

28<sup>th</sup> November 2011

**Supplementary evidence from Barnardo's Scotland for the Health and Sport Committee  
scrutiny of the Welfare Reform Bill**

Barnardo's Scotland would like to thank the Health and Sport Committee for the opportunity to give evidence on the legislative consent process for the UK Welfare Reform Bill and the chance to raise key issues around children and young people

Barnardo's Scotland's support many of the principles that lie behind the UK Government's proposed reforms, such as making work pay and simplifying the system. Our concerns around the Bill centre on the speed of the introduction of the measures it contains and, in some areas, the lack of clarity about how the provisions would work in a Scottish context. Barnardo's UK, working at Westminster has also raised specific concerns relating to the planned implementation of the Bill, such as the planned move from RPI to CPI for calculating benefits. The Scottish Parliament's legislative consent motion process has opened up a valuable forum to discuss the Bill and to minimise the potential negative impact of the reforms on vulnerable children in Scotland.

**Specific concerns for Barnardo's Scotland**

- The tight timescales for the introduction of the new systems are very challenging and steps must be taken to ensure there are no negative impacts during the transition.
- Particular attention must be paid to preventing 16 and 17 year olds from falling through any gaps between child support and adult welfare systems.
- The Scottish Parliament should use the legislative consent process to highlight the impact of the legislation on devolved responsibilities that will affect vulnerable children and families in Scotland, such as changes to housing benefit, child maintenance and child support.
- After the legislative consent process is complete, whatever the outcome, we believe it would be appropriate to have a mechanism for scrutiny of the impact of the bill on devolved responsibilities, such as a new standing committee on welfare and benefits.

**About Barnardo's**

Barnardo's Scotland is a national voluntary organisation and works directly with more than 10,000, children, young people and their families in over 98 specialised services in local communities across Scotland which cover fostering, parenting, substance misuse, offending, homelessness, and abuse. Most of the children and families we work with have some degree of interaction with the welfare system, and this UK legislation will have a profound impact on their lives.

**1) Tight timescales**

We are concerned that the speed of the transformation and depth of the expected spending reductions could lead to a range of unintended consequences and transferred costs. While the

specific provisions of the UK Bill deal with reserved matters, the potential impacts of the Bill will be felt in devolved areas such housing, social work, health, education and childcare, as well as having a major impact on the achievement of the Scottish Government's national outcomes, including tackling inequality, improving the life chances for children, young people and families at risk and ensuring children have the best possible start in life.

We would propose that a permanent Welfare and Benefits Committee should be established for the lifetime of this Parliament. The nature of the reform is cross cutting between devolved and reserved areas; between public bodies and the third sector and over different Parliamentary Committees; in addition to impacting on overlapping and wide ranging sectors from social care to housing. Therefore, this Parliament would benefit from a single body focused on reviewing and resolving the inevitable challenges that will emerge when implementing such a far reaching policy in a short space of time. For example, the age for lone parents who are eligible for income support is reduced to those with children under 5 as early as 2012. Such a Committee could take regular evidence from a cross section of civic society and local and national government bodies to assess the impacts of the reforms on the ground, and therefore be in a position to recommend suitable action to deal with problems as they arise.

Many of these issues will also be complex to resolve, a the scrutiny of a single committee will therefore be helpful.. For example, the new child maintenance scheme for 2012 has raised significant concerns, particularly due to the payment for the compulsory gateway service assessment. Gingerbread UK argue that even the reduced payment of £50 for the poorest parents on income-related benefits represents almost the whole amount that single parents in the poorest households spend on average in a week on housing (£49.70) or food (£43). For those not on benefits the £100 gateway fee represents over two weeks' worth of food and drink for the average single parent household. In addition Scottish family law and the role of Minute of Agreements that discusses financial arrangements in divorce cases have not been properly addressed.

## **2) 16-17 year olds**

Young people aged 16-17 are currently entitled to claim Job Seeker's Allowance (JSA) in circumstances where they would otherwise face severe hardship. The UK Welfare Reform Bill does not currently include provisions that would continue this entitlement (the basic conditions for claiming Universal Credit include being over 18 years old and not receiving education).

While assurances have been made by the UK Government that it aims to continue this support to 16 and 17 year olds under the new system, if it becomes more difficult for these vulnerable young people to access Universal Credit, the potential increase in youth homelessness and destitution is likely to have a knock-on effect on Local Authority services. This does not align with the Scottish Government's 2012 homelessness commitment, nor the Government's undertaking to enact preventative spend policies as a cost effective mechanism. It is estimated that over 30% of homeless people have been in care and only 37% of care leavers are in education, training or employment. Therefore, this group is an excellent target for preventative spending approaches

In addition, care leavers are often not suited to living in shared accommodation. However, the lack of one bedroom houses in Scotland and the reduced rate of Local Housing Allowance for those under 35 years old from 2012 could make single room housing unaffordable and will force many care leavers into unsuitable accommodation or even into homelessness.

The Scottish Government should seek ensure that care leavers can always access appropriate accommodation in relation to their needs. Care leavers who are assessed as ill- matched to a shared accommodation environment should not be forced by the welfare reforms to undertake housing which could be detrimental to their well-being and transition into independent living. Preventative spend on aftercare services to increase employability, education and training is needed to reduce the number of care leavers in receipt of benefits, and to support transitional living accommodation schemes.

### **3) Preparation for new devolved responsibilities**

The UK Bill will make major changes to the social fund. Some aspects will be absorbed into Universal Credit and other aspects, such as community care grants and other types of crisis loans, transferred to Local Authorities in England and the Scottish Parliament and Welsh Assembly. Scotland is still consulting on the core principles of the delivery of the new system, and we are concerned that there is a very tight timetable for delivery of the new scheme by April 2013, when the current DWP scheme will end. Evidence from the DWP Social Fund Impact Assessment states that applications for crisis loans have increased every month from December 2006 and reached a peak of 34,000 applications in March 2010. This demonstrates the high demand for such a service, which will be an increasingly crucial for supporting vulnerable children and families during the transition to full implementation of Universal Credit.

### **4) Housing benefit**

A UK-wide issue of particular relevance to Scottish Local Authorities and Housing Associations is the proposed change to the housing benefit system. The UK Government has indicated it plans to introduce, through regulations reductions to the amount of benefit that working-age tenants can receive if they are deemed to have a spare bedroom in their council or housing association home. Under the new size criteria, any household deemed to be ‘under-occupying’ their home by one bedroom stands to lose 13% of their housing benefit and those ‘under-occupying’ by two or more bedrooms will lose 23%.

If foster carers and kinship carers are not exempted from the under-occupancy rules, we are concerned that they could be forced to give up their roles. Prospective foster carers and kinship carers may also be discouraged. This is of great concern when there is a national shortage of foster carers with an estimated additional 1,700 foster families needed across Scotland. If foster carers are forced to give up caring and move to smaller accommodation, we are concerned that this could lead to social workers being unable to place children in an emergency. Spare capacity in the system is necessary, as many foster carers are short-term carers, who look after some of the most vulnerable children – for example, children who have been abused. It should also be recognised that the role of a kinship carer has a different context to England and the Scottish Parliament may make investigate this area in more detail.

We are therefore urging the UK Government to exempt foster carers and parents of disabled children from the proposed under-occupancy rules, and would hope this point would be raised in the Scottish Parliament during the consideration of the Legislative Consent Motion.

### **5) Universal Credit in practise**

The Scottish Government needs to build the best links possible links between Universal Credit and other support services. In particular, the framework for the proposed devolution of council tax will require careful consideration, because efficient access links for data sharing between the DWP and Local Authorities need to be established. Delays in procedures could cause Scotland's vulnerable families to suffer unnecessary hardship. Other passported benefits need to be considered in relation how they tie in with the Marginal Deduction Rate that dictates how much Universal credit a household receives as people move into employment. Special arrangements or regard under Universal Credit may have to be made for kinship carers and young care leavers so they do not live in poverty or inadequate accommodation. At the devolved level access to the Social Fund will be an essential life support for such vulnerable groups.

As previously suggested a Welfare and Benefits Committee would be the ideal forum to review the success on issues like data sharing and the interaction between UK and devolved social mechanisms.

Barnardo's supplementary evidence recommends early work to flesh out procedural mechanisms for devolved matters and to establish a permanent Welfare and Benefits Committee to reassess the impact of these complex changes as they are happening, particularly, as it is not feasible to complete an accurately detailed impact assessment at the present time. Please contact us if you require more detailed information on any of the points raised in this supplemental evidence.

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