

Our Ref: JD/LH/CB

8 March 2013

The Expert Working Group on Welfare
C/O Scottish Government
Constitutional and Welfare Team
2 H Bridge
Victoria Quay
Edinburgh
EH6 6QQ

Dear Members of the Expert Working Group on Welfare,

Call for Evidence: Cost and Delivery of Welfare and Benefit Payments in an Independent Scotland

We welcome the opportunity to respond to this consultation on exploring the cost and delivery of welfare and benefit payments to inform a White Paper on the implementation of welfare reform for an independent Scotland. CELCIS is the Centre for Excellence for Looked after Children in Scotland based at the University of Strathclyde. Together with partners, we are working to improve the lives of all looked after children in Scotland.

The Expert Group have specifically requested information regarding groups that may be vulnerable, isolated and excluded and for whom inequalities exist. Access and equitable provision to welfare services and benefits are critical for:

- Children and their families who may be on the edge of the formal care system who require financial assistance and support to maintain an adequate standard of family life;
- Wider family networks who provide crucial support to children and birth parents through the provision of care at times of difficulty in the short and long-term (e.g. Kinship carers);
- Foster carers: to establish cognisance between the benefits system and foster care allowances hence, ensuring foster carers are not unfairly penalised and discriminated against due to their fostering status (e.g. in regards to social housing);
- Provision of timely and appropriate support for young people leaving care and care leavers.

Therefore, we would recommend a specific consideration for the Expert Group to consider the impact of how the current welfare system works for these groups; how the changes of Universal Credit and Personal Independence Payments will impact and in the future, how any negative impacts can be mitigated against in the development of a new welfare system in an independent Scotland.

In raising these broad concerns for your consideration, we would also like to take the opportunity of reiterating key messages shared in our response to the Scottish Government consultation on *Scottish passported benefits: Consultation on changes required as a result of the introduction of Universal Credit and Personal Independence Payment* submitted with Who Cares? Scotland (September 2012). Given the remit of this group to consider revising the benefit payment system, we would like to highlight some very specific issues that any changes to the benefit and welfare system must take account of the particular needs and issues specific to this most vulnerable and disadvantaged group.

Key Messages for Consideration to Inform the Future Reform of the Benefits System:

Monthly Payments: The introduction of monthly payments risks causing hardship to some of the most vulnerable claimants who struggle to manage their money. For example, vulnerable 16 to 24 year olds - particularly care leavers have often had chaotic lives and can have very limited budgeting skills. The single universal payment if badly managed through inexperience could put care leavers into serious trouble, such as rent arrears. The draft Regulations state that claimants will be able to apply for a temporary payment exception, for example to be paid fortnightly. In practice guidance on this, exception should allow for a wide interpretation and emphasise that the exemption may continue for some time while an individual is given the support to achieve the necessary budgeting skills to manage monthly payments. Care leavers, with the support from their Throughcare and Aftercare workers, should be able to negotiate more regular payments, especially if they are unable to manage money and/or are dealing with complex mental health or substance use issues.

Sanctions: Universal Credit also brings in significantly more severe sanctions for those who do not comply with the requirements of the claimant commitment. Under the new regime individuals who do not comply are likely to lose their benefits for a much longer period and will find claiming assistance for hardship much more difficult. It is important that sanctions do not operate in a way which are counter-productive, causing individuals to disengage and be lost completely from the system. Care leavers and young people are potentially at increased significant risk in relation to more punitive sanctions. Research informs that vulnerable young people with a history of social work and care involvement are more likely to struggle to engage and “buy into” services - this is more about their ability to do so than their willingness. These young people often have deep rooted complex issues and consequently many of these young people are unable to meet the demands made of them by agencies, however supportive. These young people are particularly vulnerable to any system which applies sanctions which compound hardship.

Disabled Children: The DWP have previously announced that the amount of support for disabled children other than those on the high rate care component of DLA, or those who are severely visually impaired, will be substantially reduced (the maximum rate is to be cut by £28 per week) as a result of the introduction of Universal Credit. Many families with disabled children will be deeply concerned about the impact of this change on their ability to afford care for their children. This will impact disproportionately on ‘Looked after’ children at home, those within the parental home or within Kinship Care placements.

Savings Limits: It is possible that some Care leavers may have considerable savings, as a result of successful *Criminal injuries* claims from previous childhood trauma or assault/injury. This should be considered as a separate matter when considering any “savings” limit to ensure that these young people are not unfairly or further penalised.

Role of Corporate Parents: There is an argument that Corporate Parents (in these cases, local authorities and their partners) should continue to offer financial support to young people instead of moving them onto benefits, and they should reclaim this money from benefits budgets. This would ensure that care leavers in further education are supported in the same way that their peers are supported by their families. The caveat is that there should be equity for all young people and a range of options which reflect the various needs and issues of certain groups of young people.

Leisure Cards: Many local authorities have a Leisure Card scheme which enable key groups to free or discounted access to local leisure provision and facilities. Whilst this is often made available to those claiming benefit, in many instances this is also targeted at Looked After Children, their carers, and Care Leavers - in this regard, the criteria for this is not a financial trigger but a legislative one i.e. ‘looked after children’ status. This benefit “in

kind” should be safeguarded and promoted based on specific eligibility other than financial/Universal Credit threshold.

Free School Meals: Free school meals can be worth a great deal financially to families. There are potential issues in relation to replacing this with a cash alternative - this has the potential to significantly disadvantage the most vulnerable children where parenting priorities are often compromised. The structure of support for free school meals should closely reflect the structure of Universal Credit. Arguably, there should be free school meals for every child who needs it, including 16-18 years olds, who attend Further Education colleges. There is research which evidences the benefits for children and young people in terms of both educational and health outcomes where free school meals are provided. This provision should be protected as a distinct provision and not rolled up into Universal Credit.

Internet Access and Information: The presumption of online claiming represents a significant challenge and needs to be supported by policy initiatives which will guarantee easy and convenient access. Current figures show that almost a quarter of all households have no internet access and the rate of internet use declines in line with income. There should be clear provision for both supportive telephone and face-face claiming for those who require this level of human interaction to safeguard and assist with accurate claiming. This is particularly important where there is the likelihood of more punitive sanctions being applied. Clear and accessible information about entitlements to benefits must be provided to ensure equitable access.

Thank you for the opportunity to respond to this call for evidence. We look forward to future developments in this area. Please do not hesitate to contact us if we can be of further assistance (0141 444 8533).

Yours sincerely



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