

Welfare Reform in Scotland: The challenges ahead for child poverty

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The evidence base

- The 'Uneven Impact of Welfare Reform' (2016)



- Five reports for the Social Security Committee/Welfare Reform Committee of the Scottish Parliament

- New welfare reforms (2016)
- Impact on the labour market (2015)
- The cumulative impact (2015)
- The local impact (2014)
- The impact of 2010 reforms (2013)



Pre-2015 reforms: financial loss to claimants in Scotland

	Outturn (March 2016) £m p.a.
Tax Credits	340
1 per cent uprating	230
Child Benefit	240
Personal Independence Payments	130
Employment & Support Allowance	85
Housing Benefit: LHA	80
Non-dependant deductions	20
Benefit Cap	3
TOTAL	1,130

Source: Sheffield Hallam estimates based on official data

Post-2015 reforms: financial loss to claimants in Scotland by 2020-21

	Estimated loss £m p.a.	No. of households or individuals adversely affected
Benefit freeze	300	700,000
Universal Credit work allowances	250	240,000
Personal Independence Payments	190	70,000
Tax Credits	140	150,000
Employment & Support Allowance	65	70,000
LHA cap in social rented sector	40	55,000
Benefit Cap extension	25	11,000
Mortgage interest support	25	17,000
Housing Benefit: 18-21 year olds	4	1,500
TOTAL	1,040	

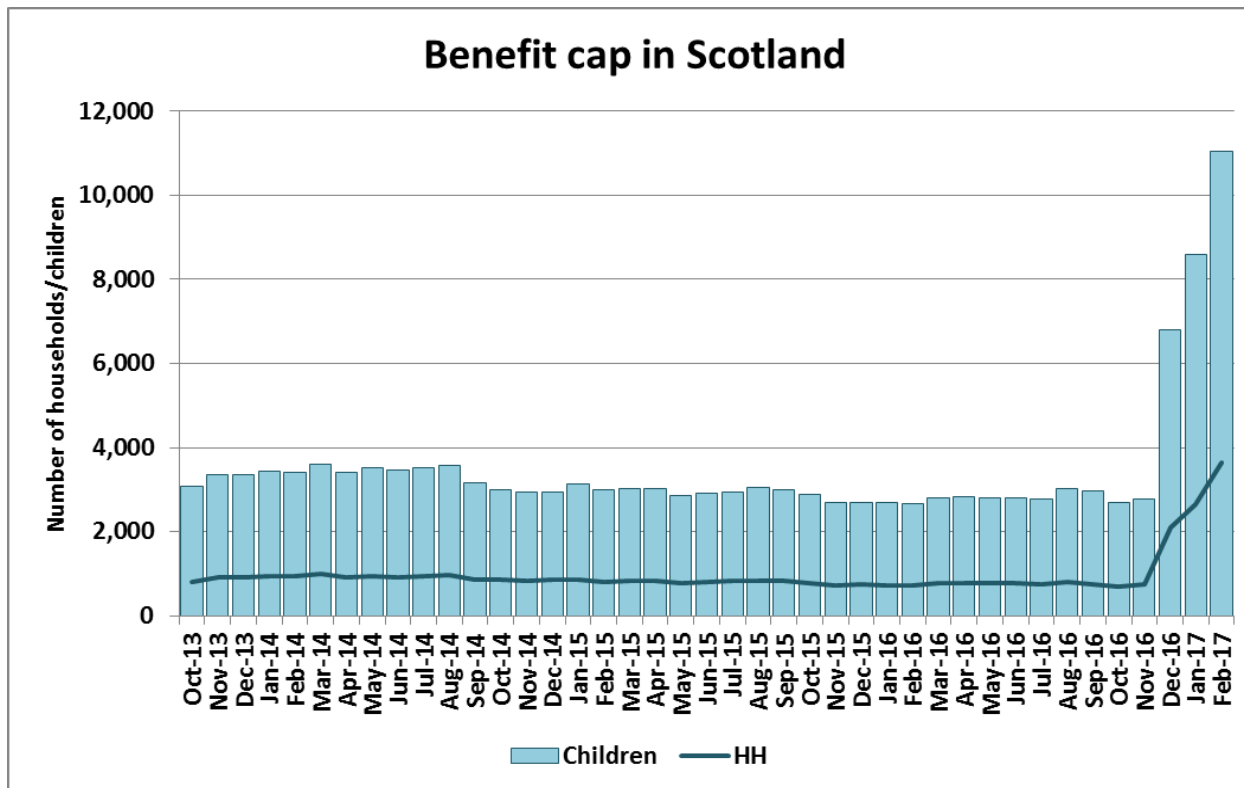
Source: Sheffield Hallam estimates based on official data

Impact of welfare reform on families with children in Scotland

- **Working age claimants - in low-paid work, self-employment & precarious work as well as those out of work**
- **Families with dependent children**
 - two-thirds of pre-2015 cuts fall on hh with dep. children
 - over 80 per cent of post-2015 cuts fall on hh with dep. children
 - Average loss £1,750 p.a. for all lone parent with 2+ children
 - Average loss £1,450 p.a. for all couples with 2+ children
 - possible implications for BAME populations
- **Like Brexit, we haven't seen the main effect yet - only 20 % implemented so far**

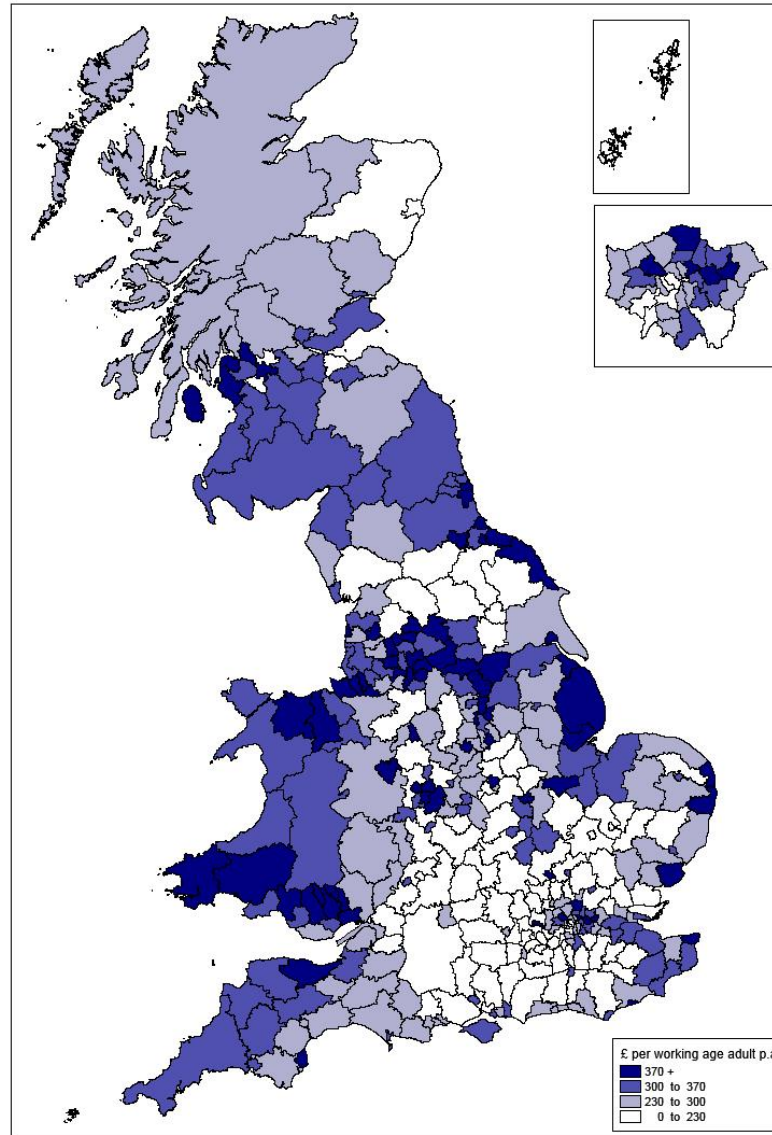
New Benefit Cap

- **Five-fold increase in households affected - 3,650**
- **Four-fold increase in children affected - 11,000+**
- **Average family size of those affected getting smaller**



Source: DWP









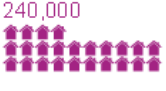






















Anticipated loss by 2020-21 arising from all post-2015 welfare reforms, by district



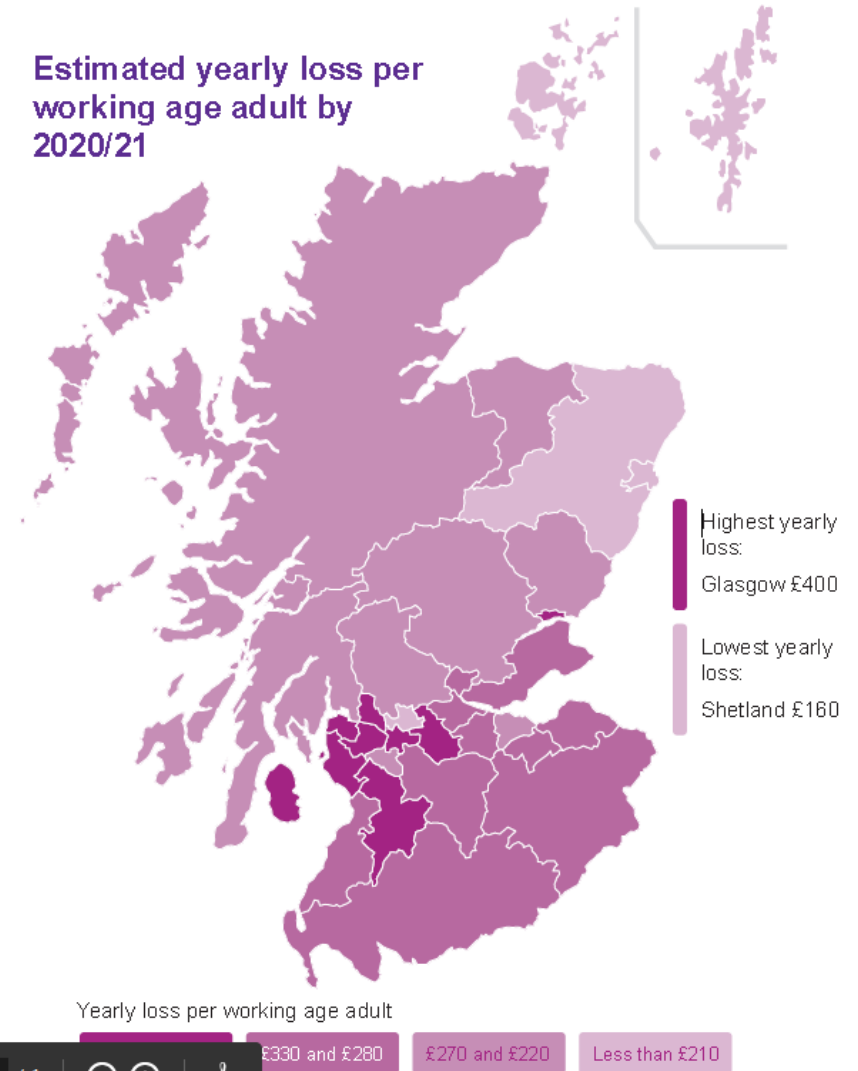
Source: Sheffield Hallam estimates based on official data

The Impact of the New Welfare Reforms on Scotland

Estimated effect in 2020/21

	Total loss	Number of  or  adversely affected	Average loss by affected  or 
Benefit freeze	£300m 	700,000 	£450 
Universal Credit work allowances	£250m 	240,000 	£1,050 
Personal Independence Payments	£190m 	70,000 	£2,600 
Tax Credits	£140m 	150,000 	£950 
Employment and Support Allowance	£85m 	70,000 	£900 
LHA cap in social rented sector	£40m 	55,000 	£750 
Benefit cap (extension)	£25m 	11,000 	£2,400 
Mortgage interest support	£25m 	17,000 	£1,450 
Housing Benefit for 18-21 year olds	£4m 	1,500 	£2,667 

Estimated yearly loss per working age adult by 2020/21



Reports and data available on CRESR website

- **The Uneven Impact of Welfare Reform: The financial losses to people and places**
 - Report: <http://bit.ly/2hPz193>
 - Dataset for all council areas: <http://bit.ly/2jgYtGw>
 - Interactive maps: <http://tabsoft.co/2jQ5X3Y>
- **The Impact on Scotland of the New Welfare Reforms**
 - <http://bit.ly/2qO8crD>
- **The Impact of Welfare Reform on the Scottish Labour Market. An Exploratory Analysis**
 - <http://bit.ly/2qa2QIS>
- **The Cumulative Impact of Welfare Reform on Households in Scotland**
 - <http://bit.ly/2rzcFjl>

