

EMBARGOED UNTIL 08:00 BST SUNDAY 12 MAY 2019

## WELFARE REFORMS DOUBLE THE NUMBER OF CHILDREN IN STRUGGLING FAMILIES

- Study by Policy in Practice for the Office of the Children's Commissioner shows a dramatic increase in child vulnerability as a result of welfare reforms
- The introduction of Universal Credit, the two child limit to benefits and the Benefit Cap combined has meant that the number of low income families who are struggling to make ends meet has jumped from 13% to 25%
- The cumulative impact of welfare reforms is considerably greater than the impact of each reform in isolation, affecting 48% of households who lose £3,441 on average per annum
- **Universal Credit** broadly helps families with children. On average 56% of households are better off by £172 per month, though 40% are worse off and lose £181 per month
- **The five week wait** would push 70% of families currently facing a cash surplus into cash shortfall. At some point during the five week wait, 73% of families with savings will see them depleted completely
- The **Universal Credit advance payment** provides a short-term boost to cashflow, but also increases the percentage of households who would face a cash shortfall from 12% under Universal Credit, to 19% once the advance payment is deducted from UC awards.
- Under the **two child limit** (applied to all families) 32% of children living in families facing a cash shortfall would find their families in surplus were the policy removed. The policy is pushing 16% of children who are already facing a cash shortfall into further risk
- **The Benefit Cap** affects 3% of households who, on average, lose £2,832 on average per annum

New analysis was commissioned by the Office of the Children's Commissioner to highlight the impact of family circumstances on children's outcomes. Surprisingly, children's services departments hold no data on family circumstances, making it more difficult to identify children at risk.

They commissioned Policy in Practice, a data analytics company that helps local authorities to deliver preventative support. They used existing household datasets held by other local authority departments to show the impact of welfare reforms on low income families.

The analysis used financial resilience to assess income against family needs, recognising that families with more children need more money for the same standard of living, and that the cost of living varies based on where you live. They assessed the impact of individual and combined impacts of welfare reforms, including Universal Credit, the two child limit to benefits and the Benefit Cap.

The analysis also allows government to use the administrative data to proactively identify vulnerable families and target preventative support to those children identified.

The DWP has access to national data on all Universal Credit recipients and those on legacy benefits. The potential for sharing this data to drive targeted and effective interventions across central and local government is immense.

Anne Longfield, Children's Commissioner for England, said:

"The two child cap penalises children who can't choose their birth order or the number of siblings their parents are having. Putting children in a position where they are worse off through no fault of their own is morally wrong and risks damaging the life chances of already vulnerable children."

Deven Ghelani, Director and founder, Policy in Practice, said:

"It's possible to identify children who are at risk using administrative data. as shown through this analysis. The government needs to make this information more accessible, so it can be used to help those that most need it."

Policy in Practice is a data analytics company founded to make government policy simple for people to understand.

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#### ABOUT THE REPORT

Download *The impact of welfare reform on child vulnerability* report [here](http://policyinpractice.co.uk/wp-content/uploads/The-impact-of-welfare-reform-on-child-vulnerability-pub-May2019.pdf)  
<http://policyinpractice.co.uk/wp-content/uploads/The-impact-of-welfare-reform-on-child-vulnerability-pub-May2019.pdf>

#### ABOUT POLICY IN PRACTICE

Policy in Practice is a socially-minded software company that works with councils, government, housing and community organisations to target and improve welfare support for people. Combining cutting-edge tech, insightful data and expert analysis, Policy in Practice is a leader in helping government to understand what's working, what can be improved - and how.

The firm's [award-winning Benefit and Budgeting calculator](#) helps around 10,000 people every day find out what support they may be eligible for.

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#### MEDIA CONTACT

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