

Currently around 1 in 5 (220,000) children in Scotland live in poverty (1). New local figures are available from the [ECP website](#).

The Institute for Fiscal Studies (IFS) has forecast that by 2020 up to 100,000 **more** children will live poverty in Scotland, largely as a result of ongoing tax and welfare changes(2). Relevant changes disproportionately affecting children and families include(3):

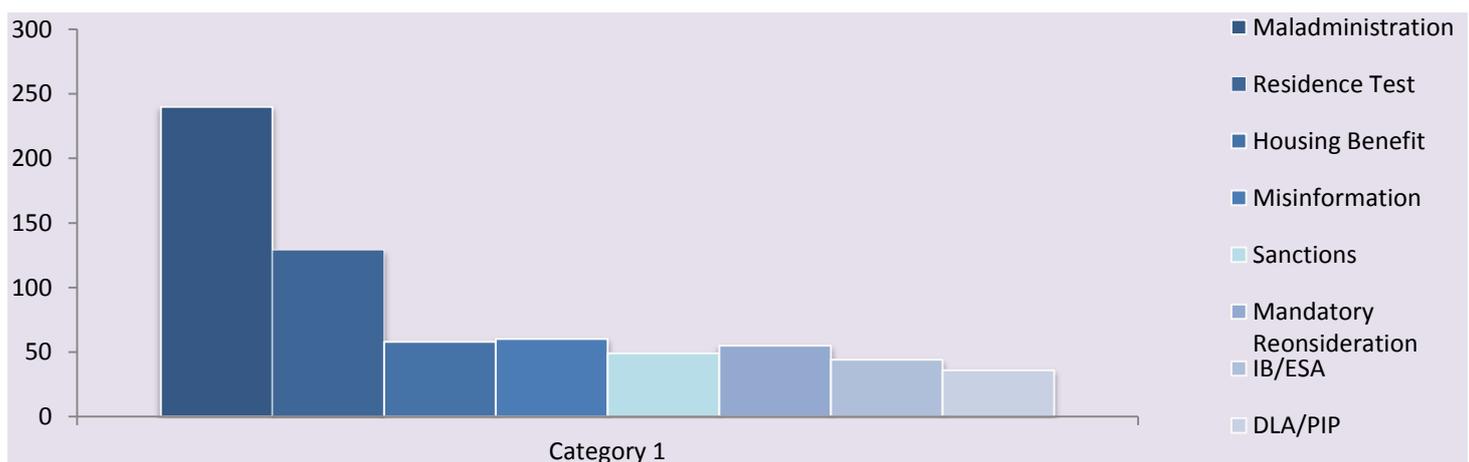
Reform	Impact	Financial impact
Benefit Uprating	Reduction in annual uprating of value of working age benefits.	In Scotland - £290 mill p/a Affected family - variable
Changes to tax credits	Fewer families eligible for tax credits	In Scotland - £300 mill p/a Av. affected family £810 p/a
Changed entitlement to disability and ill-health benefits	Fewer families will qualify for DLA/PIP	In Scotland - £165mill p/a Av. affected family- £1,560

In addition to these benefit cuts, many households are also facing more acute financial problems as a result of **benefit delays, suspensions and sanctions**. 898,360 JSA and ESA sanctions were applied in the UK in 2013, the highest rate since JSA was introduced (4). Sanctions can reduce income by up to **£73 a week for up to 3 years**.

The Early Warning System

- It was in the context of welfare reform and a projected increase in child poverty that CPAG in Scotland decided to establish the Early Warning System (EWS). Funded by the Third Sector Early Intervention Fund, the EWS is a means of gathering case studies and wider evidence demonstrating the impact that welfare reform is having on the health and wellbeing on children, families and communities which support them. To date we have collected 633 cases from three main sources:
 - Inquiries to CPAG in Scotland’s second tier welfare rights advice line
 - Cases submitted to us by 87 frontline workers across Scotland (including housing officers, welfare rights workers and social workers) via our online framework
 - Through qualitative research, including a longitudinal study with 10 low income families and research conducted at several food banks
- The purpose of the system is to gather as much information as possible about how welfare changes are affecting families across Scotland and, vitally, to identify opportunities to prevent and/or mitigate that impact at Scottish and local level.

The subject matter of the cases we have analysed can be represented as follows:



Headline EWS findings to date

1. Maladministration and misinformation is aggravating the impact of welfare reform in Scotland. More than 1 in 3 of the cases gathered through the Early Warning System relates to misinformation or maladministration on the part of DWP, Local Authorities and Job Centre Plus.

Lisa, a lone parent studying physics at University in Glasgow says, 'It causes me nothing but trouble. Last scholastic year I had to restart my housing benefit because they stopped it... it's just stress, stress, stress, stress, stress, all the time. Are they going to do it properly? Every time, twice a year I have to change my circumstances with them [because I'm a student]. And it's never once gone right, not once. I've ended up at Christmas having to choose between paying my rent and having Christmas.'

2. Many families do not have adequate income to function from day to day as a result of benefit sanctions, delays and suspensions. Delays, sanctions and suspensions appear to be the main driving force behind income crisis and food bank use.

Liam, lone parent of a disabled child in Edinburgh says, "You've got to live. But it's hard when you have to make choices. Do you cut down on the electricity you're using or do you cut down on the food? And when you're cutting right down to the bare minimum it's hard to cut back any more. Heating it over the winter time, it costs a fortune. I shut one bedroom door without heating the bedroom and then that leads to dampness in the bedroom. It's a ground floor flat and the dampness is really bad. Yes, I've used the food bank twice. It can be a bit intimidating at times, you're going in and people are asking you these questions and it's humbling, that you're taking this food that people have handed in for charity."

3. Devolved welfare policy and provision is not always reactive enough to changes to the UK social security system and the new landscape it has created.

Karen, Ex-teacher, Linlithgow, "My benefits were stopped because I missed work capability assessment. I'd had a breakdown and I couldn't really face anyone. It was my own fault. I tried the welfare fund and they said I could have £30 in vouchers but that I would need to come down and pick it up. The office is more than eight miles away. I didn't have the money for the bus so I couldn't get it till the next Monday when my neighbour had lent me the £6 I needed to get there. Why could they not put that money in my bank account?"

4. The physical and mental health of families is suffering as a result of welfare changes. Every aspect of child wellbeing (as measured by SHANARRI indicators) is being undermined both by the ongoing gradual increase in poverty and the acute poverty experienced by families subject to sanctions and benefit delays.

Jane, mother of three, West Lothian, "I had post-natal depression with Aiden and then every time I think I am getting better I just sink back into it. But just now is the worst I have ever been. Everything that is getting flung at us is making it, me, even worse. It is making me think things I should not be thinking. My biggest fear is that I might want to go to the doctor and tell him how I feel. But my fear is they are going to take the children away from me because they think I'm losing it. So you do not tell them as much because you are scared of losing the children. And I have said that to him before. I do not want to tell you how I feel because I am scared you are going to phone social services."

5. Local and national services are struggling to cope with increased demand for many services and a shift in the nature of that demand.

Family Services Manager, Lanarkshire "We are funded to provide services to vulnerable children and young people – young homeless families and looked after children. The point of the service is to promote the wellbeing of these children and young people and give them the best possible chance by developing their knowledge, skills, aspirations and opportunities. This work is consistently undermined by cuts, sanctions and delays. We spend so long getting families through the immediate financial crisis that we have much less time to spend fulfilling our core role. We help fewer families as a result of this."

Implications of EWS findings for Scotland

1) National and local strategies need to explicitly take account of the impact of welfare reform

EWS cases highlight a need for all local and national services accessed by children and families to consider welfare reform at a strategic level when planning and delivering services and when allocating budgets. Local and national services should be encouraged to map and plan for increasing poverty in their area; train and upskill frontline staff to identify families at risk and remove the barriers to services. EWS cases show barriers to services (including health, social work and education) can be financial, attitudinal and informational. Many are preventable. The Scottish Government and Parliament can contribute to a more strategic approach in the following ways:

- Through the Children and Young People (Scotland) Act

Under section 8 of the Children and Young People (Scotland) Act, local services providing services to children will have to come together to create a Children's Services Plan, highlighting how they will contribute to the promotion of child wellbeing over the next 3 years. CPAG believe that the statutory guidance accompanying this legislation must make it extremely clear that such plans address the issue of child poverty. This is vital given the extent to which poverty undermines each and every aspect of child wellbeing.

- Through the Child Poverty Strategy for Scotland

There is a need for closer scrutiny of the implementation of the current child poverty strategy. While we welcome the strategy's new measurements framework, there is also a need for more clarity as to who has responsibility for delivering specific actions to achieve the strategy's objectives, when they will be achieved and how organisations can be made accountable for their progress or lack thereof.

2) Devolved welfare provision must be more effective at minimising the impact of UK level reforms on children and families in Scotland. Areas to consider include:

-The Welfare Funds (Scotland) Bill

As the Bill reaches the end of Stage 1 there is a need to ensure that the needs of families affected by welfare changes are adequately addressed. Cases received through EWS suggest the following issues are of particular concern:

-The fact that draft regulations place emphasis on claimants who are 'in receipt of' certain benefits. Those subject to delays and sanctions may not be classed as 'in receipt' of benefits. Instead priority should be given to those who 'are eligible for' specific benefits or who have an equivalently low income.

- The limitations placed on the number of applications for the SWF a person can make within 28 days has the potential to exclude families subject to extended benefit delays or suspensions.

-The administration of housing benefit and council tax reduction

Several cases have highlighted that in some local authority areas housing benefit is not being paid to households subject to benefit sanctions. It is essential that all staff administering housing benefit and council tax are made aware that sanctions should not affect eligibility for HB/CTR or relevant non-dependent deductions.

- Distribution of discretionary housing payment

In several areas discretionary housing payment to cover 'the bedroom tax' is being retained by landlords rather than being passed on to tenants. This needs to be addressed to ensure those who have experienced hardship can pay off any debts they have accrued as a result.

3) There is a need to continue investing in information and advice

The EWS has highlighted a clear need to increase the availability of high quality information and advice available in order to:

- Maximise the income of households and ensure that all families are claiming the benefits and tax credits to which they are entitled.
- Ensure that claimants have the support and advocacy they need to identify and challenge administrative errors and poor decision making by the DWP, Jobcentre Plus and local authorities.
- Minimise the number of households subject to sanctions in Scotland. This can be achieved by making claimants aware that they should have a say in the conditions attached to their benefit, that their personal situations and characteristics should be taken into account when conditions are set and that they should be given reasonable notice if a decision has been made to apply a sanction to them.

Common barriers to information and advice which were highlighted through the early warning system included lack of awareness of the services and the costs attached to accessing those services (including the cost of public transport, telephone calls). For this reason CPAG believe co-location of advice services and/or referral pathways from universal services (such as GPs, nurseries or through midwives and health visitors) is an effective way to increase uptake of services.

Other resources which may be of interest

Policy Bulletins

- EWS Policy Bulletin on [sanctions](#)
- EWS Policy Bulletin on [delay and mandatory reconsiderations](#)
- EWS Policy Bulletin on [housing and welfare reform](#)
- EWS Discussion Paper on [welfare reform and children's services planning](#)

Factsheets

- EWS information on [welfare reform and the impact on housing and homelessness](#)
- EWS information on [welfare reform and the impact on children and families](#)
- Factsheet on council [tax reduction and housing benefit, similarities and differences](#)
- Factsheet on [sanctions for lone parents](#)
- Factsheet on [supporting clients with no money](#)

Consultation Responses

- CPAG in Scotland Call for evidence on the [Welfare Funds \(Scotland\) Bill – Stage 1](#)
- CPAG in Scotland Response – [Independent Review of Personal Independence Payments](#)

Sources

- (1) [Poverty and Income Inequality in Scotland: 2012/13](#), Scottish Government, July 2014
- (2) Institute for Fiscal Studies, 2014 www.ifs.org.uk/comms/comm121.pdf
- (3) [The local impact of welfare reform in Scotland](#), Professor Christina Beatty & Professor Steve Fothergill, 2014
- (4) [Briefing on the DWPs sanctions figures](#), Dr David Webster, February 2014

For more information please contact: Hanna McCulloch, Policy and Parliamentary Officer
Child Poverty Action Group in Scotland, Tel: 0141 611 7090 hmcculloch@cpagscotland.org.uk