



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

### WELFARE REFORM COMMITTEE

Tuesday 21 April 2015



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**WELFARE REFORM COMMITTEE**

**7<sup>th</sup> Meeting 2015, Session 4**

**CONVENER**

\*Michael McMahon (Uddingston and Bellshill) (Lab)

**DEPUTY CONVENER**

\*Clare Adamson (Central Scotland) (SNP)

**COMMITTEE MEMBERS**

\*Annabel Goldie (West Scotland) (Con)

\*Joan McAlpine (South Scotland) (SNP)

\*Margaret McDougall (West Scotland) (Lab)

\*Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP)

\*Kevin Stewart (Aberdeen Central) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Stephen Brown (North Ayrshire Council)

Richard Gass (Glasgow City Council)

Alistair Gaw (Social Work Scotland)

Margaret Kinsella (Highland Council)

**CLERK TO THE COMMITTEE**

Simon Watkins

**LOCATION**

the David Livingstone Room (CR6)



## Scottish Parliament

### Welfare Reform Committee

*Tuesday 21 April 2015*

*[The Convener opened the meeting at 10:32]*

### Decision on Taking Business in Private

**The Convener (Michael McMahon):** Good morning, everyone, and welcome to the seventh meeting in 2015 of the Welfare Reform Committee. I ask everyone to ensure that mobile phones are on silent.

Our first item of business is a decision on whether to take agenda in private item 3, which is consideration of the committee's participation in a future Parliament day. Does the committee agree to take item 3 in private?

**Members** *indicated agreement.*

## Children's Services (Welfare Reform Impacts)

10:33

**The Convener:** That brings us to agenda item 2, which is oral evidence on the impact of welfare reform on children's services.

When the welfare reforms were first introduced, concerns were voiced about the direct and indirect impacts that they would have on local authority budgets and delivery. The aim of this evidence-taking session is to establish whether those concerns have come to pass. As noted, we will focus on the impact on social work children services.

I welcome our witnesses, who will help us to understand the subject. They are: Alistair Gaw, who is vice-president of Social Work Scotland; Stephen Brown, who is head of children, families and criminal justice services at North Ayrshire Council; Richard Gass, who is welfare rights manager at Glasgow City Council; and Margaret Kinsella, who is district manager of care and learning at Highland Council.

Do the witnesses want to make opening comments on their experiences so far? I do not know whether you have discussed how to do that.

**Alistair Gaw (Social Work Scotland):** I thank the committee for the invitation. I have not prepared opening comments.

It is still relatively early days with welfare reform, so our main anxieties are for the future rather than necessarily about what has happened until now. The major impacts will continue to develop over the coming years. We have concerns about potential impacts in two areas. The first is outcomes for children; we know that the links between poverty and poor outcomes for children are very strong. There is extensive literature on how health outcomes, educational achievement and attainment, and children's growth and development, including their overall wellbeing and confidence, can all be negatively impacted by poverty.

The second area is potential cost shunting, with pressures moving from the Benefits Agency and the Department for Work and Pensions budgets on to either local authority or health budgets in order to meet the needs that arise through welfare reductions.

**Stephen Brown (North Ayrshire Council):** Alistair Gaw is right. Although it is early days, we have seen an increase in child protection registrations related to parental mental ill health. Over the past three quarters that increase has,

certainly in North Ayrshire, been significant. Previously, parental substance misuse and domestic violence have been the two main identified risk factors, but we have seen a huge increase in parental mental ill health. I am not talking about bipolar disorders or schizophrenia, but about adults in distress. Obviously, that has an impact on their ability to look after their children.

**Margaret Kinsella (Highland Council):** Highland Council was the pathfinder for universal credit, so we have had to deal with a lot of multidisciplinary work and we have had to do it quickly. We are being successful in that work, however the scale and the speed—it has been relatively slow—at which universal credit has been introduced has not, I hope, lulled people into a false sense that everything is going to be alright, because we are anxious about what lies ahead.

**Richard Gass (Glasgow City Council):** Demand for welfare rights advice and money advice from social work staff has increased. There has not been a huge increase in the costs for the social work department in Glasgow, but there has been an increase in demand for the extra services—the benefits-type advice.

**The Convener:** To set the ball rolling, I will return to Richard Gass's point. Third sector organisations, particularly those on the front line, have started to indicate to us exactly what Richard Gass said—that there are clear signs that provision of information and advocacy is coming under pressure. Is that is happening in the panellists' departments? How will it impact on third sector organisations? Is there any correlation between what is happening to your departments and the impact on third sector organisations?

**Richard Gass:** In Glasgow, welfare rights and money advice for non-social work services are provided by the third sector. We also try to provide such advice in-house through our social work staff.

There has been a general failure on the part of claimants to come forward on sanction matters. I do not know whether there is a reluctance to come to a social work department and announce that a sanction is in place in case that opens up concerns. People may be happier to go to the voluntary sector for that information.

**The Convener:** I will ask this because you mentioned the subject. It was put to me anecdotally—this must come from casework, because I do not think that people would make it up—that people may be reluctant to come forward because of concern that they would be considered to be neglectful of their children if they have to ask about financial assistance and other matters. Can that concern put people off?

**Richard Gass:** I imagine that that could put people off, although I cannot give evidence that it

is happening because such people would not come to the social work department and declare that to be so.

A large number of sanction decisions are affecting service users, but the users are not, by and large, seeking information or support from our department. Folk come looking for referrals to food banks—sometimes access to a food bank requires a countersignature from a duty social worker. However, a huge number of folk are not challenging their sanction decisions.

**The Convener:** I see that Margaret Kinsella and Stephen Brown are nodding.

**Stephen Brown:** It is interesting that the experience in North Ayrshire has been slightly different from the one that Richard Gass has described. We have seen a 500 per cent increase last year in destitution presentations through our service access. About 40 per cent of those presentations have been related to sanctions. People have been coming through, and although the numbers are not huge we are talking about approximately 400 destitution presentations over the year. People have been coming to ask for support via social work.

**Margaret Kinsella:** As a social worker, I cannot really speak about housing services, but we have been involved in discussions with tenants. It has been very clear that people have been reluctant to talk about their money problems and sanctions until the very last minute, so that by the time they present and seek help, it is much more difficult to support them. We need to look at how we engage more widely with clients—in that example, it was tenants—on reducing their anxiety about approaching services for assistance.

**The Convener:** Evidence on this has emerged from people to whom the committee has been talking. Stephen Brown talked about the large percentage increase in people coming forward, which must have an impact on front-line staff. Does that mean that front-line staff have less and less time to deal with more and more people?

**Stephen Brown:** Yes.

**The Convener:** Is it as simple as that?

**Stephen Brown:** Yes. *[Laughter.]*

**The Convener:** Is anyone else experiencing that kind of pressure?

**Alistair Gaw:** I work for the City of Edinburgh Council, which has put together a strategic multi-agency approach to tackling issues that have arisen out of the massive programme of change around welfare benefits. There is no doubt that our advice shop and services, and the voluntary sector partners that support those, are increasingly busy as a result.

However, we have also seen a huge increase in demand for emergency support, which I think relates to sanctions. The system seems to be quite slow to respond when people's circumstances change, which means that we have seen a tenfold rise in demand for food banks over the past two or three years. Food banks have become a mainstream part of social security in the city of Edinburgh, which is clearly a big change from a few years ago.

**The Convener:** I have noticed that a couple of witnesses have been pressing their buttons to come in. You do not have to. Broadcasting will take care of that.

**Clare Adamson (Central Scotland) (SNP):** Thank you for your introductory remarks. The committee has been taking significant evidence on the effects of welfare reform. We are aware that what we have heard is perhaps the tip of the iceberg of what is coming down the line. However, in an article in *The Scotsman* in February, Harry Stevenson, who is the president of Social Work Scotland, wrote:

"There are lots of well-understood routes out of poverty that governments will be working on: income maximisation, increasing pay rates, suitable benefits, affordable childcare and the removal of barriers to education. But these are for the long term. We are facing a crisis now."

Do you agree that there is a crisis now because of the increased demand, particularly in children's services?

**Stephen Brown:** Yes, I agree. That is certainly the case from our point of view.

I will be careful not to make a direct link between parental mental ill health and welfare reform but, anecdotally, we are hearing from a number of parents who have been coping and clinging on. Sometimes, before changes in benefits systems even come into force, anxiety about such changes tips parents over, from coping into crisis. As Alistair Gaw described earlier, we too are attempting to identify problems as early as possible. We have based some of our money advice workers in the early years centres in North Ayrshire, and we are attempting to remove stigma and encouraging people to come to social services for advice. However, it is very early days, so it is difficult to know yet how effective that has been, but we are monitoring progress. It is about finding people where they are and providing advice to them there.

10:45

There has been an increase in parental mental ill health, as is evident from child protection registrations. There has also been an increase in adult protection concerns, with adults in distress presenting regularly at accident and emergency

departments. Such presentations have increased by 293 per cent in North Ayrshire in the past 18 months, which is significant. I would not want to make a direct correlation with welfare reform, but that argument could be made.

**Margaret Kinsella:** People have become anxious because they do not know what the welfare reforms will mean. That has been of great concern to families, as Stephen Brown said. Some families have found that the reforms have not been as overwhelming as they had thought they would be, but it has taken a while for them to get to that position. As Stephen Brown said, the point at which families tip over from coping—just about—to not coping is painful for them.

**Alistair Gaw:** There is a sense that, as measures are rolled out, there is a ratcheting effect. There will be a tipping point, which is what Harry Stephenson was getting at in his *Scotsman* article.

Although the implementation of welfare reform is largely universal, it affects different areas in different ways. For example, the city of Edinburgh has quite a large population of people from other parts of the European Union, especially eastern Europe. There has been quite a lot of migration to the city in recent years. Richard Gass may know more about the technicalities of the situation than I do. It is still early days, but we have found that a number of situations have arisen since April, when there was a change in access to housing benefits for EU nationals. A particular example that we have seen is that in cases of domestic abuse or stress in families, women who have had to flee domestic abuse are not entitled to any housing benefit if their children are under the age of five. As a result, they become destitute, and we are having to put in place emergency solutions.

That is one example of the changes. Rather than there being one sweeping change, there tends to be a ratcheting effect that leads to crisis points in different areas at different times.

**Richard Gass:** I agree that the situation that Alistair Gaw described is a problem. What we have is, in effect, a cliff edge: a person has support one day, but the next day they have none and they are looking for where to go for assistance.

Another aspect of the reforms that sneaks up on people is the fact that benefits are not increasing at the same rate as they used to. People may not notice overnight that their money is not going as far, but over the months they may not be able to replace school clothes, redecorate bedrooms and so on, and after a time there will be things for which they require assistance.

"Stealth" is perhaps the wrong word to use, but the reforms are creeping up on people in that way.

People are about to migrate from disability living allowance to personal independence payments—in fact, that has already started. As we will see, people who have had a benefit one day will not have it the next day, which will present us with more cliff-edge scenarios.

**Alistair Gaw:** Traditionally, a lot of families may have used one benefit—jobseekers allowance or tax credits—to pay their fuel bills one week, and then the week after they may have used the money to feed the family. A sanction being applied to one of those benefits or changes to benefits are all it takes for things suddenly to fall apart. The family will then be at the payday lender borrowing money, which is a downward spiral. That is quite a common situation, in our experience.

**Clare Adamson:** I want to ask specifically about children's services again. The article in *The Scotsman* mentions that there are currently 220,000 children living in poverty in Scotland. The Government has a strategy that includes the early years collaborative and the getting it right for every child policy, to make Scotland the best place in the world for children to grow up. What are the competing pressures on children's services that are resulting from the effects that you have described? Are they damaging the impact of the early years collaborative work and of GIRFEC?

**Margaret Kinsella:** The pressure on children's services is really quite immense. I have spoken to members of the family nurse partnership, who obviously deal with a very specific group of young families. Their evidence was that the pressures have had a major impact on their work, and the experience of families, in that they have had to get to know more. Previously, as health visitors or midwives working in the family nurse partnership, they did not necessarily need to get so involved in checking where the young women were with their benefits. Health visitors and early years support staff are certainly finding that they need to be much more mindful of the need to check whether families need to be signposted or supported. They are having to be particularly mindful of literacy and numeracy issues.

People are also coming back to us and saying that there is real anxiety about going from weekly or fortnightly payments to monthly payments, as has been said. That is a major issue. People are budgeting: they may be doing so very well on a very limited income—probably better than I could—but stretching the money for a month is very difficult.

Housing services staff are certainly now encouraging people to seek changes: I understand that social landlords can now seek to have rent paid directly to them in the way that private landlords have been able to do.

We are having to look at ways of dealing with a very difficult situation. There has been quite a considerable effect on early years provision.

**Kevin Stewart (Aberdeen Central) (SNP):** Earlier, Mr Gaw talked about cost shunting, which the committee has discussed on numerous occasions. I would like to tease out something with Mr Brown.

Mr Brown, you said that there had been a 500 per cent increase in destitution presentations, and you are dealing with many more child protection orders. Let us take child protection orders. If a family loses a certain amount per week, that may lead to the kind of worry that we have heard about today, which may lead to mental health difficulties and a child protection order being put in place. I know that it is difficult for you to give us an average, but what would a child protection order cost? Do you have any idea of its minimum cost?

**Stephen Brown:** It is very difficult to cost that. Around three years ago, we did an exercise in North Ayrshire to cost provision for children who were on the register but remained at home and received fairly intensive supports. The cost was approximately £22,000 per year per child. If we accommodate a child, the cost could be anything from £400 a week to £2,500 a week, depending on the nature of the placement. The cost can therefore be fairly significant.

**Kevin Stewart:** Would it be fair to say that the sums are very significant compared with the so-called savings that are being made because of welfare cuts for families?

**Stephen Brown:** I suspect so—yes.

**Kevin Stewart:** Given what we know from previous work by social work services and others across the country about the costs of dealing with individuals because there have not been early interventions and the right inputs at the right times in their lives, would it be fair to say that, after a child protection order has been put in place and the kid has possibly been taken into care, outcomes in the future might not be so great, which might have a cost for the state?

**Stephen Brown:** Yes. We would all recognise that, when we have to accommodate a child, the potential for positive outcomes for that child reduces. There is no doubt about that.

**Kevin Stewart:** You are saying that, in reality, the savings from the welfare sanctions and benefit caps might at the end of the day cost the state a huge amount more, because we have not ensured at the start that families and children will have the best outcomes.

**Stephen Brown:** There is no doubt that the earlier intervention and prevention methods that we are attempting to put in place, and the work



that we are doing in the early years through the early years collaborative, all tend to provide much more effective outcomes for children and their families and are cheaper than some of the high-cost crisis interventions that we have to put in place. There is no doubt that, if we can move upstream and provide the right support at the right time for children, not only will the outcomes improve but the costs for the state will reduce.

**Kevin Stewart:** Could we hear from others on that? In my opinion, the cost-shunting idea is not just about the shunting of cuts on for other bodies to deal with; it seems to me that, in a number of cases, there is human cost shunting over the period of somebody's life.

**Alistair Gaw:** I entirely agree. I will again talk about the City of Edinburgh Council, although we are certainly not unique in this regard. We have been working hard to make the city the best place for children to grow up in and to give every child the best start in life, including children whose parents rely on benefits or who are born into difficult circumstances. Over the past few years, we have had substantial success in reducing the number of looked-after children and shifting the balance of care so that more children can stay with their parents or extended family. However, it is a concern that, if services are under pressure for a number of reasons, which might be to do with demography and population growth or changes in benefits, and if our efforts are undermined by the kind of circumstances that Stephen Brown described to do with parental mental ill health, that undermines the strategy, and the knock-on economic effects could be substantial.

The association between poverty and neglect is complex, and there is a literature on it, but it is undoubtedly clear that, whatever the causal factors, children who grow up in poverty have substantially less good outcomes and are therefore much less likely to be able to contribute positively to society in the longer term. Therefore, the more we can intervene earlier and ensure that we narrow the attainment and achievement gap for children and improve their health outcomes—Margaret Kinsella touched on literacy, which is a good way of doing that, for example—the more we can reduce those risks. There would certainly be value in doing more analysis and modelling of the potential costs.

**Kevin Stewart:** Could we hear from Ms Kinsella on that?

**Margaret Kinsella:** As you might know, Highland Council has a higher level of employment than many local authorities in the central belt, so the issues that families face can be somewhat different. It is interesting to look at the issue of rurality and employment. In preparing for today's meeting, I spoke to colleagues who

remarked that there may have been 900 people signing on—I forget the exact figure—in Portree on 1 April but that is now down to nine. Seasonal employment is significant. We expect families to be financially sophisticated in managing money. One day, they are relying on benefits and the next they are in work. We are told that the welfare reform will introduce a real-time system, so people will need to manage their claims through information and communication technology. However, that can be very difficult in certain parts of the Highlands such as the north coast where broadband and so on are very poor.

At the moment, there has been almost what might be described as mollycoddling; because we have been a pathfinder, people have very often received a lot of support through one-to-one discussions with DWP workers, and our anxiety is that with the considerable migration across to real-time management of claims, families will face considerable problems in keeping their claims up to date.

I fear that I might have strayed off the issue that you asked about.

11:00

**Kevin Stewart:** That is fair enough. I am glad to hear the comments that you have made.

You said that people have become quite financially sophisticated—

**Margaret Kinsella:** Well, they have to be. If I have to manage on a very limited income, I have to be very mindful of that. How many people in this room know where to get the cheapest tea?

**Kevin Stewart:** But you can be knocked off your stott quite quickly.

**Margaret Kinsella:** Absolutely.

**Kevin Stewart:** I remember how, a number of years ago, I was paid weekly until I got a job that paid me monthly, and I got into a wee bit of difficulty. I had the good luck to have parents who could bail me out, but there are folk who do not have that ability. Even the change from weekly and even, as we have heard, fortnightly payments to monthly payments can cause folk great grief, can it not?

**Margaret Kinsella:** Indeed. Another example is childcare. People who get a job but who need childcare very often find that childcare providers expect a month's money up front. Although they are getting the 600 hours' nursery entitlement, they might well need to top that up. How do those people find a month's deposit for childcare when they are not being paid? At the same time, they are also anxious about their benefits being stopped before they get paid. A lot of thought may

have gone into making stepping into work more straightforward—and I appreciate that we do not necessarily have the 16-hour rule any more—but people who have small children and who get a job, act responsibly and sort out their childcare are feeling considerable anxiety about having to pay a month's deposit in advance. Where do those people go if they are not fortunate enough to have a mammy who can help them?

**Kevin Stewart:** A couple of you have touched on folks' reluctance to seek help until the last minute, particularly where there are children involved, because of the fear of interventions with their children that they do not want. What can you guys on the front line do to deal with the fears that are permeating about welfare reform? Is it impossible to deal with such fears without taking a long, hard look at sanctions, conditionality and so on?

**Alistair Gaw:** We can do a lot, but the fact is that some of those fears are justified. What does a child need more than anything else in order to grow, develop and thrive? They need exactly the kind of security and predictability that is being taken away from some of these families. A family might be threatened with being made homeless or might have to move around because they have lost their accommodation, and those are just the things that small children do not need.

Nevertheless, a lot can be done. Families might first come into contact with crisis support at places such as food banks, which are getting much better at integrating services and developing one-stop shops. If someone comes to a food bank in great distress because they need food for themselves or, very often, their children, advisers can be made available at that access point to give them support or help with money management or access to debt advice, citizens advice bureaux or whatever. People can be available on site to take away individuals' fears and anxieties and to signpost them to services that will make a difference.

We need good integrated, co-ordinated services with a bit of strategic planning above that and we need to ensure that the right people are available at the access points so that people do not just come in and get a bag of food but get the advice and help that they need at the same time. That is a simple example, but that kind of approach can make a difference.

**Kevin Stewart:** I am sure that life would be much easier for you guys if there was no sanctions regime and conditionality was changed. Do you agree?

**Richard Gass:** Yes, absolutely. Sanctions are a major problem and, as I said before, folk are not challenging decisions for a number of reasons. To address that, in Glasgow we have created a

sanctions pack, which we have made widely available to food banks and other organisations, because we need to impress upon the individual that they have a right to challenge the sanction decision and that it is important to do that.

Unfortunately, with the way the media have betrayed benefits claimants over recent months, a sanction now equates to blame and, when people are sanctioned, they think that they are to blame in some way for not having their money. People do not generally readily come forward, put their hand up and say, "I am to blame," so we need a culture change on the right to challenge a sanction.

You are absolutely correct that, if there was no sanctions regime, the task would be far easier.

**Stephen Brown:** As I said earlier, approximately 40 per cent of the increased destitution presentations are directly related to sanctions. There is no doubt that sanctions put additional pressures on individuals. Many of them have been imposed on individuals who have mental health difficulties or substance misuse issues and are already vulnerable for various reasons. When they miss appointments, they become doubly vulnerable and, if children are involved in those situations, it is very difficult.

To go back to Alistair Gaw's point, there are things that we can do to mitigate some of those effects. In North Ayrshire, we have made efforts to base multidisciplinary teams with our early years services and reduce the stigma of walking into a social work department so that parents can actively seek advice without the worry that their children will somehow be removed as a result. It is early days for measuring the success or otherwise of that approach, but people seem to be taking the advice on in a way that, we hope, will prevent them from requiring the assistance of food banks in the first place or from getting themselves into financial difficulties.

We are beyond maximising people's benefits now. The approach is about financial capability, so it also concerns linking people into credit unions as opposed to payday lenders and some of the white goods sellers who charge exorbitant rates that nobody in this room would dream of paying but which can be enough to tip people into real hardship.

**Margaret Kinsella:** The variation in sanctions has been noted. I can think of one particular office in the Highlands that seems to have a much higher sanctions rate than other parts of the area. Somebody needs to examine why that is the case—perhaps a very late bus arrives in that town, I do not know—but it is of concern because it shows a certain level of decision making that is perhaps not quite right.

The other side of the matter concerns social work services. Children's services involve health visiting and social work staff, who are complemented by support staff. We have worked diligently to have as supportive an attitude as we can, which we hope that our clients know. That gets them away from the idea that, if they start to share some of their worries, anxieties and difficulties with social work services, the first thing that we will do is to remove their child. I hope that those days are long gone.

The support that is given through the early years collaborative and other initiatives is a key way into that. Some of the work that we have done with midwives, who are still in the national health service, on how we can support families has been really interesting. It has used early years collaborative methodology and we are now looking to do the same with what we call money health checks. Evidence shows us that people will not seek help until the last minute, so we are trying to come back from that and ask, "Where are you just now? What support can we give you?" We are looking to do that with primary 1 children. We are keeping that message in the universal services to encourage people to share their difficulties and get help sooner.

**Kevin Stewart:** Do you have any evidence that the reforms are having a greater impact on families with disabled children?

**Alistair Gaw:** Disabled children are still entitled to children's benefits; that has not changed, so I have not seen any issues in that specific area.

We often find issues with children with additional support needs and disability, where social work is involved or where families have multiple problems. That is where the additional stress and uncertainty of changes to the benefits and security that families have had can exacerbate problems. For example, if a child has autism, it can be much exacerbated by those other pressures.

I have not seen anything specifically in relation to children with disability, but my colleagues might have examples.

**Richard Gass:** I do not have examples as such, but I have a kind of warning. Under universal credit, households with disabled children will be significantly worse off. At present, the benefits system gives a disabled child premium for any rate of DLA, which can be £60 a week. Under universal credit, any rate of DLA or PIP will attract only £30 a week. To get the higher elements, people will need to be on the highest rate of care component or the highest rate of daily living component for PIPs. As universal credit extends, we will see a problem there.

On sanctions, I suggest that, if a family has a disabled child, that child's extra needs will

undoubtedly impact on the parents' ability to attend to the issues that they put in their claimant commitment. Too many claimants believe that, when they sign their claimant commitment, they have to agree to everything. However, someone who works can afford childcare but someone who does not work cannot, so claimants will be at the school gate. If they have a disabled child they might not be able to be at a 9.30 appointment. We need to have greater understanding for claimants, and the claimant commitment needs to be revised before claimants are held to account for failing to uphold something that was impossible.

**Margaret Kinsella:** The evidence that was given to me was on the issue of having to seek work and the difference between having a child with a diagnosis and having a child without a diagnosis. My child might not be able to receive after-school care, as the after-school care people might not be able to manage because of my child's behaviour, so my ability to seek work becomes compromised. The age that your child needs to be before you seek work is reducing. There is a complication in there. Very often, single mothers have to think, "How can I go out to work when nobody will look after my child because of undiagnosed—but very real—behavioural issues?"

**The Convener:** Before I come to Margaret McDougall, Clare Adamson indicated that she had a supplementary on Kevin Stewart's question.

**Clare Adamson:** It is on the issue of sanctions, which unsurprisingly has come up a number of times this morning. The concern for me as a member of this committee is that we keep hearing about variations in the way in which they are implemented. Even the use of language is an issue: it is a threat of a sanction. We have heard concerns from the Public and Commercial Services Union about the pressures on staff to impose sanctions on people. The written evidence from Social Work Scotland gives a number of case studies in which the sanctions were overturned at appeal but nonetheless had significant and very severe impacts on the families involved.

Would you welcome an independent review of conditionality in sanctions, to address some of those variations and some of the problems that we have been hearing about?

11:15

**Richard Gass:** Yes, that would be very helpful—and the sooner the better, if not yesterday. The problem with the sanctions regime—if I can call it that—is that when people do not challenge decisions, poor decision making is almost condoned by the lack of challenge, and so it goes. We need either a review to correct the errors or a proactive challenge to decision making

so that incorrect and ridiculous decisions can be stamped out.

**Alistair Gaw:** I agree, and Social Work Scotland would certainly support that suggestion. Where parents have responsibility for vulnerable others, whether those are children or other vulnerable people for whom they are caring, that should be recognised in a much more positive way than it is at present.

**Richard Gass:** As the committee may have seen, One Parent Families Scotland has projected an annual figure from information that it received through a freedom of information request. It estimated that 9,000 lone parents in Scotland had been sanctioned over 12 months. Of those, 6,000 were on income support, which means that they had a child under the age of five or with a disability that meant that the parent was a carer, and the other 3,000 were on jobseekers allowance. That is quite an alarming statistic.

**The Convener:** It is, yes.

**Margaret McDougall (West Scotland) (Lab):** Good morning, panel. As we have heard today and in previous evidence, all the welfare reforms are putting a lot of pressure on local authority budgets—that is very much the case in relation to the demand on social services in particular.

I am interested in what Stephen Brown said about parental mental ill health and the impact that that has on children. If parents are in distress, there is a knock-on effect; the welfare reforms are a cause of that. The main concern is the wellbeing of children, and it is clear that there is a long-term effect on children. As Kevin Stewart said, there is a belief that the reforms will save money, but it is a false economy.

Stephen Brown said that there has been an increase in the number of child protection orders. I know that this is the worst-case scenario, but what happens if a child is taken into care? Given the pressures, are there enough foster parents, or enough places in children's homes? I know that those options are the very last ones that would be considered, but given that there is a huge increase in the pressures on parents, is the support there to help those children?

**Stephen Brown:** It is very difficult. There have certainly been pressures on our fostering services as a result of the increase in the number of children who need accommodation. An unfortunate situation is that we have had to house some children in some of our units at an earlier age than we would ordinarily like. Some of our children's houses have accommodated children who are as young as seven or eight—which is far from ideal—because of an absence of appropriate foster-care placements.

We are continuing the process of trying to move upstream, but your question takes us back to what Margaret Kinsella said. The ideal situation is one in which we prevent parents from tipping over the edge and help them to continue their progress in terms of coping. There is also our early years work, as well as opportunities around the named person role, as specified in the new Children and Young People (Scotland) Act 2014. We can work with our colleagues, and with health visitors and midwives, to upskill them and give them the right skills so that, when they engage with families and parents, they can identify issues and signpost people on. We are a long way shy of the ideal situation yet, but the direction of travel is there, and I hope that we will see some improvement as we move to take the pressure off.

Quite apart from the pressures on local authorities, there is an impact on children, although if we have to remove children from parents where the risks are great, we work hard to return them as quickly and safely as possible. However, there is no doubt that, whenever we have to accommodate a child, the effect on both the child and the parents can be significant.

**Richard Gass:** In Glasgow, there is an almost continual campaign to recruit additional foster carers to ensure that the resources are there to meet the demand. I wonder whether people who are themselves in a financially precarious position might not choose to come forward and take on responsibility for a child—perhaps the economic climate is a barrier to folk coming forward. There is certainly a campaign going on in Glasgow at the moment to recruit additional foster carers.

**Alistair Gaw:** I can speak for Edinburgh, where we have 1,000 children who are accommodated in foster care, with kinship carers or in children's homes, with the majority being in foster placements. We continually struggle to find enough foster parents. Like Glasgow City Council, we work hard at that, but we often find ourselves competing with neighbouring authorities or with other fostering providers. There is definitely a need for more foster carers in the country.

In the city of Edinburgh, 18,000 children are living in poverty, under the definition in the SWS paper that is before the committee today, and most of them are living with their own families.

Where we think that there is room for development is in supporting kinship carers. We have had some success with that, but we would like to see many more circumstances in which, if children cannot live with their parents or with one parent, they can at least live with their extended family and have that support around them. One of the problems is that some of the changes to the benefits system are having a negative impact on kinship carers, as many grannies or uncles and

aunts give up work to look after children in those circumstances, and they find that we are not very good at supporting them. There is a lot that we could do, at the national level or at the local level, to support them.

**Margaret McDougall:** Can I come back on that?

**The Convener:** Kevin Stewart wants to ask a supplementary question first.

**Kevin Stewart:** My question is about kinship carers. When we were looking at the impact of direct payments and the bedroom tax, we visited a housing association here in Edinburgh and spoke to a number of kinship carers. I particularly remember one such carer who was extremely concerned about the impact on her income of remaining a kinship carer. The witnesses have mentioned the difficulties that kinship carers face. Have there been difficulties throughout the country, and have people withdrawn from kinship care because of threats to income from welfare changes?

**Margaret Kinsella:** I cannot say that people have withdrawn, but there is certainly an increase in anxiety. Before the discretionary payment was introduced, we were anxious that foster carers might have to withdraw. As it turned out, when we looked into the issue more closely, we found that we did not have any families who were affected, but the situation highlights the anxiety among professionals about what the changes could mean. A considerable amount of time was spent on trying to establish whether the bedroom tax would have a negative effect on our foster carers. Fortunately, in the end, it did not, but that shows the amount of anxiety among professionals who organise services and among kinship carers. Having read the papers for today's meeting, I am not personally aware of situations in which kinship carers have been affected, but I know that there is an increase in people's anxieties about how taking in their grandchildren or their sister's children could affect their money. There is an increase in anxiety among families, and an increased need for professionals to be very much on top of things.

**Richard Gass:** The bedroom tax was adjusted to allow a concession of one extra bedroom for kinship care households. However, if a carer were to take two children, it might not be desirable for those children to share a bedroom.

People can afford to provide kinship care through a mixture of benefits from the DWP and Her Majesty's Revenue and Customs and payments from the local authority—hopefully, that all adds up to a reasonable sum. However, under universal credit, the bit that equates to tax credits might no longer be payable to kinship carers. Perhaps the Scottish Parliament can address that

in legislation and ensure that what is put in place in Scotland entitles people to the maximum benefits from the benefits system. At the moment, however, we are facing a bit of a crisis with regard to kinship carers moving to universal credit.

**Margaret McDougall:** The United Kingdom Government's perception is that it is the children of people who for one reason or another are unable to work who are suffering, but the issue relates not only to people who are out of work. Do you have any statistics on the number of children whose parents are in work and are suffering from mental health problems, distress and so on as a result of welfare benefit changes? We are talking not only about people who are solely reliant on benefits but about people who are actually in work.

**Margaret Kinsella:** We do not have any statistics or hard information in that respect, but I know from talking to my housing department colleagues that they are starting to look at the impact on families on low pay. At the moment, we are—quite rightly—putting a lot of time and effort into understanding the effects of welfare reform on clients but, in the meantime, we need to keep looking at the needs of families who are on low pay. I appreciate that we are moving towards not having zero-hours contracts, but the anxiety is that, with so many people on such contracts or working casual hours, we are talking about what is very much a low-pay economy. As a result, we must ensure that those folk have access to appropriate support and services.

**Stephen Brown:** Anecdotally, there is no doubt that front-line staff are increasingly talking about in-work poverty. As Margaret Kinsella said, it is very difficult to quantify the number of people who are in such poverty. The situation is much easier with people who claim benefits, because we can count that kind of thing and be very clear about income deficits as a result of X, Y or Z welfare reform. Things are much more difficult with in-work poverty but, as I said, anecdotally it seems that that is an increasing feature.

**Richard Gass:** I cannot give the committee any statistics either, but it appears from reports that it is not only folk who are out of work but working families who are using food banks. Indeed, the fact that the term "in-work poverty" trips so easily off our tongues shows how much it has become part of our common language.

The problem is that the extra money earned from employment does not meet all the additional costs of being in employment, such as getting to and from work, laundering clothes, buying lunch at work and so on—not to mention the huge costs of childcare. As a result, an individual is not necessarily any better off just because they are in work; unfortunately, many will, in fact, be worse

off, and that situation is not going to improve hugely under universal credit.

11:30

**Margaret McDougall:** One or two of you have pointed out that people are not actually using the appeals system as well as they might. Quite often, third sector bodies such as Citizens Advice Scotland help people with appeals. I know from personal experience that Citizens Advice Scotland is so inundated with requests that it now has an appointments system, whereas there used to be a drop-in service.

What is being done to help the voluntary sector deal with the demand? A greater load is going on to the voluntary sector because of the changes. Social services are trying to deal with that—some councils have their own welfare rights officers—but quite a lot of people would prefer to go to a third sector organisation rather than to the council for assistance, particularly with things such as rent arrears. What assistance and support are being given to third sector organisations to help them deal with the huge increase in the number of clients that they are having to see?

**Richard Gass:** In Glasgow, we have a welfare rights appeals team within social work services, which takes referrals from the voluntary sector—we work in partnership with the voluntary sector. Some parts of the voluntary sector provide tribunal representation and additional funds have been made available, most recently over the past 18 months and for the next 18 months, through the Scottish Legal Aid Board.

For example, some of the citizens advice bureaux in Glasgow have received additional resources from the Scottish Legal Aid Board to address a perceived increase in the number of appeals, although, in reality, the volume of appeals has not increased. We anticipated an increase, but we were wrong. There might be a number of reasons why the volume of appeals has not increased. There was a long delay in decisions being made on new personal independence payment claims; ESA claims were parked while the Atos contract was renegotiated; and folk are generally reluctant to challenge a sanction decision. Those things may explain why people are not lodging appeals. There is also a mandatory reconsideration process, which was introduced to reduce the number of appeals. We are not convinced that the number of folk who would, ultimately, win at an appeal tribunal are getting that decision at reconsideration; yet, for some reason, folk are not going on to appeal.

Appeal numbers are down, additional resources have been made available through the Scottish Legal Aid Board and, in Glasgow, we work in

partnership with the voluntary organisations. The individual client can see an adviser within the CAB, but if the bureau does not have the resource to represent people at the tribunal, we can represent them, and they can be reassured in advance that it is not the state interfering with their benefit.

**Alistair Gaw:** A lot of local authority areas, either through community planning partnerships or through establishing their own strategic approach to addressing issues around benefit changes, which is a massive change process, have very much looked to join up and work in partnership. They will set strategic objectives around reducing the impact of homelessness, for example, and maximising income wherever it can be maximised. They are also doing work to upskill the staff groups in both the local authority and the voluntary sector, running joint training programmes to ensure that the right advice is available to people in the right place and developing the one-stop shops that we have talked about, making sure that resources are aligned. A huge amount can be done through community planning partnerships or through taking a strategic approach at the local level to both mitigate the impacts of the changes and provide the kind of support that Margaret McDougall describes, whereby the voluntary sector is the first port of call because it can be much less threatening. Often, the work is done through food banks and church groups, for example.

The important thing is that, through community planning partnerships or through a strategic approach to welfare and benefits issues being taken within a local authority area, it is possible to ensure that staff are properly trained and that they have the knowledge that they need in order to take away a lot of the fear factor. A lot of work is going on across the country to deliver that.

**Margaret McDougall:** If sanctions are increasing but the number of appeals is not increasing in line with that, we must be missing a trick somewhere, because the message is not getting out to the clients who are being sanctioned. How can we overcome that?

**Richard Gass:** We need to find out why people do not challenge the decision in the first place. If it is felt that benefit claimants are part of the problem and that those who have been sanctioned are the biggest part of the problem, we need to understand that and empower those people to overcome it and see the appeal through. I do not have an easy answer to that; the answer will probably involve working with community groups so that individuals who are sanctioned do not feel isolated and can speak to other folk who have been sanctioned, and perhaps realise that the

decision that they face might not stand up and that there is the prospect of success with an appeal.

**Annabel Goldie (West Scotland) (Con):** I have been struck by the number of times the witnesses have referred to intervention or early identification of a problem. I was particularly interested in Ms Kinsella's submission, which laid out a range of processes and procedures that are all about collaboration, consultation and information. Interestingly, she said that, because her area was to be a pathfinder for universal credit, there was

"multi agency and service collaboration in an attempt to understand"

what lay ahead. Will you describe in a little more detail what that process involved? Who was speaking to whom?

**Margaret Kinsella:** In the first instance, it was probably chief executives and finance officers, who were concerned about the possible implications of rent arrears from their tenants. They wondered how big the hole was going to be. As a result, children's services asked how we were going to be affected.

Through the getting it right for every child approach, we already have close working relationships between housing and children's services on things such as possible homelessness and eviction. At a local level, people know each other very well. As we understood the very practical financial difficulties that families can be in, we said, "We need to speak to you." Equally, the housing service said that it did not want lots of people to become homeless and it wanted to ensure that tenants understood their responsibilities as a result of the rental changes. We needed to work together to ensure that tenants were mindful of what could come.

As a result, the housing service had a major consultation with tenants about the best way to inform and update them. That involved us in children's services, as well as those in adult mental health services. Basically, we all have the same clients, so it was in everybody's interest to ensure that our clients, tenants and service users were as aware as they could be of what was going to take place. At the same time, we saw multidisciplinary routes to better understand where we needed to direct support.

Some of the work, such as the maternity services work that we got involved in, emanated from the early years collaborative. People were asking, "What can you do?" As we were mindful from housing that people do not necessarily want to be labelled as a problem or let us know about their difficulties, we tried to reduce the stigma of not managing. We very much focused on providing support universally. For instance, we earmarked women's booking appointments with

their midwife—every woman who is pregnant gets such an appointment. As it turned out, most of the people who got support were either on low pay or on benefit, but that did not appear as a stigmatised service: we also provided support to people who were in good work, and everybody was offered what we called a money health check.

That was a minimal piece of work for midwives. They were very clear that they did not want to be involved in the 15-minute rapid appraisal of somebody's benefits. It was very much just about saying, "Here is something to move you on," and the service was offered to all pregnant women in a particular town. We are now going to roll it out across the Highland Council area, knowing that in reality we will be impacting on those people who are either on benefits or on low pay.

We are looking to develop that service into primary 1. We are looking at the issue through the early years collaborative and we are taking the small tests of change approach. However, we also very much trying to present the service as a universal offer in order to reduce people's feelings of inadequacy and guilt about not being able to manage on money that nobody could manage on. That is one of the approaches that we are taking.

**Annabel Goldie:** And it is being rolled out—

**Margaret Kinsella:** It is being rolled out across the Highland Council area.

**Annabel Goldie:** So you regard it as a very positive process.

**Margaret Kinsella:** We regard it as a successful way to impact on people at particular points in their lives when they might need additional support. As a result of that service, women have gone back and told their next-door neighbour, their pal or their sister, "They are not as bad in there as we thought they were," so it is also reducing the stigma and changing the view that people involved in social work are just the big baddies. We are not the big baddies, and we are trying to use the service as a way of changing misguided perceptions about what we are.

**Annabel Goldie:** I presume that, out of the service, you can pick up possible referral routes that the individual may be unaware of. For example, I was interested to see that you have made local authority requests to the DWP for direct rental payments. Was that because you recognised that that would help some individuals and some families with their budgeting?

**Margaret Kinsella:** That has been a major concern for social work and for housing. Kevin Stewart mentioned managing money and the difficulties that there can be when people go from getting money weekly or fortnightly to getting it monthly. With a range of money coming in at

different times, there is the anxiety of falling into rent arrears. If someone goes on to universal credit, they automatically go into rent arrears because it is paid retrospectively—they are immediately into five weeks' rent arrears. If I missed a mortgage payment, I would find it quite difficult to pull back from that.

We will wait and see—it is difficult because we do not necessarily want to take a blanket approach to everybody who is on benefits by having the local authority or the landlord seeking fortnightly rental payments or by having the rent being paid to the landlord immediately. However, when we speak to tenants, we hear that that is what they want.

The majority of tenants are very anxious about managing the money with the change from getting it weekly or fortnightly, with their rent being paid automatically, to getting a sum of money into an account and having to balance everything. A lot of tenants would prefer—perhaps just in the short term—to have their rent paid automatically to their landlord.

It is a question of how we manage that situation, recognising that a lot of the welfare reform is about the personal responsibility argument. However, if someone says that they cannot manage all that money and they would like us to take that element away and then they will attempt to manage the rest, maybe that is personal responsibility.

**Annabel Goldie:** That is very helpful. In amongst all the engagement, the consultation and the partnership initiatives, what was your relationship with the DWP? Did you manage to engage with it?

**Margaret Kinsella:** There are monthly meetings between the DWP and the local authority. Although I attend them, I must admit that their business seems to be much more with the housing and chief execs than with us, but perhaps we have just not yet got on to mutually useful agenda items.

**Annabel Goldie:** So those meetings are every month.

**Margaret Kinsella:** Yes.

**Annabel Goldie:** I was interested in the submission from Highland Council but, to avoid the gentlemen feeling excluded, I will ask them this: from what you have heard, are examples of such practice being replicated in Edinburgh, North Ayrshire or Glasgow?

11:45

**Stephen Brown:** I assume that liaison meetings with the DWP happen in most areas. We attempt to raise issues and identify problems with the

department as early as possible. Sometimes those discussions are very fruitful.

**Annabel Goldie:** How often do those meetings take place in North Ayrshire?

**Stephen Brown:** I am not sure exactly, but monthly is probably not far off the mark.

More widely, as welfare reform is rolled out, with the ratcheting effect that Alistair Gaw spoke about earlier, all public services continue to keep their finger on the pulse, to be responsive and to ensure that, every time something else is introduced, they are clear about the potential implications, so that we continue to work together as public bodies to find the most sensible solutions. Inevitably, that cannot be done simply on a social work basis or from an NHS point of view, for example; it requires a whole-system approach.

What I am hearing from Highland is probably very similar to what goes on in North Ayrshire. I would be surprised if it were different elsewhere.

**Richard Gass:** Until recently, we had bimonthly meetings in Glasgow with a universal credit team from DWP. Since the announcement of a go live date of 8 June for Glasgow, another group has been set up in addition to that, which meets on a monthly basis. However, we have not introduced universal credit yet.

Aside from that, we have quarterly meetings with the DLA PIP team. That is on more of a district basis, involving Glasgow, North and South Lanarkshire and East Dunbartonshire.

**Annabel Goldie:** If you thought that a practice was developing whereby claimants were being adversely affected by the application of sanctions, could you raise that at those meetings?

**Richard Gass:** We have raised that at meetings. The sanction pack, to which I referred, was shared with the DWP staff who attended the meeting, who felt that it was very helpful.

**Annabel Goldie:** So you spoke about a sanction information pack.

**Richard Gass:** Yes. The sanction information pack contains a description of the claimant commitment, and it has a standard letter, should somebody seek a reconsideration, along with some more information. That pack was shared with our colleagues from DWP, who welcomed it as a helpful tool.

**Annabel Goldie:** That is helpful.

Are you able to comment in relation to Edinburgh, Mr Gaw?

**Alistair Gaw:** Yes. Edinburgh has tried to make a strategic response to welfare reform. There are



multi-agency discussions around the table on a regular basis. That includes regular communication with DWP, which has given presentations. Issues around sanctions, for example, are discussed. That has to be the way ahead: if organisations can work collaboratively, there are a lot of solutions in place.

To pick up on the point that Margaret Kinsella made, the issue about sanctions and the problem with social work and vulnerable children, I point out that the people who are impacted are often those who are least able to manage the degree of personal responsibility that the new system expects.

Through the implementation of the changes, many people will build their own capacity around personal responsibility, although social work will be involved with many people with mental health problems or learning disabilities who are parents or who have other challenges in their lives that make it much more difficult to meet the demands that are expected of them under the new system.

That is what I am most concerned about. It is like so much of public policy making: the benefits system is meant to be there to give security to some of the most vulnerable people, but they seem to be the ones who are not getting security from it. For me, that is where we still need to do better through joint working.

**Annabel Goldie:** That is helpful, Mr Gaw. Perhaps you can also help to clarify something I was not clear about from your responses to Mr Stewart's questions. Do you believe that the welfare system should operate without sanctions, or is your concern about the way that the sanctions operate?

**Alistair Gaw:** It is clear that any welfare system of any type must have dialogue and engagement with the people who receive the welfare. Good social work is about achieving changes in behaviour and not just about maintaining dependency. However, as my colleagues have well described, the impact of the sanctions at the moment tends to fall disproportionately on those who are least able to deal with the difficulties that it puts them in. That is the problem that we have with the current system.

**Annabel Goldie:** That is more to do with operational issues. I was genuinely interested in whether you wanted a welfare system without sanctions.

**Alistair Gaw:** That is a matter of public policy, really. Any system of any service involves some degree of expectation; it is a two-way process. The difficulty with a benefits system in which there are sanctions is that the sanctions fall on those who are least able to deal with their impact. As the change process for the new policy unfolds, the

people who are most impacted are those who are least able to deal with the impacts. That is my primary concern.

**Annabel Goldie:** Does Mr Gaw's view reflect those of the three other witnesses?

**Richard Gass:** I have worked in welfare rights for nearly 30 years and there has always been an element of sanction. Originally, it was a six-week suspension of benefit and reduced rate of income support for those who sought work. However, sanctions have been expanded and now fall on lone parents, those who are unfit for work and carers. That, perhaps, takes the sanctions policy a step too far.

I have lost my thread.

**The Convener:** We are straying a wee bit away from children's services.

**Annabel Goldie:** Well, in a sense we are, convener, but a lot of—

**The Convener:** The committee has already undertaken an inquiry into sanctions. There was unanimous agreement that there must be some form of conditionality in any system and that the concerns were to do with the practical implications of, and the criteria for, the current sanctions system. If we can all accept that we start from that position, you can carry on with any other questions that you have on the issue, Annabel.

**Annabel Goldie:** That is helpful, convener—thank you. I was interested in clarifying one or two points merely because Mr Stewart perfectly legitimately asked fairly extensive questions about sanctions.

Mr Gaw made an interesting observation. Food banks are contentious: on the one hand, they are praised for being there and, on the other hand, it is a subject of concern that they have to be there. However, he indicated that they had a positive role to play in referring or signposting some people to other services—I think that his phrasing was that they were getting better at doing that. Are all food banks in the witnesses' different areas good at doing that, or could they be assisted to do it better?

**Stephen Brown:** They are getting better. Alistair Gaw's depiction of what is happening in Edinburgh has certainly been replicated in North Ayrshire. There is a much closer link between the food bank staff and the wider support services that are available.

The difficulty is that the support does not come at the earliest stage that we would like because the fact that people have to present at a food bank in the first place probably means that they are in a degree of crisis and really struggling. Therefore, we would ideally like to move away from reliance

on food banks wherever possible. However, I recognise that we are a long way shy of that. Because of the nature of the people who come along to the food banks, staff are identifying quickly the fact that there could be additional vulnerabilities beyond the financial elements and we are getting support for those individuals.

**Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP):** I was going to say that I have enjoyed your evidence so far but, although it has been enlightening, some of it has made me quite heartsore, to be honest.

The Child Poverty Action Group has developed an early warning system that many local authorities, and especially their welfare rights officers, have taken part in. CPAG has examined about 900 cases through seminars and different ways of gathering the information and has identified a number of areas that I will quickly highlight. There has been an increase in the demand for information from advocacy services, which you have confirmed. Services have increased contact with families experiencing income crises, which you have also talked about. There is increased evidence of families being unable to access basic services as a result of financial barriers. Some families have also been reluctant to engage with public services for fear of being classed as neglectful.

Those are difficult areas to deal with. Can you give me any information on them? I want to focus on the increased evidence of families being unable to access basic services. Many of you have given us examples of the impact of the changes on families with children who have disabilities. The point has been made that those children's disability benefits will be less likely to be impacted on but, if the parents' benefits are impacted on, the children's opportunities are reduced.

I am keen to hear any information or update that you might be able to give us on how you have managed the situation. A case study that has been provided of a family who could not afford to take their child for a regular health check at the local hospital showed how the local authority had to step in and help them with that. Do you have examples of similar situations and ways in which you have helped to resolve them for families?

**Stephen Brown:** In North Ayrshire last summer, KA Leisure, which runs all the swimming facilities and gyms, opened up its pools for children to attend free swimming lessons and use the pools for free. Astoundingly, those facilities were used less over that summer than in the previous year. We did a lot of head scratching about that and began to ask questions. When we spoke to parents we work with, they told us that free use of the pools was all well and good, but swimming costumes for the children, transport to and from

the pools and a cup of coffee while the kids were swimming were all beyond what the parents could afford. We thought that the initiative was good and useful, but take-up was way below what we expected, and we heard from parents that it was a step too far. That was not just about free use of the pool, which was never going to be enough.

**Margaret Kinsella:** Christina McKelvie's point about the effect of parents of children with a disability being reassessed is interesting. We might say that the changes do not appear to be having an impact on such families at the moment, but that is because of the slow pace at which the impact is happening. It is therefore unfair to say that the reform is not having an effect. It is not having an effect because the effect has not happened yet or it has involved only very small numbers. We are not necessarily getting a true picture of the impact that it will have or is beginning to have.

I cannot answer your question in an honest way other than by saying that the impact is minimal at the moment because it is not happening much—if you understand my rationale. I cannot say that it is a major drama because of the slow rate at which the assessments are taking place.

**Christina McKelvie:** Given that Highland was a pilot area for universal credit, are you finding that more parents are looking for self-directed support packages to support children with disabilities?

**Margaret Kinsella:** We are certainly putting a focus on self-directed support. I cannot link the two things at the moment, but it would be interesting to look at that.

**Christina McKelvie:** Yes, I think that it would be. Are there any other comments?

**Richard Gass:** I do not have examples of good practice in the Glasgow area, as I am a welfare rights worker and am not familiar with what is happening in education, leisure and so on. However, I would like to highlight something.

Children are feeling the impact of some of the changes—you are correct to say that a sanctioned family is a sanctioned family, and the child in that family will bear the brunt of that, too. I note that, as far as the DLA changes are concerned, a disabled 16-year-old child who claims DLA will need to claim the personal independence payment and, in all likelihood, the level of personal independence payment that will be payable after their 16th birthday will be less than the amount that was payable prior to their 16th birthday. Given that resources in households are pooled and shared, that will mean a loss to the whole household.

12:00

A further barrier is the migration from DLA to personal independence payments, which affects not only children who are turning 16 but adults who are on DLA. In what is an unrealistically cumbersome system, an individual will be contacted by letter and invited to make a phone call to indicate that they wish to make a claim for a personal independence payment. They will make part of their claim over the telephone and then be sent a form to complete and return. For folk who might not be au fait with forms or the whole bureaucratic process, that system will simply be a barrier to their maintaining their benefits.

It is fair to say that anyone who receives DLA would quite like to receive the successor benefit, and they should not need to be invited to make a phone call to start a claim and receive a claim form. With DLA, individuals receive a renewal pack to complete and return before the previous claim period expires. Of course, if people choose not to or cannot return the pack, that will impact on their benefits, but under the proposed system, there will be a letter, then a phone call to make and then a claim form to fill in.

As far as social work resources to support those households are concerned, we will not be able simply to go out to someone and say, "Oh, you should be getting this or that benefit. I've got the claim form here, so let's fill it in." We will have to phone and request the form to be sent out, which will in many cases mean repeat journeys and double visits.

While I am on this bandwagon, I should point out that, if DLA is not converted to a similar PIP award, there will be a loss not only to the individual but to social work revenue if the household receives chargeable home care services.

**Christina McKelvie:** On your point about the process, I should say that I spent two hours at the home of a constituent yesterday trying to sort all this out for her. The family includes a young carer who usually has responsibility for a lot of this. I do not know whether you have picked up any evidence or examples showing that the impact on young carers is greater than in the past.

**Richard Gass:** I do not have examples but, if less money is going into a household, its ability to cope will be impacted on, regardless of who the principal carer is.

**Christina McKelvie:** As with self-directed support, might some of that evidence and information be gathered through the Child Poverty Action Group's early warning system?

**Richard Gass:** Yes.

**Christina McKelvie:** In his article in *The Scotsman*, Harry Stevenson—I know him very well from South Lanarkshire; his children are my constituents and I deal with him every day of the week—said:

"Living in poverty creates long-term difficulties for these children, who grow up at greater risk of mental ill health, chronic illness, unemployment and homelessness; and so the cycle continues."

In his opening remarks, Stephen Brown talked about the impact of adults being in distress. I spent 19 years in social work before I came into politics—I have to say that I have found my transferable skills to be very valuable—and I remember that, at that point, every pound spent on a child in an early years situation saved £9 for the system when they became an adult. Has that figure changed? Does every pound that is spent on a child save £18 for the system later, or does it have less value than it did when I was in social work?

**Alistair Gaw:** The ratios of 1:9 and 1:12 keep being mentioned. We have made a number of points about the value of early intervention, and there is no doubt that, if a child starts school in a certain state of readiness and can reasonably achieve the same milestones as the other children in the class, they will have far greater opportunities. The GIRFEC framework and the early years collaborative have specific goals for those targets, and focusing in a joined-up way on achieving those targets would make a difference.

That does not concern just household income; it is about much more than that. There is a huge amount of literature on the subject, by writers including Harriet Ward and from organisations such as Action for Children, which comprises a lot of the stuff that the Child Poverty Action Group draws on. There is robust evidence that, if children are growing up in poverty, the outcomes for them are significantly poorer and they make much less of a contribution in the longer term. Whatever ratio is put on that—whether it is 1:9, 1:12 or 1:18—the lesson is the same.

**Stephen Brown:** I reiterate what Alistair Gaw has said. The Child Poverty Action Group has done a lot of work in this area, and it is clear that, if we do not get things right for children in poverty in the first five years, they will by the time they begin primary school be between 10 and 13 months behind in their readiness for attainment compared with children who are not born into poverty or brought up in that environment. The early years collaborative is focused on that. Living with parental mental ill health day in, day out has an impact on children that is difficult to deal with.

There has been a lot of financial modelling. For instance, if we spend a pound in one place, how much will it save in the longer term? I am never

convinced that the figures can be entirely accurate. It is not an exact science. I suspect that, when we build in the impact on NHS services and on the Scottish Prison Service, the ratio might be even higher than 1:18. However, that is just a personal view.

**Christina McKelvie:** Ms Kinsella, you were nodding away. Do you wish to add anything?

**Margaret Kinsella:** I was thinking about the balance between the right to privacy and multi-agency work. For instance, when we were trying to identify the people who would be most affected by the benefit cap, housing staff had that information—they could see where the housing benefit was paid. That might have been of interest to social work, but it was right that we did not necessarily know the names. Communities are small, so it was possible to identify the communities where some of the people concerned would be. It would then be a matter of social work teams checking their system to see whether people needed additional support.

In preparing for this evidence session, I asked social work teams whether they had anybody on their books who had been identified as being affected by the benefit cap. In Highland, 20 families are affected. I know for sure that two of them are known to one social work team. Some teams did not get back to me—one or two definitely did not. It is a mixed bag. It is right that we maintain people's privacy and that data protection is there, but we need to think about how we can use the information that we hold to ensure that families get the right support that they need.

**Christina McKelvie:** Absolutely. I understand the sensitivities about sharing data. To have a truly holistic approach to helping a family is important.

That gives me a nice segue into my next question, which is on in-work poverty. There are children with limited opportunities who will become the parents of the future. There is an impact on them—on their ability to earn and on their job opportunities. The Resolution Foundation printed a paper in December last year that said:

"If we really want to help working families on low and middle incomes, boosting the work allowance would be more effective, and better value for money, than any tax cuts."

We have been talking a lot about tax cuts, especially over the past few weeks. The report goes on to state:

"a £1,000 increase in the work allowance available to a single parent earning £12,000 ... would boost their income by £650 a year. In contrast, a £1,000 increase in the personal allowance would benefit them by just £70."

I do not know whether you have managed to do any modelling on that or whether that would have

any impact, but I am sure that you will understand some of the impacts on people who are in work but who still have to claim benefit. We have a bit of a low-pay economy and, although we are told that we are in recovery, the distance between high earners and low earners has increased rather than got better with the recovery that we are all experiencing. Can you give us any information on that to help us to understand the situation a bit better?

**Richard Gass:** I am desperately trying to formulate an answer. We could allow folk to retain more of their benefits before they start to taper away. For example, if thresholds were increased by £20, that would be £20 more in people's pockets whereas, if a similar increase were made to tax thresholds, people would still pay about 20 per cent. I am not sure whether that is where the suggestion comes from, but something in the mechanics of the system means that, if we put money in one place, people get to retain more of it but, if we put it in another place, they do not get to see it all. I can only imagine that that is because of taper systems.

The present taper in the benefits system means that, if somebody works and gets housing benefit and council tax reduction, for every £1 that they earn, 65p comes off their housing benefit and 20p comes off their council tax reduction, so they are left with 15p. Therefore, if their boss gives them an extra £10, they get to see only £1.50 of it because of how the tapers work. If we increased the threshold so that, if the boss gave them the extra £10, they got to keep it, that would be to the advantage of not only the person but the economy, because benefits money is spent not too far from the local community and therefore helps the whole economy.

We did a piece of work with the Fraser of Allander institute on the loss of benefits. It concluded that, if Glasgow were to lose £112 million per annum because of the benefits changes, which we felt was erring on the side of caution, nearly 2,000 jobs would be lost in the Scottish economy, 1,300 of which would be in Glasgow. The committee might wish to see that report.

**Christina McKelvie:** The issue is quite complicated and I know that I put you on the spot a bit. However, if we are serious about bringing people out of poverty, we need to consider it. If cuts to tax rates do not work for people, we need to acknowledge that and consider other ways to bring them out of poverty.

That takes me on to plans for the future. On the radio this morning, I heard a politician say that the future for welfare was child benefit being paid only for the first two children in the family—so, if somebody had more than two children, they would

have no more child benefit—and that a way to save £12 billion more, I think, would be to cut it from in-work benefits.

What are your thoughts on that and the impact that it would have on all the individuals who would be affected? As I said, Harry Stevenson's children are my constituents. I see every day the impact that the welfare changes have. I dread to think what the further impact would do to people.

**Richard Gass:** It is clear that taking such a level of money from people would mean that they were worse off. Our economies would also be worse off, because that money would not be going into our local shops, for instance.

Over and above that, if folk can no longer afford childcare, they will look to their extended families or even their neighbours to provide some of it. There might be households that feel that they are completely immune from benefits but, if we could trace the benefit pound through our economy, we would be quite surprised about where it ends up. The implication of withdrawing that money might be neighbours being asked to look after children because people can no longer afford childcare. The further cuts worry me.

**Stephen Brown:** We have heard a lot in the meeting about the emerging increase in demand for services across the public sector and the third sector. That would increase hugely as a result of some of the proposals. I have concerns about that.

In North Ayrshire—I am sure that the position is the same across the country—there are pockets with higher levels of child poverty and deprivation. Generally, communities are resilient and will do whatever they can to help out, but—this goes back to my point about the increase in destitution presentations—people no longer have the aunt, uncle or neighbour who they can go to for an emergency £20 to tide them over, because in those communities, everyone is in the same boat and everyone is struggling. People cannot rely on others as they once could, which puts additional pressure on the public sector and the third sector. That means that such proposals will inevitably have an impact.

12:15

**Alistair Gaw:** As I have said, if children are to mature into independent, resilient and self-sufficient people, we all know that they can grow up to be that way only if they have the basics: security, predictability, a life that is devoid of fear, and all the other bits of parenting and community that go along with that.

I have expressed my concern, which I share with Harry Stevenson, that the changes that we are seeing are stripping away security from

children, which prevents them from growing into the resilient children and people we want. If we go further down this road, we will just create more problems for ourselves.

**Margaret Kinsella:** I do not think that people set out to have difficult lives. When a child is born, their parents hope for the best. The idea that people live their complicated and vulnerable lives from choice is misdirected. It is a difficulty that people face. Reducing child benefit will not necessarily do anything to help vulnerable families.

**Christina McKelvie:** On that note, I thank you very much.

**Joan McAlpine (South Scotland) (SNP):** I would like to continue on the subject of the £12 billion of additional cuts, because that figure comes from the UK Government and so presents a serious risk. A file that was leaked to the BBC some time ago suggested ways in which the £12 billion of cuts might be made. My colleague Christine McKelvie talked about child benefit, but some of the suggestions in the leaked document were about things such as restricting carers allowance to those people who are eligible for universal credit, DLA, PIP and attendance allowance no longer being tax free and regional benefit caps.

What are your reflections on what the impact would be on the people and families whom you deal with if those options were taken up, given that we have not been told where the £12 billion of cuts to the welfare budget will come from?

**Richard Gass:** Wherever the cuts come from, someone will have less money and unfortunately the most vulnerable people in society are clients of social work services. The majority of social work clients have an entitlement to one or more state benefits. Wherever the cuts fall, at the end of the day, an additional responsibility will be created for social work services, be it children's, older people or physical disability and mental health services.

**Margaret Kinsella:** That document was leaked and the suggestions might not come to pass, but as we began by saying, the anxiety that emerges from that sort of information or rumour is very distressing to vulnerable tenants and clients. It can also cause anxiety amongst the services, because we are already beginning to think how we could cope with those possibilities.

There is a very practical response from people who may be affected, but there is also the other side, which we have all talked about, which is the anxiety that that sort of rumour, speculation or fact—we do not know which it is—can cause. That is not as distressing as not having enough money, but it is still very distressing and time consuming.

**Alistair Gaw:** In the city of Edinburgh, we have not as yet really felt the impact of the benefits cap—it has not come to prominence in relation to children. Taxing DLA, PIP or attendance allowance would certainly put more pressure on families. Similarly, restricting the availability of carers allowance is likely to do the same. For larger families, limiting child benefit in the way that has been described would clearly reduce the family income. That would exacerbate the pressures that we have already discussed and would probably lead to more cost shunting and more pressure on some families, and that might result in children coming into the care system, which is of course much more expensive.

**Joan McAlpine:** Politicians in the current UK Government have suggested a couple of times in the media recently that disabled people will not be affected by the £12 billion of cuts. Is it credible to suggest that £12 billion of cuts could be made in the welfare budget without disabled people being affected?

**Richard Gass:** Disabled people are already affected by the cuts, and large parts of the cuts are still to happen. The migration or transfer from DLA to PIP is still to happen. The original change was planned as part of a cost-saving exercise, so undoubtedly folk will have less money as a result of that change. I do not see how it is possible to cut those benefits, even if it is by way of tax, without having an impact on the end recipient. That does not add up, unless someone has so much income that they do not notice the difference. However, the folk who we work with do not have those levels of income.

**Joan McAlpine:** On the migration from DLA to PIP, Social Work Scotland's written evidence states:

"As PIP doesn't include any replacement for the lowest care component of DLA, those with less visible needs are likely to lose out. Substantially fewer people are likely to receive the PIP enhanced rate mobility component than would have received the equivalent DLA component—resulting in isolation and increased pressure"

on social work and health services. Are you already seeing evidence of that, or are you planning for it?

**Alistair Gaw:** We have not seen such evidence yet but, as Richard Gass said, that is in the pipeline, so we have to plan for it. Of course, it will not necessarily directly affect children, as it applies across the population. However, that is one of the concerns that Richard Gass has just referred to.

**Richard Gass:** At present, if someone gets the lower-rate care component of DLA, they are protected from non-dependant deductions if, for example, they are living in a house with their son or daughter. The loss of the DLA component will

pale into insignificance with the level of the non-dependant deduction that could be applied. I have figures on that here, although I will not trouble you with them at the moment. For someone who is on the minimum wage, the loss would be something like £45 a week, if not more. People will lose their £14 or £15 DLA but, in addition, a non-dependant deduction will be applied. If there are two such adults in the house, it would be double that.

**Joan McAlpine:** That is a substantial cut.

The Social Work Scotland submission also talks about the impact on more than 650,000 unpaid adult carers as a result of the loss of the daily living component. Will you say a little more about that impact?

**Alistair Gaw:** Richard Gass can probably give you details on the technicalities of that. It is possibly not well understood that a massive amount of the day-to-day care and support that is given to families is done without any support and is done voluntarily by extended family members, neighbours or whatever. With children, particularly disabled children, that care is primarily done by parents. The changes in allowances that will have that impact will undoubtedly put additional stress on those families.

We are doing a lot of work, particularly through self-directed support, to ameliorate some of those problems and to see what care packages we can put together. There is a fundamental contrast between the framework, thinking, policy and principles behind self-directed support and the application of the benefits system. It could not be more stark. They are trying to deal with many of the same issues, but self-directed support is all about choice and empowerment, which is the exact opposite of the radical changes that we are seeing in the benefits system. The huge contrast strikes me as a real example of how policy can be incoherent. Richard Gass may want to say more about the technical aspects.

**Richard Gass:** Unpaid carers—unemployed carers, in a sense—will claim a carers allowance, depending on whether the person whom they are caring for is getting the middle or higher-rate care component of DLA. If they get the carers allowance, there is some relaxation of the requirement to seek employment. If the person for whom they care fails to transfer from DLA to PIP, they will lose the carers allowance and will then need to claim jobseekers allowance and will therefore be required to participate in work-seeking activities. That person's need for care may not be diminished in any shape or form, but the goalposts will have moved.

**The Convener:** I hope that it is not unfair of me to direct my final question to Alistair Gaw, because it covers the whole of Scotland and concerns an

issue that has been raised with us by organisations across the country. It is a general question about service planning and the level of consultation with organisations that are involved in that area and are being impacted by the reforms. Under the Children and Young People (Scotland) Act 2014, there is a requirement for children's services plans. Can you reassure the organisations and people out there that those plans are being developed with an understanding of welfare reform at the heart of them, and in consultation with those who are affected?

**Alistair Gaw:** I can certainly give that assurance for the city of Edinburgh. The new children's services plans are for 2016-17 onwards, so we are a couple of years away yet and there is time to get the process absolutely right. Stephen Brown may wish to comment on this too, but I am sure that most authorities currently produce integrated children's services plans, based on previous legislation, that are very much part of the community planning structure. For example, in the city of Edinburgh, we have people round the table who have the capacity to deal with those issues, and that goes well beyond the local authority and includes the health service and the voluntary sector.

On the specific issue of welfare reform, most integrated children's services plans will have a strategic objective around poverty. We certainly have that in City of Edinburgh Council. We might be trying to do some joined-up work around early years or attainment for looked-after children, but an equally important element of any children's services plan would be what we are doing to address poverty and the impact of poverty. It is the lens of the community planning partnership that can really get to grips with that; local authorities cannot do it on their own.

My brief answer to your question is that that is already happening in many places; it is certainly happening in Edinburgh. Looking ahead to the new plans, the pressures that are in the pipeline—we have discussed them at some length this morning—will inevitably mean that that will be at the forefront of people's priorities as we go forward. My answer is therefore a resounding yes.

**The Convener:** As I said, that was a general question but I directed it at you. However, we are up against the clock, so I shall leave it at that and accept your answer on behalf of the other panel members, who were nodding as you spoke. I do not think that we will get any dissent from the position that you outlined, so thank you for that.

I thank all the witnesses for their evidence this morning. A lot of it was hard to hear, but it was important that we heard it, and I hope that people elsewhere will pay attention to the messages that are coming out from people such as yourselves

who are at the coalface of the changes. Thank you for enlightening us on that important issue.

At our next meeting, on 5 May, we expect to hear "your say" evidence from a range of PIP recipients and to consider our annual report.

12:29

*Meeting continued in private until 12:32.*





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