

# Children in Scotland

every child - every childhood

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## **Response to the UK Government's "21<sup>st</sup> Century Welfare" Consultation Questions**

Children in Scotland appreciates the opportunity to respond to this consultation. We are the national umbrella organisation for the children's sector (public, private and voluntary) with more than 400 members. As our expertise is primarily related to matters concerning children and their families, we have not responded to all the questions.

### *Question 1*

*What steps should the Government consider to reduce the cost of the welfare system and reduce welfare dependency and poverty?*

Reducing the cost of the welfare system should not be the government's primary motivation/goal in reforming payments and entitlements. Rather, the focus should be on ensuring that sufficient support is provided to enable people to enter and remain in the labour market. This is, of course, predicated on the availability of appropriate and adequately remunerative work; given current levels of unemployment, there can be no guarantees in this respect.

Ending or lowering benefits to people who genuinely are unable to find and secure employment will not prove to be a net cost saving, as other parts of the public sector - from the criminal justice system to the health/mental health system - will predictably inherit the (higher) costs of dealing with them. All families, whether benefit dependent or in employment, should end up with a 'living wage', i.e. an income adequate to ensure that children are not brought up in poverty, with all the well-known disadvantages and long-term negative consequences of child poverty. In Scotland, for instance, there are more poor children in households where at least one adult is in employment than poor children in benefit dependent households.

That being said, we share the twin goals of increasing social mobility and making benefit dependence a last resort. We believe there are a number of actions that would contribute effectively to reducing dependence on benefits and, consequently, the cost to the public

purse. Firstly, ensure that the cost and availability of good quality child care do not continue to present an insurmountable obstacle to parents, particularly lone parents, from taking up employment. Secondly, recognise and holistically address the reality that in some families and communities there are cultural and intergenerational factors that militate against employment readiness. Thirdly, provide services to families with young children that promote the children's health, well-being and readiness to learn; thereby, making it less likely that they will perpetuate the cycle of worklessness and poverty.

### *Question 2*

*Which aspects of the current benefits and Tax Credits system in particular lead to the widely held view that work does not pay for benefit recipients?*

For families, in general, the too high cost and inaccessibility of good quality child care remains a significant factor. For them, 'work does not pay' is not merely a 'view', it is a fact. For some larger families, it is frequently true that they will be no better off (in terms of net income) in employment than on benefit. In addition, low-paid, part-time and seasonal employment – realistically, the only employment options open to many currently unemployed people – will often leave families no better off financially than if they remained on benefit.

### *Question 3*

*To what extent is the complexity of the system deterring some people from moving into work?*

There is no doubt that the complexity of the system does not act as a positive encouragement to enter the labour market. Compounding this, however, is the fact that complex and changing circumstances are neither readily accommodated, nor responded to appropriately, within the current system. People on low incomes cannot afford 'cash-flow' problems and, in many cases, cannot access affordable credit as a short-term solution. Variable amounts and patterns of work can mean that child care costs are incurred even when a place is not required, so that this crucial place/resource is not lost. Irregular employment can lead to even more complexity as a child care place may not be available only for the weeks needed, and few providers will keep a place open without payment. This, as well as the complexity of the system itself, deters many from taking work. Simpler would be better, but only if it *actually results* in better incomes and better life chances.

#### *Question 4*

*To what extent is structural reform needed to deliver customer service improvements, drive down administration costs and cut the levels of error, overpayments and fraud?*

We support measures resulting in improved services to customers and reduced costs to the public; but believe the underpinning motivation for reform should be to deliver a more responsive and equitable system of welfare. Clear evidence that structural reform will deliver these positive changes is needed.

#### *Question 5*

*Has the Government identified the right set of principles to use to guide reform?*

We do not disagree with the principles, but the critical question is how they will translate into practice and with what practical consequences for which of the people affected by the contemplated reforms. Thus, it is essential that robust evidence is gathered, analysed and reported on the real impacts of reform upon people, not just budgets.

#### *Question 6*

*Would an approach along the lines of the models set out in chapter 3 improve work incentives and hence help the Government to reduce costs and tackle welfare dependency and poverty? Which elements would be most successful? What other approaches should the Government consider?*

We believe that a less abrupt termination of benefits would be helpful to those moving into employment. The success of any of the proposed options, in terms of the UK Government's aspirations, can only be demonstrated by actual impact – i.e. not only fewer poor, benefit-dependent households, but also fewer poor employed adult households. Once again, child care provision would be an essential element of any package of incentives for families with young children. As we have previously stated, successfully tackling entrenched poverty will not be achieved without addressing its fundamental causes – and removing the major barriers to social mobility and employment - in a comprehensive and systematic way.

#### *Question 7*

*Do you think we should increase the obligations on benefit claimants who can work to take the steps necessary to seek and enter work?*

We believe that benefits claimants should be helped, with personalised support of sufficient quality, duration and intensity, to enter the workforce. If 'increasing the obligations' means requiring claimants who genuinely can work to avail themselves of such opportunities, then we do not object to this approach.

*Question 8*

*Do you think that we should have a system of conditionality which aims to maximise the amount of work a person does, consistent with their personal circumstances?*

'Personal circumstances' must include parental (and other caregiver) responsibilities. We are strongly opposed to any measures that would apply conditions to adults that would result in adverse effects upon children. We also believe that 'work' in this context should include not just paid employment, but other constructive activity (such as learning, volunteering and informal caring).

*Question 9*

*If you agree that there should be greater localism what local flexibility would be required to deliver this?*

Of particular concern in Scotland is the separation of decision-making responsibility for the welfare and tax system from that of other key policy areas, such as regeneration, education, lifelong learning, family support, child care and health. Flexibility that addressed this issue constructively and in a manner consistent with the realities of devolved administrations would be welcome.

*Question 10*

*The Government is committed to delivering more affordable homes. How could reform best be implemented to ensure providers can continue to deliver the new homes we need and maintain the existing affordable homes?*

This question is not within our areas of expertise.

*Question 11*

*What would be the best way to organise delivery of a reformed system to achieve improvements in outcomes, customer service and efficiency?*

Beyond the points already made in this consultation response, this question is not within our areas of expertise. However, we think it is

essential that the planning, organisation and delivery of a reformed system be accomplished in close cooperation with the Scottish Parliament and Scottish Government.

*Question 12*

*Is there anything else you would like to tell us about the proposals in this document?*

A detailed advance assessment of the likely impacts of each major aspect of the proposed reforms upon the children involved should be carried out, preferably by a competent, independent source in each of the four nations within the United Kingdom. The welfare system must work collaboratively and cooperatively with a range of other agencies to ensure that the best support, aimed at delivering the best outcomes, is provided at the individual, community, national and UK levels. We also encourage the UK government to build in robust, independent, periodic review assessments of the actual impacts upon the children affected by whatever reforms are implemented. It is, after all, very difficult to have 'evidence-based' decision-making in the absence of reliable and valid evidence.

For more information, please contact:

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Children in Scotland is Scotland's national agency for organisations and professionals working with and for children, young people and their families. It exists to identify and promote the interests of children and their families and to ensure that policies and services and other provisions are of the highest possible quality and are able to meet the needs of a diverse society. Children in Scotland represents more than 400 members, including 90% of Scottish local authorities, all major voluntary, statutory and private children's agencies, professional organisations, as well as many other smaller community groups and children's services. It is linked with similar agencies in other parts of the UK and Europe.

The work of Children in Scotland encompasses extensive information/publication, policy, research and practice development programmes. The agency works closely with MSPs, the Scottish Government, local authorities and practitioners. It also services groups such as the Cross Party Parliamentary Group on Children and Young People (with YouthLink Scotland). In addition, Children in Scotland manages such services as Enquire - the national information and advice service about additional support for learning, and Resolve: ASL, Scotland's largest independent education mediation service.