



Scottish Government Debate on Welfare Reform – MSP Briefing

We welcome the Scottish Parliament's scrutiny of the UK Welfare Reform Bill. Barnardo's Scotland supports many of the principles behind the Government's welfare reform agenda, and in particular we welcome steps to improve work incentives in the benefits system through the introduction of Universal Credit. However, such a radical reform of the benefits system requires careful planning, and we have serious concerns about specific provisions in the Bill and the speed of the introduction of some of the measures it contains. We have been disappointed that the Westminster process has so far failed to fully recognise some of the particular impacts on devolved responsibilities of the legislation, and would look to the Scottish Parliament and Scottish Government to highlight these issues through the legislative consent motion process.

Barnardo's Scotland has worked jointly with other voluntary organisation to produce briefings looking at some of the procedural issues around the Scottish Parliament's consideration of the UK Bill, and the specific impacts of changes to the child maintenance system. However, this briefing will highlight some of the wider concerns that Barnardo's has raised at Westminster and their implications for Scotland.

Key issues for Barnardo's Scotland

- **The Scottish Government should assess the financial impacts of the UK Welfare Reform Bill on services funded by the Scottish Parliament, and identify the support required by Scottish Local Authorities and public agencies to deal with any additional burdens created by the proposals.**
- **The Scottish Parliament should come together on a cross-party basis to work with Westminster in order to make sure that the Bill takes full account of the different policy and legal context in Scotland.**
- **The Scottish Government should make sure that in areas of the welfare system where responsibilities are being transferred from the DWP to the Scotland all new systems in areas in place by 2013, and that these new systems are clear, accessible and link well to UK-wide systems and processes.**
- **The Scottish Parliament should use the legislative consent process to highlight the impact other issues that will affect vulnerable children and families in Scotland, such as changes to housing benefit.**

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 70 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) Financial impact on services in Scotland

The UK Welfare Reform Bill is part of a package of measures, including the consolidation of employability schemes in the Work Programme, designed to transform the UK welfare system and encourage people into work. The 2010 UK Spending Review estimated that these changes will result in a £18 billion reduction in DWP spending, with some £2 billion of this expected to come from Scotland.

Whilst, as indicated above, Barnardo's Scotland is broadly supportive of many of the principles of the reform programme, we are concerned that the speed of the transformation and depth of the expected saving 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 as 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.

For example, 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 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.

A similar issue may arise among separated parents with childcare responsibilities following the changes to the child maintenance system proposed in the UK Bill. Recent research carried out by Gingerbread UK indicated that almost half of single parents polled say they could not afford to pay the application fees proposed in the UK Welfare Reform Bill to access the replacement for the Child Support Agency, and nearly three-quarters of these say they would then have to go without child maintenance as they could not set up private arrangements. Again, this could create significant transferred burdens on Scottish Local Authorities as families slip into crisis.

The Scottish Government should assess the financial impacts of the UK Welfare Reform Bill on services funded by the Scottish Parliament. There needs to be a particular focus on potential unintended consequences and burdens that will be transferred as current statutory provision is withdrawn. The Government should then investigate the support required by Scottish Local Authorities and public agencies to deal with any additional burdens created by the Bill.

2) Addressing the different policy and legislative context for welfare reform in Scotland

We are also concerned that the UK legislation does not, currently, always take into account the different policy and legislative context in Scotland. We have worked with Action for Children, Children 1st, One Parent Families Scotland and Scottish Women's Aid to highlight the lack of consideration that has been given to the differences in Scottish Family Law, and the relative availability and structure of family mediation services. In other areas, such as the potential inclusion of council tax benefit in Universal Credit, or eligibility criteria for free school meals, consideration does not seem to have been given to the fact that devolution may lead to the replacement of council tax with new forms of local taxation or the different policies around free school meal eligibility.

There is also confusion about the relationship between the new Child Poverty and Social Mobility Commission (which replaces the Child Poverty Commission) and Scottish Ministers. It is still not clear how far Scottish Ministers will be consulted by the UK Secretary of State in making appointments to the Commission, and what level of scrutiny the Commission will have of the Scottish Child Poverty Strategy.

Many of the details of the UK Bill will be also be dealt with through secondary legislation. While Barnardo's has welcomed the UK Government's amendment to ensure that regulations on key areas of the Bill will be subject to the affirmative procedure in Westminster, it is not clear how much opportunity there will be for input from the Scottish Parliament or the Scottish Government to these processes. We therefore believe much more detail should be on the face of the Bill to maximise the opportunity for debate and discussion in both Westminster and Holyrood.

Therefore, Barnardo's Scotland is calling for the Scottish Parliament to come together on a cross party basis to work with Westminster to make sure that more details on the proposals are put on the face of the Bill and that the Bill takes full account of the different policy and legislative context in Scotland.

3) Powers and responsibilities transferred to Scotland

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 loan, 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. The replacement of JSA by Universal Credit will also mean that the criteria for accessing Scottish concessionary benefit schemes and benefit schemes such as free school meals, the energy assistance package and school clothing grants will also have to change. While there are clearly opportunities to take advantage of these changes to deliver clearer and more consistent schemes that are more effectively targeted at those in need, timescales are again tight for the switch over.

Barnardo's Scotland therefore urges the Scottish Government to take steps to ensure that all aspects of the new systems required as a result of the devolution of responsibilities such as the Social Fund and replacement of JSA

are in place by 2013, and that these new systems are clear, accessible and link well to UK systems.

4) UK-wide changes to 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 cuts 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 are not exempted from the under-occupancy rules, we are concerned that they could be forced to give up their roles. Prospective foster 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.

The under-occupancy rules, as they are currently set out, will create similar difficulties for many parents of disabled children who live in social housing. Families with disabled children may need extra rooms for a variety of reasons – perhaps for a carer to stay in, or it may be that it is not possible for siblings to share a room, and many families have specially adapted homes. It would neither be cost effective for the state nor the families involved for them to have to move into a smaller property and go through the process of applying for a Disabled Facilities Grant, which we are aware can take years to complete and can be extremely stressful for families.

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.

Conclusion

The Welfare Reform Bill is an extremely wide-ranging piece of legislation, which will have profound implications for children and families across the UK. The Scottish Parliament and Scottish Government must act to protect the interests of vulnerable children and families in Scotland, and ensure that the impacts of the transition to new systems are minimised.

For more details about the issues raised in this briefing, or for further information on Barnardo’s work on the Welfare Reform Bill at Westminster, please contact:

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