

Barnardo's Scotland response to the Welfare Reform Committee call for evidence on the Future Delivery of Social Security in Scotland

28th August 2015

Introduction

1.1 Impact of welfare reforms on families

Barnardo's is the UK and Scotland's largest children's charity, and Barnardo's Scotland works with more than 26,500 children and young people in over 122 specialised services. Our services work with families and children who are living in poverty and facing multiple disadvantages. Many of our services are aimed at providing early intervention and support to families. This response draws on the experience of children and families supported by our services and the young people we work with to provide support into employment.

Recent changes in benefits have had a disproportionate impact on children and families. The research carried out by the Centre for Regional Economic and Social Research Sheffield Hallam University for the Welfare Reform committee on the Cumulative Impact Of Welfare Reform On Households In Scotland found that:

"Families with dependent children are one of the biggest losers – in Scotland, couples with children lose an average of more than £1,400 a year, and lone parents around £1,800 a year. Because this is the cumulative impact of several individual benefit changes the overall impact has previously been hidden. In all, families with children lose an estimated £960m a year – approaching two-thirds of the overall financial loss in Scotland¹."

It appears that the planned changes to in-work benefits announced in the UK budget in July 2015 will continue this trend, and have a very negative impact on some families: it has been estimated that a family on tax credits with one full-time and one part-time earner, both on £8 per hour, and two children could lose up to £2,400 a year.

¹ <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/87136.aspx>

1.2 links to wider Scottish Government agendas

Any discussion of how the Scottish Parliament can use any greater powers over welfare to deliver benefits in Scotland should therefore recognise the crucial links between welfare policy and the wider policy agenda around tackling poverty and inequality, and in particular the wellbeing of children in Scotland. One of the defining features of the Scottish Parliament has been the range of strategies and legislation which have, sought to improve the welfare of children. However, the remit of this legislation has been limited to the responsibilities that have been devolved to the Scottish Parliament, such as local authorities, health and the police. Consideration of the future delivery of Scottish social security should therefore look at how any devolved welfare functions can become an effective part of structures such as Community Planning Partnerships, or children's services planning processes.

The need for this is clear given the impact of the previously mentioned cuts in welfare on children's services, including the services organisations like Barnardo's Scotland provide. Our recent joint report with NSPCC *Challenges from the frontline Supporting families with multiple adversities in Scotland during a time of austerity*² highlighted that our family support services are experiencing increases in the number of families who are presenting in a state of crisis, even where the service is designed and funded to deliver early intervention or preventative help. This appears to be largely a result of the cumulative effect of benefit sanctions, benefit delays, changes to tax credits and price rises for basic commodities such as food and energy. Taken together, these changes are tipping more families into crisis and aggravating pre-existing difficulties such as mental health problems, substance misuse and relationship breakdown. The severity of need is visibly growing. Barnardo's Scotland services report that caseloads are increasingly complex, with a growing number of issues involved. In addition, Barnardo's Scotland services are finding they need to meet basic material needs and stabilise home conditions before intensive family support work can begin.

The Child Poverty Strategy for Scotland recognises these issues, and on page 21 states:

"Welfare Reform Mitigation Westminster's welfare cuts could reduce benefits in Scotland by over £4.5 billion in the five years to 2015 – around £1 billion of which would relate directly to children. Mitigating the full impact of these cuts will not be possible. However, we will do what we can under the current constitutional settlement, making the argument for fairer reform. Where we have responsibility, we are investing to support vulnerable people. Our current and planned spending

² <http://www.nspcc.org.uk/services-and-resources/research-and-resources/challenges-from-frontline/>

will invest at least £258 million over the period 2013/14 to 2015/16 to limit the damage of Westminster's welfare policies on Scotland³."

Clearly, a greater alignment between the Scottish Child Poverty strategy and the Scottish social security system would reduce the need for mitigatory spending. This alignment would require the Scottish social security system to play its role in meeting the Scottish Government's Solidarity target, which is "to increase overall income and the proportion of income received by the three lowest income deciles as a group by 2017" and also the Cohesion target designed to reduce inequalities in economic participation across Scotland, as well as the three key outcomes outlined in the Scottish Child Poverty strategy of maximising household resources, improving children's wellbeing and life chances and ensuring children from low income households live in well-designed, sustainable places

A framework for delivering this could be the wellbeing principles that underlie the Getting It Right For Every Child (GIRFEC) approach, which has been given a statutory underpinning by recent children's legislation. The Children and Young People (Scotland) Act 2014 introduced the eight wellbeing indicators of safe, healthy, achieving, nurtured, active, respected, responsible and included into Scots law, to ensure holistic, strengths-based, multi-dimensional assessment of wellbeing. The Act places a requirement on local authorities, Health Boards and other statutory services to develop local children's services plans. These plans should ensure that services for children are provided in a way which best safeguards, supports and promotes the wellbeing of children in the area concerned, ensuring that any action to meet needs is taken at the earliest appropriate time and that, where appropriate, action is taken to prevent needs arising. Growing up in poverty can undermine all 8 aspects of a child's wellbeing, but has a particular relevance to the final indicator of 'included', which covers social, educational, physical and economic inequalities.

This links to the UN Convention on the Rights of the Child (UNCRC), which was also covered in the Children and Young People (Scotland) Act 2014, and which states that:

- every child has the right to benefit from social security. Governments must provide social security, including financial support and other benefits, to families in need of assistance (Article 26);
- a standard of living that is good enough to meet their physical and social needs and support their development (Article 27).

Therefore Barnardo's Scotland would recommend that any future social security system must be designed in a way that enables it to be part of the achievement of

³ <http://www.gov.scot/Publications/2011/03/14094421/0>

the Solidarity and Cohesion National Outcomes, and given the particular impact of recent welfare reform on children and families, be integrated into existing planning processes such as joint children services plans.

2: Response to the specific questions

In its call for evidence the committee asked how the new welfare powers proposed by the Smith Agreement be used to improve or change: a) Personal Independence Payments, Disability Living Allowance Attendance Allowance and Carer's Allowance b) Universal Credit (housing element and administrative arrangements) and Discretionary Housing Payments c) the Work Programme and Work Choice d) the Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.

In addition to the general remarks made above, covering the integration of Scottish devolved benefits with existing devolved powers, we also have specific comments to make on the areas outlined by the committee.

2.2 Welfare support for people with disabilities

The experience of many children with disabilities and their parents that we work with has been that welfare support has increasingly lacked dignity, respect, support, equality and common sense, and we look forward to these principles being embedded in the new system .

As Inclusion Scotland has noted, a major early step forward could be achieved by broadening the evidence base for assessment. The current system has an over-reliance on GP assessments and attendance at assessment centres.

In the longer term, we hope that the devolution of disability and carers benefits is carried out in such a way as to give the Scottish Parliament the ability to develop new systems to support disabled people that focuses on supporting independent living and meeting the additional costs of daily living faced by disabled people.

One of the big challenges faced by young people with a disability is making a positive transition from children's services to adult services. Problems with benefits can play a major role in this. A new system of welfare support for people with disabilities must integrate well with social care arrangements (especially as self-directed support is rolled out), and with support for employment, education and training.

2.3 Universal benefits

Although we recognise that there are still questions to be answered about what the proposals for the devolution of the housing element and administrative arrangements for Universal credit will mean in practice, we would hope that, as described earlier, every effort is made to align these elements of Universal Credit that are devolved with the Scottish Government's existing strategies, including the Child Poverty Strategy for Scotland and GIRFEC.

Clause 21 of the current draft of the Scotland Bill would give the Scottish Parliament the flexibility to legislate for providing financial assistance to an individual who:

appears to require financial assistance, in addition to any amount the individual receives by way of reserved benefit, for the purpose, or one of the purposes, for which the benefit is being provided.

Clause 22 of the bill would devolve the responsibility to administer discretionary housing payments.

Clause 23 of the bill would devolve the responsibility to provide

"financial or other assistance to or in respect of individuals who appear to require it for the purposes of meeting, or helping to meet, a short-term need that requires to be met to avoid a risk to the well-being of an individual."

However, these clauses contain a similar limitation:

This exception does not except providing assistance where the requirement for it arises from reduction, non-payability or suspension of a benefit as a result of an individual's conduct (for example, non-compliance with work-related requirements relating to the benefit) unless—

(a) the requirement for it also arises from some exceptional event or exceptional circumstances, and

(b) the need is immediate as well as short-term

While it appears that these clauses as currently drafted would make it impossible to routinely compensate for the loss of benefit due to sanctions, in our experience application of a sanction to a family that is already vulnerable can have devastating consequences on that family and on the wellbeing and welfare of the children. We would therefore hope that the breadth of what could be considered exceptional and immediate was tested to ensure that such short term payments could be used to support families who would otherwise face destitution.

We would also highlight concerns about the limiting of eligibility for such top-up, short term or housing support payments to those who are entitled to a reserved benefit. Some of the young people we work with, especially through our care leaver services have had very negative experiences of mainstream services, and, in particular, Job Centre plus (JCP), and so chose not to claim benefits, or may have been sanctioned for so long and so repeatedly they no longer consider it to be worth it. It is not clear such young people would be eligible for support under the terms of these clauses.

2.3 The Work Programme and Work Choice

Barnardo's Scotland provides support into employment for young people through our Barnardo's Works service. These services are particularly focussed on supporting young people with additional needs, who would often be considered to be amongst those furthest from the labour market.

The proposed devolution of employability programmes provides an opportunity to support vulnerable young people more effectively and ensure that the job outcomes for them are markedly improved. We welcome the fact that the Scottish Government are consulting widely on how future employability programmes should be designed.

We need to carefully consider what works for vulnerable young people. The way that current programmes are designed – on a payment by results basis – means that those young people who require the most support to get into employment are often 'parked' and considered too difficult to help whilst those who are more likely to get and maintain a job are given priority. In our experience the Work Programme has been most effective for those closest to the labour market. Unfortunately the payment model does not take into account the extra time and resource involved in supporting those with additional needs get into employment. Consideration should be given to a rebalancing of support to ensure that the services working with those who need the most help to get into employment are resourced in such a way that this can be achieved.

For vulnerable young people there needs to be a move away from the current 'work first' approach where the focus is on moving the young people into work as quickly as possible, while all other barriers to employment are ignored. Our experience leads us to conclude that a capability approach is required, where particularly vulnerable young people are supported in terms of self-confidence, resilience and motivation alongside work to address external factors such as housing, money management, and substance misuse. Such a holistic approach would ensure the young person had the opportunity to develop their capability for work. It is also crucial that the young person's voice is heard when determining

the type of support and work they are looking for and that future programmes are not designed on a 'job at any cost' basis.

Barnardo's Scotland believes that one way to achieve this is to ensure that future employability services have protected funding to tackle youth unemployment, particularly those for the most disadvantaged and marginalised young people. The Scottish Government has committed to reducing youth unemployment by 2021. To do this we must make sure that the right support is available to every young person regardless of their level of need. The redesign of employability support should be used as an opportunity to develop tailored services for specific groups who face particular adversities, rather than simply relying on generic programmes, and therefore a separate process for disadvantaged young people is needed.

Our work supporting young parents causes us to have a number of concerns about the fact that Job Centre Plus functions will not be devolved. Our service users tell us that the current operation of JCP fails to take account of the needs of people with children and recognise the particular pressures they face. The Committee will be familiar with stories of people being sanctioned and losing their benefits for being late for appointments. This is an experience we have heard time and again. Whilst we welcome the fact that there should be closer working between JCP and any new programmes we will not be able to establish a system based on respect, dignity or common sense if the current approach at the front end to jobseekers continues.

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