

## Lesson 4

# Poverty and Welfare in Scotland

Third and fourth level

SOCs: 3-15A, 3-16A, 4-16A

Learning Intention: To understand poverty and welfare in Scotland, and to consider how to manage a budget.

Success Criteria:

- I can define poverty, in relation to Scotland.
- I can explain the role of welfare, in helping to end poverty in Scotland.
- I can make difficult budgeting decisions.

## Teachers' Notes

Please note that the statistics in this lesson are correct as of October 2017.

Calculators will be necessary for this lesson.

### What is poverty?

- Poverty is when your resources are well below your minimum needs. Poverty means not being able to heat your home, pay your rent, or buy the essentials for your children.
- We talk about 'relative poverty', which is a measure of whether the incomes of the poorest households are keeping pace with middle income households across Scotland.
- In 2015–16, 1.05 million people (that's 20% of the population) were living in poverty in Scotland. That's 110,000 more people than the year before. Of this number, 26% were children.
- In-work poverty is increasing in Scotland, this is where one or more person in the household is currently working. This is because of low pay, and changes to benefits from the Government, which mean that people cannot necessarily move out of poverty.

### What does welfare mean?

- Welfare support is provided by the government to households who are in need. This includes housing benefit, pensions, disability living allowance, tax credits, jobseekers allowance, carers allowance, and maternity pay.
- In the UK, the three biggest forms of welfare expenditure are pensions, child tax credits and housing benefit.

### Accessing help and support

- Historically, all welfare and benefits have been managed by the UK Government in Westminster. Following the passing of the Scotland Act 2016, some of these benefits will be devolved to the Scottish Parliament.
- Shelter Scotland believes that in order to prevent homelessness, we need to stop people falling into difficulty in the first place, by having a proper welfare safety net to help before a problem becomes a crisis.
- There is also support and help in the third sector – in the form of food banks, support services, and advice.

## Housing and welfare today in Scotland

### 1. Housing

By 1999, Scotland had its own Parliament. Over the next few years, new rights for homeless people were introduced and new tenancies for social tenants. This means that Scotland has different housing laws to the rest of the UK.

An example of the differences between UK and Scottish housing law: The under occupancy deduction or 'bedroom tax' was introduced to the UK which reduced the housing benefit social tenants received if they were deemed to have a spare bedroom. Shelter Scotland campaigned to make sure that these changes didn't hit the most vulnerable, and in response, the Scottish Government increased funding so that people did not lose out.

### 2. Welfare

Until very recently, unlike housing, all welfare and benefits have been managed by the UK Government in Westminster. Following the passing of the Scotland Act 2016, some of these benefits will be devolved to the Scottish Parliament.

This means that soon Scotland will have more say over the types of benefits people are offered, how much they may receive, and the rules around these.

#### Changes to welfare and benefits

It is worth noting that benefits are changing. The UK Government are changing the social security system, this is often known as 'welfare reform'. This means that some benefits are changing names – for example disability living allowance is gradually changing to personal independence payment, and universal credit is replacing some benefits.

### Activity – worksheet

- Ask pupils to pair up.
- Distribute one of the three character profiles to each pair, ask them to read it through thoroughly, before spending their income on the list of expenses.
- The aim of this activity is to get pupils to make difficult decisions in a short space of time, they will also work on budgeting and prioritisation. Please note all of the costings are in **MONTHS**.
- After working for 10-15 minutes, ask them whether anyone had money leftover? What they have prioritised and why, and ask what they've left out and why.
- Ask them how they would feel to do without the things they have had to leave out.
- Next, tell the whole classroom that their person/couple has unfortunately received a pay cut, and as a result their income is half of what it was. Ask them to start again with the new total.
- Ask them again, what they would prioritise and why, and what they would have to do without.
- Next, tell the pupils they have lost their job and are now on Jobseekers allowance the JSA rates can be found on the final fact slide, please display this to the class) – make sure the pupils are aware that this sum differs depending on age.
- Ask the class again to prioritise and amend their list to their new budget.

### Plenary

Ask the class how it would make them feel, doing without some of the things on their list.

Ask if they think it is fair to have a smaller under 25 sum, when the individual still has the same responsibilities as over 25s, and pays the same amount in tax?