

## Welfare Reform and Children’s Services Planning: CPAG discussion paper

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

The Institute for Fiscal Studies (IFS) has predicted that by 2020, tax and welfare reforms will have pushed approximately 100,000 **more** children into poverty in Scotland. This has major implications for the health and wellbeing of children in Scotland. It also has implications for the organisations which provide them with services.

**The purpose of this briefing and the seminar on 22<sup>nd</sup> October is to consider the following questions:**

- Which households will be most affected by ongoing welfare reforms and the projected increase in child poverty ?
- How will this alter the nature of demand for services accessed by children and families?
- How can local and national service planning help to limit the impact that welfare reform is having on child and family wellbeing?

### Which households will be most affected?

Some of the most significant reforms can be summarised as follows (full briefing [here](#))

Reform	What is the change?	What kind of families will be most affected?	How big will the impact be?
1% cap on uprating of working age benefits	1% cap on uprating	All families – particularly those most reliant on income from benefits	In Scotland - £290 mill p/a <sup>i</sup> Affected family - variable
Changes to tax credits	Changes to entitlement and fewer families eligible	Low income families - in or out of employment	In Scotland - £300 mill p/a <sup>ii</sup> Av. affected family £810 p/a
Changed entitlement to disability and ill-health benefits	Fewer families will qualify for DLA/PIP	Families including a disabled parent	In Scotland - £165mill p/a <sup>iii</sup> Av. affected family- £3,000
Benefit cap	No family (with some exceptions) will receive over £500 per week from benefits	Large families – particularly those in accommodation with high rental costs	In Scotland - £15mill p/a <sup>iv</sup> Av. affected family £4,810
Sanctions	Family income can be reduced by as much as £72 per week for up to 3 years	Work-seeking families, lone parents, families including a disabled adult and families with chaotic lifestyles	In Scotland - £6.6mill p/a <sup>v</sup> Av. Affected family – N/A
Delays	Some families waiting more than 6 months for PIP assessment	Families including disabled person	N/A
Universal Credit	As UC is rolled out families with disabled children are likely to see income fall.	Families with disabled children	N/A

## How will this affect the nature of demand for services accessed by children and families?

Cases collected through [CPAG's Early Warning System](#) and wider evidence suggest that welfare reform and increasing child poverty will affect families' needs and the nature and level of their demand for public services. Trends which are emerging or likely to emerge include the following:

### 1) There will be more families with dramatically reduced incomes

- Sanctions, benefit delays and the benefit cap will lead to an increase in the number of families whose incomes are extremely low and who may be at risk of destitution. Sanctions can result in families losing up to £72 a week for up to 3 years.
- This may affect the way families interact with public services in several ways. Many families will struggle to meet the costs involved in surviving from day to day, such as food, heating, clothing, transport, childcare costs. Increased pressure means many families will struggle to attend GP/hospital appointments, get their children to school/childcare and fulfil conditions attached to their benefits (thereby risking further sanctioning).
- Families may struggle to access service with even the most minimal cost implications, such as school trips, uniforms and nursery snacks.
- Families accessing mainstream services may require crisis level support such as emergency financial support, referral to the food bank or help to avoid eviction, arrears and/or debt. Some frontline services report that their resources are increasingly being redirected to deal with income crisis rather than performing their core roles.

For example, Liam is unable to work due to an ongoing health condition. He is a lone parent to his three year old son, George who has emotional and psychological problems. Liam's income but fell by around £50 a fortnight after he failed an assessment for employment support allowance.

*Liam 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."*

*"The school is always coming up with wee trips and things like that and then you're caught out. It's not very good that they don't give you enough notice. You know, and maybe it's only two or three pound and they don't really see that two and three pounds is a big issue, but when you're struggling it is" **May 2014***

### 2) Families' physical health will decline

- There is likely to be a decline in health, both amongst families experiencing income shock and those seeing a gradual decline in the value of their income<sup>vi</sup>.
- Reduced income undermines families' ability to maintain their health as nutritious food, a warm home and trips to the doctor or dentist become increasingly unaffordable. Poor nutrition can have a negative influence on the physical and mental wellbeing of children over the long term. There is also a concern that poverty and managing on a low income have a negative impact on maternal health and child development<sup>vii</sup>.
- Restrictive criteria for disability benefits ESA and DLA/PIP also mean that families may not be able to afford the support and specialist items (including clothing, nutrition and equipment) they need<sup>viii</sup>.

- These factors could increase pressure on health and social care services. Worryingly, however, research has shown that families on low income are actually *less likely to access healthcare services*<sup>ix</sup>.

For example, Janice suffers from chronic Crohn's disease. In the space of a few months both her ESA and DLA (and as a result her husband's carers allowance) were withdrawn. Janice, her husband, and their 17 year old daughter had an income of only £70 per month as a result. Janice explains that during the period of living on £70 per week between November and February she lost two stones in weight and was really quite ill with Crohn's disease.

*Janice says, "I'd love to have fruit and veg every day... and chicken, instead of junk and junk and junk. Like I say, you get five packets of biscuits for £1, what you pay for a melon. So it's just easier but it's not good for your health'.*

*'I think that's why I've been so ill, having to eat it because there was nothing else but processed foods. I've been so ill, and the stress, which doesn't help, it makes it worse. And I'm on antidepressants as well again because I couldn't cope... I just couldn't cope'.*

Janice explains that her family do not know how bad their financial situation is or how much it distresses her. She says, *'If I'm sitting crying because I was so upset, I just say "Oh It's my Crohn's, my stomach's sore". So they don't know its other things'.* **May 2014**

### 3) Increased levels of mental health problems and strained family relationships.

- Recurring themes identifiable through EWS cases include increased levels of stress and anxiety amongst parents and - to a lesser degree - amongst children. Wider research shows that children living in low income households are nearly three times as likely to suffer mental health problems that their more affluent peers<sup>x</sup>.
- EWS case studies show that stress and anxiety is often worsened by ongoing uncertainty about income, including regular assessments and the threat of benefit withdrawal. The stress of living in poverty brings added risk of relationship problems and increased risk of relationship breakdown<sup>xi</sup>.
- There is a concern that a decline in mental health may make some parents less willing to engage with public /voluntary sector services either because of difficulties with motivation and ability to plan, or because of a fear they will be judged.
- This may also have implications in terms of parents' ability to interact with their children in positive ways and to consistently play an active part in their education.

For example, Jane and James live with their three children in Fife. Neither is working since James lost his job and Jane's health deteriorated after a prolapse and post-natal depression following the birth of her youngest child. Jane told us;

*Jane says, "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. "*

*"People are judging me they will be looking at us and saying "they are down at the food bank". "They have got no money". "The two of them are not working". "The two of them are on income support and the Job Seeker's".*

*"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." **May 2014***

#### 4) Children's wellbeing and ability to concentrate and participate will be affected.

- Children living in poverty are more likely to be absent from school due to illness, to be hospitalised and to spend more days ill in bed<sup>xii</sup>. This is likely to have an ongoing impact on attainment.
- The majority of parents involved in the qualitative interviews highlighted the difficulties they had had covering school related costs. It seems many children in low income households miss out on opportunities – both academic and social - because their parents are unable to meet the cost of trips, uniforms, musical instruments and after school clubs.
- Uptake of pre-school education is also reduced amongst lower-income families<sup>xiii</sup>. These lower rates have a knock on effect on academic attainment later in life.
- Young people living in low income households report a stigma attached to their circumstances, which impacts on school and wider community involvement.

For example, Kate lives in Fife. She is a lone parent with two sons, aged 10 and 12. She is still in receipt of income support and carer's allowance for looking after her grandmother. Kate says that affording school trips and after school activities is often difficult. The letter sent home advertising these activities, such as karate or dancing, state that places will be allocated on a first-come first-served basis with payment. Kate explains that if these letters come home on a Monday, she won't be able to afford to make the payment until the Thursday and her children will miss out.

While Kate's son receives free school meals his friends either buy lunch from the van outside the school or the shop along the road from the school. She said he started behaving badly and was reluctant to go to school. Kate explained;

*'I had to go and pick him up from the school one day because he had been sick. Just before lunchtime. He never had any dinner money left. And I said to him "what's happening? What's going on?" and he said "I'm getting bullied because I'm poor and I've not got any money for a bacon roll". I ken handing him £10 isn't the answer to everything and I'm not going to be able to do that all his life. I'm not going to be able to pay him out of situations but I just thought, "I can't... You're in first year at (high) school. It's hard enough as it is". He got bullied right though primary school ... and I thought "I cannae bear the thought of you being here and not enjoying it and just getting bullied because you haven't got money for a bacon roll".*

#### How might those planning and delivering service react to these shifts in the nature of demand?

Services will be affected differently by welfare reform and by increasing rates of child poverty. However, CPAG's knowledge of welfare changes and the cases we have gathered and analysed through the Early Warning System suggest certain actions that might help to mitigate the impact of some of the worst effects in terms of child and family wellbeing. Hopefully these can provide a starting point for discussion at our policy seminar next week:

##### **Ensure that staffs are aware of projected increase in poverty rates and can identify families at risk of poverty.**

- This might involve training to ensure staff are aware of projected increases in child poverty and can identify families at increased risk of poverty.
- Staff may also benefit from discussing how to address sensitive issues such as family finances with service users. The Healthier, Wealthier Children initiative has developed [materials](#) that might be of some use.
- Service managers and those commissioning services could liaise with local poverty leads to raise awareness of local issues and trends.

##### **Ensure that staff know about and are confident referring families for further assistance**

- Frontline staff should have a basic awareness of sources of help and assistance for families facing financial difficulties such as the Scottish welfare fund, income maximisation, debt and housing advice services. Services should consider whether it might be possible to put referral pathways in place for families as a means of boosting uptake.

### **Poverty proof services by identify 'invisible' barriers**

- Cases gathered through the Early Warning System highlighted barriers to services that might not be immediately apparent. These included the cost of making an appointment over the phone, the cost of transport to and from services and negative staff attitudes. In one case we came across a mother explained how she didn't want to go to the local mother and toddler group because they always took their shoes off and she had holes in all her socks.

**Does your service have a Freephone number? Can you cover transport costs? Are parts of your service costly (eg. nursery snacks, school trips)? Could people find out about your service if they didn't have access to the internet?**

- CPAG is currently running a project in Glasgow aimed at [poverty proofing the school day](#) which may be of interest.

### **Identify and cost areas where additional resources may be required**

Removing financial barriers to services, training staff and putting referral pathways in place might require investment of additional resources. It is therefore important to have a good understanding of the savings and benefits that will be felt locally (and by whom) as a result. For example, the fact that staff are confident referring to other agencies may reduce pressure on their own time, allowing them to fulfil their core role more efficiently. Better referral procedures might increase the family resources, improve their wellbeing and reduce pressure on crisis level services such as child protection and homelessness services.

### **Ensure local and national budgeting reflects the projected increase in child poverty and its effects on wellbeing**

- Be aware that there will be new procedures around local children's services planning from 2016. Under the Children and Young People (Scotland) Act, children's services plan must be put in place locally highlighting how the wellbeing of children and young people in a particular area will be safeguarded and promoted. This will provide a further opportunity to consider how services can protect children experiencing poverty.

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<sup>i</sup> <http://www.scotland.gov.uk/Topics/People/welfarereform/analysis>

<sup>ii</sup> <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/62069.aspx>

<sup>iii</sup> Ibid.

<sup>iv</sup> Ibid.

<sup>v</sup> <file:///C:/Users/hmcculloch/Downloads/EM%20Briefing%2021%20-%20sanctions.pdf> The Improvement Service, Benefit Sanctions in Britain

<sup>vi</sup> See, for example [http://www.endchildpoverty.org.uk/files/Health\\_consequences\\_of\\_Poverty\\_for\\_children.pdf](http://www.endchildpoverty.org.uk/files/Health_consequences_of_Poverty_for_children.pdf)

<sup>vii</sup> <http://www.jrf.org.uk/system/files/2301-child-poverty-costs.pdf>

<sup>viii</sup> See for example <http://www.scotland.gov.uk/Resource/0045/00457564.pdf>

<sup>ix</sup> <http://www.jrf.org.uk/system/files/2301-child-poverty-costs.pdf>

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<sup>xi</sup> <http://www.jrf.org.uk/system/files/2301-child-poverty-costs.pdf>

<sup>xii</sup> Duncan and Brooks-Gunn, 2000, The effects of poverty on Children

<sup>xiii</sup> <http://www.jrf.org.uk/sites/files/jrf/education-attainment-scotland-full.pdf>