CHILDREN 1ST submission to the Health and Sport Committee on Welfare Reform and LCM (S4) 5.1

For over 125 years, CHILDREN 1ST has been working to build a better future for Scotland’s vulnerable children and families. We listen, we support and we take action by delivering services in homes and communities across Scotland. We work to safeguard children and young people, to support them within their homes and to help them recover from abuse, neglect and violence.

CHILDREN 1ST has been commissioned by the Scottish Government to develop and implement a national training, outreach and helpline service for kinship carers and their families. The aim of our service is to improve children’s lives by providing appropriate emotional and practical support to kinship carers and to work alongside kinship care families to help them find their voice.

Key points:

General
- We welcome the Scottish Parliament’s inquiry into the impact of welfare reform on Scottish families, devolved issues and national and local services
- Given the impact of welfare reform and its extent on vulnerable families’ lives, we would reiterate our call for the Scottish Parliament to establish a standing committee on welfare reform to meet, as and when appropriate, until the end of this parliamentary session in 2016. This would enable secondary legislation to be examined thoroughly, for evidence to be considered on the actual impacts when the bill’s measures take effect, and also allow MSPs to keep under review the Scottish government and other agencies’ response to those impacts

The LCM
- We welcome the broad thrust of the Scottish Government’s Legislative Consent Memorandum
- In particular, we consider it appropriate for there to be a requirement in the welfare reform bill for the “UK Government to seek the consent of Scottish Ministers to the making of UK subordinate legislation applying in Scotland...” (para16)
- We consider that there is a need for greater flexibility in the operation of the bill’s proposals in respect of the housing component of universal credit and in relation to the proposals to limit payments in respect of housing support to social rented sector tenants (para 16)

LCM proposals relating to kinship carers
- CHILDREN 1ST warmly welcomes the fact that the Scottish Government has acknowledged the opportunity the bill and the LCM represents to address the anomalies currently experienced by kinship carers who are uniquely recognised in Scots law and practice (paras 32 and 33)
- We support the Scottish Government’s call to ensure that kinship carers are entitled to receipt of child benefit and child tax credits (or the appropriate component of UC)
- However, we believe that the Scottish Government should go further and seek to ensure that all kinship carers, whether or not their children are looked after, are entitled to receive universal credit with all relevant child-related premiums, without their universal credit and other income-related benefits being impacted adversely by receipt of local kinship care allowance
Achieving such parity will result in kinship carers becoming subject to some of the other measures in the bill, such as the requirement to seek work once the youngest child in the family reaches five (either as a lone kinship carer or for one member of a kinship care couple) and which might therefore compromise kinship carers’ ability and capacity to continue to care for their children (Chapter 2 of the bill)

CHILDREN 1ST considers that the Scottish Government should seek exemption from conditionality requirements for kinship carers for one year after taking on their caring responsibilities

Moreover, the introduction of a benefit cap for the total household benefit payments might impact adversely on kinship care families, precisely because they have taken on caring responsibilities for children, other than their own (clauses 93 and 94)

Currently families with a disabled child or adult or where someone receives a war pension will be exempt from this cap: CHILDREN 1ST considers it appropriate for the Scottish Government to seek a similar exemption for kinship carers

Indeed, amendments in this regard have already been laid in the House of Lords (amendments 51D and 99AAA)

Omissions from the LCM

The UK Government’s proposals to alter radically the child maintenance system, currently administered by the Child Maintenance and Enforcement Commission (formerly the Child Support Agency), contained in clauses 131-133 of the bill, cut across Scots family law and have considerable implications for existing family mediation and support services in Scotland, a wholly devolved area

CHILDREN 1ST is concerned that consideration of these changes and their potential impact, particularly on vulnerable parents with care and parents and children who have been victims of domestic violence, are not referred to in the LCM

We would encourage the committee and indeed the Scottish Government to consider these clauses as part of the Scottish Parliament’s inquiry

Providing consent

CHILDREN 1ST acknowledges and indeed, shares the concerns expressed by the Scottish Government and MSPs in relation to the impact of the welfare reform bill on vulnerable families in Scotland, and on devolved matters and agencies providing services. Indeed, it is likely that every family currently receiving support and services from CHILDREN 1ST will be adversely affected and result in additional and increased demand for our services, which include family support and recovery from abuse and trauma.

We note that the Scottish Parliament has already identified the need to scrutinise the measures and potential impacts of the bill but is minded not to provide the necessary legislative consent. CHILDREN 1ST would welcome clarification of the consequence of such a decision.

Moreover, we would encourage Members to consider this decision carefully and to ensure that in reaching that decision, they have put the needs and interests of Scotland’s vulnerable families first. If refusing consent would result in the bill being passed in any event but without powers, time or resources being made available to the Scottish Government to enable it to prepare timeously for the devolution of particular measures and also to prepare to mitigate the impact of some of the changes, where it can, then we would suggest that MSPs must provide the necessary consent.

For more information, please contact CHILDREN 1ST policy team at policy@children1st.org.uk
The Impact of some Welfare Reform measures on young, low-income families: a short briefing

CHILDREN 1ST surveyed a group of young parents using our services to try and ascertain the potential impact of relevant proposals in the welfare reform bill. This survey is only a snapshot of a few families but is indicative of some of the challenges facing young parents (those under 25) and their children, as well as decision makers, local authorities and service providers, as a result of welfare reform.

Five families took part with nine children, all aged between one year and five years. All of them are lone parents, living on their own with their children, except one parent who lives with other family members. Only one of the parents is currently employed, working part-time.

Key findings:

Lack of benefits awareness

We provided respondents with a list of benefits and asked them to tick the ones that they received and an estimate of how much they received weekly. The information received was patchy with most recognising well-established benefits like child benefit but none able to say which core income-related benefits they received nor how much. We intend to revisit this with the parents to try and elicit more detail through face to face interviews.

This finding in itself supports the need to simplify the benefits process and to create the single, universal credit which the bill proposes. It will make the process easier to understand and for claimants to receive.

But it also suggests a lack of financial knowledge and understanding amongst current recipients, perhaps made more acute by the current pace of change. The welfare reform bill measures come in on the back of recent changes by the previous Labour government. If claimants do not know what it is that they are entitled to receive, how can they be sure that they are receiving all they should be? This finding suggests the need for a largescale and well resourced information and benefits check drive throughout the process of reform.

Debt and worry

All five parents indicated that they had debts and that they do not have enough money to live on, running out regularly and worrying about money. Several commented that they worry most about not having enough to provide “basics for the kids”.

It is likely that all our parents will be required to participate in work-related activity but should also be eligible for work-related conditionality in relation to the universal credit. CHILDREN 1ST is concerned at the requirement to force young parents, including the ones we support, into work-related activity when their children reach school age. However, we do welcome the UK Government’s intention to allow lone parents with children aged 5 – 12 to seek school term-related work (Universal Credit Policy Briefing Note 11), although it remains unclear how employers might be encouraged to provide such term-related and schoolday-timed employment.
Many young parents supported by CHILDREN 1ST lack confidence and work-related soft skills: we often work with them to create routines and boundaries in their lives, which benefits them and their children, but such activity requires significant engagement, often over a considerable period of time.

Moreover, the coping with a young child at a relatively young age and also work might be difficult for some: this kind of stepping stone approach will help, but only if the sort of support that CHILDREN 1ST provides can also be linked seamlessly into work preparation and support. This is unlikely to happen.

Changes to Housing Benefit

Three of the parents live in privately-rented accommodation. Two indicated that their monthly rent, in excess of £600, was met fully currently by housing benefit (or local housing allowance as it is now known). This is not an unusual market rent for the area they live in. Given that these rents are well above the local housing allowance limits for two and three bedroomed properties introduced in April this year, we are presuming that the local authority is exercising its discretion to top up the rental payment.

The welfare reform bill changes proposed could seriously disadvantage all the parents who provided us with information about their housing costs, particularly those renting privately. The imposition of a benefits cap of £500 weekly could cause real hardship and potential homelessness. Moreover, passing control of housing benefit to the tenant, particularly if there is a shortfall between benefit and rent level, could also cause difficulties.

Social Fund

Two of our five parents received payments from the Social Fund last year. One received a substantial grant for household goods and the other received a crisis loan for a smaller amount. This source of “capital” is vital for families on very low incomes and it is therefore imperative that a replacement scheme is devised in Scotland that improves upon what has gone before.

One parent advised that she had recently applied for healthy start vouchers (administered by NHS Scotland) and had been declined, even though she is not in work, dependent on benefits, and is now having to purchase formula milk for her two children under two.

Statutory maternity grants

One of our parents received a grant in the previous 12 months which she now would not qualify for – this change has already come into effect but is worth noting for the additional pressure it puts on young families with multiple children on low incomes.

Passported benefits

All those with school age children were in receipt of free school meals, and one also received clothing grant vouchers. Low income families depend on these additional sources of income, or at least the benefit of defraying additional expense, emphasising the need for the Scottish Government to review entitlement to such benefits (and indeed, for local authorities to do so too) and ensure that the necessary secondary legislation has been passed in time for commencement date to ensure a seamless transition.

For more information, please contact the CHILDREN 1ST policy team at policy@children1st.org.uk