

Child Rights and Wellbeing Impact Assessment (CRWIA) for Creating a Scottish Discretionary Housing Payment scheme

Disclaimer

This **draft** document is an **initial assessment** of the impact of creating a Scottish Discretionary Housing Payment scheme and Scottish Government will continue to review and update this document where required during the 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.

CRWIA Stage 1 – Screening

1. Brief Summary (Guidance Section 2.1)

Creation of a Scottish Discretionary Housing Payment scheme.

Responsibility for the Discretionary Housing Payment (DHP) scheme was devolved in 2017 and provisions reframing the scheme for a Scottish context were included in the Social Security (Scotland) Act 2018 (“the 2018 Act”). At present the DHP scheme in Scotland is still regulated by the Discretionary Financial Assistance Regulations 2001 (“the DFA Regs”) and the DWP-issued guidance.

The Scottish Government now wishes to revoke the DFA Regs, insofar as they relate to Scotland, and commence the DHP provisions of the 2018 Act. This will in effect create a Scottish Discretionary Housing Payment scheme and will bring DHPs under the full control of Scottish Ministers.

This will allow Scottish Ministers to issue statutory guidance to local authorities setting out how the DHP scheme should be administered in Scotland. It will give Ministers further flexibilities in how the scheme operates, so that Ministers wishes around welfare-reform-mitigation, homelessness prevention, and child poverty can be more fully met.

The main differences between the current DHP scheme and the fully Scottish DHP scheme are:

- local authorities will be able to mitigate the benefit cap as fully as possible within devolved powers
- local authorities will be able to continue the mitigation of the bedroom tax
- we will expand the definition of ‘housing costs’ in benefit cap cases where local authorities are not able to pay more than a person’s rent in DHPs
- there will no longer be a requirement for a formal application and financial assessment for the mitigations Scottish Ministers wish to see applied universally

Start date of relevant proposal: 1 April 2024

Start date of CRWIA process: 25 October 2023

2. Which aspects of the relevant proposal currently affects or will affect children and young people up to the age of 18? (Guidance Section 2.1)

Giving Scottish Ministers more control over the administration of the DHP scheme will allow them to better target support for low income families. The DHP scheme helps households in receipt of benefits meet their housing costs and maintain their tenancies. Certain UK Government welfare changes such as the bedroom tax (also known as removal of the spare room subsidy, social sector size criteria and under

occupancy charge) are fully mitigated by the DHP scheme. This welfare reduction affects many household types, including families.

The DHP scheme is also being used to mitigate the benefit cap which particularly impacts families: 99% of households affected by the benefit cap are families, and 74% are lone-parent families. Creating the Scottish scheme will allow fuller benefit cap mitigation in some cases.

3. Which groups of children and young people are currently or will be affected by the relevant proposal? (Guidance Section 2.1)

Children from families in receipt of benefits will be affected by the proposal, but particularly those affected by the benefit cap. However, the proposal could touch on many priority family types, as they are more likely than average to be in absolute poverty: “36% children in lone parent families, 34% children in minority ethnic families, 24% children in families with a disabled person, 49% children in families with younger mothers, 30% children in families with a child under one, and 32% children in families with three or more children are in absolute poverty. 8% of children who are in none of the priority groups are in absolute poverty.”¹

Declaration

4. Is a Stage 2 Children’s Rights and Wellbeing Impact Assessment required? (Tick relevant requirement) (Guidance Section 2.1)

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:

¹ [Poverty rates amongst priority family types - Tackling child poverty priority families overview - gov.scot \(www.gov.scot\)](http://www.gov.scot)

5. Sign & Date

Policy Lead Signature & Date of Sign Off: Andrew Weild, 19th February 2024

CRWIA author, if different from policy lead, Signature & Date of Sign Off: Nicole Pettigrew, 19th February 2024

Deputy Director Signature & Date of Sign Off: Alice Hall, 19th February 2024

Date SGLD contacted 30th January 2024

Once signed off, please send to CRWIA@gov.scot and publish on gov.scot or relevant Executive Agency website.

6. Preparation Phase if undertaking a CRWIA (Guidance Section 2.1)

If CRWIA is required, please engage in the preparation phase as early as possible. This phase consists of a research and consultation plan.

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

[Poverty rates amongst priority family types - Tackling child poverty priority families overview - gov.scot \(www.gov.scot\)](#)

[Benefit cap breaches children's rights, says Supreme Court | CPAG](#)

[Project Title \(gcph.co.uk\)](#) (Exploring the Cost of the Pregnancy Pathway)

[Tackling child poverty delivery plan 2018-2022: annex 3 - gov.scot \(www.gov.scot\)](#)

[Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment \(www.gov.scot\)](#)

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

The process is actively being discussed with local authorities, COSLA, and Scottish Government policy officials from relevant areas such as child poverty, social security,

homelessness, and violence against women and girls. We have also had conversations with Child Poverty Action Group (CPAG) and Poverty Alliance.

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.

There are no plans to involve children and young people directly in the development of this proposal. The proposal will affect the legislative basis for local authority administration of the scheme, and allow them to make larger benefit cap mitigation payments in some cases. As such, children are one step removed from the policy as it directly impacts their parents, who are the recipients of the DHP.

However, we know that homelessness has a detrimental impact on the wellbeing of families with children. The Scottish Government invests in DHPs in order to prevent homelessness. Shelter Scotland has commissioned [research](#) (findings due in winter 2024) to understand children's experiences of temporary accommodation. The researchers will hear directly from children. Scottish Government officials are part of the research advisory group for this work, which will strengthen our understanding of the impact of housing precarity and homelessness for children and young people – and the importance of investment in preventative measures.