



Maternal and Child Health Network Policy Briefing 3: Universal Credit and Welfare Policies

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Introduction

The Maternal and Child Health Network aims to harness cross-country administrative data to evaluate national policy impacts on maternal, infant and child health, and health inequalities across the 4 UK nations.

MatCHNet's briefings and reports provide baseline knowledge in the areas of policy, data, and methods relevant to early years policy evaluations.

MatCHNet's policy briefings and reports aim to compare early years policy variations across the 4 UK nations to highlight key differences in provision.

The policy series covers:

- welfare grants in pregnancy and early childhood
- early years education and childcare
- universal credit and welfare policies

Universal Credit and Welfare Policies

Context

- Household income can positively affect children's development and outcomes. Material circumstances are also important for maternal mental health[1-2].
- UK welfare reform has included the introduction of Universal Credit and policies that impact families such as the two-child limit, the bedroom tax, and the benefit cap[3] (also see table one).
- While welfare is a 'reserved matter', the devolution of powers to Northern Ireland and Scotland since 2016 has led to some policy variations[4].

Table 1: Timeline of UK welfare policies in the early years (2008-2018)

2008-2012	Lone Parent Obligations: obligation on lone parents to seek employment when youngest child reaches certain age. Age cut-off reduced to 10 years in 2009, 7 years in 2010 and 5 years in 2012.
2011	Child Trust Fund stopped; Health in Pregnancy Grant (one-off payment £190) stopped; Child Benefit rates frozen for 3 years. Tax Credits: Baby element removed (extra £545 per year); reduction in childcare support in working tax credits.
2012	Sure Start Maternity Grant restricted to first child. Replaced with Best Start Grant in Scotland (2018).
2013	Child Benefit withdrawn from higher taxpayers. Universal Credit for Childcare: Benefit covering 85% of childcare costs, up to a cap, for working families.
2016	Housing Benefit Family Premium: Abolished for new claimants from 2016. Child Benefit rates frozen for 3 years.
2017	Lone Parent Obligations: Age cut-off reduced to 3 years. Two Child Limit: Withdraws means-tested support from third and subsequent children born since April 2017. Tax Credits: Family element (£545 entitlement) of tax credits abolished for new claims.
2018	Childcare Vouchers Scheme closed to new entrants. Replaced with Tax-Free Childcare .

MatCHNet's policy briefings aim to compare policy variations across the 4 UK nations. Here, we highlight the implementation of Universal Credit and key welfare policies affecting the early years.

Universal Credit and Welfare Policies

- Universal Credit was introduced in 2013 to combine 6 different welfare payments. Rollout began in England and Wales (2013), followed by Scotland (2015) and Northern Ireland (2017).
- Below is a summary of key welfare policy changes across the UK. For more information, please see our detailed policy comparisons in *MatCHNet Policy Report 3*.

Table 2: Summary of UK welfare reforms by UK Nation

	England	Wales	Northern Ireland	Scotland
1. <i>Universal Credit</i>	Rollout in 2013	Rollout in 2013	Universal Credit Payments & UC Contingency Fund Payments (2017)	Rollout began in 2015. Universal Credit (Scottish Choices) (2017)
2. <i>Crisis Funding*</i>	Local Welfare Assistance Schemes (2013)	Discretionary Assistance Fund (2013)	Discretionary Support Scheme (2016)	Scottish Welfare Fund (2013)
3. <i>Additional support</i>			Welfare Supplementary Payments (2016)	Job Start Payment (2020) Scottish Child Payment (2021)
4. <i>Bedroom Tax**</i>	Removal of Spare Bedroom Subsidy (2013): housing benefit reduced if rented property is judged to have more bedrooms than necessary.			
5. <i>Benefit Cap**</i>	Household Benefit Cap (2013): limits amount of welfare payments. Set at £20,000 per year for couples and single parents since 2016.			

* *Crisis Loans and Community Care Grants were abolished in 2013 and replaced by different schemes across the UK.*

**UK-wide policy with different mitigation measures in the 4 UK nations (see *MatCHNet Policy Report 3* for more details).

What is different across the 4 UK nations?

Universal Credit rollout and payments

- Rollout began in England & Wales in 2013 (Welfare Reform Act 2002), from 2015 in Scotland and from 2017 in Northern Ireland.
- Northern Ireland/Scotland offer payment flexibilities to all recipients.

Variation in crisis funding

- Different schemes for each nation: Local Welfare Assistance Schemes (England); Discretionary Assistance Fund (Wales); Discretionary Support Scheme (Northern Ireland) and Scottish Welfare Fund (Scotland).

Mitigation measures

- Welfare Supplementary Payments (Northern Ireland) and Discretionary Housing Payments (DHPs) in Scotland used to fully offset the effect of the bedroom tax and benefit cap.
- DHPs topped up by Welsh Government to mitigate the impact of the bedroom tax.

Differential impact of policies

- Two-child limit may disproportionately affect families in Northern Ireland due to larger family sizes and the lack of childcare provision.
- Universal Credit for Childcare should be considered alongside early years education and childcare provision across the 4 UK nations.

Additional welfare support

- Scotland introduced the Scottish Child Payment (£20 weekly per child) in 2021 and Scotland's Baby Box Scheme in 2017.

Next steps: There is a need to evaluate how welfare reforms and the rollout of Universal Credit has potentially affected child health and development. Evaluations should focus on the (differential) **impact of welfare policies on families (with more than 2 children)**, and the **impact of mitigation measures**.

More information can be found at:
www.gla.ac.uk/matchnet and on
Twitter @MatCHNet_



Useful links

- UK: [Universal Credit](#), [Two-Child Limit](#), [Discretionary Housing Payments](#), [Benefit Cap](#), [Removal of Spare Bedroom Subsidy](#)
- Northern Ireland: [Welfare Supplementary Payments](#), [Welfare Mitigation Schemes](#), [Discretionary Support Scheme](#)
- Scotland: [Universal Credit \(Scottish Choices\)](#), [Scottish Child Payment](#), [Scottish Welfare Fund](#), [Job Start Payment](#), [Scotland's Baby Box](#)
- Wales: [Mitigating the Impact of Welfare Reforms](#), [Discretionary Assistance Fund](#)

References

1. Cooper, K. and K. Stewart, Does household income affect children's outcomes? A systematic review of the evidence. *Child Indicators Research*, 2021.(14): 981–1005.
2. Wickham, S., et al. Effects on mental health of a UK welfare reform, Universal Credit: a longitudinal controlled study." *The Lancet Public Health*, 2020. 5(3): e157-e164.
3. Child Poverty Action Group, *The Austerity Generation: The Impact of a Decade of Cuts on Family Incomes and Child Poverty*, 2017. CPAG, London.
4. Mackley, A. [Social Security Powers in the UK](#), 2020. House of Commons Library, Briefing Paper Number 9048.



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