

## Benefit Cap Inquiry

Children in Scotland is Scotland's national agency for organisations and professionals working with 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.

We aim to influence the development of policy, to ensure that it best meets the needs of children, young people and their families in Scotland and across the UK.

Our response to this call for evidence will draw on evidence collected by Child Poverty Action Group (CPAG) and we thank them for their support producing a response.

### **The cap is intended to incentivise behavioural change amongst claimants and secure savings for the Exchequer. To what extent is it achieving that?**

Children in Scotland expect that any behavioural change due to the benefit cap is likely to contribute to an increase in spending for the Exchequer. We believe it will increase child poverty and cause children, young people and their families to be in situations and environments that make them more likely to be reliant on government welfare and services, both now and in the future. We would also expect an increased reliance on local authority services, so even if there is savings from the exchequer, there will be an increased spend in other areas.

Decreases in income and welfare reform are to be linked to parents struggling to buy fresh and healthy food for their children, CPAG also has received evidence of this through their early warning system.<sup>1</sup> While certain mechanisms, such as DHP's, prevent the worst of the pressure of this these are not guaranteed to last. Evidence suggests that being unable to buy fresh and healthy food is likely to contribute to poorer health outcomes for children, young people and their families affected by the cap, we also feel that a lack of access to a healthy diet is linked to learning loss and decreased education attainment.<sup>2 3</sup> As such we feel that the benefit cap will negatively impact on

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<sup>1</sup> Mumford-Lambie, H, 2015, *Addressing Food Poverty in the UK: Charity, Rights and Welfare*, SPERI, [online] Available at < <http://speri.dept.shef.ac.uk/wp-content/uploads/2015/02/SPERI-Paper-18-food-poverty-in-the-UK.pdf> >

<sup>2</sup> Wolhunter, C, 2016, *A Summary of Holiday Kitchen 2015: Learning, Food and Play for Families When They Need It Most*, [online] available at < <https://accordgroup.org.uk/file/accord/study-summary-93041.pdf> >

health and wellbeing of children and young people in families affected by the benefit cap and also their ability to engage meaningfully in school, so limiting their educational attainment.

By decreasing income the Government will be perpetuating the conditions for poor health and wellbeing and poorer educational outcomes among those at the bottom of the social gradient we would expect to see both an increase in health issues such as stress in the immediate term and also a widening of health inequalities in the long term.<sup>4 5</sup>

This is likely to contribute to an increase in NHS spending to deal with the subsequent health issues. We would also expect the impact on educational outcomes to ultimately make young people more likely to be require government welfare in adult life as it affects their ability to enter the labour market.

The impact upon health and wellbeing will also be reinforced by the stress that the cap has imposed upon claimants; CPAG has found that parents have worries about being able to afford Christmas or birthday presents for their children. Evidence shows that a stressful household environment is not a nurturing one for children and young people and can be seen to negatively impact on their mental health and wellbeing, this is expected to have a lasting impact throughout life.<sup>6</sup> This can impact on their ability to attain in education and to maintain positive relationships and so is likely to negatively affect them in the long term.

We also feel that the benefit cap will have impact on the home learning environment; CPAG had a family who have had to cancel internet subscriptions which has impacted upon their child's ability to research topics for school projects, such a choice is indicative of what Children in Scotland would expect as a result of the cap. Access to resources such as the internet is vital for educational attainment within the modern learning environment and so the benefit cap is likely to cause issues related to attainment children and young people in families who are affected. We would expect an increase in income poverty to also affect whether parents read to children and other methods of support known to promote attainment. As touched on earlier in this response this is likely to contribute to children and young people having to access government welfare in the future and therefore not result in decrease in spending.

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<sup>3</sup> Garthwaite, K, Bambra, C, *Food Poverty, Welfare Reform and Health Inequalities*, Welfare Beyond the State, pdf [online] Available at < [http://www.social-policy.org.uk/wordpress/wp-content/uploads/2015/04/33\\_garthwaite-bambra.pdf](http://www.social-policy.org.uk/wordpress/wp-content/uploads/2015/04/33_garthwaite-bambra.pdf) >

<sup>4</sup> Bambra, C et al, 2010, *Tackling the wider social determinants of health and health inequalities: evidence from systematic reviews*, [online] Available at < <http://jech.bmj.com/content/64/4/284> >

<sup>5</sup> CRFR, 2012, *Parenting on a Low Income*, About Families, Centre for Research on Families, [online] Available at < <https://aboutfamilies.files.wordpress.com/2012/03/about-families-report-parenting-on-a-low-income.pdf> >

<sup>6</sup> JRF, 2007, *The Relationship between Parenting and Poverty*, [online] Available at < <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/parenting-poverty.pdf> >

**To what extent has claimant behaviour responded to the cap, through moving into work, moving house etc? What effect does the lower cap have on incentives, what are the barriers to behavioural change and how can they be overcome?**

Children in Scotland would suggest that there are a multitude of issues that those who will be affected by the cap face, which mean that they will be unable to simply move straight into work.

Evidence from CPAG's early warning system suggests that there are barriers to work that the benefit cap does not account for when aiming to incentivise work. They have found that people are struggling to get into work due to a lack of flexible, affordable and available childcare, or a lack of training courses that fit around the childcare to which they do have access. We feel the government needs to provide high quality, flexible and affordable options for families.

This evidence highlights one way in which the cap cannot be expected to have the impact of incentivising entry to the labour market, as often the provision of childcare simply does not fit round working life for many families and so any decision to not work prior to the cap or after it is less to do with a lack of incentive as opposed to a lack of means for families.

We would also support CPAG's findings in relation to refugees who have recently arrived in the UK. Their lack of participation in the labour market is less to do with a lack of incentive and more to do with needing time to settle and also punitive immigration rules which can restrict entry to the labour market.

Children in Scotland believes that instead of reducing the benefit cap, if the government wishes to incentivise work it needs to adopt certain positive and active policy measures. They should commit to the provision of high quality flexible childcare that is available from the early stages of a child's life, to support parents to work and promote positive child development. We would also suggest a commitment to active labour market policies, such as training and education that give those currently claiming government welfare the skills to be active contributors to the economy. The government also needs to pursue more ambitious policies to create meaningful well paid work which disincentivises reliance on welfare, this means commitment to a higher 'living wage'.

**Does the cap address high underlying rates of housing benefit and child benefit in a fair way?**

No. We would suggest that the cap is not a fair way of addressing this. We would instead suggest that many of the aspects of the cap such as the child benefit cap at two children are actively discriminatory against many of the poorest in our society. We would also add to this that we feel it is unjust for

children and young people to be adversely affected by systems and procedures that are entirely out with their control.

**What are the consequential costs of the cap for other public spending, such as that by local authorities?**

As has previously been raised in this response Children in Scotland expect the cap could potentially increase public spending in other areas. We do not feel it encourages families into work as it does not provide the requisite support for them to enter the labour market, so continuing their reliance on welfare payments.

We also suggest it will increase child poverty rates and impact negatively on health and wellbeing of both the adults claiming and their children. This is likely to contribute to an increasing level of pressure on the NHS, CAMHS and a wide array of other services, and contribute to increased costs for the government and local authorities.

Due to this, we believe that the cap is unlikely to reduce government spending and will instead have a negative impact on the outcomes of children and young people in Scotland and across the UK and could in fact contribute to an increase in spending in other areas.

**Further information, please contact:**

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