights of people living in Scotland. The right to an adequate standard of living, as enshrined in Article 11 of the International Covenant on Economic, Social and Cultural Rights, is at particular risk.

Since March, the Poverty Alliance has been seeking the experiences, views and perspectives from national organisations, community organisations and community activists from across the Poverty Alliance network, around the impact that Covid-19 is having on them and on the communities in which they live and work.

This submission has been informed by this engagement, and in particular by engagement with the Poverty Alliance Community Activist Advisory Group, which is comprised of community activists with experience of poverty.

Short-term impact of Covid-19 on people living on low incomes

- Rising levels of income crisis:

One of the clearest short-term impacts of Covid-19 has been the rising numbers of people across Scotland who have been – and continue to be – pulled into income crisis; exacerbated by an inadequate social security system that, despite a small increase in Universal Credit standard allowance, still fails to meet people's needs. For people in work,

including many of the 60% of adults living in poverty in Scotland who are in working households¹, the crisis has seen a cut in income (e.g. furloughed workers only receiving 80% of their wages) and/or of their hours, making it even more difficult to get by.

Poverty Alliance member organisations that work directly with people living on low incomes reported growing and unprecedented demand for those services during the initial stages of this crisis, with this demand being unyielding in the three months since. Organisations that provide cash grants to families in crisis, for example, have reported unprecedented demand and are now having to provide grants from their own funds (rather than from Scottish Government funding that has been awarded in response to the crisis, for example).

The evidence from community organisations suggest that the crises being experienced by people living on low incomes are becoming entrenched and more acute rather than easing, with one community organisation based in Glasgow reporting an almost-doubling of the number of families in crisis that it is working with. This work includes supporting people to access food – with food insecurity increasing to record levels - and to ensure access to basic utilities (for example by paying for electricity top-ups), with no sign of these needs reducing. Increasing levels of crisis are being felt, in particular, by lone parents (the overwhelming majority of whom are women), people with No Recourse to Public Funds (who are disproportionately from BAME backgrounds), and larger families.

While steps have been taken by the UK and Scottish Governments to boost incomes, for example by increasing the Universal Credit standard allowance and working tax credits and by boosting the Scottish Welfare Fund, it is clear that this action has not provided households in crisis – particularly families with children - with the lifeline they need.

- Health impact:

While the full picture continues to emerge, it is already clear that there is a disproportionate impact of Covid-19 on the health outcomes of people living on low incomes. National Records of Scotland data shows, for example, that people living in the most deprived areas are twice as likely to die with Covid-19 than people in the least deprived areas.²

This may be due to a range of health factors such as the poorer health outcomes already experienced by people living in poverty, but is also clearly exacerbated by factors such as poor housing and the higher exposure risks faced by many low-paid workers.

People from BAME backgrounds appear to be at particular risk of health-related harm from the virus. This appears to be caused by a multitude of factors, among them their higher representation in frontline roles, but is also clearly driven by the disproportionately higher rates of poverty among BAME households.

- Cuts in social care packages and support:

Poverty Alliance member organisations and community activists have expressed serious concern about access to social care during the crisis for disabled people and people with long-term conditions; groups which are already at significantly heightened risk of experiencing poverty and which also rely upon social care in order to fulfil their human rights.

Reports from community organisations in Glasgow, for example, show that social care packages have been withdrawn for sizeable numbers of people, often without notice. As a

¹ Scottish Government, *Poverty and Income Inequality in Scotland 2016-19*, 26th March 2020, <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

² National Records of Scotland, *Deaths involving coronavirus (Covid-19) in Scotland*, 13th May

result, many disabled people have been either left reliant upon the support of family, neighbours and friends or left without any support at all.

One member of the Poverty Alliance's Community Activist Advisory Group, for example, who is disabled and lives with a range of long-term conditions, has faced multiple challenges in accessing the ongoing support he needs to access an adequate standard of living, with it taking almost seven weeks to receive the social care to which he was entitled from his local authority. During this time his access to food was severely limited and the impact on his mental health was significant.

- Inconsistency in support for shielded groups:

Community activists who are living with long-term conditions have reported inconsistencies in the level of support made available to them by local authorities, with a belief that the criteria for shielded groups have not been well-communicated in some areas. As a result, many felt as though they were missing out on the support that they need and were either having to, for example, go without the food and essentials they need or were putting themselves at risk by shopping for food.

In some local authorities, too, there have been concerns raised over the quality and adequacy of food provided to people in shielded groups, as well as concerns over the regularity of food packages being provided; potentially leading to people's right to food being compromised.

- Impact on people with No Recourse to Public Funds and people in the asylum system:

Poverty Alliance member organisations that work with people who have No Recourse to Public Funds have reported increasing numbers being pulled into crisis, with their lack of access to social security support, in particular, meaning that many are being left without any source of income and are at serious risk of destitution. For those people with No Recourse to Public Funds who work, there are concerns that they have felt compelled to continue working during the crisis – potentially increasing their risk of contracting the virus - due to their inability to access other forms of support.

People in this situation include individuals in the asylum system, the families of international students and other people with restrictive visas, with many being forced to rely on friends for financial support in order to meet their basic needs. Particular issues are being faced by women with No Recourse to Public Funds who are seeking to leave abusive partners; issues which existed pre-crisis but which have been significantly exacerbated.

- Support for families eligible for free school meals:

At the outset of schools being closed due to Covid-19, the Scottish Government provided funding for local authorities to enable them to provide support for families with children who would ordinarily be eligible for free school meals. This funding was accompanied by guidance that, while providing for local flexibility in how support was provided to families, recommended that local authorities consider cash or vouchers as primary forms of support.

Local authorities have subsequently adopted a range of approaches including direct cash payments, vouchers, home delivery of food packages, and the provision of food packages for collection at schools. It is clear from our engagement with families who have accessed this support that by far the most efficient, dignified and rights-based response is through direct cash payments to families, and that all other models of support restrict the autonomy and choice of families.

Concerns have been expressed by community activists, for example, about the approach taken by Glasgow City Council of providing Farmfoods vouchers to families. These vouchers cannot be redeemed online - meaning families who are shielding may be unable to use them – and some have reported that, with no local Farmfoods store in their community and no independent means of transport, their vouchers were also not being used. Other models that involve families having to travel to schools to pick up food parcels were also felt by community activists to be wholly inappropriate.

While it is accepted that local authorities had to respond at pace to the crisis it, almost three months after school closures local authorities should now be prioritising the development of cash-based approaches as a matter of urgency, given that this approach is both more impactful for families and more respectful of human rights.

- Digital exclusion:

Digital exclusion has been a key theme identified by Poverty Alliance member organisations and community activists since the initial stages of the crisis, and has made life significantly more challenging for many people living in poverty across Scotland. Many children without digital access have faced serious challenges in continuing to engage with their learning, with fears over the longer-term impact on educational attainment and a possible widening of the attainment gap.

Other issues reported in relation to digital exclusion include challenges for people in accessing online banking (which can make it more challenging for people to manage finances) as well as challenges for people who do not speak English to access online ESOL classes.

For people living in rural areas whose digital access issues may be more related to the poor provision of broadband in their community, the current situation was reported to be exacerbating social isolation. With online contact now being the primary form of social contact for many people, an inability to engage with family and friends online (or, in areas with poor phone signal, on the phone) was said to be hugely challenging.

Many community organisations are undertaking work – some supported by the Scottish Government – to ensure that all of the individuals and families that they are working with are digitally connected (for example by paying for the installation of broadband in their homes). However, for many people there is still a sizeable gap in terms of their digital skills, which can be challenging to bridge or address in the current circumstances.

- Social security:

The UK Government's decision to increase Universal Credit standard allowance and the basic element of Working Tax Credit by £20 was welcome, particularly after several years in which – due to the decision to freeze working-age benefits – the adequacy of these benefits has been critically undermined.

However, the increase has also meant that many more people – particularly lone parents, the overwhelming majority of whom are women - are now being affected by the benefit cap. For them, there has essentially been no increase in financial support and the grip of poverty has only tightened.

Other social security issues that have been highlighted by community activists include the lack of additional support provided for people who are on legacy benefits. While people accessing Universal Credit and Working Tax Credit have received an increase in financial support, no equivalent increase in support has been provided to people receiving legacy

benefits, such as Jobseeker's Allowance. For community activists who continue to receive legacy benefits, there was a deep sense of injustice, particularly given that a significant number of people still receiving legacy benefits are disabled and are already disproportionately impacted by the effects of Covid-19.

At the Scottish level, decisions to increase the Scottish Welfare Fund budget and create an additional payment to people in receipt of the Carer's Allowance Supplement have been extremely welcome. However, a clear gap remains the lack of any additional direct financial support for families with children using existing Scottish social security powers. While the Scottish Government has committed to prioritising delivery of the Scottish Child Payment, it will not be feasible to deliver this until 2021 and there is a clear need for emergency financial support to be provided to families in the short-term, given the scale of income crisis being experienced.

- Child maintenance:

Following the Department for Work and Pension's decision to redeploy staff to work on Universal Credit applications, the Child Maintenance Service is no longer chasing any missed or underpaid child maintenance payments.

As a result, many community activists – all of whom are women who are lone parents – have reported that the child maintenance payments that they were receiving have either stopped or have been substantially reduced with no prior warning, and that they have no recourse for redress through investigation or appeal. This is creating additional financial insecurity for them, with lone parents – who are already at heightened risk of experiencing poverty - finding it even more difficult to stay afloat and provide for their children's basic needs.

- Employment:

While the short-term impact on unemployment has been somewhat lessened by the UK Government's Job Retention Scheme, the unprecedented increase in Universal Credit applications highlights the immediate impact that the pandemic has had on the labour market and, by extension, on the incomes of households across the country.

It has been clear that many workers engaged in low-paid and insecure work have faced significantly heightened risk throughout the pandemic, due to lacking basic employment rights and being forced into continuing to work. With women, young workers and people from BAME groups being over-represented in low-paid and insecure roles, they have been particularly impacted, while women are also disproportionately more likely – as identified by Close the Gap – to be employed in sectors hardest hit by job disruption. (Insert reference)

Women have also been more likely to have to balance additional childcare responsibilities with work throughout the pandemic - due to the gendered allocation of childcare within households – and lone parents have faced particular challenges in seeking to manage childcare with home working.

- Mental health:

Poverty Alliance member organisations, and in particular community organisations, have witnessed a significant spike in the number of people experiencing mental health issues, with a number of community organisations based in Glasgow reporting a sizeable increase in suicidal ideation among the people that they support.

Exacerbating this is the fact that access to mental health care professionals during the pandemic has been extremely difficult for many people. In some areas, there is said to be very little provision for people in need of mental health care, particularly more specialist care.

Relatedly, with people who have addiction issues being more likely to also experience mental health challenges, there are concerns from community organisations that – with group support for people with addictions still suspended – this may lead to relapse episodes.

Longer-term impact of Covid-19 on people living on low incomes

- Labour market:

A deep concern among Poverty Alliance member organisations and community activists is the longer-term impact of the pandemic on the labour market, and in particular on levels of unemployment. While the short-term impact on unemployment has been mitigated to an extent by the Job Retention Scheme, the planned reduction in support that it provides (and its eventual withdrawal) will – without major government intervention – result in a substantial increase in levels of unemployment.

Rural employment has also been raised as a particular issue. In many more rural areas of Scotland, people rely upon seasonal employment (which is often low-paid and insecure) to get by. Many of these workers may not be eligible for support from the Job Retention Scheme, and are also highly unlikely to access employment this summer due to the likely continued closure of the tourism industry. As a result, some workers may miss out on a full year's worth of expected income; something that could have serious long-term implications for rural poverty.

It is clear from the experiences of community activists, as identified earlier in this submission, that the short-term employment impact is also not being felt equally, with women in low-paid jobs (especially BME women and young women) being more likely to be experiencing job disruption and subsequently being placed at greater risk of being pulled into (or deeper into) poverty. There is therefore a clear risk that the short-term employment impact identified previously in this submission entrenches the existing inequalities that are so persistent in our labour market.

- Impact on community organisations:

Community organisations have been at the frontline of supporting people through the pandemic. While under unprecedented pressure and while having to redesign almost all existing services, they have been critical in helping to meet people's basic needs and help them to access their rights.

However, while many community organisations have reported that their existing funders have been extremely supportive and accommodating in terms of use of funds and in terms of reporting, there are growing fears over the long-term financial impact and, by extension, fears over their long-term viability. With community organisations being so essential in supporting people – particularly groups who face systemic inequalities - to access their rights, this should be of serious concern.

- Increasing levels of debt:

Given the increasing numbers of people experiencing cuts to their income, there are concerns that a longer-term debt crisis could develop as households are forced into borrowing more in the coming months – particularly in the result of a further spike in unemployment - in order to meet their basic needs.

An additional factor deemed likely to contribute towards increasing levels of personal debt is the significant increase in the number of people now relying on Universal Credit, given the five week wait for first payments, that the evidence shows already leads to higher levels of indebtedness and which further undermines the right to an adequate standard of living.

- Longer-term economic planning:

Given the significant and necessary increase in public spending that has occurred in response to the Covid-19 crisis, there is a concern among Poverty Alliance member organisations about the potential that, in the longer-term, there may be a return to the austerity policies that have driven rising levels of poverty – and undermined human rights - across the UK in the last decade.

The impact of the public spending cuts that followed in the years after the 2008 financial crash act as recent proof of the damage that such a policy agenda can have, with the need to resist this agenda being of paramount importance in the months and years ahead.

Recommendations for the Scottish Government

Many of the steps taken by the Scottish Government in response to the crisis have been welcome ones, including increasing the Scottish Welfare Fund budget; creating an additional payment for people in receipt of the Carer's Allowance Supplement; making funding available for third sector organisations to enable them to respond adequately to the crisis, and legislating to prevent evictions for six months.

However, given the colossal social and economic impact of the pandemic and given the very clear risk that it poses to the rights of households across Scotland, there are a number of short, medium and long-term actions that the Scottish Government should be seeking to prioritise. These include, but are not limited to:

- **Investing in an emergency package of financial support for families on low incomes**, aimed at bringing forward the equivalent level of support to be provided to families by the Scottish Child Payment, to ensure that Scotland's ambitions around ending child poverty are not critically undermined. Options for providing an emergency income boost to families through existing funding mechanisms include providing Covid-19 crisis grants to families on qualifying benefits, increasing the value of the Best Start Grant, and significantly increasing School Clothing Grants.
- **Building on the increase to Carer's Allowance Supplement in June 2020**, with an commitment to replicating this in the next round of payments in December 2020, to provide financial respite and reassurance to carers facing additional financial pressures, and to permanently increasing the value of the payment in the longer-term.
- **Ensuring the Scottish Welfare Fund responds more flexibly to needs**, including by ending the presumption against short-term awards and increasing the level of awards provided to different categories of applicants.
- **Monitoring Scottish Welfare Fund uptake and performance** and committing to increasing investment in response to any increase in identified need, thereby supporting the Scottish Government's commitment to 'cash-first' approaches to tackling income crisis.

- **Urgently reviewing the Disability Employment Action Plan**, to ensure that it takes into account the new context and the particular impacts of the pandemic on disabled people.
- **Ensuring that all economic recovery plans and policies directly address the systemic undervaluation of women's work**, with a key focus on sectors in which women are disproportionately represented such as social care, retail and hospitality.
- **Reviewing the Scottish Government's guidance on the mandating of payment of the real Living Wage in public procurement**, in light of the UK's exit from the EU and in response to the impact that Covid-19 has had on the labour market.
- **Prioritising the development of employment support programmes**, including programmes specifically targeted at young workers given the high proportion of young workers in sectors that have been disproportionately impacted by the pandemic in the short-term and which may continue to be impacted in the longer-term.
- **Adopting a participatory approach to the development of all economic and social recovery plans and policy responses**, to ensure that people living on low incomes are able to play a meaningful and active role in the development of policies that will have a major impact on their lives.

Conclusion

Several months on from the beginning of the Covid-19 crisis, it is clear from the testimony and experiences of Poverty Alliance member organisations and community activists that its impact on people's lives – and on their ability to fulfil their rights – shows no sign of easing. Levels of crisis remain high, and people living on low incomes across Scotland continue to be finding it tougher to get by.

In the short-term, there is an urgent need to continue to listen to the voices of those living and working in the communities most impacted by the crisis. These voices are making clear the need for urgent social security measures, in particular, to be brought forward in order to boost the incomes of those most struggling to get by.

While the pressing need for short-term and urgent action to better support people on low incomes remains, focus is now also turning to the longer-term impacts. It is clear already that the crisis is, in the words of one community organisation, 'supercharging' pre-existing inequalities around disability, gender and race, and that there is deep concern about what the impact on people's rights – in particular their right to an adequate standard of living - may be in the years ahead.

As we move into the next phase of the crisis, it is also essential to ensure that the voices of people living on low incomes continue to be heard and acted on, and that they are at the heart of the social and economic recovery plans that are now beginning to be developed at the local, Scottish, and UK level.

For more information, please contact:

Neil Cowan, Policy and Parliamentary Officer, neil.cowan@povertyalliance.org