

Welfare Reform and Child Welfare

CiS Policy Briefing / December 2008



Children in Scotland has long been at the forefront of understanding and influencing the ways in which legislation and government policies impact upon children, young people and their families throughout our nation. Our policy team, in close cooperation with our members, works on a very broad range of proposed laws, public policies and regulations to improve the wellbeing and life chances of all children and young people. Our basic roles include:

monitoring policies and policy implementation;
analysing public policies and their impacts;
responding to government consultations;
developing new policy ideas and strategies;
lobbying at the Scottish, Westminster and European parliaments; and
influencing officials at local, national, UK and European levels.

Key messages

- The UK Government wants an ever-increasing number of people to get off benefits and into employment. The new reform package includes proposals to: change the conditions accompanying benefits for people not currently working; add new sanctions for non-compliance; and, offer additional support to lone parents seeking work.
- The welfare reforms in the Westminster White Paper are linked to the promise to eliminate child poverty. However, parental employment alone will not ensure the end of child poverty. Increased income from working will, for some parents, be offset by the new costs of being employed (especially paying for all the necessary hours of childcare).
- This package of changes to the benefits system has not sufficiently considered and dealt with its potential negative impacts upon children. In addition, the special circumstances facing many parents on benefits (for example, those with children having disabilities or additional support needs) were not accorded full recognition or adequate provision.
- The realities of Scotland as a devolved nation with different policies, practices and funding patterns were not appropriately integrated into this UK Government welfare reform package. Consequently, it will be harder to implement successfully across Scotland and may have some negative effects that could have been anticipated and avoided. For example, Scotland was not covered by the recent Westminster decision to subsidise childcare for two-year olds. Such differences open the door to inequalities in implementation and outcomes.

Children in Scotland recommends that:

- The UK Government provides the Scottish Government with major new ring-fenced funding for good quality, integrated services for young children (birth-8) of families receiving benefits, allowing parents to work AND creating skilled jobs in Scotland. This can be done in ways that respect Scotland's devolved status and its new *Early Years Framework*.
- Caring responsibilities, concerns and costs are taken into account for all mothers, fathers and kinship carers who are benefit claimants, not solely for lone parents
- Financial sanctions for breaches of the job-seeking rules are considered on a case-by-case basis for claimants having dependent children
- The UK and Scottish governments work together quickly to establish how these reforms can and will be implemented in ways that make sense in the Scottish context.
- The welfare (well-being) of children affected by welfare reform is given equal status with parental employment in the planning, implementation and evaluation of welfare reform.

Context

The benefits system is a 'reserved' matter for the Westminster Parliament and the UK Government. Thus, the Scottish Parliament and Scottish Government cannot treat welfare reform as a devolved matter within its control. This does not mean that people, organisations and governments in Scotland should take a 'hands off' approach. Scotland could and should influence these UK reserved matters, as they will impact upon Scottish children, young people and families.

In July 2008, the UK Government published *No one written off: reforming welfare to reward responsibility*. After a consultation period, the White Paper, *Raising expectations and increasing support: reforming welfare for the future*, was published in December 2008. This CiS policy briefing will summarise: the policy issues at stake here; the key elements of Westminster's welfare reform package that affect children; and Children in Scotland's analysis and recommendations.

What are the policy issues?

Causes of unemployment

There are many reasons why working-age adults are not in paid employment.

- One of the most important causes of unemployment is a lack of job opportunities (especially during the current recession)
- There can be a mismatch between the job requirements of employers and the qualifications and experience of job seekers.
- Other people cannot work because they have significant physical or mental health problems, have a work-relevant disability or are the primary carers for children or other family members.

The welfare state is meant to provide a financial 'safety net' to support people who cannot earn a living. This should offer some protection to children who live in households without income from paid employment.

Unemployment in Scotland

- 120,000 children and young people across Scotland already live in households where no working-age adult is in paid employment.¹
- It is estimated that 60% of people in Scotland who are not in paid work would like to be employed (including lone parents, and people not able to work). They are classed as 'economically inactive', instead of 'unemployed'.
- Scotland has around 290,000 people who are not in paid work but would like to be employed.²
- The number of adults in Scotland out of employment had fallen significantly over the last decade. However, one widely predicted consequence of the new recession is that unemployment across Scotland will increase significantly over the next year, or even longer.

Policy responses to unemployment

Governments across the developed world try to find ways to encourage, support, and sometimes pressurise adults into work. This is both for economic reasons (the state saves money in benefits and gains money from income tax) and because it is felt that worklessness has negative consequences for individuals, families and communities.

Governments have tried to tackle unemployment by

- Increasing the availability and quality of **support** for people who would like to work.
 - In the UK, Jobcentre Plus has been an attempt to integrate 'signing on' with information on job vacancies and advice on training.
 - Integrated provision of high quality full-time child-care, such as that offered in the Nordic countries, allows people to work who would otherwise have to stay at home.³
- Placing increased **conditions and sanctions** on benefit claimants.
 - The UK New Deal requires claimants to demonstrate that they are actively looking for work,
 - In some states in the USA, individual time limits were introduced in the 1990s, after which claimants were entitled to no further unemployment benefit.

What are the key elements of the Westminster welfare reforms that affect children?

Aims: To contribute to the eradication of child poverty across the UK by

- Achieving an employment rate of 80% of the working age population
- Reducing the number of incapacity benefit claimants by one million
- Getting 300,000 more lone parents into work, and encouraging one million older people into work.

Specific points within this White Paper

1. An 'obligation to work' for the unemployed

- a. Job Seekers' Allowance claimants will move through an increasingly demanding process. People who reach the end of two years without finding work will be placed in full-time 'community work' placements with contracted organisations, in return for their benefits.
- b. An increase in sanctions for 'non-compliance' with the job seeking process, including the proposal that any claimant missing an appointment or interview with Jobcentre Plus would automatically lose that week's benefit.
- c. A requirement for all claimants to state whether they are addicted to heroin or crack cocaine when they register as unemployed, so that they can be referred to specific treatment and rehabilitation.
- d. More regular Work Capability Assessment and Work-Focused Health-Related Assessment for all claimants of Incapacity Benefit and Employment Support Allowance.

2. New measures for lone parents

- a. Unemployed lone parents will be required to agree a 'path back to work' when their youngest child is 1, and look for work (and move onto lower-paid Job Seekers Allowance) when their youngest child is 7.
- b. A longer term plan to move all lone parents onto Job Seekers Allowance.
- c. Additional support and preparation for lone parents to find work, including an additional payment of £40 a week when in a new job, and access to an 'In Work Emergency Discretion Fund' to support them through family crises.
- d. A 'full child maintenance disregard': the amount of child maintenance received by a family will not affect their entitlement to other means-tested benefits.

What does Children in Scotland think about this UK White Paper?

We welcome the emphasis in these proposals on the goal of eradicating child poverty in the UK by 2020. However, this child-centred goal is undermined by a lack of genuine concern about the well-being and life chances of children whose parents will be affected by these UK Government welfare reforms.

Cost, quality and availability of childcare

- The Westminster proposals ignore the continued inadequacy (both in terms of availability and quality) of affordable services for young children across the UK, particularly in the 'gap years' between the end of statutory maternity leave and the start of publicly-subsidised places.
- Worse, while the UK Government recently agreed to subsidise childcare for two-year-olds, this is only in England and Wales, and does not apply to Scotland.
- In the current economic climate, there should be a significantly increased UK Government investment in high quality, integrated early years provision across the UK. This would: contribute to child well-being; the availability of well paid, skill-building employment opportunities; and, the success of welfare reform.⁴ This investment can occur in ways that respect the realities of Scotland and its devolved responsibilities.
- The new £40 weekly payment to lone parents once employed means little when offset by the costs of being employed (e.g. transport, clothing and, especially, care for their children).

Extending additional support to ALL mothers/fathers/carers

- Caring for children – especially those who have disabilities or additional support needs – presents parents with significant social, emotional and financial obstacles to finding and staying in paid employment, but these realities are largely ignored in the Westminster White Paper.
- We welcome the full child maintenance disregard, and the In Work Credit and Emergency Fund for lone parents going back to work. However, these are "necessary, but not sufficient" measures.
- Lone parents face special challenges in finding and keeping paid employment. Nonetheless, family responsibilities should be taken into consideration for all parents and primary carers, whether they are part of a couple or not.⁵

Sanctioning parents, harming children

- Caring for children simultaneously makes it more difficult to comply with the requirements of the job-seeking regime in this welfare reform package *and* makes having a stable income even more important.
- The children of welfare claimants are already among the most vulnerable in our society. We have serious concerns about the negative impacts that punitive elements of this welfare reform package (such as taking away a week's benefit to punish claimants for a missed interview) will end up having on these children. Making already-vulnerable children pay for their parents non-compliance – the inevitable, albeit unintentional, consequence here – is bad policy and bad practice.
- The Government's target for eradicating child poverty is very important, but forcing people to take work in order to increase their household income, without full consideration of the wider impact on family well-being, is short-sighted.

The predictable impacts of welfare reform on the actual welfare of children should be given equal priority with parental employment in the implementation of the White Paper.

A substantial rethink will be necessary to ensure that children do not end up being harmed by a policy being advanced as a measure to help eliminate child poverty.

Making welfare reform work in Scotland

- There are numerous areas where the proposed welfare reforms overlap with devolved matters (including registration of births, skills development, criminal justice and education). As an example, 'childcare' entitlements enjoyed by parents in England do not apply in Scotland - a fact with obvious consequences for welfare reform.
- The White Paper's brief commitment by the UK Government to 'exploring' how these proposals can be implemented in the devolved countries of the UK is far too little, and far too late.

The UK and Scottish governments must work together immediately to clarify the implementation of these proposals – and their predictable impacts upon already-vulnerable children in Scotland.

¹ Palmer, G., T. MacInnes and P. Kenway (2008) *Monitoring poverty and social exclusion 2008* Joseph Rowntree Foundation: York

² Palmer, G., T. MacInnes and P. Kenway (2008) *Monitoring poverty and social exclusion 2008* Joseph Rowntree Foundation: York

³ Cohen, B. and R. Milne (2007) *Northern Lights: building better childhoods in Norway*. Edinburgh: Children in Scotland

⁴ Harker, L. (2006) *Delivering on child poverty: what would it take? A report for the Department for Work and Pensions*. London: Department for Work and Pensions.

Further information

The full text of Children in Scotland's response to the Government consultation can be found on our website www.childreninScotland.org.uk/docs/policy/WelfareReformFinal.pdf

The White Paper can be found at:
www.dwp.gov.uk/welfare-reform/raising-expectations

The Scottish Campaign for Welfare Reform is a coalition that has been active in this area in recent years; See: www.cpag.org.uk/scotland/welfare_reform_scot.htm

Helpful and informative?

Children in Scotland works with, through and for its members, and we aim for our policy and influencing work to build on our members' knowledge and priorities. If you have any questions about this briefing, or would like to share your views and experiences, please get in touch with the Policy team at (0131) 222 2412 or policy@childreninScotland.org.uk.

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 over 470 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 the European Union.

Thanks for the cartoon go to Kenton Miller and the National Council of Single Mothers and their Children (Australia).