Child Rights and Wellbeing Impact Assessment (CRWIA) Stage 1, Screening

for The Welfare Foods (Best Start Foods) (Scotland) Amendment Regulations 2023



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Disclaimer

This draft document is an initial assessment of the impact of The Welfare Foods (Best Start Foods) (Scotland) Amendment Regulations 2023 and Scottish Government will continue to review and update this document where required during the parliamentary/strategic decision making process. Any future iterations will reflect an increased understanding of these impacts as the amount of data and research available continues to grow.

This impact assessment should be read in conjunction with the Equality Impact Assessment and the Fairer Scotland Duty Assessment.

CRWIA Stage 1 – Screening

1. Brief Summary

Best Start Foods (BSF) is a social security payment delivered by Social Security Scotland. BSF aims to tackle the impacts of child poverty by improving access to healthy foods and milk for eligible families on a low income.

The primary purpose of these regulations is to meet the Ministerial commitment to remove income thresholds for all qualifying benefits for BSF in 2023-24. They will also align eligibility criteria and processes more closely with Best Start Grant (BSG) and Scottish Child Payment (SCP) and make some changes to the rules around payments.

Best Start Foods

The Scottish Government replaced the UK Healthy Start Voucher scheme in Scotland with BSF on 12 August 2019. BSF provides eligible families with a pregnant person or child under the age of three with a minimum of £4.95 a week via a payment card to purchase healthy foods and milk

Initial policy development of BSF was informed by a 2016 report by Nourish Scotland entitled Living is More Important than Just Surviving - Listening to what children think about food insecurity.¹ It was also informed by the report produced by the Children's Parliament in 2017 entitled What Kind of Scotland?² which identified poverty as the most important barrier to a good life. It affects children day to day, in terms of practical things like having enough food to eat and a house that is warm, but also because children may notice the stress money concerns cause the adults at home.

BSF is a weekly payment which amounts to £19.80 every four weeks throughout pregnancy, £39.60 every four weeks from birth until a child turns one to support breastfeeding mothers or help the child's parent or carer with the costs of providing first infant formula milk, then £19.80 every four weeks from one until a child turns three.

BSF targets support to low income families. Under the current regulations for most eligible individuals, qualifying benefits are used as a proxy for means testing and there are income thresholds which apply to some of these benefits. Pregnant persons who are under 18 and their partners are automatically entitled to BSF, without the need for a qualifying benefit, as long as they meet the residency conditions. This is also true for children who are under one and whose parent or carer is under 18, provided the residency requirement is met.

For a child to be eligible for BSF, an individual looking after the child must also be able to evidence child responsibility. For most individuals, the evidence will be receipt of a child responsibility benefit for the child but other forms of evidence can also be accepted, e.g. proof of a kinship care relationship.

¹ Nourish Scotland (2016) Living more important than surviving

² Children's Parliament (2017) What Kind of Scotland?

Between launching on 12 August 2019 and 30 June 2023, more than 156,000 applications had been authorised for Best Start Foods.³ In total, over £44 million has been provided to those families who need it most. In the 2022-23 financial year around 46,425 people were paid BSF.

Five family payments

BSF is part of a wider group of social security benefits that are intended to support low income families with the costs of raising a child. SCP and the three BSG payments – Pregnancy and Baby Payment, Early Learning Payment and School Age Payment – together with BSF are known collectively as the five family payments (FFP). All five payments are aimed at tackling inequality, improving outcomes and making a positive impact on all of the priority family types identified in Best Start, Bright Futures⁴ – the latest Tackling Child Poverty Delivery Plan. To some extent, all of the payments use qualifying benefits and child responsibility benefits to target eligibility.

BSG replaced the Sure Start Maternity Grant in Scotland. It aims to help alleviate material deprivation, tackle inequality and contribute to closing the educational attainment gap. The grants provide support to low income families at three key transition points in a child's early years.

SCP launched on 15 February 2021 and was introduced by the Scottish Government to tackle child poverty for low income families in receipt of certain reserved benefits. It currently pays £25 a week per child every four weeks in arrears to families with no cap on the number of eligible children a family can claim for. SCP is paid to families with children under the age of 16.

The FFP could be worth around £10,000 by the time an eligible child turns six years old, and over £20,000 by the time an eligible child is 16 years old. This is a significant investment in tackling child poverty and we want all low income families to take up their eligibility. We know from work undertaken to develop the second Benefit Take-up Strategy, published in October 2021, that the complexity of accessing entitlements is a key barrier to benefit take-up.⁵ That is why we are keen to make sure accessing the benefits is simple and straight forward. To make it easy to apply for the FFP, there is already a single form to apply for them all. We also promote the benefits as part of a joint FFP campaign which focuses on the full package of support available to low income families. It includes television, radio and digital advertising.

While many people will be able to get all five payments as their child ages, there are some differences about who can receive them. This means that some families will not be able to get all of the payments. There are also some differences in the rules for processing applications for the different benefits.

³ Social Security Scotland (2023) <u>Social Security Scotland - Best Start Grant and Best Start Foods:</u> high level statistics to 30 June 2023

⁴ Scottish Government (2022) <u>Best Start, Bright Futures: tackling child poverty delivery plan 2022 to</u> 2026

⁵ Scottish Government (2021) <u>Social Security (Scotland) Act 2018: benefit take-up strategy - October</u> 2021

We know that greater alignment of Scottish benefits could make it easier for people to understand what they are eligible for and simpler for Social Security Scotland to communicate. This in turn could result in higher take-up of the FFP and make it simpler to potentially automate payments in the future.

Policy Changes – Summary

These amendment regulations will make the following changes to BSF:

- Ensure entitlement to BSF continues for a period of eight weeks when entitlement to Child Tax Credit, Working Tax Credit, Income Support, Incomebased Jobseekers Allowance, Income-related Employment and Support Allowance, Pension Credit or Housing Benefit ends.
- Make 18 and 19 year old dependants who are pregnant eligible without the need for a qualifying benefit, as long as they meet the relevant residency conditions. If the pregnant person stops being a dependant before the end of the pregnancy, eligibility will continue until the end of that pregnancy.
- Align the eligibility criteria for partners of pregnant persons with that of pregnant persons.
- Make the individual who an eligible pregnant person is dependent on and the partner of that individual, entitled to receive BSF. If the pregnant person stops being a dependant before the pregnancy has ended, the individual will remain eligible until the end of the pregnancy.
- Amend the eligibility rules for children so that children under three are eligible if the individual responsible for them or the partner of that individual:
 - \circ is under 18,
 - \circ is a dependant aged 18 or 19 years old, or
 - was eligible to receive BSF during pregnancy due to being under 18 or a dependant aged 18 or 19 years old.

If the individual responsible for the child turns 18 or ceases to be a dependant aged 18 or 19 years old before the child turns one, the child will continue to be eligible up until the child turns one or reaches the first anniversary of its estimated delivery date, whichever is later.

- Amend the residency requirements so that the individual responsible for a child under three or the partner of that individual must meet the residency conditions set out in regulation 9 in order for the child to be eligible for BSF.
- Amend the residency requirements so that whomever is acting on behalf of an entitled child who is under three must meet the residency conditions set out in regulation 9.
- Amend the residency requirements so that individuals who are 18 or 19 and a dependant must meet the further residency conditions set out in regulation 9(2).
- Remove the income thresholds which apply to certain qualifying benefits.
- Make Working Tax Credit a qualifying benefit in its own right.
- For BSF applicants who are in receipt of any qualifying benefit, ensure that any deductions made from their qualifying benefit award due to sanctions or to pay any liability are disregarded. This will ensure that if an individual has a nil award because of these deductions, they will still be treated as being in receipt of the qualifying benefit and they will, therefore, be eligible for BSF. In all other circumstances, where the individual has a nil award or where the

individual has received a qualifying benefit in error, the individual is not entitled to BSF.

- Ensure that where BSF is being paid to the individual the pregnant person is dependent on or the partner of that individual and an application is received from the pregnant person and they are eligible, the pregnant person's claim will be approved and the claim from the individual the pregnant person is dependent on or the partner of that individual will be ended.
- Where applications are received from two eligible individuals and neither is the pregnant person, allow Scottish Ministers to decide who should be entitled to BSF, having regard to the circumstances of the pregnant person.
- Make clear that where they have legal capacity to be paid, entitled young persons can be paid in their own right and young parents of an entitled child who is under three can be paid on behalf of the child.
- Allow payment on behalf of an entitled child who is under three to be made to the partner of the person who is responsible for the child.
- Allow Scottish Ministers to pay whoever they consider appropriate on behalf of an entitled person.
- Amend the duty to report a change of circumstances so the duty is on the individual who is being paid BSF on behalf of the entitled person, or the entitled person if they are being paid in their own right.
- Allow Scottish Ministers to make an appointee for an individual who is under 16 and is an entitled pregnant person, partner of a pregnant person or person responsible for a child under three. Such an appointee can only be made where there is no person who has authority to act on behalf of the individual, resides with the individual and is willing and practicably able to act on the individual's behalf.
- Specify that the higher payment of BSF paid from the date the child is born until the child turns one or reaches the first anniversary of its estimated delivery date, whichever is later, is double the lower payment.
- Allow payments to be made in a way other than the prepaid card, where appropriate.
- Give the Scottish Ministers a discretion to treat an application as having been made at a later date where Social Security Scotland can see that the individual who applied will become eligible within 10 days of their application date.
- Allow a new decision to be made without having to receive a new application or review request where an individual has previously been determined as ineligible due to the lack of a qualifying benefit or child responsibility benefit and they have subsequently received a backdated award of their qualifying benefit or child responsibility benefit which covers the date of their original application.

The CRWIA process started in April 2023 and will be completed ahead of laying regulations in December 2023 – with regulations coming into force 26 February 2023.

2. Which aspects of the relevant proposal currently affects or will affect children and young people up to the age of 18?

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All aspects of these policy changes will affect eligible children and will affect some young people who are pregnant, the partner of a pregnant person or the parent of an eligible child.

The aims of the policy changes being introduced are to:

- Support more low income families to access healthy food and milk;
- Further align eligibility and procedures for BSF with BSG and SCP. This will:
 - make it easier for clients to understand the eligibility criteria;
 - reduce the need for re-applications and review requests;
 - make it easier to potentially automate payments in the future;
 - improve access to BSF for young parents;
 - o make it easier to administer and promote the benefits; and
 - address stakeholder concerns regarding the need for better alignment across the FFP.
 - Make other technical changes to how we make payments. These will:
 - simplify the uprating process; and
 - make clear that we can pay BSF to individuals in another way where it is not appropriate to provide a prepaid card.

3. Which groups of children and young people are currently or will be affected by the relevant proposal?

BSF targets support to pregnant persons - who may themselves be children - and children under the age of three who are in low income families. We will also align the eligibility criteria for partners of pregnant persons - who may themselves be children - with that of pregnant persons. Therefore these children and young people will be affected by the proposal.

Declaration

- 4. Is a Stage 2 Children's Rights and Wellbeing Impact Assessment required?
- CRWIA required No explanation required, please complete questions 5 and 6
- CRWIA not required
 Please explain why below and contact the children's rights unit to discuss this decision crwia@gov.scot

Explanation why CRWIA is not required: n/a

5. Sign & Date

Policy Lead Signature & Date of Sign Off: Nicola Birrell, 10th November 2023

CRWIA author, if different from policy lead, Signature & Date of Sign Off: Michelle Rumgay, 10th November 2023

Deputy Director Signature & Date of Sign Off: Ian Davidson, Deputy Director, Social Security Policy Division, 10th November 2023

Date SGLD contacted: April 2023

6. Preparation Phase if undertaking a CRWIA

Evidence: Please list any research you are currently aware of that is relevant to this relevant proposal ?

We have drawn on existing research to fully understand the impact of these changes on children and young people.

Young parents:

- The latest analysis of client diversity and equalities data⁶ shows that for approved BSF and BSG applications between June 2021 and March 2023, 15% (6735) were from those aged 16-24.
- Some of the reasons young people might experience poverty include: the age at which mothers have their first child is substantially lower in more deprived areas, meaning that early motherhood is more likely amongst those already facing socio-economic disadvantage; mothers under 25 are also more likely than older mothers to have fewer qualifications, lower average incomes and to be unemployed.⁷
- The Scottish Government's Pregnancy and Parenthood in Young People Strategy⁸ highlights that young mothers are more reliant on social security payments and tax credits than older mothers – a position that remains the case as the child ages.
- 55% of children with a mother aged 25 or under are in relative poverty compared with 23% of children whose mother is 25 or over.⁹
- It is clear from our user testing that many young parents find accessing the income to which they are entitled confusing and difficult. We conducted user

⁶ Social Security Scotland (2023) <u>Social Security Scotland client diversity and equalities analysis to</u> <u>March 2023</u>

⁷ Scottish Government (2022) <u>Tackling child poverty delivery plan: fourth year progress report 2021-</u> 2022 - focus report on households with mothers aged 25 or under

⁸ Scottish Government (2016) Pregnancy and Parenthood in Young People Strategy

⁹ Scottish Government (2021) <u>Additional child poverty analysis 2021</u> - Table 4 (child poverty priority groups and targets - further analysis)

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research workshops with young parents (under 18) through a charity. The input we got from this group highlighted their preference towards a digital service, finding contact via phone daunting, and helped to shape the wording and design of the application form e.g. we took forward their suggestion that pre-application content should be displayed over several pages. Through our policy engagement, some of the young mothers we spoke to highlighted the importance of being able to speak to someone about their entitlement. A multi-channel application process and promotion both digitally and through local services helps ensure young parents access the social security payments that they are entitled to.

• Responses from the A New Future for Social Security Consultation¹⁰ highlighted under 18s as a group which would benefit from simpler provision.

Children:

- The early years are key to improving long term health outcomes, with children from less affluent households being more at risk of negative outcomes in later decades.¹¹
- Children in low income households tend to experience a range of disadvantages which can accumulate throughout their lives. For example, poverty negatively affects children's health, social, emotional and cognitive development, and also their behavioural and educational outcomes.¹² Evidence suggests that factors associated with child poverty, such as lower educational attainment, have implications for economic growth and a country's capacity to compete in the global economy.¹³ The growing evidence in developed economies suggests that gaining additional income has positive causal effects on health, behavioural development and educational attainment for children in households at the lower end of income distribution.¹⁴
- It is estimated that 24% of children (250,000 children each year) were living in relative poverty after housing costs in 2019-22. Before housing costs, it is estimated that 22% of children (230,000 children each year) were in relative poverty.¹⁵
- It is estimated that in 2019-22, 69% of children in relative poverty after housing costs were living in working households (170,000 children each year).¹⁶

¹⁰ Scottish Government (2017) <u>Analysis of written responses to the consultation on social security in</u> <u>Scotland</u>

¹¹ Scottish Government (2010) Growing up in Scotland: health inequalities in the early years

¹² NHS Health Scotland (2018) Child Poverty in Scotland: health impact and health inequalities

¹³ Joseph Rowntree Foundation (2008) <u>The costs of child poverty for individuals and society</u>

¹⁴ Cooper & Stewart, Centre for Analysis of Social Exclusion (2017) <u>Does money affect children's</u> <u>outcomes? an update</u>

¹⁵ Scottish Government (2023) <u>Poverty and Income Inequality in Scotland 2019-22</u> - Figure 4

¹⁶ Scottish Government (2023) Poverty and Income Inequality in Scotland 2019-22 - Figure 5b

- Absolute child poverty after housing costs affected 21% (210,000 children each year). Before housing costs, absolute child poverty was at 18% (180,000 children each year).¹⁷
- It is estimated that 11% of children were living in combined low income and material deprivation after housing costs in 2019-22. Before housing costs, this was 10% of children.¹⁸ We cannot say exactly how many children are affected, because the sample size is low this year. But in the previous period, 120,000 children were in combined low income after housing costs and material deprivation each year.
- The majority of young people, who responded to a Scottish Youth Parliament survey to find out about young people's experience in accessing food, agreed or strongly agreed that they and their family can afford food without having to sacrifice other basic needs such as heating or housing. However, between 7-9% disagreed or strongly disagreed with these statements.¹⁹
- In 2019-22, 86% of children lived in households with high food security. This
 means that 14% of children lived in households with marginal, low or very low
 food security.²⁰
- Children in poverty were less likely to have high food security: just 65% of those in relative poverty and 65% of those in severe poverty lived in high food security households.²¹
- Initial policy development of BSF was informed by a 2016 report by Nourish Scotland entitled Living is More Important than Just Surviving - Listening to what children think about food insecurity²² and the report produced by the Children's Parliament in 2017 entitled What Kind of Scotland?²³
- In the Children's Parliament report What Kind of Scotland?²⁴ poverty is identified as the most important barrier to a good life. It affects children day to day, in terms of practical things like having enough food to eat and a house that is warm, but also because children may notice the stress money concerns cause the adults at home.
- BSF may be contributing to better health and wellbeing for children. Recipients report observing their children eating more and a greater variety of fruits and vegetables and feeling positive that they can provide their children with more nutritious foods.²⁵

¹⁷ Scottish Government (2023) Poverty and Income Inequality in Scotland 2019-22 - Figure 6

¹⁸ Scottish Government (2023) Poverty and Income Inequality in Scotland 2019-22 - Figure 7

¹⁹ Scottish Youth Parliament (2023) Young People's Right to Food

²⁰ Scottish Government (2023) Poverty and Income Inequality in Scotland 2019-22 - Figure 8

²¹ Scottish Government (2023) Poverty and Income Inequality in Scotland 2019-22 - Figure 8

²² Nourish Scotland (2016) Living more important than surviving

²³ Children's Parliament (2017) What Kind of Scotland?

²⁴ Children's Parliament (2017) What Kind of Scotland?

²⁵ Scottish Government (2022) Best Start Foods: evaluation

Stakeholder engagement: Please describe your initial plans for stakeholder engagement, including which organisations you would like to engage directly with.

Relative qualitative and quantitative evidence will be gathered by engaging with stakeholders listed below. This will provide potential impacts, both positive and negative and potential barriers.

- Five Family Parents Reference Group made up of a number of key stakeholders with an interest in the policy area, including Child Poverty Action Group, Citizens Advice Scotland, Engender and a number of other groups
- Scottish Women's Convention
- Nourish Scotland
- Island stakeholders
- Scottish Commission on Social Security (SCoSS)
- First Steps Nutrition Trust
- Scottish Women's Aid
- Inclusion Scotland

Involvement of children and young people: Please describe your initial plans for involving children and young people in the development of this relevant proposal, including any specific groups of children you would like to engage directly with.

We will engage with relevant young people through user research and also speak to those organisations listed above that work with young people. While it is more challenging to engage with children under three directly, we have some insight into the experiences of children under three who receive BSF from the recent evaluation of BSF.²⁶

²⁶ Scottish Government (2022) Best Start Foods: evaluation



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