

Poverty-proofing for families in or on the edges of care

A policy briefing by One Parent Families Scotland



**One Parent
Families Scotland**
changing lives, challenging poverty



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This report would not have been possible without the many parents who guided our work and the ten parents who agreed to shared their experiences in detail. All the parents who worked with us did so because they wanted to be heard and be part of the change. We have also been fortunate with the practitioners who shared their experiences of how the system currently operates, helped us define and shape the support that would help them help the families they work with.

A huge thank you to you all.

We hope the report will help make the difference in how we work with and support children, young people and families to provide financial security and stability at one of the most stressful periods in their lives.

Foreword

The Independent Care Review¹ examined why families living in poverty are over-represented on the child protection register and their children more likely to be removed.

It concluded that to support all children to grow up loved, safe and respected, the impact that poverty has on families must be openly discussed. There must be significant, ongoing and persistent commitment to ending poverty and mitigating its impacts for its children, families and communities.

Scotland must also work to address its approach to risk - so that the life-long risk to children and families of being removed is acknowledged and taken into account. This requires recognition of the pervasive impact of poverty on Scotland's families and communities².

Scottish Government is working to meet its child poverty targets by 2030 - the same year by which the promise must be kept. The Scottish Government has set six priority family types that are considered at higher risk of poverty. Whilst families who encounter Scotland's 'care system' may be considered within the other categories, they are not part of this national prioritisation. That decision must be reconsidered as this report makes clear, the precarity of their financial position is such that they must have a focus at all levels of Government, to protect their abilities to care for their children through protection of their income.

Work to meet interim child poverty targets include targeted support for families through the innovative Scottish Child Payments and through initiatives such as funding for childcare, free school meals and grants such as the Best Start Grant. These will go some way to help ensure children and families' right to an adequate standard of living is upheld.

But given the increasing challenges posed by the unprecedented cost-of-living crisis, much more must be done. Part of this includes conversations to identify the barriers to keeping families safe and loved at home wherever it is possible to do so, and to understand the gaps in support.

One gap is knowledge about what happens to family finances when a child or children are unable to live at home and are taken into care. The Promise Scotland³ asked One Parent Families Scotland⁴ (OPFS), who worked with the Child Poverty Action Group (CPAG)⁵, to undertake some research alongside the families they work with to find out more about this.

They asked: what happens to family finances when a child enters the 'care system'? What is the impact of this change on families and how can the negative impacts be mitigated against?

¹ [Independent Care Review – The root and branch review of Scotland's care system.](#)

² [BRIEFING PAPER 4 FINAL.pdf \(nuffieldfoundation.org\)](#)

³ <https://thepromise.scot/what-is-the-promise/>

⁴ www.opfs.org.uk

⁵ [CPAG in Scotland | CPAG](#)

What OPFS found was stark — in some cases the financial supports available to families almost immediately cut off at the point when a child or children are removed from the care of their birth parent(s). At a time when the state steps in to uphold children’s rights to be loved, cared for and protected by removing them from their families, simultaneously families can experience material changes to their financial situations impacting on their housing, their employment, their mental health and their ability to stay in safe contact with one another and have family time.

This can mean that parents are asked to engage in child protection, care, support and planning processes linked to their children while also being asked to engage in complex discussions about changes to welfare status and to navigate a house move or a shift in financial planning, debt relief and budgeting.

Some parents told OPFS that they felt ashamed of their financial situation, that they felt hopeless and lost. Others said that they had lost their homes and were sofa surfing when their children were removed from their care, and they felt it almost impossible that their children would be able to return live within their families and communities. This demonstrates how a failure in one ‘system’ perpetuates another one.

Practitioners told OPFS that there was not a high level of awareness and understanding of what happened to family finances when a child was removed from their care, that sometimes they didn’t know how to approach conversations with parents and they weren’t always clear what they could do to help.

This report shares the reality of what happens at the moment, highlighting the increasing pressure and stress of decreasing financial situations at an already stressful time. It discusses what might change to help increase the chances of families being reunited and staying together successfully safely, in line with the ambitions of The Promise.

This is not just about finances, but about ensuring help and support so that families are aware of their rights and are alongside practitioners early, so that they do not experience the systems working against them. And, of course, it is particularly important to support parents when their children can return home, given the number that do as soon as they turn 16 or 17.

The research will be accompanied by guidance for practitioners and a guide for parents to help them know and understand rights. Together these documents will help to encourage conversations about what needs to change to better support families and increase awareness of the financial implications of interaction with the ‘care system’.

I would like to thank everyone who took part in this important research, especially those who shared traumatic and intimate details of their lives so that Scotland could do better.

Fiona Duncan

**Independent Strategic Advisor on The Promise
and Chair of The Promise Scotland**

Executive summary

This report considers the financial impact on families when children enter or leave the care system in Scotland. It is based on evidence from the literature, consultation with families and practitioners, and our analysis of the financial losses, when they occur and their consequences. It sets out the data about family income at transition points for families in contact with the care system, and illustrates the data with the views of parents and practitioners. It also shows what can and should be done to mitigate this and to change the system such that it supports families to stay together rather than the converse.

Family poverty increases the risk of children going into care. However, there is also an extremely detrimental impact of poverty on a family when a child enters care and if they return from care, and a related gap in policy responses and service delivery. If a family relies on social security benefits, family poverty is very likely to be precipitated or exacerbated when a child is taken into care. At stressful transition points, the family must frequently ride out periods of severe financial hardship, impacting parents' mental health and wellbeing and sometimes causing homelessness. This, in turn, reduces parents' capacity to offer a safe, nurturing home, leading to the child not being able to return from care, or prolonging their stay in care.

Given that families experiencing poverty are more likely than others to come into contact with the care system in the first place, the effects of further financial hardship are all the more serious. This report quantifies the financial loss. It demonstrates the effects on families of the cumulative impact on a family's financial safety when children are placed in care, and also when they return home from care, sometimes on a cyclical basis. It describes the experiences of individual families, in their own words, and illustrates the impact of the sudden and significant drop in income - in terms of poverty and physical and emotional wellbeing - including on children and young people. It also shows that there appears to be a gap in understanding the impact on family finances when a child is taken into care or returns home from care.

It need not be like this.

The report makes recommendations for policy, service provision and funding-related actions to mitigate the worst effects on families and to change the systemic problems. This includes longer term actions to prevent the damage to family wellbeing and care-experienced children by anticipating the cumulative harm. With poverty being recognised as a contributory causal factor, and emerging evidence that financial assistance can increase the rate of reunification of a child with their family, this report shows that reducing family-based financial supports when children are removed is counter-intuitive. The report argues that family financial wellbeing must be embedded into the design of benefits and across all work to support families to stay together.

Recommendations for change are grouped under three themes:

1. Actions that should be implemented immediately to mitigate some of the corrosive impact of policies and service delivery issues identified by parents.
2. Longer term structural interventions that require policy/legislative changes.
3. Informing and changing the narrative through framing of communication, training and education around the care system and poverty.

OPFS and partners intend to work with the Scottish Government and stakeholders to ensure that these recommendations are implemented for the benefit of children and families in Scotland. This is consistent with the aspirations of The Promise that children in Scotland will grow up loved, safe and respected.⁵

⁵ <https://thepromise.scot/what-is-the-promise/>

Introduction

The Promise, the report from the Independent Care Review, states that there must be 'significant, ongoing, and persistent commitment to ending poverty and mitigating its impacts for Scotland's children, families, and communities'.⁶

It describes how poverty can impact on parents' and carers' abilities to be the parents that they want to be and that their children deserve. And it makes clear that the stress of living in poverty can make family life harder and raise the risk of abuse and neglect:

"The impact of poverty on parents' resources to look after children is a structural pressure that undermines parents' scope to look after their children. Poverty then also impacts via stress that affects parents' ability to function."

The Promise also reflected on the challenges that can be solved if families have sufficient financial resources, and the provision of financial assistance for families in reducing child abuse and neglect. It asked Scotland to ensure that non-stigmatising support is available for families in their communities, and for Scotland to broaden its understanding of risk and to prioritise stable and loving relationships.

The Promise Scotland is interested to understand more about the interaction between poverty and the care system, and how Scotland can keep its promise to children and families at the point when the state steps in to help provide safe care and support for children. A 2022 review by Bywaters and Skinner reports on the implications of international evidence about the relationship between poverty and child abuse and neglect.⁷

"Deep poverty, growing rapidly in the UK in recent years, and persistent poverty are more damaging for children's safety and development than a low income or temporary difficulties. Insecurity and unpredictability of income, often the result of benefits administration practices, housing, and employment, compound the problems of parenting with an inadequate income. The gender, age, ethnicity, and health or disability of children and parents influence the ways in which adverse economic conditions affect family."

They highlight that major reviews of children's social care in England and Scotland have affirmed that family poverty and inequality are key drivers of harm to children. The 90 papers reviewed include 17 quasi-experimental studies which found that changes in the economic conditions of family life alone - without any other factors - impact on rates of abuse and neglect. Increases in income reduced these rates significantly. Economic shocks increased abuse and neglect except when families were protected by welfare benefits. This evidence highlights what the Care Review also found: that there is a contributory causal relationship between the economic circumstances of families and interaction with the 'care system'.

Although research projects such as the Child Welfare Inequalities⁸ work have sought to understand the relationship between poverty and child protection, and other research is working to gain a clearer picture of the impact of poverty on neglect and child abuse and intergenerational trauma, there appears to be a gap in understanding the impact on family finances when a child is taken into care or returns home from care.

⁶ <https://www.carereview.scot/conclusions/independent-care-review-reports/>

⁷ [RelationshipBetweenPovertyChildAbuseandNeglect_Report.pdf \(hud.ac.uk\)](#)

⁸ [CWIP-Executive-Summary-Final-V3.pdf \(nuffieldfoundation.org\)](#)

This report explores what happens in Scotland when a child enters the care system and the subsequent impact on family finances which, in turn, affects family reunification. It comes at a time when the cost-of-living crisis is acute for children and families, and the number of children and families interacting with the care system is expected to rise.

Research in some countries, including the UK, is severely hindered by the lack of almost any individual-level data about the parents of children in contact with children's services and the socio-economic circumstances of their households. There are no known examples of research being co-produced with parents or children.⁹ There is a gap in research on parents' experiences and policy actions on the impact of poverty on families with children entering and returning from care. These exit and re-entry transition points are when the family income often reduces sharply. This report aims to fill that gap to help Scotland support families and to live up to its ambition for family support and care.

It provides a systematic evidence-based account of the effects on families of the cumulative impact on a family's financial safety when children are placed in care, and return home from care, sometimes on a cyclical basis. The report also shares the experiences of individual families and illustrates the impact of a sudden and significant drop in income. This includes the impact on emotional and mental health and wellbeing including on a child or children being reunited with their families.

The report sets out recommendations for policy, service provision and funding-related actions to mitigate the worst effects on families. This includes longer term actions to prevent harm to family wellbeing and care-experienced children by anticipating the cumulative harm. With poverty being recognised as a contributory causal factor, and emerging evidence that financial assistance can increase the rate of reunification of the child with their family, this report identifies that to remove family-based financial supports when children are removed is counter intuitive. The report argues that family financial wellbeing must be embedded into the design of benefits and across all work to support families to stay together.

To capture the experience of parents and practitioners OPFS engaged with thirty parents and worked intensely with 10 parents with experience of the care system over a period of three months and held two focus groups and one research group with 34 external practitioners, from 20 organisations. See Research Methodology on page 32.

⁹ https://research.hud.ac.uk/media/assets/document/hhs_RelationshipBetweenPovertyChildAbuseandNeglect_Report.pdf.

Background

Scotland has committed to incorporate the United Nations Convention on the Rights of the Child (UNCRC) which says that states must uphold children's right to an adequate standard of living, and provide families with support so that, wherever possible, they can stay together:

"Convinced that the family, as the fundamental group of society and the natural environment for the growth and well-being of all its members and particularly children, should be afforded the necessary protection and assistance so that it can fully assume its responsibilities within the community, Recognising that the child, for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding."¹⁰

However, Scotland has much to do to uphold a child's right to an acceptable standard of living. Almost one in four (250,000) of Scotland's children are officially recognised as living in poverty.¹¹ Moreover 69% of children in poverty live in working households. The harsh reality is that rising costs are still exceeding additional Scottish Government support. Scotland's lowest income families are still making impossible choices between paying for energy to keep their children warm, shopping for food or getting into debt.

Child poverty means growing up in families without the resources to 'obtain the type of diet, participate in the activities, and have the living conditions and amenities' which are the norm in 21st century Scotland.¹² Children are living in poverty if they live in households with less than 60% of median household income. This is the key measure used by UK and Scottish Governments.¹³

The Scottish Government recognises six priority family types identified as being at higher risk of child poverty: lone parent families (38%), minority ethnic families (38%), families with a disabled adult or child (29%), families with a mother under 25 (55%), families with a child under one (34%), and larger families (32%). Its child poverty strategy strengthens the focus on these families to 'ensure that their actions deliver for the families at greatest risk of poverty'.¹⁴

This follows from the Child Poverty (Scotland) Act 2017 which provided a statutory duty for the Scottish Government to produce a delivery plan for tackling child poverty. The Act stated that the delivery plan must set out what (if any) measures Scottish Ministers propose to take over children living in households in which income is adversely affected, or expenditure is increased, because a member of the household has one or more protected characteristics, and children living in single-parent households.¹⁵

For children in the care system there is a lack of data about the families involved: for example, how many are from each of the six priority family types identified as being at higher risk of child poverty.

¹⁰ [UN Convention on the Rights of the Child - UNICEF UK](#)

¹¹ [Poverty and Income Inequality in Scotland 2019-22 \(data.gov.scot\)](#)

¹² <https://cpag.org.uk/child-poverty/what-poverty>

¹³ <https://cpag.org.uk/child-poverty/measuring-poverty>

¹⁴ [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#)

¹⁵ <https://www.gov.scot/policies/poverty-and-social-justice/child-poverty/>

Social security benefits

Most, if not all families in poverty, receive support from the social security system. This can include: universal credit (UC); ‘legacy benefits’ such as working tax credit/child tax credit, housing benefit, income-related employment and support allowance, income-based jobseeker’s allowance and income support, which will all be replaced by UC over time; disability benefits; child benefit and the Scottish Child Payment. Families may also receive support from the local authority such as school clothing grants and free school meals.

When a child is taken into care there will be an impact on many of these benefits resulting in a sometimes-dramatic reduction in income, and possibly housing-related benefits. The following statistics highlight the number of families with children given support through social security benefits in Scotland.

In the latest data for August 2022, around 405,000 households in Scotland were claiming UC, of which approximately 167,300 (41%) of households claiming had children. Of the households claiming UC, around 31% were single parents with a child dependant and 11% were couples with a child dependant.¹⁶ The latest DWP statistics show that 91,300 families with children had not yet moved to UC and received tax credits.¹⁷

In Scotland, 532,180 families received child benefit payments in August 2021.¹⁸ By the end of September 2022, Social Security Scotland had issued Scottish child payments to 105,050 parents/carers.¹⁹

The family-based elements of social security benefits are a vital component in any family’s financial wellbeing. Removal of a child into care also results in removal of vital income to that family, and there can then be a knock-on effect on entitlement to other forms of financial assistance. This can have a catastrophic impact on the family, on any children remaining with the family, and on the options for the child’s return from care.

¹⁶ <https://stat-xplore.dwp.gov.uk/webapi/metadata/dashboards/uch/index.html>

¹⁷ www.gov.uk/government/statistics/child-and-working-tax-credits-statistics-provisional-awards-april-2022

¹⁸ [child benefit statistics: annual release, data as at August 2021 - GOV.UK \(www.gov.uk\)](http://child-benefit-statistics:annual-release_data-as-at-August-2021-GOV.UK)

¹⁹ [Scottish child payment: high level statistics to 30 September 2022 - gov.scot \(www.gov.scot\)](http://Scottish-child-payment-high-level-statistics-to-30-September-2022-gov.scot)

Poverty and the care system

The Care Review mapped out how entry to the care system has a social gradient: the more a family experiences poverty, the more likely that the children are placed on the child protection register or enter the care system.²⁰

“The impact of poverty on parents’ resources to look after children is a structural pressure that undermines parents’ scope to look after their children. Poverty then also impacts via stress that affects parents’ ability to function.”

A recurring theme which runs through The Promise Plan 21-24 is recognition of the relationship between children and families living in poverty and the care system.²¹

There is evidence to suggest that children living in deprived areas of Scotland have a far greater likelihood of entering care both away from home, or when living with parents, relatives or friends. The magnitude of the difference is startling:

“In Scotland, children in the most deprived 10% of small neighbourhoods were around 20 times more likely to be looked after or on the child protection register than children in the least deprived 10%. Deprivation was the largest contributory factor in children’s chances of being looked after and the most powerful factor in variations between local authorities.”²²

Research by Professor Paul Bywaters finds that while poverty is not a necessary or sufficient factor in the abuse or neglect of children, ‘the evidence underlines the role of material hardship and the effects of factors such as parental stress and neighbourhood conditions’.²³

²⁰ [The-Promise_v7.pdf \(carereview.scot\)](http://The-Promise_v7.pdf(carereview.scot))

²¹ [Plan 21-24 - The Promise](http://Plan-21-24-The-Promise)

²² www.nuffieldfoundation.org/sites/default/files/files/BRIEFING%20PAPER%204%20FINAL.pdf

²³ [The relationship between poverty and child abuse and neglect: new evidence - Nuffield Foundation](http://The-relationship-between-poverty-and-child-abuse-and-neglect-new-evidence-Nuffield-Foundation)

Family poverty increases the risk of children going into care. However, there is also an extremely detrimental impact of poverty on a family when a child enters care and if they return from care, and a related gap in policy responses and service delivery.

At these stressful transition points, the family must frequently ride out periods of severe financial hardship, impacting parents' mental health and wellbeing and sometimes causing homelessness. This, in turn, reduces parents' capacity to offer a safe, nurturing home, leading to the child not being able to return from care, or prolonging their stay in care. The statistics on reunification in the next section show why tackling family poverty is so crucial.

Children in the care system and reunification data

Research by 'What Works for Children's Social Care' highlights that the socio-economic circumstances of families are key for longer-term sustainability of reunification, with family poverty thought to be a risk factor for children re-entering care. Many of the studies in this research identified barriers to effective support that may have hindered the ability of programmes to improve outcomes for children relative to services as usual.²⁴

This evidence tells us something important about transitions for care-experienced children/young people who return to the family home, and how the need for whole-family support continues. If more young people were able to return to a safe and economically stable family, this would support the promise made to care-experienced infants, children, young people, adults and their families - that every child grows up loved, safe and respected, and able to realise their full potential.²⁵

The Scottish Government's latest Children's Social Work Statistics report covers a range of data on looked after children.²⁶ It shows that on the 31 July 2022, 12,596 children were looked after.

There are several types of placements in which children and young people can be looked after. The most common types of placements for looked after children were: kinship care (34%), foster care (33%), and at home with parents (21%). A smaller proportion of children (10%) were looked after in residential settings.

Our research highlights the publicly available information on children being looked after outside the family home as these are the families who will experience a drop in

income from social security when the child is removed. It also focuses on data describing the destination of children who cease to be looked after to highlight the number of families potentially being reunited with children who have been looked after away from home. They will feel the immediate impact of increasing expenditure on a lower family income, as social security payments take a while to be reinstated.

During 2021-22, 2,909 children started episodes of care of which 1,894 (65.1%) were not at home with parents.²⁷

Children starting episodes of care, by placement type.

Children starting to be looked after, by placement type, 2020/21 [1]

Placement type		No.	%
In the community	Total community	2,649	91.1%
	At home with parents	1015	34.9%
	With friends/relatives	789	27.1%
	With foster carers provided by Local Authority	698	24.0%
	With foster carers purchased by Local Authority	67	2.3%
	With prospective adopters	7	0.2%
	In other community	73	2.5%
Residential accommodation	Total residential	260	8.9%
	In local authority home	148	5.1%
	In voluntary home	14	0.5%
	In residential school	33	1.1%
	In secure accommodation	8	0.3%
	Other residential [2]	57	2.0%
Total children starting to be looked after		2,909	100%

[1] A child may start to be looked after more than once in a year and so may be counted more than once.

[2] The bulk of the 'other residential' placements are private/independent residential placements for young people with complex needs.

²⁴ [Improving the chances of successful reunification for children who return home from care: a rapid evidence review \(whatworks-csc.org.uk\)](#) and [How family budget change interventions affect children being in care: A rapid evidence assessment \(whatworks-csc.org.uk\)](#)

²⁵ <https://thepromise.scot/resources/2021/plan-21-24.pdf>

²⁶ [Children's Social Work Statistics Scotland: 2021 to 2022 - gov.scot \(www.gov.scot\)](#)

²⁷ [Ibid](#)

During 2021-22, 3,550 children ceased to be looked after. For the majority, 1,874 (53%) of these episodes, the child's destination accommodation was at home with parents.²⁸

Children ceasing episodes of care, by destination.

Taken from table 2.5 of latest Children's social work statistics:

Children ceasing to be looked after, by destination, 2021/22 [1]

Destination after leaving care	No.	%
Home with (biological) parents	1,874	53%
Kinship carers: Friends/relatives[1]	555	16%
Kinship Care Order[2]	90	3%
Former foster carers[1]	57	2%
Continuing Care[2]	255	7%
Adoption	193	5%
Supported accommodation / own tenancy	204	6%
Other[3]	295	8%
Not known	27	1%
Total	3,550	100%

Source: table 1.5 of Children's Social Work Statistics for Scotland for 2020 to 2021

[1] Table excludes planned series of short-term placements. A child may cease to be looked after more than once during the year and will be counted once for each episode of care ending. Some totals do not exactly equal the sum of their component parts due to the effects of rounding. From 2002 to 2009 the data are as at 31 March. From 2010 the data are as at 31 July of each year.

[2] New destination categories of 'continuing care' and 'kinship care order' were added in 2018. Children who left care for these destinations in previous years were mostly recorded in the friends/relatives category for 'kinship care order' and the former foster carers category for 'continuing care', which partly explains the decrease in these two categories in 2018.

[3] 'Other' includes residential care, homeless, in custody and other destination.

This data illustrates the potential number of families, over a 12-month period, affected by the change in their benefit income caused by their children becoming looked after and accommodated, and returning to the family home. Further research is needed on the cost of implementing anti-poverty measures for these two groups of parents.

What happens to family income from social security in Scotland when a child is taken into care?

In order to gain a better understanding of the impact on family finances when a child is taken into care, OPFS worked alongside CPAG to analyse the way in which social security benefits stop and change, and when and how this happens.

Family poverty is intensified by a reduction in social security benefits when a child is taken into care, or a child is returned to the family. For the latter, benefits cannot be applied for until the child is back with the family. This section details what happens and uses case studies to describe the financial impact.

If a family relies on social security benefits, family poverty is very likely to be precipitated or exacerbated when a child is taken into care. This is because the social security system contains rules which are intended, broadly speaking, to prevent 'double-funding' by the state. In other words, the state is financially responsible for the child when they are looked after and accommodated, and the benefits system reflects this by withdrawing benefit income from the parent/s. Similar rules exist, to a degree, when a child is away from home for other reasons, such as being resident in a care home or residential school due to a disability. However, the rules for children who are looked after and accommodated are significantly more punitive than those for children in other situations. CPAG in Scotland's 'Children's handbook Scotland' gives detailed information.²⁹

The benefits most affected are child benefit, Scottish Child Payment, means-tested benefits/tax credits such as UC, child tax credit and housing benefit, and disability-related benefits such as child disability payment and disability living allowance. Each of these benefits has specific rules dictating when entitlement stops if a child becomes looked after and accommodated by the local authority. The rules are not consistent across the different benefits but, overall, the impact is significant, because entitlement stops either immediately or very quickly following the change in the family's circumstances. CPAG in Scotland's factsheet 'Children looked after by the local authority away from home - impact on family benefits' gives a full explanation of the impact on relevant benefits.³⁰

²⁸ [Ibid](#)

²⁹ <https://askcpag.org.uk/publications/-242902/children-s-handbook-scotland---2022/23>

³⁰ <https://cpag.org.uk/welfare-rights/resources/factsheet/children-looked-after-local-authority-impact-family-benefits>

Child-related benefits that a family might receive will almost inevitably be affected if the child becomes looked after and accommodated by the local authority.

Depending on the overall financial circumstances of the family, this can mean a significant drop in income. The lower the family's income is to start with, the greater the impact is likely to be, because a greater proportion of the total income is likely to derive from child-related benefits. The result is that, at this extremely stressful time, the family must frequently ride out periods of severe financial hardship. This will almost inevitably affect their capacity to offer a safe, nurturing home to which their child might return. Reduced income for parent/s also makes maintaining contact with their child, and the costs involved, very challenging.

The following examples show the extent and speed of the drop in income. These examples/case studies were illustrated by CPAG/OPFS in 2022, and were accurate at that time.

Example 1

Lone parent aged 23 with one child aged 4. Not currently working. Receives UC, child benefit and Scottish Child Payment. Her weekly income from these benefits (net of housing costs) is £164.47. Her child becomes looked after and accommodated by the local authority. Immediately, her UC reduces by £56.44 a week. After eight weeks, her child benefit and Scottish Child Payment stop, resulting in a further reduction of £46.80 a week. By the end of 8 weeks, her income, net of housing costs, has fallen from **£164.47** to **£61.23** a week - a drop of **£103.24** a week.

Example 2

Couple, both aged 32, with two children aged 10 and 8. Not in paid work. Receive income-related employment and support allowance due to ill-health, child tax credits, child benefit and Scottish Child Payment. Their weekly income (net of housing costs) is £396.45. Their children become looked after and accommodated by the local authority. Immediately, entitlement to child tax credit (£123.20 a week) stops. After eight weeks, child benefit and Scottish Child Payment stop, resulting in a further reduction of £86.25 a week. By the end of eight weeks, their income,

net of housing costs, has fallen from **£396.45** to **£187** a week - drop of **£209.45** a week.

When a child returns to their parent/s after a period of being looked after and accommodated by the local authority, child-related benefits are likely to become payable again. However, if there is a phased return, the benefit system, overall, has little flexibility to reflect this interim stage. It is possible to receive child benefit for a child who is still looked after and accommodated, but who is coming home for a trial period (for example a couple of nights a week). But other benefits will generally only be reinstated if and when the child is back home more or less full-time. Once again, the rules vary across the system and, by and large, are not designed to reflect the nuances of such situations. CPAG in Scotland has a detailed information sheet about the impact on benefits when a child starts coming home for some of the time.³¹

Even when a child comes home full-time and the parent is, once again, entitled to child-related benefits, it can take some time to sort this out, and there may be delays before the parent receives the income to which they are entitled.

The situation is more complex when a young person aged 16+ returns home from care. When a young person aged 16+ returns home after being looked after by the local authority, there are different benefit implications for the family depending, for example, on whether the young person is still in non-advanced education. The local authority may have responsibilities towards the young person under section 29 of the Children (Scotland) Act 1995.³²

If a parent is on housing benefit, the child no longer counts as a dependant as soon as they are looked after and accommodated. This reduction in help with housing costs means the parent/s may be unable to remain in their home. This can result in having to move to smaller accommodation, or worse, being made homeless. This has a serious and detrimental impact on the potential for a child returning home.

³¹ cpag.org.uk/factsheet/children-looked-after-local-authority-impact-family-benefits

³² cpag.org.uk/welfare-rights/resources/factsheets/care-experienced-young-people-and-benefits and cpag.org.uk/scotland/welfare-rights/students-benefits/care-experienced

When a child is taken into care, DWP benefit conditionality, and the potential for sanctions reducing benefit, increases. When a claim for UC is made, a 'claimant commitment' is signed. An important part of the claimant commitment is the number of hours per week the person is expected to work and to spend looking for work. This ranges from 0 to 35 hours depending on the age of the youngest or only child, and whether there are any other circumstances that affect a person's ability to work.

When a child is taken into care, parent(s) are regarded as having no dependants, so the claimant commitment changes. After the work coach is informed about the situation, they tell the parent what 'work related activity group' they will be in. Each group has different tasks to get ready for work. This includes looking for jobs, applying for jobs, going to interviews or updating a CV.³³

This increase in Jobcentre Plus conditionality happens just when there is an expectation from statutory services for parents to attend meetings, case conferences, contact, hearings, legal meetings and so on. This results in immense pressure on already vulnerable parents who are being pulled in different directions by powerful institutions which offer little flexibility in their expectations. There is a data gap in that we do not have the statistics on how many parents whose children have been taken into care have also been subjected to cuts to their benefits, thus increasing family poverty.

Financial implications when children become looked after: what happens and when.

Much has been written on poverty as a contributory factor to children becoming looked after, and on the greater risks of poverty for young people leaving care. A review of most recent research, and discussions with practitioners and organisations working with families, identified the need for more work to understand the financial implications for families when children go into care. The analysis of benefit rules and regulations demonstrates that there is a significant drop in income for families.

³³ [Going to your Universal Credit interview - Citizens Advice](#)

When children are removed from the family, depending on the benefits being received by the parent, the family could face several financial changes, causing poverty and hardship.

Immediate impact

Universal credit (UC): claimants (most likely the parent) are responsible for informing the Department for Work and Pensions (DWP) about any changes unless an appointeeship is in place. They should do this as soon as possible to avoid overpayment of welfare benefits. It is important to tell parents that any reduction of UC will start from the beginning of the UC assessment period in which the child is removed.

Childcare costs: any help with childcare costs will stop. The amount parents are allowed to earn before their UC starts being affected could also change.

Housing benefit: immediately the child is removed, the parent must inform the local authority. The parent may be able to get a discretionary housing payment. Housing benefit will no longer include the amount for the child. If the parent is in a private rental, the local housing allowance may change as the family is treated as needing fewer rooms. Families in social housing and under pension credit age may be subject to 'bedroom tax' as fewer rooms may be required.

Tax credit and child tax credit: as soon as the child is removed from home, they are no longer counted as part of the household. This means that child tax credit will stop straight away. Working tax credit could also be affected. The parent must notify HM Revenue and Customs (HMRC) immediately.

Income support and jobseeker's allowance: as soon as the child is removed, they are no longer counted as part of the household. A lone parent is no longer able to claim income support if they are not caring for a child under five.

28 days

If the child gets disability living allowance or child disability payment, the carer component will stop after 28 days if the child is in residential accommodation. If the child is placed with a foster carer, both the care and the mobility components can continue. However, in both situations, a parent's appointeeship will probably end, meaning that they no longer receive disability benefits for their child.

Eight weeks

Child benefit stops after eight weeks. Scottish Child Payment and Best Start Foods entitlement stop after eight weeks, or earlier if entitlement to a qualifying benefit has already stopped.

Six months

Housing costs for UC are affected six months after the child(ren) are removed. UC may assess the parent as under-occupying the property.

Consultation with parents

One-to-one meetings

OPFS worked with local services to meet parents who were care experienced, or whose children have been on the edges of or in the care system. We used these parents' experiences, together with information from practitioners from other third sector organisations, social workers and financial inclusion workers, and the information on what happens to social security benefits, to draw up case studies. These concisely portray multifaceted circumstances, including some of the types of family identified within the Child Poverty Delivery Plan as being at greater risk of falling into poverty.

The research assumptions were informed by several factors.

- A disproportionate number of children entering the care system are affected by poverty.
- Current social work action is often focused on the child or young person, rather than on the totality of the circumstances of that child's family. An increased focus on the family as the 'unit' requires policy and practical attention.
- Many children do not enter the care system on a permanent basis. More often, a child will enter for a period, return to their family, and perhaps re-enter care, as the family's dynamics shift. Understanding the effects (especially the financial effects) on the family of such movement between family and care is central to getting the child's throughcare and continuing care right.
- Poverty does not affect families living in poverty in equal ways. Depending on circumstances, the pressure points caused by poverty are varied.
- Poverty is not a single event or circumstance. There is a need to understand and respond to the cumulative impact of 'blows' to a family's financial, emotional and social robustness.

- The family-based elements of social security benefits are a vital component in any family's financial wellbeing. Removal of a child into care also results in removal of vital income to that family. There can then be a knock-on effect on entitlements to other forms of financial assistance. This can have a catastrophic impact on the family, on any children remaining with the family, and on the options for the child's return from care.

OPFS worked with parents and carers across its services who had experienced care themselves or had children in care/on the edges of care to explore the acute stress created by child removal and the consequent financial impact. This took place in Dundee and Falkirk over several months to ensure that families were not overwhelmed.

The aim of this detailed work with a small group of families was to understand their experiences after their child had been taken into care: what information, advice and support were available to them (especially about benefit reductions); what was the impact on them; what had helped; and what would have helped.

In total, we worked intensively with ten families, meeting with each of them at least three times and providing support throughout the process. The families included a kinship carer, care-experienced parents with children in care or on the edges of care, and parents of children in care. From across our services, we identified over 30 families who would have been able to take part in the interviews, but for some the time was not right, or the issue was too raw to speak about. Families who face interventions from the care system most often have unending lived experiences of poverty, gender-based domestic and family violence, and officially diagnosed mental health conditions.

Resources to accompany the meetings included a **briefing for staff, an information sheet for parents and a visual aid**, which was used to guide the conversations with parents.³⁴

³⁴ • briefing for staff - https://opfs.org.uk/wp-content/uploads/2023/05/OPFS-Dundee-Staff-Briefing-The-Promise-work_.docx
 • and information sheet for parents - <https://opfs.org.uk/wp-content/uploads/2023/05/Info-for-families.docx>
 • visual aid - <https://opfs.org.uk/wp-content/uploads/2023/05/Visual-Aid-Idea.pdf>

The OPFS staff who worked with the parents all had a strong ongoing relationship with the families. They are still keeping parents informed about the progress of this work. Some parents have remained involved, shaping the content and format of an information pack designed for parents.

Summary of findings

Parents' experiences starkly illustrated that policies and practices that intend to protect children and improve their lives sometimes aggravate poverty and the judgemental attitudes and stigma that accompany it. When children go into care, too often the way systems and processes are set up mean further financial losses for parents. Emotional damage not mitigated through additional support, reduces the chances of reunification.

- All those who had children accommodated were unaware of the financial implications of their child being accommodated
- Of the six parents whose experiences impacted their finances, none got support with finances
- Nine reported that early intervention is required
- Of the parents whose experiences affected their finances, all said that financial support for successful contact is required

What parents told us would help.

Suggestions were:

- parents should retain some or all their benefits while a child is accommodated/a decision has been made to reunify or permanently accommodate child.
- parents being able to access a fund during the period their child is accommodated to ease the financial burden of expenses incurred by contact - travel costs, mobile data, expectation of gifts/snacks at contact visits.
- fast-track system to reinstate families' benefits once child is returned home.
- changes to the housing bidding system to take into account the full composition of the family, regardless of the child/ren being accommodated to ensure adequate housing is secured to allow the child/ren to return home and to remove unsuitable housing as a barrier to reunification.
- information and support throughout the process relating to financial and material implications alongside practical, emotional and parenting support - a holistic approach.

Survey with parents

Following on from the one-to-one work with parents, we surveyed parents to find out what information would be useful for those whose children become looked after and accommodated.

Main messages from parents

In addition to financial issues, parents mentioned the need for ongoing emotional and practical support after their child had been taken into care. As well as the financial shock, they felt overwhelmed, judged and as if they would fail their child if they were not able to make the arranged visits. They did not know where to turn for support.

Shock

Parents highlighted the lack of warning - the removal of benefits was a shock. Parent was in a relationship with an abusive partner who was physically abusive and financially exploitative to fund alcohol misuse and gambling issue. Parent felt ashamed and their child was accommodated after an incident of domestic abuse when they were holding the child. Parent reports health visitor was supportive but found the social worker assigned to the family unreliable and reports their mental health impacted on their ability to see how abusive the partner was.

"... my money was stopped suddenly which was a shock - can't remember when but it was soon after she was taken. I didn't know that would happen as no one told me. One week x amount next week nearly nothing. That was really shocking as I still had stuff to pay including getting to contact."

(parent of a child removed)

"There was no awareness of how quickly my benefits would have stopped and how I would need to live on such low income."

(parent of a child removed)

Stigma and shame

Parents told us that they felt shame and guilt. They also felt judged and not taken seriously when social work was involved with their children and family.

Parent whose child was accommodated after an incident of domestic abuse in the presence of the child.

"I didn't really share information with family and friends as I felt a lot of shame."

Parent's family didn't like their partner and were unhappy when she was pregnant. She saw less and less of them during the pregnancy and was isolated. Her partner was abusing her.

"I was ashamed so didn't really share much about what was happening."

Parent struggled with their mental health had little support. The partner was abusive.

"I was also very young and didn't feel people took me seriously or really tried to help by getting to know me."

The parent reported that their housing officer was 'not helpful at all' when they asked for a move to attempt to leave their abusive partner.

"The way they spoke to me was awful. I felt it was all my fault as they didn't speak to my ex. I was embarrassed and would be stressed."

The parent had to get two buses to an early morning contact and at times would be late.

"The foster carer, I felt, looked down on me when I arrived late."

Parent whose baby was accommodated reported her baby looked better - that is cleaner with nice clothes - reported that, in relation to social work:

"...maybe if they helped me with seeing my baby rather than just watching and writing everything down - that may have helped."

"I just gave up - what was the point - I have a lot of guilt around that, maybe I should have fought harder."

Barriers to reunification

Parents also highlighted how difficult it was to get benefits reinstated when children were returned, making reunification a time of continued financial stress.

After their children were accommodated, the parent was allocated a one-bedroom property as they were classed as a 'single occupant'. This was a barrier to reunification. They didn't have access to funds to adequately furnish the flat for the children to return. This delayed the reunification of the children. When the children did return, the parent had to wait for several weeks, living on an income intended only for themselves. Their full benefit entitlement wasn't reinstated until several weeks after the children were returned to the parent's care and the relevant agencies provided with confirmation of this.

"My benefits were not looked at until I had proof from the relevant agency to say the children had been returned so I had to struggle on my sole benefit for several weeks."

Maintaining relationships

Issues around contact was a theme that parents spoke of as being very challenging. With income greatly reduced yet with expectations to attend contact, often some distance from the family home; to confirm contact via phone beforehand; and to bring gifts and snacks meant that the already increasing pressure on parents both financially, and on their self-esteem, resulted in many feeling overwhelmed.

Parents told us:

When the child was accommodated, this parent's income reduced greatly and they received benefits for themselves only. However, there was still the expectation that they would have credit in their phone to call and confirm contact; that they had the funds to purchase a bus ticket, later to be reimbursed by social work; and that they would attend with appropriate snacks and small gifts for the child. This was all while trying to maintain contact; work on getting their child

back; deal with the emotional and financial impact of their child being accommodated; and meeting the expectations to have their child returned to their care.

"I would say I had forgotten snacks when, really, I couldn't afford to buy any. The carer would just provide snacks for her."

When their child was accommodated, this parent's income dramatically reduced. They were dealing with the impact of this such as rent arrears and other bills, plus their abusive ex-partner continued to financially abuse them.

"I got my bus ticket refunded but I had to pay for it before I got the money back. The social worker sometimes forgot to get the money so I would have to wait."

"I felt overwhelming pressure to buy things for my baby to show I was a good mother... I couldn't. I remember buying her a toy from the pound shop. They took it off her as they didn't think it was good or right for her age. That hurt a lot. I couldn't afford her birthday as my ex had taken the little money I had saved. I phoned and spoke to a duty social worker who gave me £50 to get her something and a cake - I was so grateful."

"Getting to contact was difficult and, if I didn't turn up as I had no money or I arrived late as I walked, it was viewed negatively rather than anyone trying to find out why I couldn't attend which was due to money."

This parent's income was greatly reduced when their children were accommodated. There were still expectations on the parent financially such as paying for travel to contact, and bringing snacks and gifts. However, the parent was receiving benefits for only themselves. Furthermore, this parent was granted daily visits, which were marred by the pressure to provide daily snacks and so on. They felt, had these pressures been removed or funding provided, it would have allowed them and their children to have more positive contact. They would have been able to work on getting their children back as opposed to worrying about how to afford snacks, if they had enough money to get the bus to contact and so on.

"I was allowed contact every two weeks but had no money to get there or take things along such as a snack or a wee treat."

"When I was allowed the boys for daily visits there was no financial help."

"The placement for my youngest boy broke down and he was returned to me for two days, I was given no financial help."

Parents said that what would help included children being accommodated closer to home, a discretionary fund to support them in making the contact with their children successful such as a bus pass, and access to support with providing their children with gifts and snacks. Also, as one parent said, 'a worker just for me'. As another parent put it 'when the children were removed, support just fell away'.

Lack of understanding of rights

Parents reported that they often didn't know their rights or where to turn for support and advocacy. When asked what would have helped them while social work was involved with their families parents told us the following.

Parent whose partner was abusive and whose children were accommodated as the partner was deemed a risk to the children. Parent reported not being aware of their rights and having no support during their interactions with social work nor knowing where to access support.

"Knowing my rights."

Parent whose children were accommodated. Parent thinks that there should be more support for parents whose children are on the edges of care/are accommodated to rebuild the relationship and make positive changes to reunify the family.

"Signposting to agencies who can support a variety of issues. (a leaflet or something with agencies' contact details)."

Parent whose children were accommodated but felt they had no support and did not know where to get support and find out their options/rights.

"I would like more support to be known to parents and families who are having issues. If parents know who to go to for help it can reduce their anxiety and help them to cope with what's going on."

Parents said they would like information on their rights and responsibilities and where to find support for various aspects including finances, mental health and wellbeing, domestic abuse, parenting skills, housing and relationship advice.

In our accompanying survey, parents reported that their preferred way to access such information would be a combination of paper/digital/support worker.

Parents who received support from organisations during their involvement from social work reported as follows.

“I know now that there is support in Dundee, as I have been able to access a lot of it myself. I attended lots of groups. These were groups on various topics such as parenting, cooking, budgeting, child development, and exercise groups. These were all beneficial to getting myself back on track. I contacted Women’s Aid, attended a safety group, and completed a self-esteem course.

I know there are agencies which support benefits, money advice, mental health and advocacy. I wish I knew then that they were all there and had been able to access them.”

Parent whose children were accommodated but they didn’t have any support and didn’t know organisations existed that offered support.

This parent was accommodated as a child and reported a negative experience - not being informed about what was happening nor why they were being accommodated, not supported to build family relationships and so on. When their own child began to run away from school and social work became involved, they reported they were, ‘...filled with dread and was convinced their child would be removed from me’. However, the social worker involved with the family, referred them to OPFS where they were allocated a family support worker. This parent reported that they wouldn’t have contacted an organisation as they would have seen it as a ‘sign of failure’.

The family support worker helped them to work on issues related to the child’s truancing. Social work stepped back. The parent was convinced that, had they not had support from the family support worker, social work would still be involved, and their child would be at risk of being accommodated.

“With the situation with my own child, I believe had I not been linked in with OPFS then social work would have remained involved and that my child may have been taken from me.”

Case studies

The following CPAG case studies reflect the different family circumstances and demonstrate the enormity of the financial impact on a family when the child or children are removed from the family home and become looked after.

CASE STUDY ONE

Lone parent, age 32, with two children: a girl age 12 and a boy age 5. Living in a housing association house with three bedrooms with a rent of £400 a month (housing costs element paid direct to landlord). Not in paid work. Receives universal credit (UC), child benefit and Scottish child payment (SCP) for both children. The parent's UC assessment period runs from the 4th of one month to the 3rd of the following month. Both children become looked after and accommodated on 28 December 2022.

IMMEDIATE IMPACT

UC child elements stop from the beginning of the assessment period in which change happens (4 December 2022).

Before: UC £869.49 a month (net of housing costs)

After: UC £334.91 a month (net of housing costs)

Loss: £534.58 a month

AFTER 8 WEEKS

Child Benefit for both children stop 8 weeks after they become looked after and accommodated.

SCP for both children also stop.

Before: Child Benefit and SCP £86.25 per week

After: Child Benefit and SCP £0

Loss: £86.25 a week

AFTER 6 MONTHS

UC housing costs element changes. Parent is no longer treated as needing bedrooms for the two children. She becomes subject to the bedroom tax, which means a 25% reduction in UC housing costs element. This should be mitigated by discretionary housing payment.

IMPACT SUMMARY

Total weekly income (net of housing costs)

Before: £325.71

After: £77.29

These examples/case studies were illustrated by CPAG/OPFS in 2022, and were accurate at that time.

Case studies

CASE STUDY TWO

Lone parent, age 34, with one child aged 12. Living in a housing association house with two bedrooms with a rent of £450 a month. Not in paid work. Receives Universal Credit (UC), Child Benefit and Scottish Child Payment (SCP). The child has a disability and gets Disability Living Allowance (DLA), highest rate care component. Parent gets Carer's allowance for looking after her child. Her UC assessment period runs from the 12th of one month to the 11th of the following month. The child becomes looked after and accommodated on 10 December 2022. She goes to stay in a residential unit.

IMMEDIATE IMPACT

UC child element, disabled child element and carer element stop from the beginning of the assessment period in which the change happens (12 November).

Carer's Allowance also stops. But as this is deducted from UC, the net loss is suffered in the UC amounts.

Before: UC £1,208.60 a month (net of housing costs)

After: UC £334.91 a month (net of housing costs)

Loss: £873.69 a month

AFTER 4 WEEKS

DLA stops being paid.

Before: DLA £92.40 a week

After: DLA £0

Loss: £92.40 a week

AFTER 8 WEEKS

Child Benefit and SCP for the child stop 8 weeks after the child becomes looked after and accommodated.

Before: Child Benefit and SCP £46.80 a week

After: Child Benefit and SCP £0

Loss: £46.80 a week

IMPACT SUMMARY

Total weekly income (net of housing costs)

Before: £418.11

After: £77.29

These examples/case studies were illustrated by CPAG/OPFS in 2022, and were accurate at that time.

Consultation with practitioners

As the Care Review points out, practitioners have limited powers to resolve families' socio-economic problems.³⁵ We wanted to find out more about practitioners' knowledge of the financial issues families face when children are removed from the family home or when reunification occurs.

We engaged with 61 practitioners across Scotland who work with families with children and young people in or on the edges of care.

Before consulting with parents, we spoke to practitioners in OPFS and across Scotland's statutory and voluntary organisations, to ascertain their understanding of the situation families may find themselves in, and to identify how practitioners have supported families and what has made this possible.

After the detailed work with the ten parents in Dundee and Falkirk, we brought a group of practitioners together to develop a resource and information pack that would assist them to support families when a child enters the care system and to minimise the financial impact.

32 practitioners worked alongside six OPFS staff in two focus groups and one research subgroup between July and September 2022. All groups took place on Zoom.

The first focus group considered gaps in knowledge, awareness of poverty, financial signposting and local support for families in order to inform the pack. A smaller group then drafted the pack. This was the focus of the second meeting when the pack's content and structure was shared with practitioners. The pack was then finalised for testing with practitioners.

Practitioners in the focus groups highlighted that they find it hard to talk with families about low income, poverty and debt, and to help families deal with or exit poverty. Frequently, a family's financial status is not seen as integral to agency priorities, structures and models of practice. As a result, parents too often feel a lack of respect and that their concerns and priorities are not seen or heard, and view services as a threat rather than a help.

What practitioners said would help them

- A resource that includes awareness raising about poverty and the issues for families, and that provides information on the financial impact for families when a child is taken into care.
- Practical resources such as template letters for families to use to notify DWP
- Information and tips to help normalise discussions about money
- Information on discretionary funds available to support families
- Information about what ought to happen and when, with a timeline and case studies, but also nuance for specific circumstances

A child may be in care, but in many cases parental rights and responsibilities³⁶ remain. This means that it is necessary to develop practice that will protect family income, review what needs to remain and what will follow the child.

³⁵ [Independent Care Review - Final-evidence-framework_June_2020.pdf \(celcis.org\)](#)

³⁶ [Parental responsibilities and rights - mygov.scot](#)

What needs to change

If more young people were able to return to a safe and economically stable family then this would support the promise made to care-experienced infants, children, young people, adults and their families that every child grows up loved, safe and respected, and able to realise their full potential.

There is growing international recognition that the removal of a child from their birth parents by the family courts should not mark the end of professional support for parents. Child-centric approaches have led to some tensions in family service-oriented countries between the emphasis on addressing the family as an entity, which is strongly embedded in current systems and children's rights. In Denmark, for example, there has been concern that, while the child development approach might increase consideration of the best interests of the child, it may also result in further exclusion of biological parents, depending how it is implemented.³⁷

Research by Broadhurst and Mason (2020), which uncovered the scale of women's repeat appearances in the family courts in England, has caused a fundamental re-appraisal of responses to parents beyond child removal. They argue that policy and professional intervention must be attuned to the additive burden that these parents face, on account of family court involvement and child removal.³⁸

Example initiatives

There are examples of initiatives where change to processes have been implemented and evaluated.

An innovative Israeli child protection programme, 'Families on the Path to Growth', provided social workers and families with a substantial flexible budget designated for families' needs. Research involving interviews with social workers revealed that providing material assistance is an extremely complex and multidimensional task.³⁹ This research has the potential to inform any similar programme in Scotland that recognises the importance for children of poverty-proofing for families when a child is taken into care or returns.

Research in England into programmes to support mothers with both material and relationship issues following child removal, found improved emotional wellbeing, greater housing and financial security, increased engagement in education, employment and specialist services, and improvements in key relationships in women's lives, including with their children.⁴⁰

Pilot projects in three local authorities in England provided devolved budgets to social workers and their managers. Social workers were given the authority to spend budgets to support families that were on the edge of care, making sure that they got what they needed to support them more quickly. The amounts were up to £10,000 in one local authority. The final evaluations showed positive feedback from both social workers and families, and highlighted that social workers benefit from having professional freedom and autonomy to make decisions in consultation with families, about how best to support them.⁴¹

Results of our consultations

The results of our consultations with parents and practitioners confirmed what we found through our desk research and identified that change needs to happen in the following areas:

1. Financial awareness and money management support embedded in family support
2. Awareness and understanding on the part of children's hearings panels, social work and other professionals of the link between family poverty and a child's sustained reunification with their family
3. Use of public sector discretionary funding when a child returns home to bridge payments until benefit payments re-start
4. Support with housing, housing benefit and rent arrears
5. Addressing stigma, shame and perception

³⁷ [Independent care review - Final-evidence-framework June 2020.pdf](#)

³⁸ [Child removal as the gateway to further adversity: birth mother accounts of the immediate and enduring collateral consequences of child removal - Karen Broadhurst, Claire Mason, 2020 \(sagepub.com\)](#)

³⁹ [Independent Care Review - Final-evidence-framework June 2020.pdf \(celcis.org\)](#)

⁴⁰ [Redistribution and recognition in social work practice: Lessons learned from providing material assistance in child protection settings](#)

⁴¹ [Devolved budgets: an evaluation of pilots in three local authorities in England - What Works for Children's Social Care \(whatworks-csc.org.uk\)](#)

1. Financial awareness and money management support embedded in family support

Studies in various countries have found that social workers commonly do not prioritise poverty in their direct work with families. Social workers often feel that they lack the skills to deal with family finances, and/or have ambivalent attitudes to families' poverty, creating barriers in their relationships with families. This can add to parents feeling that they may be blamed and shamed, mistrusted, rejected and unrecognised, or threatened.⁴²

Evidence from CELCIS in Scotland demonstrates the difference that investment in systemic family support that is tailored around a family's needs can make. This includes money advice and support to claim benefits or manage debt.⁴³

OPFS research has found that parents, particularly those on benefits, whose children are on the edges of care/or have been removed and accommodated, lack knowledge on managing finances and lack support and awareness of the impact on finances when children are removed and accommodated.

One parent whose children were on the edge of care said she struggled financially with 'how to manage to pay bills and things like that. I was so young and didn't have a clue'. Another reported, 'I have autism and I struggle to manage my finances well. The worker has been supportive with this and has helped me to reapply for PIP [Personal Independence Payment]'.

During interviews with parents, it became apparent that there was a lack of awareness of how suddenly benefits would be stopped. As a parent who had their child accommodated said, 'My money was stopped but I still had rent arrears and other bills to pay - not that they mattered as I was a mess, and my ex was still taking money off me'. Another reported, 'Being told how my baby being removed would impact on my finances would have helped - my money just stopped!'

When asked what they thought would have helped, parents said:

- knowing that their benefits would be impacted and it would take effect immediately
- having a designated worker to support them with the changes
- access to funds to support them during the period that their children were being accommodated particularly during contact with their children and to avoid accumulated debt and rent arrears

Parents often didn't have the funds to travel to contact and said that the system of social work reimbursing them afterwards doesn't work.

One parent said, 'I suppose simple things like a bus pass to get to contact (not having to pay for a ticket and get it refunded). Maybe a small allowance to buy snacks for contact or to remove that pressure completely.' Another said, 'I still go to contact but if I do not have money in my phone to contact them before I arrive it is cancelled. I do not get bus money to attend. I don't mind as it is my son I'm going to see.'

Parents who have had their children removed must be provided with discretionary financial support to maintain relationships, so they can buy their children snacks and little treats, in the way that parents want to do. Local authorities must support contact time to be as normal as possible. That requires a level of discretionary financial spend.

One of the barriers to children being returned to the care of their family is that, although the family is entitled to claim the benefits again, that process doesn't happen immediately so there can often be a lengthy wait for those benefits to be reinstated. There needs to be support to speed up the process or access to other funds. This is because, when children return to the care of their families, parental responsibilities resume but the family income does not resume at the same speed. As one parent said, the ideal scenario timewise would be 'making sure benefits are in place for the return of children or support until this is arranged'.

Practitioner comment:

"Having access to specialist welfare rights advice for families. North Lanarkshire Council used to operate with every worker having a remit to maximise income with the financial inclusion [FI] team a second-line service to train and support all workers. Just last year, they have taken the decision to change the way they work so, while everyone has a responsibility to promote awareness of income maximisation, the families are referred into the FI team for the actual advice and support. Now, people know where to refer to and that is into the specialist FI team."

⁴² <https://doi.org/10.1111/cfs.12423>

⁴³ [Addressing Poverty and Child Welfare Intervention Paper July 2018.pdf \(celcis.org\)](#)

2. Awareness and understanding on the part of children's hearings panels, social work and other professionals of the link between family poverty and a child's sustained reunification with their family

Our discussion with practitioners highlights that they find it hard to talk with families about low income, poverty and debt, or how to integrate it with their advice to families. They also report that they cannot help families deal with or exit poverty. Frequently, a family's financial status is not seen as integral. Agency priorities, structures and models of practice are barriers to poverty-aware practice.

"Thought about the way I worked with families and the way I undertook assessments in social work. On reflection, I didn't pay enough justice to environmental factors - finances in particular."

"When you are looking at removal of children, the focus is very much on the child. The welfare of the children must be paramount. But, on reflection, the impact of poverty doesn't detract from that principle."

"What if you ask the question and the answer is "yes, I'm not coping and I need help financially," where do you take that? There needs to be resources to do something about it. The worry is for those who are accessing all the benefits they are entitled to, but still, this is not anywhere near enough for those families. What's the point asking if we can't do anything about it?"

"Timescales and volumes of work at transition points. In the aftermath of removal, the relationship with families and workers has broken down. Takes time to fully engage with that parent - there is trauma there. Resources and funding, where do we refer to?"

"Relationships. Open honest dialogue. All begins with the relationship with the family and, for many social workers that is not always easy. It takes time to build a relationship when there are barriers of fear, anger and aggression within the family. You need to keep going back again and again to build that relationship. When that's there, it's much easier to talk about finances."

"Families will have more than one practitioner involved, a multi-agency approach. A relationship where there is trust can be difficult for the families. Currently the system can be very separatist. Data-sharing barriers are also an issue."

"Frontline workers to know enough to know what the issues could be but then going elsewhere for that specialist support. This needs to be resourced and it also needs to be taken seriously."

3. Use of public sector discretionary funding when a child returns home to bridge payments until benefit payments re-start

Practitioner comment:

“Help from discretionary fund and also look at creative ways of providing funds for example supporting a food shop for when child comes back into the family home.”

“Use of section 22 funding, particularly when a child is returning so we bridge payments until benefits kick in. Being aware of the additional costs when children are returned. Contact increasing in lead up to return but benefits not back yet. More pressure on families to provide during these visits.”

4. Housing support, housing benefit and rent arrears

When a child leaves the family home, the parent/s usually receive less housing benefit. While in Scotland a tenancy cannot be removed from a tenant due to underoccupancy, the difficulty that parents reported to us was that the reduction in housing benefit meant that their contributions to rent increased. Often, they built up rent arrears, for which a landlord, including social housing landlords, can raise eviction proceedings.

A domino effect can often result in the parent/family losing their home and being placed in temporary accommodation. Moreover, as the parent/family does not legally have care of their children, the housing system means they can bid for tenancies only as a single person/couple. This is because housing needs are based on the composition of the individual/family, including dependents, that the tenant has responsibility for, and doesn't take account of any children being accommodated. This was another huge barrier for parents as they were often considered unsuitably accommodated for the child to return to the family home.

“When I lost my house, I was put into a bedsit - I think I knew then I would never get my child back and gave up. I didn't want to live there so why would they let my child return. I had nothing other than a black bag full of clothes as I couldn't afford a removal van or to put my stuff into storage.”

“Housing was a big issue for me as, when I was on my own, I was only allocated a one-bedroom and when the boys were to be returned this was not big enough. Also trying to furnish the house. Beds for the boys, clothing etc had a huge impact on me.”

When asked what would have helped, parents said:

- support and guidance on how their income would be affected
- information on changes in their rent contributions
- empathy from councils and landlords and support to ensure arrears weren't accumulated and if they were, practical support to tackle these without fear of eviction

Parents also spoke of feeling 'set up to fail' and **that a change in the housing bidding system was needed so that parents and families can bid for tenancies which are suitable for the full family regardless of whether the child is accommodated during the bidding process.**

Parents also recommended a change to the benefits system so that they can retain certain benefits during the period when their child is accommodated. Although the parent doesn't have the child at home, they still retain certain responsibilities such as rent contributions and so on. Parents told us that, even if a suitable tenancy is acquired, it can often be considered unsuitable for the child to return to if adequate furnishings are not available.

“When I came back from the unit without the boys, I had to find myself a house. I had no money, so if I had been even given a network flat that was furnished, I could have worked to get the boys returned.”

“I needed financial support to build a house suitable for the boys.”

“Furniture when children are returned.”

5. Addressing stigma, shame and perception

Poverty is not just about lack of money, even if it is an important dimension (together with financial insecurity and debt).

“Disempowering systems, structures and policies are just as important, because the very services that are meant to support people in difficulty can be the ones that control and disempower them (the benefits system and social services were highlighted as particular examples).”⁴⁴

When asked what would have helped, parents told us that being listened to, having a social worker who took the time to understand what was going on, and having access to practical support would have benefited them greatly. A support worker for guidance was thought important as often parents needed support with parenting skills or budgeting.

“When I became pregnant with my son (seven years later), I was scared as I thought he would be taken off me as soon as he was born. The social worker was so much better. I felt listened to and not judged. I asked for help and felt supported.”

“I think what was different was the social worker took time to get to know me as part of the pre-birth assessment. They really explained what the previous concerns were and showed empathy. I felt confident to say what I was struggling with, and they put in support.”

“I think it’s the little practical things which would help the most including empathy about lack of money.”

“Having the right agencies support me.”

“A support worker who is there for guidance.”

Practitioner comment:

“How do we create the moral message for addressing this as there are some people out there who will say it’s right that the money is removed - they don’t have the kids, they don’t need the money. These parents are still providing a family home - built a home for a family and providing a home for a family yet we have a system that takes away the means to provide that.”

⁴⁴ <https://atd-uk.org/2019/10/12/understanding-poverty-and-social-rights-through-lived-experience/>

Conclusion

Families experiencing poverty are more likely than others to come into contact with the care system. Children in the most deprived small neighbourhoods in Scotland are nearly 20 times more likely to be in the care system or on the child protection register than children in the least deprived neighbourhoods.

Yet, financial support in the form of benefits is withdrawn when children go into care, and can take a considerable time to restart when they return home. This can seriously limit parent/child contact and their continued relationship with a consequent effect on reunification. The sudden and sustained loss of benefits can lead to debt and homelessness as well as emotional effects of shock, hopelessness and shame.

Statutory services require parents to engage with them and with the care processes at the same time as the welfare benefits system requires parents to notify them of changes and to adapt to new rules and regulations. This is both confusing and distressing for parents at an already stressful time.

Far from supporting parents and children, the systems inhibit parents' ability to engage with the care statutory services and can impede family reunification.

Consultation with parents indicates that the removal of benefits was a source of shock and stigma. It was a barrier to maintaining relationships with their children and to reunification. It had implications for housing and homelessness. Many did not know their rights or where to turn for support.

Consultation with practitioners indicates a lack of awareness and understanding of the detail of the financial consequences on those who are already living in poverty, and what and how they might be able to help families in this situation.

The results of our consultation indicate that change needs to happen in the following areas:

1. Financial awareness and money management support embedded in family support.
2. Awareness and understanding on the part of children's hearings panels, social work and other professionals of the link between family poverty and a child's sustained reunification with their family.
3. Use of public sector discretionary funding when a child returns home to bridge payments until benefit payments re-start.
4. Support with housing, housing benefit and rent arrears.
5. Addressing stigma, shame and perception.

Financial wellbeing must be embedded within the design of benefits and across all work to support families to stay together.

The following section makes recommendations for change based on the desk research, consultations with parents and practitioners, and examples of systems change from elsewhere.

Recommendations

This research and consultations with parents and practitioners have highlighted recommendations under the following themes:

- A. Actions that should be implemented immediately to mitigate some of the corrosive impact of policies and service delivery issues identified by parents**
- B. Longer term structural interventions that require policy/legislative changes**
- C. Informing and changing the narrative through framing of communication, training and education around the care system and poverty**

A. Actions that should be implemented immediately to mitigate some of the negative impact of policies and service delivery issues identified by parents

1. We have worked with parents to produce an advice and information leaflet for parents on their rights. Local authorities should ensure that every parent touched by the care system⁴⁵ receives a copy.
2. To assist practitioners, we have worked with them to produce a resource and information pack. This should be disseminated by Scottish Government and COSLA to all frontline practitioners working with families with children in or on the edges of care.⁴⁵
3. Support for families from statutory agencies such as social work should step up not down. Families must be helped to address key concerns and be given support to increase the chance of reunification which is sustained. This should include access to independent advocacy.
4. The Scottish Government should work with COSLA to review how, as part of the promise, parents whose children are looked after away from home are protected from homelessness or being forced to move to inappropriate accommodation that prevents family reunification.
5. The Scottish Government should invest in financial inclusion services so they are integrated into whole-family support. A family finance health-check should be introduced for all families who have a child removed from the family home/ returning home after being looked after.
6. The gaps in published evidence of the many overlaps between poverty and child neglect and abuse suggest that more work is needed to address this under the data mapping and collection workstream within The Promise Scotland Plan 21-24.⁴⁶

⁴⁵ <https://opfs.org.uk/thepromise>

⁴⁶ <https://thepromise.scot/what-must-change/plan-21-24>

B. Structural interventions that are preventative and require policy/legislative changes

1. The Child Poverty (Scotland) Act 2017⁴⁷ aims to reduce child poverty. It recognises that there are specific factors that increase the risk of child poverty for six priority family groups. Actions and resources to address these form part of the Scottish Government's Child Poverty Delivery Plan. Families with children in care or at risk of care should be an additional priority group, and actions to focus on them should be included in the next Child Poverty Delivery Plan.
2. The Scottish Government should follow up the findings of this report with further research on the cost of implementing anti-poverty measures for families affected by the change in their benefit income caused by their children being taken into care or returning from care to the family home
3. The Scottish Child Payment should be changed to be a standalone benefit, not dependent on eligibility to UK benefits, as this would offer additional flexibility. The Scottish Government could then respond to UK benefit changes, widen the eligibility and align the payment with other Social Security Scotland benefits. This would enable rapid reaction to change resulting from consulting with claimants and organisations, and would promote a fairer system which puts the views of parents at the heart of any decisions and changes. For example, it would respond to the cliff edges in benefit eligibility that increase poverty for families affected by the care system.
4. The Scottish Government should introduce flexibility to Scottish benefits to provide for families in exceptional circumstances, so that benefits continue after a child is removed. This would require discussion with officials from Social Security Scotland who have the expertise on whether this would require a change to regulations or legislation.

5. The Scottish Government should investigate piloting a programme based on the Israeli child protection programme, 'Families on the Path to Growth'. This provides parents with their own short-term flexible budget to help avoid their family falling into further poverty.⁴⁸ A direct and flexible budget to support the family would prevent the devastating financial impact when a child is taken into care or fill the income gap caused by the time it takes to claim and receive benefits when a child returns home.
6. Local authority social work departments should be given increased access to discretionary funds to protect incomes during the first six months after a child is removed and to increase income prior to reunification and while finances/benefits are reinstated.
7. The UK Government should ensure that benefits income is protected for at least six months from when the child goes into care, with special consideration of circumstances. It should introduce flexibility for financial support during the post-removal assessment for all working-age benefits.

C. Informing and changing the narrative through framing of communication, training and education about the care system and poverty

1. All social work (and other professions) professional training should include poverty-awareness modules that cover the importance of embedding family financial wellbeing in all work to support families to stay together.
2. Poverty-awareness training should be developed and introduced for:
 - children's hearing panels, police, NHS, school/education staff and all supporting services that make referrals to social work
 - staff in respite and children and young people care homes and residential schools
 - non-statutory support services
3. Financial wellbeing support should be integrated with other forms of support that families receive - emotional, mental health and wellbeing - as part of the shift to holistic whole-family support.

⁴⁷ <https://www.gov.scot/policies/poverty-and-social-justice/child-poverty/>

⁴⁸ [Redistribution and recognition in social work practice Lessons learned from providing material assistance in child protection settings](#)

Research Methodology

The project research methodology below describes the data collection and analysis methods we plan to use in the research. It explains how we conducted the research and describes the chosen methods. We ensured the research was rigorously conducted.

Our methodological approach

The overall approach and aims of our research involved:

- Describing the characteristics of the financial impact of having a child/children/young person be accommodated by the care system
- Illustrating the issues raised by parents and the problems/ barriers they face.
- Exploring an under-researched topic
- Investigating the experiences of families affected by the care system, with a particular focus on the financial implications, and practitioners involved in the process
- Establishing the impact of financial cliff edges created by a reduction in income for families when the child/ren and/or young person becomes looked after & accommodated

We used a mix of desk-based research looking at the interaction between poverty and care, and qualitative data collected by OPFS (One Parent Families Scotland) project team by engaging parents and practitioners.

We carried out the research in three stages:

Stage 1: Scoping & Information Gathering

We undertook information gathering through talking to Academics, Social Workers, Practitioners, Managers, Senior Managers from the Statutory, Voluntary Sector, Higher Education institutions. These included:

Fife Gingerbread, ILF Independent Living Fund, Includem, Scottish Adoption, Scottish Transitions Forum, Skills Development Scotland, Improvement Service, University of Stirling, Wellbeing Economy Alliance Scotland, Heriot Watt University, Edinburgh University, Improvement Scotland, Fostering Network, Adoption UK Scotland, Life Changes Trust, Curiosity Collective, The Promise Scotland, What Matters 2 U, Tayside Collaborative, Social Justice civil servants, CELCIS.

1.1 Desk-based research: We conducted a literature review of existing research into the interaction between poverty and care to provide a strong, research-informed, base to this work.

1.2 Analysis: We undertook analysis of data available through Children Social Work statistics to identify key quantitative evidence and issues. Working in partnership with CPAG (Child Poverty Action Group) Scotland, we quantified financial reductions that would result when a child becomes looked after and accommodated.

Stage 2: Engagement with Parents

We approached 30 families of which 10 engaged in 1:1 interviews and 6 engaged in an online survey.

We worked with parents to understand their experiences of the current welfare and benefits system, and based on those experiences co-design a parent guide which best supports families with a child/ren, young person on the edges of care, looked after & accommodated and those reunified back to their families.

2.1 Family interviews: We conducted 10 in-depth interviews with families who have experience of their child/ren and/or young person being on the edges of care, being accommodated and those reunified back to their families. Some of these parents were also care experienced as children/young person themselves. The families interviewed were from the Dundee and Falkirk areas of Scotland. These families comprised:

1 x kinship carer

1 x parent with a child on the edges of care

2 x parents who were care experienced as children

2 x care experienced parents whose children had been on the edges of care

1 x care experienced parent whose children were accommodated

3 x parents whose children were accommodated

2.2 Family Survey: A further 6 families opted to participate in an online survey, taking total families consulted and involved to 16.

Stage 3: Testing of what parents shared & working with practitioners to design the guides

We spoke to 61 practitioners from OPFS, other third sector organisations, HE and statutory services working with families with children and young people in or on the edges of care, from across Scotland. 34 external practitioners attended focus and research groups. The practitioners come from Scotland's statutory and voluntary organisations, to ascertain their understanding of the situation families may find themselves in, and to identify how practitioners have supported families and what has made this possible. 34 external practitioners, from 20 organisations worked alongside six OPFS staff in two focus groups and one research subgroup between July and September 2022.

3.1 Practitioner Focus groups Zoom meetings using presentations for discussion, breakout rooms, and feedback. All the groups took part in the Zoom meetings. The first focus group considered gaps in knowledge, awareness of poverty, financial signposting, and local support for families in order to inform the pack. A smaller group then drafted the pack. This was the focus of the second meeting when the pack's content and structure was shared with practitioners. The pack was then finalised for testing with practitioners. Those consulted included:

CPAG, Families Outside, D&C Young People's Trust, Dundee City Council - Children Services, North Lanarkshire Council, Summerston Childcare, Barnardo's, Aberlour Child Care Trust, Pennywell Allcare Centre, DRC Generations, Women's Centre - Charity, Falkirk Council, Capital City Partnership - Whole Family Equality Project, NSPCC, Quarriers Kinship Care Service, CELCIS, GE Women's Aid, Who Cares? Scotland, ELPIS Centre - GCC, SPCC - Glasgow