

# Report for Customer Forum for Water in Scotland

Evidence presented by:

Citizens Advice Scotland

Child Poverty Action Group in Scotland

Danny Phillips Associates

NOVEMBER 2017

DannyPhillips  
Associates





## Child Poverty Action Group (CPAG)

Child Poverty Action Group (CPAG) has worked for almost 50 years to prevent and relieve poverty among children and families in the UK. We have particular expertise in the functioning of the social security system through our welfare rights work, training and policy and research.

We aim to be an informed voice, bringing positive change for children and families in poverty and ensure the needs and entitlements of children and families are voiced and heard. We raise awareness of the causes, extent and impact of child poverty and by advocating strategies for its eradication and prevention. We influence through policy work, research and communications. We produce the definitive and market-leading welfare benefits publications to maximise family incomes. Through advice, test cases and training we provide expert support for frontline advisers on all aspects of social security and tax credit legislation



## Citizens Advice Scotland (CAS)

Citizens Advice Scotland, our 61 member Citizen Advice Bureaux, the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Adviceguide provides information on rights and helps people solve their problems. We work to ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively.

In total more than 300,000 people receive advice on over one million issues each year with our self-help website receiving over four million unique page views in Scotland alone, helping people to their own issues and queries.

Equally we use our knowledge to press for social change by exercising a responsible influence on the development of social policies and services, both locally and nationally.



## Danny Phillips Associates (DPA)

DPA provides research and development for third sector organisations to support policy and campaigns; project development and evaluations; fundraising and tender bidding. Danny Phillips has worked for National Association Citizens Advice Bureaux (1989-94), Shelter Scotland (1995-99), Child Poverty Action Group (1999-2003), Special Adviser to the First Minister of Scotland (2003-07), and UNISON Scotland (2012- )

DPA runs governance projects in sub-saharan Africa for the *Active Learning Centre* which is an international and human rights charity based at Glasgow University. Other clients include *Govan Law Centre; Save the Children, the Wise Group, Apex Scotland, Money Matters, Environment Trust, Inspiring Scotland, Southseeds* and *South West Glasgow Community Health and Care Partnership.*

## POVERTY IN SCOTLAND

Scottish Government figures (2015-2016) report more than a quarter of children in Scotland live in relative poverty after housing costs. A rise of 4% from the previous year.

That's 260,000 of Scotland's children are officially recognised as living in poverty, compared to 220,000 in 2014/15. This is a level significantly higher than in many other European countries

The recent increase in child poverty is in-keeping with independent modelling by the Institute for fiscal studies (IFS) which forecasts an increase of more than 50% in the proportion of children living in poverty in the UK by 2020/21.

Poverty is on the rise, and projected to rise further in Scotland.

Overall 1.05 million people in Scotland live in relative poverty after they had paid housing costs, up 2% from the previous year.

Poverty and child poverty in Scotland are caused by a range of factors. Including low wages, insecure work and underemployment. In 2015/16, 70 per cent of children in poverty were living in households with at least one adult in employment which confirms that work is no guaranteed route out of poverty.

Rates of employment in Scotland are relatively high and unemployment is low however the quality and nature of work have driven up in-work poverty in Scotland. Zero hours contracts, self employed, underemployment, part-time work and low pay are endemic.

Welfare reforms are a major contributing factor to the dramatic increase in child poverty and the overall poverty which is projected for Scotland. Joseph Rowntree Foundation call the 'freeze in benefit levels' the centrepiece of austerity. This policy will bring thousands more across the UK into poverty. It compounds - an already inadequate - social security benefits. Despite being intended as a safety net against poverty, many families in receipt of social security benefits live well below the poverty line.

Despite low unemployment worklessness is still a significant. Households in which no-one is in paid employment are most likely to experience poverty. Around two thirds of households with children in which no-one works experience poverty (which relates back to the social security system).

Increased living costs and low wages are also a factor. Wages have gone through one of the longest periods of stagnation in history - since victorian times. A big section of workers, particularly low paid workers, have experienced a decade of real terms cuts to living standards. On average workers have seen pay go up by 4.5% while costs have gone up 22%

The consequences of poverty has seen a rise in personal debt, which means more families struggling to manage financially and an increase in problems like rent arrears, homelessness and rough sleeping.

The consequences of austerity, cuts in public services and social security, and 'insecure economy' as we warned about in previous submissions to the Customer Forum for Water in Scotland have proven correct.

## Insecure, low paid employment.

Unemployment in Scotland is 3.8% which is a record low, and we have more people in work than ever before. However these top line figures mask significant underlying problems.

Those high in-work figures include large numbers of part-time workers, those with non-permanent jobs, record numbers of people on zero hours contracts, agency workers, and the self-employed.

Throughout most of the last decade, almost half of the men and a third of the women making a new claim for Jobseeker's Allowance were last claiming this benefit less than six months previously - a measure of an insecure workforce.

Research published in August 2017 by New Economics Foundation says "Look at recent unemployment figures, and you may think all is plain sailing in the world of work. But look a little closer and the reality starts to come into focus. Two in every five people employed in the UK are in 'bad jobs' — work which doesn't provide a secure, living wage. This figure includes more than half of all self-employed people who are failing to earn a decent living"<sup>1</sup>

The New Economics Foundation also report that these figures remain stubbornly high. In 2011, 37% of workforce fell into this category. Today it is 39%.

The Joseph Rowntree Foundation research supports this view. They say that a million workers across the UK want better and more work: "Although the employment rate is the highest on record, the analysis of official statistics shows the scale of the challenge facing [political leaders] to ensure everyone has the opportunity to get a good job. The analysis shows there are 5.3 million people missing out because of a 'more and better jobs gap' across the UK's 12 major city region areas."

"The gap is the number of people who are unemployed, underemployed or inactive because of barriers such as caring or disability, but who would want to work if jobs were available (the more jobs gap); and workers earning less than the living wage and those on insecure contracts who would prefer permanent contracts (the better jobs gap)."

Job insecurity is significant. In-part it explains why we have 1 in 4 children living in poverty, and why 6 in 10 of children who live in poverty have at least one parent in work. In short, we have a large cohort who face uncertain working hours with few rights and protections, who are insecure and who do not know when, or how much, their next pay packet will be. There are many statistics we can use to add to the picture. For example, the TUC report the 1 in 5 young parents received a work rota with less than a week notice. These are people stuck in the low pay, no pay cycle. Who are in employment that does not cover their outgoings. Who don't know what they will be paid from week to week.

Citizens Advice Scotland (CAS) say that the “twin problems – unfair employment practices and low paid jobs – represent a worrying trend in recent years” and ones which CAS believes need to be addressed.

In 2014/15 Citizens Advice Bureaux clients sought advice on 50,625 new employment issues, a number that has been increasing in recent years. Additionally, local Citizens Advice Bureaux see first-hand the effects of in-work poverty, with a growing number of working clients seeking advice because they are struggling to pay for essentials.”<sup>2</sup>

This research backs up the position of the STUC / TUC and other big unions like Unite and UNISON. They argue that we have had 10 years stagnating wages and rising costs. Incomes adjusted for inflation are falling. Including in the public sector wages.

For example, UNISON argue that public service workers have seen their pay held back with a pay freeze then a pay rise cap which saw public sector pay rise by just 4.4% between 2010 and 2016 while the cost of living rose by 22%. They say “one striking trend is the growing insecurity in the public sector driven by cuts to public spending and the changes to commissioning systems”.

The Scottish Government figures released in June 2017 on underemployment say “Following the recession in 2008, the proportion of Scottish workers who were underemployed increased from 7 per cent to a peak of 10 per cent in 2012 and decreased to 8.6 per cent in 2014. The latest figures show that underemployment has decreased from 9.2 per cent in 2015 to 8.4 per cent in 2016.

They define underemployment as “Workers are underemployed when they are willing to supply more hours of work than their employers are prepared to offer.”

They put underemployment down to falling wages. They say: “The main driver of the demand for increased hours from employees is likely to be falling real wages. Total hours worked in the economy have increased since the beginning of the recession. A combination of slow-growing wages and price inflation has led to a reduction in the real value of take-home pay. In this context, underemployment may result in low pay regardless of the hourly rate. Low pay is one of the three main drivers of in-work poverty, which has been an increasing feature of poverty statistics in recent years. In 2013/14, half of working age adults in poverty lived in working households, as did more than half of children in poverty.”

## High Inflation, low pay and benefits freeze

Joseph Rowntree also point out that with so many in low paid insecure employment the in-work benefit system is crucial to keeping families / individuals out of poverty.<sup>3</sup>

Like Child Poverty Action Group (see below), JRF point out that while the recent problems with Universal Credit are serious - far more serious is the four-year benefit freeze which they predict will increase poverty more than any other policy. “This

centrepiece of the austerity measures means there will be half a million more people in poverty in 2021 than there would be if benefits kept pace with inflation.”

They say: “As inflation hits a five year high, families affected by the freeze to working-age benefits are under unprecedented pressure. Annual price growth now stands at 3%, compared to 0.3% when the freeze was brought in in April 2016. Since then typical household goods have increased by 3.9% – and the cost of essentials like heating the home have risen even faster.

“The benefit freeze is a policy from a different economic environment. JRF analysis estimates the four-year benefit freeze will lead to an extra half a million people living in poverty in 2020/21. This will impact families in and out of work: a low-income family of four on Universal Credit will be £800 a year worse off in 2020 compared to 2010 because benefits have not kept up with prices. The Government should help people on low incomes by ending the freeze in the autumn Budget.”

## Housing and Housing Debt

This group of insecure workers, tend to be unable to get mortgages, and if they do can easily end up in arrears. So they rely on the rented sector. Furthermore because of the lack of social housing, they tend to be pushed into the high cost private rented sector which provides little security of tenure.

Statistics for private housing can often mask that while some high income workers live in private rented accommodation there is also a larger section of low income tenants living in poor standard private rented accommodation. And private landlords can evict a private tenant with few legal barriers, which gives the tenant much to negotiate with. The private rented sector has doubled in Scotland in the last decade.

### **Private Rented Sector**

Govan Law Centre carried out lottery funded research of the private sector in Glasgow.<sup>4</sup> They concluded that “the private rented sector represents 14.6% of all households in Scotland. 18% of all homeless applications come via the Private Rented Sector. The sector is riddled with bad and unlawful practice as [GLC reports] evidences beyond any shadow of a doubt. The relationship between private landlord and tenant is utterly unbalanced and unequal.”

“The lack of security of the tenancy was a fundamental issue that permeates the every part of the landlord and tenant relationship. The landlord could, as long as s/he follows a simple legal procedure, end the tenancy. This puts private tenants in a weak position in negotiating the terms and conditions and very often means they have to accept whatever the landlord does.”

### **Rent Arrears**

The past five years Citizens Advice Scotland has seen an increase in advice provided on issues related to homelessness<sup>5</sup> And advice for rent arrears is one the fastest growing areas of advice, increasing by over 40% since 2012.

CAS say “The increase may be connected to an increase in eviction actions for rent arrears, particularly in the social rented sector. Recent research for CAS has shown that tenants in the social and private rented sectors find it harder to manage financially, worry more about being evicted and are more likely to have to borrow money to pay the rent.

There are a range of issues why clients sought advice in connection with rent arrears. Amongst them client were more likely to be unemployed, in part time work, single adults, lone parents, and aged 25-44. Rent arrears is part of a complex set of difficulties and is either a result of a variety of other issues and/or creates a variety of other issues that the client needs help with, including homelessness

In a number of cases the arrears have arisen from issues associated with changes to the social security system, AND unpredictable and fluctuating employment arrangements.

## Consumer Debt and Money Advice<sup>6</sup>

Citizen’s Advice Scotland (CAS) carried out a survey on money and debt “living from one day to the next: A look at how people in Scotland feel about finances, credit and debt” - they report that more than half of Scots (51%) say they occasionally run out of money before payday, with 15% saying they do so ‘most of the time’ or ‘always.’

CAS say: “55% of Scots would be unable to pay a sudden bill of £100 without borrowing, using savings or cutting back on essentials. The equivalent figure for a £250 bill is 69%, and for £1,000 is 81%. Only 42% of Scots feel they understand their rights in relation to debt. And many Scots who are in work report that they often need to borrow to supplement their income. Those who are in work are just as likely to be refused credit as those not in work.”<sup>7</sup>

### **Managing financially**

CAS report that almost a quarter of survey respondents (23%) find it difficult to manage financially, while 38% reported that they were ‘coping’ on their present income. A further 38% of respondents felt they were ‘living comfortably’ on their income. 15% reported that they had to borrow money to get ‘most of the time’ or ‘always’.

- 20% had to borrow money/ use credit to pay their rent or mortgage;
- 48% had to borrow money/use credit to buy food; and
- 29% to pay for utility bills
- 26% reported having borrowed money/used credit to buy food three times or more in the previous year
- 9% having to do so in relation to their rent/ mortgage.

Respondents living in the Highlands and Islands were less likely than average to say they were living comfortably (29% compared to 38%. More likely to say they

were coping (47% compared to 38%). Respondents in the South West were more likely than average to be finding it difficult (26% compared to 23%); and

Respondents who received their primary source of income on a non-monthly basis (either weekly/fortnightly, or less than monthly) were more likely to find it difficult to cope than those who received it on a monthly basis.

## Living on periods of no income<sup>8</sup>

Citizens Advice Scotland report 'Living at the Sharp End: CAB clients in crisis', (August 2016) analysed CAB case evidence over 2012-2016. It showed that more and more bureaux clients were experiencing periods of no income, meaning they were unable to afford essentials including food, gas and electricity to heat their homes, as well as priority payments such as rent.

The reasons why people were living in periods of no income were: Department for Work and Pensions (DWP) administrative errors, including mail lost within DWP mail processing systems (particularly medical evidence), poor communication with claimants and official error causing gaps or delays in payments; processing times and waiting days at the beginning of benefit claims causing a gap in payments;

But also: Clients who had failed their Work Capability Assessment and been found fit for work losing their eligibility for Employment and Support Allowance (ESA) and having difficulty transferring to Jobseekers Allowance (JSA); ESA claimants challenging a decision regarding their Work Capability Assessment not receiving payments during the Mandatory Reconsideration process; Benefit sanctions, particularly for JSA claimants

### **Food Banks**

This research reported that advice relating to food banks was provided on over 7,400 occasions by Citizens Advice Bureaux in Scotland during 2014/15; during 2014/15, at least 1 in 42 enquiries featured advice regarding food banks an increase of 47% since 2013/14.

### **Crisis Grants**

Advice on Crisis Grants increased by 134% in comparison to advice regarding the predecessor scheme (Crisis Loans delivered by the Social Fund), and between 2013/14 and 2014/15 advice regarding Crisis Grants increased by 58% as a proportion of benefits-related advice overall. Almost one third of those looking for crisis advice had children and 12% were single parents.

### **Food and Utilities**

Almost two thirds of survey respondents (63%) said they sometimes cut down on gas and electricity and 71% said they sometimes cut down on food.

### **Rent and Council Tax Arrears**

CAS case studies show that following a period of no income, approximately 1 in 4 clients featured accumulated rent arrears Council Tax arrears and experienced utility arrears

This research also showed that increasing numbers of CAB clients are struggling to keep up with priority payments and are falling into arrears: the proportion of debt-related advice being sought in relation to rent arrears in 2014/15 was a third higher (34%) than it had been in 2013/14.

CAS report that recent changes to the benefits system, benefit rates not keeping pace with inflation, low pay, insecure work and rising costs of living all contribute to people's increasing lack of resilience to income shocks. Government and local authority debt-collection practices, including third party deductions from benefit payments are contributing towards income deprivation and the need for crisis assistance all contributed to the problems

CAS also found that clients were living with periods of no income and needed crisis support because

## Affordability of water and sewerage charges in Scotland

CAS published a report *Recent trends in the affordability of water and sewerage charges in Scotland A report to the Consumer Futures Unit of Citizens Advice Scotland from the Fraser of Allander Institute - April 2016* .

Its main findings were:

- Average household spending on water and sewerage increased by 9.8% between 2008-14, only slightly above the total increase in average wages in Scotland (9.7%). There has been little change since 2008 in the ability to pay water and sewerage charges for those in work.
- During the period 2008 – 2014 water bills in the rest of the UK were above those in Scotland - on average, consumers in the rest of the UK paid 10% more for water and sewerage than consumers in Scotland.
- Between 2008 and 2014 average wages in the UK were above those in Scotland but, despite this, higher water charges meant that water and sewerage were less affordable in the rest of the UK than in Scotland, as consumers in Scotland typically paid a lower proportion of wages on water and sewerage charges than UK consumers. This means that affordability of water bills for those in work in Scotland has, if anything, improved over time.
- Charges are proportionately a larger burden on household budgets for the poorer in society: the amount paid for water and sewerage charges by those in receipt of benefits as a proportion of their income, exceeds the average proportion paid by wage earners in Scotland
- While many benefits may have held up well compared to water and sewerage charges, a comparison of certain benefits against Band D water charges indicates that, while the % of water charges (in relation to benefit payments) may have fallen, charges for all benefits shown remain substantially above the 3%

which it is argued creates water poverty, meaning that affordability may remain a problem for low-income consumers.



## Welfare reform: the impact on households in Scotland

### Summary Paper for Scottish Water Customer Forum: October 2017

Over 150 separate welfare measures were passed by both Coalition and Conservative UK governments in the period 2010-17, including under the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016.<sup>9</sup> In total, post 2010 measures are estimated to reduce annual UK social security spending by £47.5 billion by 2020/21. The Scottish Government expects this to be an annual reduction of £3.9 billion in Scotland by 2020/21.<sup>10</sup>

This paper sets out the major changes that have already taken effect and those still to come, and provides some analysis of the forecast impact on household incomes and poverty levels. Case studies of impact on individual households are from CPAG's [Early Warning System](#).

#### Uprating – the basis for increasing benefits

April 2016	Uprating frozen	Uprating is frozen for four years from April 2016 including basic amounts for adults and children. This does not apply to specific disability and carer benefits and additions. This could account for a notional loss of income of £312 a year by 2019/20 if benefits had increased by CPI.
April 2013	1% uprating cap	Uprating was subject to a 1% cap in 2013/2014, 2014/2015 and 2015/2016. This was below projected inflation in 2013/2014 and was anticipated to amount to a 4% cut in real terms. The cap includes basic amounts for adults and children, but did not apply to specific disability and carer benefits and additions.
2011/12 and 2012/13	Basis for uprating benefits	The basis for uprating benefits (except state pension) was switched from using Retail Price index (RPI) to Consumer Price Index (CPI) inflation, a generally lower measure. The Institute of Fiscal Studies described this as the 'most important' of recent 'poverty-increasing' tax and benefit changes.

Under current inflation forecasts, the continued freeze in most working age benefits until 2020, will reduce the real value of these benefits by 5% between 2017 and 2020.<sup>11</sup>

## Tax credits

Tax credits were worth around £2 billion to Scottish households in 2015/16. Around half a million children benefit from the tax credit system in Scotland.<sup>12</sup>

6 April 2017	Family element	The family element is no longer awarded when first child is born (losing up to £545) a year.
6 April 2017	Two child limit	Child element is not awarded for third and subsequent children born after 6 April 2017 with some exceptions (losing up to £2,780 per child a year).
6 April 2016	Reduction in income increase disregard	Amount a claimant's income can increase in-year compared to their previous year's income before their award is reduced from £5,000 to £2,500, causing more overpayments.
6 April 2016	Maximum rate of overpayment recovery increased	The maximum rate a tax credit overpayment can be recovered at, was increased from 25% to 50% where the annual income of the claimant, or joint claimants, exceeds £20,000
April 2015	In-year overpayment recovery	Tax credits payments stopped in-year where, due to a change in circumstances, a claimant has already received their full annual entitlement. The level of in-year recovery is higher than the legal limits of 10% or 25% on recovery of cross-year overpayments, causing hardship. Payments may be made on hardship grounds if requested.
April 2014	Mandatory reconsideration	Anyone wishing to challenge an HMRC decision must request a mandatory review of the decision before it can be appealed.
April 2012	Minimum hours worked	Working tax credit stopped for most couples with children who were working at least 16 hours a week, unless they can increase to at least 24 hours a week between them (losing up to £3,870 a year)
April 2012	Childcare costs	Childcare costs covered by working tax credit cut from 80% to 70% (working parents losing up to £1,560 a year)
April 2012	50+ element	Extra amount for people aged over 50 scrapped.

April 2012	Backdating	Backdating of tax credits cut from three months to one month. New parents miss out on payments if they do not claim within 31 days of birth.
April 2012	Changes to income disregards	Tax credits not increased if income drops by less than £2,500. Amount income can increase before award is reduced cut from £10,000 to £5,000
April 2011	Income threshold cut and taper increased from 39% to 41%	Withdrawn from 'middle income' families. A family with one child may have lost tax credits on an income of around £26,000, but there is still no income limit, so tax credits are payable at higher incomes if there are additional children, disabilities or childcare costs.
April 2011	Baby element	Baby element (extra £545 in first year) removed from child tax credit
April 2011	Elements frozen	Basic and 30-hour elements of working tax credit frozen for three years

It is estimated that as a result of the 2012 reforms, families affected were approximately £700 a year worse off in 2014, with some losing all their tax credit entitlement.<sup>13</sup> Latest available statistics show that 871,000 families with more than two children claimed tax credits in 2015/16 in the UK. Of these, 65% were working and 68% only had three children. A similar number of families can be expected to be affected by the two-child limit in the future (not immediately, as most children born before April 2017 will be protected as long as their family remains on tax credits or universal credit).<sup>14</sup>

A client was made redundant shortly before his partner stopped work to give birth to their son. She has two children from a previous relationship so child tax credit is not payable for the new baby.

A lone parent of two children stopped working and claimed income support. She notified HMRC promptly, but there was a delay stopping her working tax credit resulting in an overpayment. Her child tax credit was reduced to £65 a month to recover the overpayment before the end of the financial year, leaving the client struggling to manage.

#### Bereavement benefits

6 April 2017	Bereavement support payment	Amount for bereaved spouse/civil partner reduced. 91% of newly-widowed parents will be supported for a shorter time and 75% will be worse off in cash terms (by £12,000 for the average working parent.)
--------------	-----------------------------	--

## Maternity benefits

April 2011	Sure Start Maternity Grant	Sure Start Maternity Grant (£500) limited to first child only.
April 2011	Health in Pregnancy Grant	Health in pregnancy grant scrapped (£190).

## Child benefit

January 2013	Recovery from higher earners	Child benefit recovered on a sliding scale via income tax from people earning between £50,000 and £60,000 (and in full if earning over £60,000). Estimated families affected lose around £1,400 a year.
--------------	------------------------------	---

## Universal credit

Universal credit (UC) is to replace working age means tested benefits and tax credits. It is being rolled out across Scotland in stages. The main features of UC are:

- payable in or out of work
- maximum award reduced by 63% of earnings
- childcare support for any hours worked
- lower amounts for most disabled adults and children
- claims and administration largely online
- increased conditionality and sanctions
- one monthly payment to claimant's account, including amounts for rent
- at least six weeks' wait for first payment

Since its original design, and during its protracted rollout, UC has been subject to several further changes:

April 2019	Housing costs element	The maximum amount of rent that housing benefit will cover in the social sector will be capped to the relevant local housing allowance, including the shared accommodation rate for single claimants under 35 who do not have dependent children – including parents with minority shared care of children. This will apply to both new and existing tenancies, but with some transitional protection for claimants moving from HB to UC.
------------	-----------------------	---

April 2018	Surplus earnings	DWP will calculate a claimant's 'surplus earnings' in the month that a UC claim is terminated due to an increase in income and for the subsequent five months. If the claimant makes a new claim within six months, the surplus earnings prior to the claim being made will be treated as income.
6 April 2017	Higher first child element	No longer awarded for first child born after 6 April 2017.
6 April 2017	Two child limit	Child element not awarded for third and subsequent children after 6 April 2017, with limited exceptions. Children born before 6 April 2017 are protected for an interim period until November 2018. Families with more than two children claim tax credits until November 2018.
3 April 2017	Conditionality	Lone parents and main carers expected to prepare for work when their youngest child turns two and to look for work when their youngest child turns three.
3 April 2017	Limited capability for work element removed	Claimants who have limited capability for work are paid the same basic rate as jobseekers. The limited capability for work related activity element remains.
1 April 2017	Restrictions to housing element for young people	Single out of work 18 to 21 year olds in full service areas making new claims for UC are not entitled to the housing element, with exceptions including parents whose children live with them, vulnerable groups and those who were living independently and working continuously for preceding six months. The Scottish Government has pledged to mitigate this reform in full via the Scottish Welfare Fund.
11 April 2016	Childcare costs	Maximum support available for childcare costs increased from 70% to 85% of eligible childcare costs. Maximum childcare caps increased accordingly to £646.35 for one child or £1108.04 for two or more children.
April 2016	Work allowance	Work allowance reduced to £192 a month for those with housing costs and £397 a month for those without housing costs (a decrease from £222 and £536 respectively). For non-disabled childless claimants, work allowance abolished completely – this includes parents with minority shared care of children.

While 9 out of 10 families with children were eligible for tax credits in 2010, and 6 out of 10 in 2015, only 5 out of 10 families with children will be eligible for universal credit by the time it is fully rolled out.<sup>15</sup> The Institute of Fiscal Studies predicts that 2.1 million working households will be worse off, but 1.8 million will gain from universal credit. The average loss will be £1,600 a year and the average gain will be £1,500 a year.<sup>16</sup>

As a result of the 2016-20 cuts, 'universal credit is now less generous on average than the tax credits and benefits systems that it replaces.'<sup>17</sup>

A lone parent is £20 a week worse off on universal credit than she was getting from tax credits. She does not have enough money to live on and goes into overdraft two weeks after she receives her universal credit payment (it is paid monthly.) She is constantly stressed about money which she says is impacting on her son.

A young family is being taken to court for eviction because the payment arrangement for existing rent arrears that the father had with the housing association was not maintained while he was waiting for the first payment of universal credit. He had been in short term weekly employment, so did not have any savings to fall back on.

## Housing

### Housing benefit

April 2019	Cap on maximum housing benefit in social rented sector	The maximum amount of rent that housing benefit will cover in the social sector will be capped to the relevant local housing allowance, including the shared accommodation rate for single claimants under 35 who do not have dependent children – including parents with minority shared care of children. This will apply to tenancies signed after 1 April 2016, with housing benefit entitlement changing from 1 April 2019 onwards.
April 2017	Two child limit	Personal allowance not awarded for third or subsequent children in new claims from 6 April 2017 or in existing claims where the third or subsequent child is born or joins the family after 6 April 2017, with some exceptions (a notional loss of up to £3,478 a year for each child)
April 2016	Backdating	Working age housing benefit claims can only be backdated for a maximum of one month, cut from six months.
28 July 2016	Temporary absence	Housing benefit restricted to four weeks' payment during a temporary absence abroad (a reduction from 13 weeks)
1 May 2016	Family premium	Family premium for new claims and new births removed (a notional loss of up to £907 a year)
April 2016	Local housing allowance	Maximum housing benefit in private tenancies frozen for four years from April 2016 to 2019/20, or set at 30 <sup>th</sup> percentile of market rents if this is lower.
April 2013	'Bedroom tax'	Housing benefit for working age tenants of social landlords cut if they are deemed to have a spare bedroom. In Scotland this is largely mitigated by discretionary housing payments.
April 2012	Shared room rate	Single people under 35 (previously 25) only eligible for the amount of a room in shared accommodation.
October 2011	Local housing allowance	Maximum housing benefit in private tenancies cut (from median to 30 <sup>th</sup> percentile of rents). Estimated to affect almost 45,000 households in Scotland with an average loss of £7 a week.
April 2011	Non-dependant deductions	Contribution expected from other adults in the property increased by 27% over three years.

## Benefit cap

7 November 2016	Reduction	Limit outside London reduced from £26,000 to £20,000 a year for a couple/lone parent and from £18,200 to £13,400 for a single person with no children (including separated parents who have minority care of the child). In addition to the exceptions below it does not apply to people on carers' allowance, guardians allowance and people claiming UC who earn at least £520 a month. For households newly affected by the benefit cap their average reduction in entitlement is around £39 per week. Households who would have had their benefit capped at £26,000 lose a further £64 per week from the change.
April 2013	Introduction	Limit of £26,000 a year (£500 a week) for a couple/ lone parent; (does not apply to people on DLA/PIP, working tax credit and war pensions). This hits larger families with three or more children, affecting 2,700 households in Scotland, including 7,800 children between its introduction in April 2013 and February 2015. 56% had their benefits reduced by up to £50 a week and 26% saw their benefit reduced by between £50 and £100 a week.

A lone parent with five children is facing eviction because she has over £2000 rent arrears following the application of the benefit cap. The local authority decided she could not receive more than 13 weeks discretionary housing payment (DHP) because she was not facing exceptional circumstances. Moving to cheaper accommodation is not an option. The client is already over occupied in her council tenancy. It is unlikely that she would find a tenancy of the correct size in the local authority and it would cost more, as would a private tenancy. She would need to work at least 16 hours a week to be entitled to working tax credit and therefore exempt from the cap, but would have to fit that in around dropping her children at school and nursery, not to mention find suitable childcare for her youngest.

## Support for mortgage interest (SMI)

April 2018	Paid as a loan	SMI payments will be paid as a loan repayable upon sale or transfer of ownership of the property -. Payments will accrue interest.
1 April 2016	Waiting period	Waiting period increased from 13 weeks to pre-recession length of 39 weeks
October 2010	Rate of interest payable	Cut from 6.08% and linked to average rate payable, 3.12% in March 2016. Current rate can be found at <a href="http://www.gov.uk">www.gov.uk</a> .

Just over half of SMI claimants have dependent children.<sup>18</sup>

## Lone parents

April 2014	Conditionality	Lone parents claiming income support or employment and support allowance must attend work focused interviews if youngest child is age one or over, or partake in work related activity if youngest child is age three or over.
October 2011	Entitlement to income support	Entitlement to income support as lone parent ends at youngest child's fifth birthday - moved onto jobseeker's allowance and face sanctions if do not comply with jobseeking conditions.

## Disabled people

### Employment and support allowance (ESA)

3 April 2017	Work-related activity component removed	New claimants who are placed in the work-related activity group to receive the same amount of benefit as those claiming jobseeker's allowance. (notional loss for new claimants of up to £1,510 a year)
3 April 2017	52 week permitted work limit abolished	52 week limit lifted for claimants working for up to 16 hours / earning up to £120 and keeping their benefit.
2008	Transition from incapacity benefit to ESA	1.5 million incapacity benefit claimants reassessed under new, tougher test for employment and support allowance (ESA) and contributory ESA withdrawn for most claimants after one year.

## Personal independence payment (PIP)

April 2013	Transition from DLA to PIP	Personal independence payment (PIP) started to replace disability living allowance (DLA) from April 2013 with a new assessment for all working age claimants. The introduction of PIP was expected to save £1.4 billion by 2015/16, but has only saved around £0.1 billion according to the OBR (rising to £0.6 billion by 2020/21). The Scottish share of the £0.6 billion by 2020/21 is expected to be around £65 million. Many unpaid carers of working-age disabled people who lose eligibility for DLA/PIP will no longer qualify for carer's allowance.
------------	----------------------------	---

When a client transferred from DLA to PIP his award reduced in relation to his care needs and he was no longer awarded any money for his mobility needs. The client has no feeling below his thighs which makes walking very awkward and limits how far he can go. At the assessment he said he could walk for ten minutes if he had to, but he was not asked how far he could go or how reliably or safely

## Minimum wage increase

April 2016	National Living Wage	From April 2016, a new 'National Living Wage' was introduced for those aged 25 and over - £7.50 an hour in April 2017 rising to over £9 an hour by 2020. The 'National Living Wage' falls short of the 'Real Living Wage' of £8.45 in 2017, calculated by the Living Wage Foundation according to the basic cost of living in the UK.
------------	----------------------	---

The higher minimum wage for those over 25 will benefit individuals in Scotland earning below £7.50 an hour. However for the majority of households, it will not be sufficient to offset the cuts to benefit income.<sup>19</sup> Assuming no behavioural change, the Office for Budget Responsibility estimates that the higher minimum wage will increase earnings by almost £4 billion in total by 2020.<sup>20</sup> However, by the same year the changes to the benefit system announced by the UK Government will have cut welfare payments by £12-£13 billion in total.<sup>21</sup>

Single client is subject to 25% bedroom tax reduction. He was receiving the national minimum wage and was entitled to £2 housing benefit (HB) a week which in turn entitled him to discretionary housing payments (DHP). When his wages increased in line with the 'national living wage' he lost entitlement to HB and therefore DHP. He is now struggling to pay his rent.

## Impact on household budgets and expenditure

### Cuts between 2010 and 2015

- In the run up to the general election in 2015 the Institute for Fiscal Studies reported, 'We have seen that over the course of this parliament the main losers from austerity measures to increase tax revenues and cut benefit spending have been low-income working-age households with children, who have seen their benefit and tax credit entitlements reduced, and the richest tenth of households.'<sup>22</sup>
- 'Since 2008, the incomes of households on benefits have fallen substantially relative to the Minimum Income Standard (MIS), particularly families with children. For lone parents with one child, benefits provide nearly 60% of MIS compared with nearly 70% in 2008. Their shortfall has increased by £44 per week (2015 prices).'<sup>23</sup>
- 'Since 2008, net incomes of households earning the National Minimum Wage (NMW) have also fallen further below MIS. In 2008, families with children came close to MIS if they worked full-time on the NMW, but are now 15% short. For single people, the shortfall has grown from 15% to 30%, or by £27 per week (2015 prices).'<sup>24</sup>

*I can't go and buy them stuff that they need, when they need it, if you ken what I mean. Christmas is in December, and their birthdays are in June, like my mum and all that will buy them clothes and trainers and things for their birthday, and that kind of lasts them until Christmastime, and then they'll do the same.. **Lone parent, Fife***

### Cuts between 2016 and 2020

- Working families claiming UC will receive significantly less financial support than families claiming tax credits. This is because the amount you can earn before your award is reduced is significantly less generous in UC than it was in tax credits.
- 'Even after accounting for the national living wage and tax cuts, the full suite of Summer Budget and Autumn Statement changes will produce average loss of £1,300 for working families with children in 2020, rising to £3,000 for some families.'<sup>25</sup>
- 'A couple with two children on out of work benefits falls 41% short of meeting a Minimum Income Standard budget.'<sup>26</sup>
- 'A lone parent with one child falls 50% short of meeting a Minimum Income Standard budget.'<sup>27</sup>
- Analysis by CPAG and IPPR found that once universal credit is fully rolled out, the two-child limit will result in 200,000 additional children in poverty.<sup>28</sup>
- CPAG and IPPR analysis comparing the benefit system in 2017 with the 2013/14 system, as a result of the cuts, on average:
  - couples with children will be £960 a year worse off
  - lone parent families will be £2380 a year worse off
  - families with one child will be £930 a year worse off
  - families with two children will be £1100 a year worse off
  - families with three children will be £2540 a year worse off<sup>29</sup>

*My oldest was in the kitchen, making a cup of tea or something, and I came in with this bag, and I started taking out the tins, and he was looking at the tins, all stuff I wouldn't buy. And he was like, "what, have you been to the food bank? Are things that bad that you went to the food bank or something like?" laughing. And I looked at him, and he knew with me looking at him that he was right. And then he went, "oh my god, is it really that bad?"* **Lone parent mother, Fife**



## Introduction

Citizens Advice Scotland, our 61 member Citizen Advice Bureaux, the Citizen Advice consumer helpline, and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone. Our self-help website Adviceguide provides information on rights and helps people solve their problems.

In total, more than 300,000 people receive advice on over one million issues each year, with our self-help website receiving over four million unique page views in Scotland alone, helping people to own their issues and queries.

In this briefing, we look at some of the current and upcoming welfare reforms that are affected people in Scotland, including:

- Universal Credit
- Changes to ESA
- The Benefit Cap
- Changes to Tax Credits

We also look at the impact of these changes on people's incomes and finances under:

- Crisis
- Debt and finances

## Universal Credit

Universal Credit is the most ambitious change to the social security system since its establishment. The benefit will replace six working-age benefits, and will eventually be received by over 652,000 families/households in Scotland and up to seven million across the UK. It aims to support people in a range of different circumstances – in work, out of work, in sickness and in health, when single, with children, and in a range of situations where they are vulnerable and in need of financial support. It has been rolled out initially in parts of Scotland and is due to be introduced in full across the country by the end of 2018, starting in October this year.

Citizens Advice Scotland has always supported the principles behind Universal Credit. We firmly believe that simplifying access to benefits for those who need them is critical. However, we and the service as a whole in Scotland have been monitoring the impact of Universal Credit closely, and we are very concerned. In summer 2017,

CAS called for the accelerated rollout of Universal Credit to be paused until the design and delivery problems with it have been addressed.

Evidence from Citizens Advice Bureaux in initial roll-out areas in Scotland (and elsewhere in the UK) has shown that the reality of Universal Credit risks leaving many people in Scotland without the support they need, pushing them into debt and leaving them unable to make ends meet. There are serious design and delivery problems: the long wait for payments (six weeks) at the beginning of the Universal Claim process is a particular cause of issues. Many people are also finding the system very complicated, making it harder to focus on getting into work rather than easier.

Already, evidence in initial roll out areas shows that since Universal Credit was introduced bureaux have seen:

- a 15% rise in rent arrears issues compared to a national decrease of 2%,
- an 87% increase in Crisis Grant issues compared to a national increase of 9%, and
- two of five bureaux in impacted areas have seen a 40% and a 70% increase in advice about access to food banks advice, compared to a national increase of 3%.

## **Key issues with Universal Credit**

### **Six week wait for payment**

Universal Credit requires clients to wait six weeks before receiving their initial payment. The six-week period is comprised of an initial seven 'waiting days', where a claim has been successful, but the claimant is not entitled to any award. This is followed by an assessment period of one month, which determines how much the claimant should be paid. Then, after a further seven days, the claimant will receive their first payment in arrears.

Citizens Advice Scotland evidence has shown that this lengthy period without any benefit can lead to the accumulation of rent arrears and clients being unable to afford food and other essentials. In some cases, these clients need to apply for emergency support such as Crisis Grants and food parcels to meet their immediate needs. During this period, claimants can apply for an advance payment of their Universal Credit to help them manage financially during the six-week wait, but these advance payments are recovered through direct deductions from the claimant's first and subsequent benefit payments, meaning that claimants must manage on a reduced income for an even longer period.

### **Online applications**

Universal Credit is designed to be 'the first truly digital welfare service'. Once Universal Credit is fully rolled out, the DWP's expectation is that "users will be able to

make a claim, check details of payments, notify changes of circumstance and search for a job through a single account, making digital the primary channel for most working-age people to interact with the Department”.

Citizens Advice Scotland has previously published findings from client surveys which asked questions around whether clients could use a computer; their ability to make an application for a benefit online; and their ability to apply for a job online. In early findings from our most recent survey of 560 bureaux clients seeking advice on benefits in June 2017, only a quarter of clients said they could complete a form on their own online without any problems. As many as a third (32%) said that they would not be able to complete an online form at all and a similar proportion (32%) said they would only be able to do it with help.

Citizens Advice Scotland is concerned that Universal Credit is excluding some of the most vulnerable citizens who do not have the digital skills or access to digital devices to manage their claims online.

### **Administration**

There are clearly issues with administration of Universal Credit in its current form. Citizens Advice Scotland carried out a thematic analysis of 140 cases in which people had sought advice on Universal Credit from a six month period – October 2016 to March 2017 – sent from five Citizens Advice Bureaux in Universal Credit Full Service areas in Scotland. Of those cases, 64 (46%) - almost half – showed evidence of administrative issues including poor communication, administrative errors, difficulty using the Universal Credit helpline, delays in payment and issues associated with the new online journal.

In some cases, delays and errors lead clients to experience periods of no income, or reduced income. Additionally, there were a number of examples of clients trying to resolve these issues by sending messages to the DWP via the online journal, but receiving no reply, or trying to phone the helpline and being left on hold sometimes for as long as an hour.

### **Benefit entitlements**

At the end of January 2017 East Lothian Citizens Advice Bureaux conducted a two week ‘snap shot’ survey of all their visiting clients, enabling us to calculate their benefit entitlements under the new Universal Credit benefit system and the six legacy, working age benefits that it replaces.

The study found that 52% of claimants had a lower entitlement, while 31% would gain under UC. However, there was a significant disparity in the amounts that were gained or lost, with the median loss being £44.72 per week and the median gain being £0.34. The study found losses were highest for lone parents and claimants with disabilities.

In total, the loss in benefit entitlement for the 134 claimants in the study was just under £3,000 per week. While the study can’t be applied to all claimants in Scotland,

it provides an insight into the impact that UC may have as it rolls out across Scotland.

## Changes to ESA

The abolition of the Employment and Support Allowance (ESA) Work Related Activity component reduces its value to the same rate as Jobseeker's Allowance (JSA), together with an equivalent reduction in Universal Credit. Currently work-related activity ESA is £29.05 per week higher per week than JSAi.

Citizens Advice Scotland is extremely concerned about the potential negative impact of the change for a number of reasons. Firstly, people in the Work Related Activity Group (WRAG) are suffering from ill-health or disability. They have greater needs and may incur additional costs as a result, such as additional travel costs to job interviews and work preparation activity, and other costs associated with improving their health. The removal of support for these costs could have the effect of creating additional barriers to disabled people gaining employment.

As shown in the table below, the most recent official figures show there are 256,810 ESA claimants in Scotland, of whom 65,630 (26%) are in the Work Related Activity Group. If there is no change to the current assessment criteria, we can expect a similar number to be affected by the change, receiving 28% less in benefits support per year, despite having additional needs. This is a large amount of people to be affected negatively by a loss of income.

## Benefit Cap

In November 2016, the Benefit Cap was reduced to £384.62 per week for families. Official figures suggest that 3,642 households in Scotland will have their housing support capped as a result of the lowering of the Cap, compared with 745 households prior to the change. The groups most likely to be affected by the Benefit Cap are larger families and lone parents. 57% of those affected are lone parents with three or more children.

Early evidence from Citizens Advice Bureaux in Scotland suggests that following the 2016 changes, the Benefit Cap continues to have a particular impact on lone parents with several children. Clients have struggled to cope with the loss of income following the Benefit Cap being applied. This includes accruing rent arrears, being referred to food banks and experiencing relationship problems as a consequence.

Citizens Advice Scotland welcomes the increase in the budget available for Discretionary Housing Payments (DHPs) for those affected by the Benefit Cap. However, as the DHP budget will not cover the total losses as a result of the Benefit Cap, local authorities should look to make longer-term Discretionary Housing Payment awards to people affected by the Benefit Cap, covering the full value of the loss.

## Changes to Tax Credits

CAS is concerned about the restriction on families to only being able to claim Child Tax Credits or Universal Credit for two children. Advice on Child Tax Credits is one of

the most common issues that clients seek advice on, with 13,363 new issues during the year, an increase of 14% compared with the previous 12 months. A CAB client profile survey in November 2016 showed that 9.3% of clients (1 in every 11) who were given advice on an issue related to Child Tax Credits were from a large family, with three or more dependent children.

As the policy applies to additional children born after 6 April 2017, the effect of the limit will affect an increasing number of people over time. Although they will be unaffected unless they have additional children, 101,000 families receiving Tax Credits in Scotland had two children, with a further 51,000 having three or more children, according to the most recently published official figures.

In addition, the proposals will have a particular impact on lone parent families, who will find it difficult to make up the losses through working additional hours, due to having several young children to care for. Almost one third (32%) of CAB clients who sought advice on a Child Tax Credit issue in November 2016 were single parent families, indicating that the benefit is a substantial source of income for this group, who are simultaneously affected by other changes to the social security system.

## Crisis

On-going analysis of CAB case evidence over the last four years has shown that more and more bureaux clients are experiencing periods of no income, and are unable to afford essentials including food, gas and electricity to heat their homes, as well as priority payments such as rent. More worryingly still are the number of clients who present at bureaux having not eaten in a number of days.

This report, *'Living at the Sharp End: CAB clients in crisis'*, looks in detail at the causes of gaps in income, particularly with regards to the benefits system; the impact of gaps in income on CAB clients; and the adequacy of existing crisis assistance provided by statutory agencies.

Based on the findings of this research, the report recommends changes that could increase people's resilience to income shocks, help to prevent gaps in income and improve crisis assistance. Citizens Advice Scotland's intention is to present CAB evidence in order that we can work constructively with stakeholders to prevent anyone from experiencing a period of no income, and ensure that adequate crisis assistance is available when things do go wrong.

- Advice relating to food banks was provided on over 7,400 occasions by citizens advice bureaux in Scotland during 2014/15; advice on this issue has increased by 47% since 2013/14. During 2014/15, at least 1 in 42 enquiries featured advice regarding food banks.
- Demand for advice on financial crisis support is increasing. Between 2012/13 and 2014/15, advice regarding Crisis Grants increased by 134% in comparison to advice regarding the predecessor scheme (Crisis Loans delivered by the Social Fund), and between 2013/14 and 2014/15 advice

regarding Crisis Grants increased by 58% as a proportion of benefits-related advice overall.

- Almost two thirds of survey respondents (63%) said they sometimes cut down on gas and electricity and 71% said they sometimes cut down on food.
- The case studies showed that following a period of no income, 13 of the 47 CAB clients featured in these had accumulated rent arrears (27%), 10 of the 47 (21%) had accumulated Council Tax arrears and 11 (23%) had experienced utility arrears.
- Over half of the survey respondents (56%) said that money worries have an impact on physical health, and 64% said it had an impact on their mental health.
- Increasing numbers of CAB clients are struggling to keep up with priority payments and are falling into arrears: the proportion of debt-related advice being sought in relation to rent arrears in 2014/15 was a third higher (34%) than it had been in 2013/14.
- Recent changes to the benefits system, benefit rates not keeping pace with inflation, low pay, insecure work and rising costs of living all contribute to people's increasing lack of resilience to income shocks.
- Government and local authority debt-collection practices, including third party deductions from benefit payments are contributing towards income deprivation and the need for crisis assistance.

## Debt and finances

Citizens Advice Bureaux have seen a steady decline in the level of debt-related advice being sought by clients, this having reduced as a proportion of all bureaux business by over 20% since 2013/14.

However, within debt advice, bureaux have seen a steady increase in certain areas over the same period, such as an increase in debt related to rent arrears (over 40%); overpayments of Housing and Council Tax benefits (39%) and overpayments of Working and Child Tax Credits (100%).

In addition to this, one of the most common issues for bureaux clients is debt related to Council Tax arrears, with over 13,200 instances of advice on this recorded in 2015/16.

The second most common debt-related issue for bureaux clients is that related to credit and store cards, with over 10,850 instances of advice recorded in 2015/16.

A decision was taken to explore financial management in general to gain a sense of how the people of Scotland view personal finance issues, including the affordability of bills/repayments and the use of credit.

To achieve this, an online survey was commissioned through Ipsos MORI of 1,500 consumers representative of the Scottish population in terms of sex, age, region and working status.

The study showed:

- More than half of Scots (51%) say they occasionally run out of money before payday, with 15% saying they do so 'most of the time' or 'always.'
- 55% of Scots would be unable to pay a sudden bill of £100 without borrowing, using savings or cutting back on essentials. The equivalent figure for a £250 bill is 69%, and for £1,000 is 81%.
- Only 42% of Scots feel they understand their rights in relation to debt.
- Older people and those with full-time jobs are less likely to be in debt, but many Scots who are in work report that they often need to borrow to supplement their income.
- Those who are in work are just as likely to be refused credit as those not in work.

<sup>1</sup> [http://neweconomics.org/2017/08/bad\\_jobs/](http://neweconomics.org/2017/08/bad_jobs/)

<sup>2</sup> [https://www.cas.org.uk/system/files/publications/cas\\_submission\\_to\\_the\\_economy\\_energy\\_and\\_tourism\\_committee\\_august\\_2015\\_0.pdf](https://www.cas.org.uk/system/files/publications/cas_submission_to_the_economy_energy_and_tourism_committee_august_2015_0.pdf)

<sup>3</sup> <https://www.jrf.org.uk/press/todays-new-ons-figures-reveal-inflation-rates-are-five-year-high>

<sup>4</sup> <http://govanlawcentre.org/2017/05/30/big-lottery-private-rented-sector-research/>

<sup>5</sup> [https://www.cas.org.uk/system/files/publications/citizens\\_advice\\_scotland\\_written\\_evidence\\_-\\_homelessness.pdf](https://www.cas.org.uk/system/files/publications/citizens_advice_scotland_written_evidence_-_homelessness.pdf)

<sup>6</sup> <https://www.cas.org.uk/publications/living-one-pay-day-next>

<sup>7</sup> <https://www.cas.org.uk/publications/living-one-pay-day-next>

<sup>8</sup> <https://www.cas.org.uk/publications/living-sharp-end>

<sup>9</sup> Office for Budget Responsibility 'Welfare Trends Report'(2016) <http://budgetresponsibility.org.uk/wtr/welfare-trends-report-october-2016/>

<sup>10</sup> Welfare Reform (Further Provision) (Scotland) Act 2012 - Annual Report - 2017 <http://www.gov.scot/Publications/2017/06/6808/downloads>

<sup>11</sup> The impact of tax and benefit reforms on household incomes – April 2017: Institute of Fiscal Studies Briefing Note <https://www.ifs.org.uk/uploads/publications/bns/BN196.pdf>

- <sup>12</sup> Personal Tax Credits Statistics Geographical Analysis 2015/16 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/622524/Child\\_and\\_Working\\_Tax\\_Credits\\_statistics\\_finalised\\_annual\\_awards\\_-\\_geographical\\_analysis\\_2015\\_to\\_2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/622524/Child_and_Working_Tax_Credits_statistics_finalised_annual_awards_-_geographical_analysis_2015_to_2016.pdf)
- <sup>13</sup> Impact of the UK Welfare Reforms on families – Autumn 2014 update Scottish Government <http://www.scotland.gov.uk/Topics/People/welfare/reform/analysis/Impactonfam2014>
- <sup>14</sup> Two-child limit briefing – April 2017: Child Poverty Action Group <http://www.cpag.org.uk/sites/default/files/Briefing%20two%20child%20limit.pdf>
- <sup>15</sup> para 1.124 Spending Review and Autumn Statement 2015 <https://www.gov.uk/government/publications/spending-review-and-autumn-statement-2015-documents>
- <sup>16</sup> The (changing effects) of universal credit Institute of Fiscal Studies <http://www.ifs.org.uk/publications/8136>
- <sup>17</sup> Welfare Trends Report – October 2016: Office for Budget Responsibility [http://budgetresponsibility.org.uk/docs/dlm\\_uploads/Welfare-Trends-Report.pdf](http://budgetresponsibility.org.uk/docs/dlm_uploads/Welfare-Trends-Report.pdf)
- <sup>18</sup> DWP impact assessment on converting support for mortgage interest (SMI) from a benefit into a loan July 2015 <http://www.parliament.uk/documents/impact-assessments/IA15-006D.pdf>
- <sup>19</sup> Scottish Government Initial Assessment of Budget Tax and Benefit Reforms July 2015 <http://www.gov.scot/Topics/Economy/Publications/BudgetReforms>
- <sup>20</sup> OBR Economic and Fiscal Outlook, July 2015, pg202: <http://cdn.budgetresponsibility.independent.gov.uk/July-2015-EFO-234224.pdf>
- <sup>21</sup> Pg.74 HM Treasury Summer Budget 2015, 2015 <https://www.gov.uk/government/publications/summer-budget-2015>
- <sup>22</sup> IFS briefing: The effect of the coalition's tax and benefit changes on household incomes and work incentives <http://www.ifs.org.uk/uploads/publications/bns/BN159.pdf>
- <sup>23</sup> A Minimum Income Standard for the UK in 2015 <http://www.jrf.org.uk/publications/minimum-income-standard-uk-2015>
- <sup>24</sup> A Minimum Income Standard for the UK in 2015 <http://www.jrf.org.uk/publications/minimum-income-standard-uk-2015>
- <sup>25</sup> Slides 18 and 20 Resolution Foundation: O blessed revisions – fiscal windfall and what to do with it <http://www.resolutionfoundation.org/publications/o-blessed-revisions-fiscal-windfall-and-what-to-do-with-it/>
- <sup>26</sup> A Minimum Income Standard for the UK in 2017 <https://www.jrf.org.uk/report/minimum-income-standard-uk-2017>
- <sup>27</sup> A Minimum Income Standard for the UK in 2017 <https://www.jrf.org.uk/report/minimum-income-standard-uk-2017>
- <sup>28</sup> Two child limit for universal credit: 200,000 more children put into poverty – CPAG <https://www.jrf.org.uk/report/minimum-income-standard-uk-2017> <http://www.cpag.org.uk/content/two-child-limit-universal-credit-200000-more-children-put-poverty>
- <sup>29</sup> Broken promises: What has happened to support for low-income working families under universal credit? March 2017 – CPAG <http://www.cpag.org.uk/content/broken-promises-what-has-happened-support-low-income-working-families-under-universal-credit>