

## **WELFARE REFORM COMMITTEE**

### **THE FUTURE DELIVERY OF SOCIAL SECURITY IN SCOTLAND**

#### **WRITTEN SUBMISSION FROM CHILD POVERTY ACTION GROUP (CPAG) SCOTLAND**

##### **Child Poverty Action Group in Scotland Response to the Scottish Parliament Welfare Reform Committee call for evidence on the use of future powers 28.08.15**

CPAG in Scotland has extensive expertise on the UK social security system and its existing interaction with devolved sources of financial support and wider policy to prevent child poverty. We have played a lead role in informing the development of recently devolved areas of 'welfare' such as the Scottish Welfare Fund and are the leading national provider of independent second tier welfare benefits training, information and case work support for advisers and other frontline workers.

Along with other members of the Scottish Campaign on Welfare Reform (SCoWR) CPAG has called for a social security system based on five key principles:

1. Benefits should be set at a level where no one is left in poverty and all have sufficient income to lead a dignified life.
2. Respect for human rights and dignity must be the cornerstone of a new approach to social security
3. The social security system should be simplified – by for example increasing the proportion of non-means tested benefits and rolling back punitive and costly conditionality and sanctions
4. Investment should be made in the support needed to enable everyone to participate fully in society
5. Welfare benefits should work for Scotland – areas of reserved social security must take account of the different legislative housing, childcare, education, social care and training landscape in Scotland.

We believe the further social security powers for Scotland should be devolved and used in line with these principles

#### **Using Devolved Powers to Better Deliver Benefits in Scotland**

##### **Overarching approach**

1. CPAG believes that the powers contained within the Scotland Bill potentially provide real opportunities to reduce child poverty and socio-economic inequality in Scotland. It is worth noting, however, that the bulk of social security powers will remain reserved – as will other levers for tackling poverty, including the national minimum wage and wider economic and fiscal powers.

2. Despite the relatively narrow scope of expected powers, the Scottish Parliament and Scottish Government have an important opportunity to ensure that devolved aspects of the social security system are fairer and more adequate in Scotland. In particular, CPAG believe the Scottish Parliament must prioritise the need to reduce poverty (and in particular child poverty) minimise administrative error and delay,

promote dignity and respect and ensure equality, consistency and fairness for claimants.

- **Reducing child poverty**

3. More than one in five (210,000) of Scotland's children are officially recognised as living in poverty<sup>i</sup>, a level significantly higher than in many other European countries<sup>ii</sup>. Child poverty is projected to rise steeply in Scotland<sup>iii</sup>. This will have a catastrophic impact on the health, wellbeing and life chances of Scotland's children. It will also be costly in financial terms, with research suggesting that child poverty already costs the UK economy £29 billion per year (£1,098 per household) in public services, lost revenue and underutilised skills<sup>iv</sup>. Much of the projected increase in poverty will be a result of changes to the social security system including reduced entitlement and the freeze in the value of family benefits<sup>v</sup>. Devolution of the power to top-up the value of benefits, increase the value of housing benefit and create a new system of disability benefits provide the opportunity to take a different approach and to reduce levels of child poverty in Scotland.

- **Minimising delay and error**

4. Cases collected by CPAG's early warning system (EWS) highlight extremely high levels of delay and administrative error within the social security system. Around 40% of the EWS cases (which are collected to illustrate the impact of welfare reform on families in Scotland) relate to error and delay rather than substantive changes to entitlement.

A client's DLA renewal form was sent to the wrong address, meaning that he could not fill it out and return it. His DLA was stopped as a result. He had to claim PIP but there was a long delay waiting for an assessment during which time the client was without a disability benefit and had his ESA reduced because he was no longer entitled to the disability premium.

This suggests that improving the administration of benefits could have a significant positive effect on low income families. Research suggests that increased demand for food banks is strongly linked to problems with the administration of social security<sup>vi</sup>. Common difficulties include poor information sharing between and within agencies, lost correspondence and under/over payment. In order to counter administrative error and protect claimants the Scottish Parliament must ensure that:

- **New benefits are structured simply to minimise complexity.** Complex entitlement rules and conditions should be avoided and systems of delivery should be as simple, transparent and easy to navigate as possible.
- **There is a high quality of engagement with claimants.** This should include clear, accessible communication with clients in a range of formats and support to ensure claimants are accessing their full entitlement.
- **There is a seamless service and intuitive journey for clients.** Where possible, passporting to other benefits (such as blue badges for people claiming enhanced rate mobility PIP) and premiums should be automatic and the onus should be on the government to ensure claimants have access to all relevant benefits whether devolved or reserved.

- **The Scottish benefits system is designed around the needs of the most vulnerable**, including people with mental health problems and literacy problems.
- **Promoting dignity and respect**

5. This must include tackling stigma and negative attitudes towards people claiming benefits and ensuring that those delivering benefits see their role as one of supporting and assisting individuals rather than gatekeeping and protecting public resources. Promoting dignity and respect must also include taking steps to ensure all claimants have access to the resources they need to achieve an acceptable standard of living.
- **Ensuring equality, consistency and fairness**

6. New powers should promote consistency, equality and fairness. Devolution needs to be accompanied by clear proposals for the delivery infrastructure required to ensure minimum standards of service across Scotland This should include ensuring there is minimum national entitlement to benefits (rather than rates set at local level) and national accountability, oversight, and the right to an independent appeal. Failure to ensure national minimum entitlement and oversight risks the erosion of national standards of delivery, a lack of transparency and an increasingly confusing landscape for claimants.

**a) Personal Independence Payments, Disability Living Allowance, Attendance Allowance and Carer’s Allowance**

7. CPAG strongly believe that responsibility for disability and carers benefits should be held at Scottish national level and that it should not be devolved to local authorities. The risks associated with localisation of benefits are well documented for example in relation to England’s local welfare assistance scheme. Previously administered at UK level, devolution of this discretionary scheme to local level has resulted in confusion, erosion of entitlement and a lack of transparency and oversight. Concerns have also been raised by the Social Security Advisory Committee in their 2015 review of localisation and social security<sup>vii</sup>.

*“Our evidence has suggested that shifting the balance away from national policies and national minimum standards brings with it a greater risk not just of unacceptable variation in practice but of inequality in standards and outcomes. While it can be argued that varying inputs and delivery methods at the local level can reflect different local needs and circumstances, some of our stakeholders maintained that this should not undermine a fundamental commitment to the achievement of similar or equivalent outcomes based on common citizenship.”*

8. It is also essential that disability benefits remain as financial benefits to which claimants have statutory entitlement. They should not for example be pooled with social care services or self-directed support. Such an approach would deprive many disabled people of choice and control over how their money is spent and how it can best be used to overcome the particular barriers they face. Localisation could also

result in disability benefits being used to subsidise local social care budgets, removing a key source of direct income intended to help cover the day to day costs of disability, from disabled people.

### Short to medium term measures

9. CPAG believe that in order to promote certainty for claimants and ensure that system changes do not negatively affect disabled people's access to vital support the Scottish Government should in the short term seek to *improve* rather than *replace* PIP. Introducing a third benefit for working age disabled people (in addition to DLA and PIP) is likely to add complexity, confusion and risk of administrative error and delay that ought to be avoided. Instead, the Scottish Government should make the following achievable but highly significant changes to the way PIP is structured and delivered.

#### In assessing eligibility for PIP, the Scottish Government should;

- Dramatically **reduce the use of face-to-face assessment**. Such assessments should only be used where a fair decision cannot otherwise be made or where the individual has stated a preference for a face to face assessment.
- Ensure that all assessments are **performed by an appropriately qualified specialist**. Assessors should have specialist knowledge of the individual's condition or disability and should be trained in the principles of independent living.
- Ensure that face to face assessments are **conducted in the claimant's home wherever possible** (subject to the preference of the claimant). Where the individual has to travel to an assessment any expenses should be covered in advance and the assessor should have responsibility to ensure that the claimant has a safe and accessible means of getting to the assessment

A client from Glasgow was asked to attend a PIP medical in Kilmarnock at 9am. He asked for one in Glasgow because his anxiety meant it was unlikely he would be able to attend. ATOS refused unless a cancellation became available in Glasgow even though it would have been appropriate to arrange a home visit. #2316

venue.

- **Eliminate the use of repeat assessments for individuals with chronic and/or degenerative physical or mental conditions** where there is little or no chance of a significant, sustained improvement in the individual's condition or ability to live independently.
- Where repeat assessments may be necessary (for instance, where it is likely that the claimant's condition will improve or decline significantly), **such assessments should not be carried out at unreasonably short intervals**. A minimum interval between reviews should be introduced, the length of which should be established by the Scottish Government after in-depth consultation with stakeholders.
- Immediate consideration should also be given, in consultation with stakeholders, to who should have a duty to provide evidence (GPs, OTs), how should that evidence be collected and who should be responsible for covering

Client looking for medical evidence for ESA appeal. The medical council in South Lanarkshire have told GPs not to provide letters for patients for benefit purposes. #M52

any related costs.

- Immediate consideration should also be given, in consultation with stakeholders, to whether evidence from other assessments (such as social work assessments and work capability assessments) should be taken into account for the purpose of a PIP decision.

#### **In improving decision and review the Scottish Government should:**

- **Abolish mandatory reconsideration.** Mandatory reconsideration was introduced in 2013 and means that claimants must ask for a DLA/PIP decision to be revised internally by the DWP before they can exercise their right to appeal to a tribunal. Cases collected through CPAG's early warning system suggest that mandatory reconsideration has created a major obstacle to independent oversight, with problems including lack of information for claimants about the process, long delays and claimants being discouraged from exercising their right to appeal. CPAG believe that, as was the case under the former appeals system, decision makers should have the *opportunity* to change their decision before an appeal is heard, but the onus should not be on the claimant to request an internal review before they can exercise their right to appeal.

#### **In order to ensure fair access to disability benefits the Scottish Government should:**

- **Adjust the past presence test.** In order to claim PIP, individuals must pass the 'past presence' test, which requires that they have been present in Great Britain for at least 104 weeks, or periods adding up to 104 weeks, out of the previous 156 weeks<sup>viii</sup>. This is much more restrictive than the test which was previously used in relation to DLA and AA. That test only required a person to have been present in GB for 26 weeks out of the last 52. The new, more restrictive, test is causing major difficulties for disabled people and posing particular problems for families – including British citizens returning from abroad - with young disabled children.

CPAG therefore believe that the new test should be abolished by the Scottish Government in relation to disability benefits and the 26/52 week reinstated.

- A crown servant who has been working in India has returned to the UK with his severely disabled child, but will have to wait until he has been in the UK for 2 years before he will be entitled to DLA for the child.

**e**

**provision for entitlement to PIP where a claimant has exceptional circumstances** even though they do not score enough points under the PIP framework. This would allow awards to be made where, for instance, the decision maker believes an award is necessary to facilitate independent living or protect an individual's wellbeing. The current points system, while providing a degree of transparency, does not give adequate scope to allow the specific circumstances of each individual to be taken into account. In relation to the higher rate mobility component of PIP, for example, claimants will not qualify for it if they are able to walk more than 20 metres. This is too rigid and does

not allow the decision maker to consider the impact that other restrictions on the applicant's mobility might have on her/his ability to live independently.

**In order to ensure claimants have access to all passported benefits the Scottish Government should:**

- **Identify all relevant passported benefits** and ensure that working agreements and information sharing arrangements are in place with the UK government. Though claiming a passported benefit can be fraught with difficulty under the current system, it is facilitated by the fact that the DWP administers most disability benefits including DLA, PIP, ESA and most relevant additions and premiums. Establishing good information sharing procedures will be essential in order to ensure that there is no detriment to claimants in receipt of Scottish disability benefits who should be entitled to additional or increased reserved benefits as a result.
- Where possible, the system by which passported benefits and premiums are accessed should be automated. This might mean, for example, that blue badges are issued automatically when an award for enhanced rate mobility PIP is made without the individual having to make a separate application.
- Where an automatic claim is not possible it should be the Scottish government (rather than the claimant) who has responsibility to inform the DWP of any changes to their entitlement for disability benefits. If the UK government will not accept such an arrangement, the Scottish Government should do as much as possible to help and assist the clients to inform the

A disabled client has been unable to renew his blue badge as his DLA award has been extended pending his PIP assessment. The couple are unable to go out as they cannot be sure of being able to park in a suitable spot. #Mii43

DWP of changes in their entitlement.

**Medium to long term measures**

10. Given the complexity of some of the concerns surrounding PIP and any replacement benefit introduced in the longer term, CPAG believe the Scottish Government take a consider approach and consult with stakeholder (including disabled people and carers) in the medium term to address the following issues:

- How to ensure disability benefits more accurately reflect the costs associated with disability. Ensuring the real costs of disability are covered will not only reduce poverty, it will also enhances the health and wellbeing of disabled people and enable families and their children to be more active participants in society. Given the complexity of identifying disability related costs, CPAG believe the issue should be addressed by an independent commission.
- How to improve assessment criteria and points system to reflect the needs of those who are disadvantaged by current system. There has been concern that people with mental health problems and long term fluctuating

conditions such as epilepsy may be disadvantaged by the current points system.

- How the points system and evidence rules can ensure that people are not discriminated against as a result of lack of medical evidence. This might be a particular problem for those who have rare conditions or disabilities that do not require ongoing medical treatment or intervention (such as

The client who is at risk from anaphylactic shock from cold does not meet PIP descriptors #1674

cerebral palsy).

## **Carers benefits**

11. CPAG welcome the Scottish Government's intention to increase rates of carers benefit in recognition of the valuable role they play in Scottish society.

12. CPAG believes the Scottish Government should also make top-up payments to *disabled* carers. Under universal credit a person cannot qualify for both a carer element and a limited capability for work element of UC. This puts disabled carers at an unjustifiable disadvantage and should be remedied by the Scottish Government using newly devolved powers.

## **Developing a new carers benefit for Scotland**

13. The current drafting of the Scotland Bill means that the Scottish Parliament would only have the competence to create benefits for carers who are neither in gainful employment or full time education<sup>ix</sup>. CPAG have already highlighted our concern about this clause of the Bill, the restrictive drafting of which will remove the Scottish government's discretion to create a benefit which is available to people who are attempting to juggle their caring responsibilities with work or study<sup>x</sup>.

14. If the scope of the Scotland Bill is widened to include people in work and study, CPAG believe the Scottish Government should consult on the possible options, one of which might be the creation of a two tier benefit for carers. The first 'tier' of the benefit might be universal – paid to all those caring full time, regardless of hours worked, level of education or earnings. A second 'tier' of the benefit might then be payable only those on the lowest earnings. This would be an earnings-replacement benefit and might have similar entitlement rules as currently exist in relation to carers' allowance. Such an arrangement would represent an important recognition of the value of the role carried out by all carers and the additional costs they face, whilst also helping to ensure that carers not in employment have sufficient resources to continue fulfilling that vital role. Such a proposal would clearly need to be carefully costed and implications for reserved benefits and work incentives, examined in more detail.

## **b) Universal Credit (housing element and administrative arrangements) and Discretionary Housing Payments**

15. CPAG believes steps should be taken to mitigate the concern that paying universal credit to one person within a households might exacerbate existing power imbalances within the household.

16. Though CPAG believes households should have free choice as to who receives the UC payment, where neither partner states a preference, the default position should be that UC is paid to the main *carer* within the household. This is likely to increase the proportion of women exercising control over family finances. This is positive given research showing that women are more likely to spend family income on the needs of the household rather than themselves<sup>xi</sup>.

17. Identifying the main carer in any household is clearly very difficult. However, a useful indication might be the partner who is in receipt of child benefit. Where a child's parents live together child benefit is generally (though not always) paid to the child's mother.

18. Child benefit is administered by HMRC and establishing a workable, reliable system of communication might prove difficult and expensive. However, targeting UC at carers is also likely to strengthen the position of women in many households and, in households where there is a power imbalance, create a barrier (though clearly not an insurmountable one) to prevent an abusive partner having unrestricted access to the family's resources.

19. Claimants should also have choice as to the frequency of UC payments. This will help families on low incomes to budget and manage scarce resources in the way that works best for them. One aspect of this arrangement which might prove problematic, however, is the fact that the Scottish Government will not have control over the initial waiting period for the first payment of UC. This means a claimant in Scotland might have to wait over a month for a UC payment intended to cover only two weeks living expenses. The Scottish Government should consider making discretionary payments available to such households using powers devolved under clause 23 of the Scotland Bill 2015/16 (discretionary social fund).

20. Households should also have choice over whether housing costs are paid directly to the landlord or not. The choice to receive the housing element will be particularly important for tenants in the private sector who may not wish to disclose to their landlord that they are in receipt of benefit for fear of discrimination. Paying housing costs into a tenant's bank account (rather than directly to the landlord) also gives him/her the opportunity to withhold rent from his/her landlord if they are failing to meet essential conditions of the tenancy agreement<sup>xii</sup>.

### **Housing costs**

21. Changes to the way in which the housing element of universal credit is calculated could make a huge difference to the affordability of housing in Scotland and reduce levels of child poverty, as measured after housing costs to reflect the actual disposable income of families. In order to achieve this, the Scottish Government should take the following steps:

- **Ensuring the housing element of UC is adequate to cover private sector rents**

Changes to the way LHA is calculated (including uprating maximum eligible rent in line with CPI and limiting tenants aged under 35 to a shared accommodation rate) have meant that the private sector has become increasingly unaffordable for many tenants. Over time, this will result in an increasing number of tenants living in unsuitable, low quality housing which is

likely to undermine their safety, stability and ability to maintain a settled way of life. The Scottish Government should examine how it can ensure that the housing element of UC reflects real rents in the private sector.

- **Addressing the needs of private sector tenants with shared care of children**

31. The amount of LHA a person is entitled to in the private sector relates to the number of bedrooms they are entitled to under LHA rules rather than the number of bedrooms they need. This has a similar effect to the application of the bedroom tax in the social rented sector and means parents with shared care of children may not receive enough LHA to sustain a tenancy big enough for them to keep a room free for their child (or children).

- **Getting rid of the 'bedroom tax'**

### **Discretionary Housing Payment**

22. Subject to amendment of Scotland Bill CPAG would like to see the requirement that a claimant is in receipt of housing benefit or the housing element of UC in order to qualify for DHPs removed. Our reasoning for this is laid out in details in para y of our recent response to the Further Powers Committee.

23. It is also essential that the Scottish Government conduct review of DHP spending and that it produces projections of future demand. Demand for DHPs is likely to rise in coming years given the current restrictions on LHA, the benefit cap and other factors.

### **c) The Work Programme and Work Choice**

24. Devolution of employment programmes such as the Work Programme and Work Choice will allow for initiatives to be developed that are more suited to the local labour market, local skills and local employers. This could help to minimise the imposition of arbitrary and inappropriate job-seeking tasks that can undermine claimants' efforts to move into work and increase the individual's chance of being sanctioned. Cases received through CPAG's early warning system illustrate how a lack of consideration for individual circumstances can reduce rather than increase

A lone parent who is receiving ESA in the WRAG feels she is being pressured by Ingeus to stop claiming ESA and start work as a self-employed hairdresser, something she hasn't done for 17 years. Client has numerous health problems and does not feel well enough to work. The pressure from Ingeus would appear to making her health worse. #4141

A client wants to become self-employed but is currently on the Work Programme and therefore not entitled to New Enterprise Allowance. It is not possible to voluntarily leave the Work Programme, he will need the agreement of his personal adviser, but thinks he has been told he cannot come off the Work Programme. #4628

A young jobseeker has found himself a place with the Glasgow City Council Commonwealth Jobs Fund which will allow him to come off JSA onto a 1 year apprenticeship leading a to a job opportunity. The Jobcentre told him that he must stay on the Work Programme for 2 years and that he cannot leave before then, whereas the legislation says that the Work Programme is designed to help someone for *up to* 2 years so he should not be prevented from taking up this opportunity. #4624

the chances that an individual will find employment.

25. It is important to note that while the draft clauses devolve delivery of employment programmes, their policy and operation would still be restricted by UK Government policy in relation to conditionality, including what conditions must be met by job seekers and when sanctions are applicable and. It is therefore essential that work programme providers are aware of the need to do all they can to help claimants fulfil

A 19 year old woman failed to attend an appointment with Jobcentre Plus because she had been told to do unpaid work experience at the Commonwealth Games on the same day. Despite providing signed and date stamped evidence of this from her work programme provider she was sanctioned for 13 weeks (because this was her second sanction)

their conditions in order to avoid being sanctioned.

#### **d) The Regulated Social Fund, new benefits, top-ups**

##### **Funeral Payments**

26. CPAG believe that the rate of Funeral Payments is currently too low and should be reviewed and increased to reflect the real costs of a funeral. Cases suggest that in many cases the £700 made available to cover costs relating to the funeral itself

The client has been unable to find a coffin for less than £700 as the deceased was larger than average. #1453

(such as funeral director's fees, the coffin and flowers) is insufficient.

27. The process of accessing funeral payments should also be simplified. The form which applicants are currently required to fill out is 26 pages long, which creates a barrier to those with limited literacy or indeed limited time. Claims for funeral payment must also be made within 3 months of the death. This should be extended to ensure those who were unaware of the scheme or unable to apply can access

The client was refused a funeral expenses payment for his mother's funeral because she had a partner that she was living with when she died, however the partner had no income and no recourse to public funds and has since disappeared. #2830

funds retrospectively and clear any debts related to the funeral.

##### **Maternity Grants**

28. The Scotland Bill 2015/16 will also give the Scottish Parliament the power to provide financial assistance for the purpose of meeting maternity expenses. CPAG believe the following changes to sure start maternity grants would make a significant difference to low income families.

- **An increase in the value of maternity grants:** New powers could be used to increase the rate at which Sure Start Maternity Grants are paid, thereby boosting family finances at a time (immediately after the birth of a child) when low income families are at risk of experiencing poverty. SSMG have been set

at £500 since 2002 and CPAG believe this should be increased to reflect the cost of living and growing expense involved in raising a child.

- **Restoration of entitlement** to maternity grants for second and subsequent children. Since April 2011, SSMG have only been paid to families when they

The grandmother has kinship care for her daughter's 4 & 7 year olds and will take on care of her daughter's baby when it is born. The grandmother will not be entitled to SSMG for the baby because there are other children under 16 living in the house, even though she did not get a SSMG when they were born. #5411

have their first baby (except in very limited circumstances). This leaves many families with no additional support to cover the additional costs of a new child and is particularly problematic for women who have a gap of more than two years between their children, and may not have 'hand me downs' to pass on to a new baby.

- **Link their delivery with health services** in order to maximise uptake: The point at which a pregnant woman becomes eligible for a payment should be reviewed so as to occur at a point that makes accessing the benefit as easy as possible. For instance, it might be time to coincide with the issue of the maternity certificate (Mat B1), rather than 11 weeks before the baby is due. *Payment* might still be delayed until closer to the birth and could be automatically cancelled if the pregnancy is unsuccessful. It would, however, be essential to ensure that contact with health services was a means of facilitating access to the Maternity Grants, rather than becoming a condition of access
- **The delivery of maternity grants should be automated** as far as possible so as to maximise uptake. This could either be through IT systems which generate payments automatically or through the development of working procedures which minimise the need for action on the part of the mother (such

Due to complicated personal circumstances, clients SSMG form was signed 3 days before the time limit for applying. The form was handed into the local job centre plus within the 3 month time limit, however, the officer refused to accept the form and provided an envelope for it to be sent to Wolverhampton where it was received after the time limit had expired. The form clearly states that it can be handed into the local JCP. #4645

as the midwife being responsible for posting the SSMG application form).

- **Awards should be financial rather than in kind.** CPAG believe that sure start maternity grants should continue to be awarded in cash rather than in kind so as to reduce any stigma and to ensure that all families get full benefit from the grant. CPAG is aware that the Scottish Government has given some consideration to the idea of replacing maternity grants with 'new baby kits' containing items such as nappies and clothes. Such an approach would prevent families from exercising choice and using the award to budget and prioritise their spending. Items such as baby clothes and bottles may also be of limited value to a parent who has a niece or nephew of a similar age or who has access to 'hand me downs' from friends or relatives.

### **Cold weather payments**

29. CPAG believe that cold weather payments should be extended to tackle fuel

poverty in Scotland. The link with periods of cold weather (7 consecutive days at sub-zero temperatures) should be removed and payments should be made every year to those at greatest risk of fuel poverty (such as older and disabled people) and those at greatest risk of ill-health as a result of insufficient heating (such as families with young children).

## Top Up Powers

### Triple lock on children's benefit

30. Cuts to the way benefits are uprated and the recent freeze on the value of family benefits has resulted in children's benefits losing considerable value. This is one of the main drivers for the projected increase in child poverty forecast by the IFS<sup>xiii</sup>.

31. The impact of freezing benefits can be usefully illustrated by looking at child benefit, which was frozen for the first three years of the last UK Parliament and then uprated by 1 per cent for the remaining two years. During that five-year period, child benefit **lost 15 per cent** of its value. This means that a family with two children has lost £900 over the course of the Parliament. By 2020, child benefit will have lost almost 28 per cent of its value compared to RPI<sup>xiv</sup>.

32. For this reason, CPAG believe the Scottish Government should use new powers to top up children's benefits (including child benefit and the child element of universal credit) so that their value increases at the very least in line with inflation. However in order to maintain and restore the value of family benefits the Scottish Parliament should go further and use 'top up' powers to ensure children benefits receive the same 'triple lock' protection (that is uprating of benefits in line with earnings, prices or 2.5 per cent, whichever is greater) that has been so effective in preventing and reducing pensioner poverty. Making such a commitment would have a significant impact on rates of child poverty in Scotland and set it apart from the rest of the UK. Indeed a parliamentary question in January 2013 revealed that the UK government

The client has 2 children, both at high school and they both get breakfast club and school lunches through the school. The person is on all the right benefits for her circumstances and is currently looking for new accommodation to reduce costs, but is concerned about how she is going to cope in summer holidays with paying for the additional food. There is only one foodbank in her area that is open once a week. #4625

estimated that the three years of 1% uprating alone would put 200,000 more children into poverty by 2016<sup>xv</sup>.

### Increasing / Restoring entitlements

33. The Scottish Government should also consider using top-up powers to:

- Maintain entitlement to the child element of universal credit in respect of third and subsequent children. Under the Welfare Reform and Work Bill, which is currently being considered by the UK Parliament, universal credit will not be paid in respect of third and subsequent children within a family. Currently, a third (34 per cent) of children living in poverty in the UK live in families with three or more children<sup>xvi</sup>. The policy therefore threatens to undermine the

financial security of thousands of vulnerable families already experiencing, or at heightened risk of, poverty.

- Increase entitlement to child benefit for second and subsequent children. Currently, only the first child in a family receives the full amount of child benefit (currently £20.70 per week) while payments in respect of subsequent children are paid at a reduced rate of £13.70 per week.

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<sup>i</sup> Latest 2013/14 Poverty and Income Inequality in Scotland figures, Table A1: Relative Poverty in Scottish Households 1994/5 to 2013/14, [www.gov.scot/Publications/2015/06/7453/10](http://www.gov.scot/Publications/2015/06/7453/10)

<sup>ii</sup> International comparisons are for 2011 on a before housing costs basis under which 15% of Scotland's children live in poverty. Poverty in Scotland 2014 see Chapter 5 Figures 5.3, p90 and 5.6, p94

<sup>iii</sup> The most recent modelling (January 2014) by the Institute for Fiscal Studies suggests that up to 100 000 children will be pushed into poverty by 2020 with the proportion of children living in poverty in Scotland forecast to increase to 26.2% by 2020, after housing costs are taken into account see <http://www.ifs.org.uk/publications/7054> Appendix Table B2

<sup>iv</sup> <http://www.cpag.org.uk/content/child-poverty-costs-uk-29-billion-year>

<sup>v</sup> <http://www.ifs.org.uk/publications/7054>

<sup>vi</sup> <http://www.trusselltrust.org/resources/documents/press/foodbank-report.pdf>

<sup>vii</sup> <https://www.gov.uk/government/publications/ssac-occasional-paper-14-localisation-and-social-security>

<sup>viii</sup> For more information see:

<http://www.cpag.org.uk/sites/default/files/EWS%20briefing%20EU%20migrants%20%28May%202015%29.pdf>

<sup>ix</sup> Clause 19 of the Scotland Bill 2015/16

<sup>x</sup> See CPAG in Scotland's evidence to the Further Powers Committee

<http://www.cpag.org.uk/sites/default/files/CPAG%20%20evidence%20further%20powers%20committee%200.pdf>

<sup>xi</sup> The Gendering of Income within Households, <http://www.radstats.org.uk/no075/pahl.htm>

<sup>xii</sup> [http://scotland.shelter.org.uk/get\\_advice/advice\\_topics/paying\\_for\\_a\\_home/paying\\_rent/withholding\\_rent](http://scotland.shelter.org.uk/get_advice/advice_topics/paying_for_a_home/paying_rent/withholding_rent)

<sup>xiii</sup> <http://www.ifs.org.uk/publications/7054>

<sup>xiv</sup> See CPAG's second reading briefing on the Welfare Reform and Work Bill

<http://www.cpag.org.uk/sites/default/files/CPAG%20Briefing%20-%20Welfare%20Reform%20and%20Work%20Bill%20Commons%202nd%20Reading%2020-07-15.pdf>

<sup>xv</sup> For more information see <http://www.cpag.org.uk/sites/default/files/CPAG%20Briefing%20-%20Welfare%20Reform%20and%20Work%20Bill%20Commons%202nd%20Reading%2020-07-15.pdf>

<sup>xvi</sup> Households Below Average Income: an analysis of the income distribution 1993/94 –2013/14, supporting data Table 4.3db