



CHEX Policy Briefing 1/17

February 2017

Putting the “well” into welfare

Community led-health and welfare reform

Introduction

Changes to welfare benefits and how they are being administered are having a drastic effect on the lives of people who depend on them for their basic income. In common with the wider community and voluntary sector, organisations in the CHEX network are reporting that these effects are impacting on them in turn. Many organisations in the CHEX network work specifically with people most likely to be in receipt of benefits, and the increasing impact of progressive cuts on individuals and families is putting increasing demand on community-led health organisations.

This briefing highlights some overarching issues related to cuts in welfare benefits and illustrates these by using examples from the network. It points out that this is likely to be a growing challenge for both people in communities and organisations. We also provide information about where community-led health organisations can find information and support in dealing with the day to day crises that many of the people they work with are facing.

The main changes to social security in the UK

Since 2012, significant changes have been taking place to the social security system in the UK. Legislative acts such as the Welfare Reform Act 2012¹ and the Welfare Reform and Work Act 2016² have reorganised and, in many cases, reduced the

¹ <http://www.legislation.gov.uk/ukpga/2012/5/contents>

² <http://www.legislation.gov.uk/ukpga/2016/7/contents/enacted>

welfare provision available to people in adverse circumstances. The main changes that have been announced since 2013 are as follows:³

Introduction of universal credit

Six pre-existing payments are being replaced by one single payment called **universal credit**. Income support, income-based jobseeker's allowance, income-related employment support allowance, housing benefit, working tax credit and child tax credit will all disappear. This will affect families where at least one adult is working as well as 'out-of-work' families. Pension credit will also be changed so that it aligns with universal credit.

Under occupancy charge

Under the '**bedroom tax**', as this has become known, a person's housing benefit may be cut if they are deemed (by the UK Government) to have more bedrooms than they need.

Welfare benefit cap

A **cap on welfare** is being applied, where the total amount of benefits received by a family will not be allowed to exceed an amount set by the UK Government. This change came into force on the 7th November 2016, and applies differently depending on which benefits a person receives.⁴

Council tax reduction schemes

Council tax benefit will be replaced by '**council tax reduction schemes**' set and collected by local authorities.

Personal independence payments (PIP)

Disability living allowance (DLA) is being replaced by **personal independence payments (PIP)**. People aged 16 to 64 with a long-term health condition or disability are being moved from DLA to PIP.

³ For more information on these changes see <https://www.unison.org.uk/get-help/services-support/there-for-you/welfare-reform/> or <https://www.glasgow.gov.uk/index.aspx?articleid=18633#Sanctions>

⁴ <https://www.citizensadvice.org.uk/scotland/benefits/the-benefit-cap/the-benefit-cap-what-you-need-to-know/#how-much-is-the-cap>

Sanctions

Benefit sanctions may apply when a person misses an appointment or doesn't comply with commitments they made to the Department of Work and Pensions (DWP). Sanctions can accumulate and people can lose benefits for up to three years. Many sanction decisions are overturned on appeal.

Uprating

Benefits in the UK have traditionally risen with inflation. Around 2012, the measure by which these increases were made changed from the retail price index (RPI) to **consumer price index (CPI)**, both of which are measures of inflation. This is one of the most significant changes to impact on people's finances, and will result in year-on-year reductions in income for those receiving benefits. Since then, a series of 'caps' and freezes have further reduced average incomes for those receiving benefits.⁵

These changes affect people living across the whole of the UK. In Scotland, in response to the recommendations of the Smith Commission which was set up after the 2014 Scottish independence referendum, the Scotland Bill of 2015/16 increased some of the tax and welfare powers of the Scottish Government. For instance, the Scottish Government was given the ability to 'top up' income tax and spending control with £2.5bn worth of benefits (out of a total of £16.7bn that Westminster spent in Scotland in 2013/14). Some more powers are due to be transferred in April 2017, including power to make changes to rates and bands of some forms of income tax.⁶ It has been pointed out that these powers are fairly limited, and that more extensive and combined powers are needed before a coherent 'Scottish' approach to tax and spend can be developed.⁷

Impact of welfare reform

A range of evidence exists that welfare reform is having a significant impact on people, families and communities across the UK. And, in particular, it is those who are already disadvantaged that are being most affected. Reports by Oxfam⁸, the British Medical Association⁹, the Centre for Regional Economic and Social Research

⁵ Child Poverty Action Group in Scotland (2016) *Welfare reform: the impact on families in Scotland* [http://www.cpag.org.uk/sites/default/files/CPAG-Scot-WR-impact-families\(Sep16\)_1.pdf](http://www.cpag.org.uk/sites/default/files/CPAG-Scot-WR-impact-families(Sep16)_1.pdf)

⁶ BBC (2016) *What are Scotland's tax powers?* BBC website, 30th November 2016, <http://www.bbc.co.uk/news/uk-scotland-scotland-politics-35866776>

⁷ Reform Scotland (2016) *Scotland's new powers: Tax and welfare* <https://reformscotland.com/wp-content/uploads/2016/03/Reform-Scotland-Scotlands-new-powers-March-2016.pdf>

⁸ <https://www.theguardian.com/politics/2014/apr/22/welfare-cuts-drive-uk-poorest-poverty-oxfam>

⁹ BMA (2016) *Health in all policies: health, austerity and welfare reform: A briefing from the board of science* <https://www.bma.org.uk/-/media/files/pdfs/working%20for%20change/improving%20health/public%20and%20population%20health/bo-health-in-all-policies-austerity-briefing-2016.pdf?la=en>

at Sheffield Hallam University¹⁰, NHS Health Scotland,¹¹ the Scottish Government¹² and the United Nations¹³ have shown how already vulnerable individuals and households are affected by reductions to benefits and sanctioning, and that this is detrimental to their health and wellbeing. Furthermore, the Child Poverty Action Group (CPAG) has highlighted that some of the changes to welfare contravene human rights law¹⁴.

Many organisations in the CHEX network are based in communities with higher than average numbers of recipients of welfare benefits. These communities have high rates of unemployment, stress, low birth weights, people receiving psychiatric support, people with life-limiting illnesses and premature deaths attributable to coronary heart disease, cancer and alcohol related conditions.¹⁵

These community-led health organisations are therefore well placed to see and experience the impact that cuts to welfare and imposition of sanctions are having on already vulnerable communities in Scotland.

In November 2016, CHEX attended an ‘upside down hustings’ event organised by Pilton Community Health Project (PCHP) in Edinburgh. Local people presented information from their own experiences to councillors and other audience members on the issues affecting them and what they would like to be done about them. The issue of juggling childcare with benefits and job searching under the continuous threat of sanctions was raised. Anita Aggarwal, Community Development Manager at PCHP said:

“We are referring people to foodbanks more regularly and hearing stories about people in communities having to support each other. In some cases, there is nowhere to signpost people in crisis to.”

At an SCDC discussion on poverty and welfare in October 2015, CHEX network organisations and partners such as COPE Drumchapel, Community Links (South Lanarkshire), DRC Generations and Lanarkshire Community Food & Health Partnership listed the challenges being faced by people in communities as a result of cuts to welfare. These included direct impacts of having income reduced such as increased stress and people being forced to choose between heating and eating.

¹⁰ Beatty, C. and Fothergill, S. (2016) *Jobs, Welfare and Austerity: How the destruction of industrial Britain casts a shadow over present-day public finances* <http://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/cresr30th-jobs-welfare-austerity.pdf> Centre for Regional Economic and Social Research, Sheffield Hallam University

¹¹ Taulbut, M., McCartney, G. and Davis, M. (2016) *Lone parents in Scotland, Great Britain and the UK: health, employment and social security*. NHS Health Scotland and One Parent Families Scotland <http://www.scotpho.org.uk/downloads/scotphoreports/scotpho161123-lone-parents-scotland-gb-uk.pdf>

¹² Lister, B., Graham, H., Egdell, V., McQuaid, R., Raeside, R. (2014) *The Impact of Welfare Reform in Scotland – Tracking Study*, the Scottish Government <http://www.gov.scot/Resource/0044/00449882.pdf>
¹³ <http://www.centreforwelfarereform.org/news/un-report-remeful-record/00309.html>

¹⁴ Spencer, M. and Earnshaw, S. (2016) ‘The Welfare Reform and Work Bill and human rights’ CPAG bulletin, Issue 250 <http://www.cpag.org.uk/content/welfare-reform-and-work-bill-and-human-rights>

¹⁵ See, for instance, CHEX case studies of community-led health, including *Communities at the Centre* (2013) <http://www.chex.org.uk/media/resources/publications/Communities%20at%20the%20Centre%20-%20Case%20Studies.pdf> and *More Communities at the Centre* (2015) <http://www.chex.org.uk/media/resources/publications/briefings/CHEX%20More%20CatC%202016.pdf>

Less obvious, but no less real, impacts that were mentioned included: living in constant fear of being sanctioned across different benefits; growing stigma associated with accessing benefits; unpaid work such as volunteering being devalued (due to it not meeting criteria for avoiding sanctions); and the stigma of being materially poor in a society with growing extremes of wealth.¹⁶

Impact on community-led health organisations

The culmination of the changes to welfare benefits impact on the work of community-led health organisations in several ways. As described by community-led health practitioners at the SCDC session in 2015, dealing with perpetual crises in people's lives means they are effectively applying sticking plasters to bigger problems. Increased crisis intervention reduces capacity to carry out the longer term developmental work for which they were established. In other words, services being provided by community-led health organisations are increasingly being diverted into 'crisis management' and affecting their capacity to undertake their mainstream activities.

One CHEX network organisation told us:

“The biggest threat is in terms of money from the council, which is already stretched. There have been cuts to community development and other vital services such as libraries. Increasingly, we are picking up the slack as the demand for the service they provide doesn't just go away. A community organisation isn't set up to, and may not have the authority to, deliver many of the crisis management that public agencies traditionally deliver”

Examples of community-led health organisations responding to issues relating to welfare reform are not hard to find. For instance, many community-led health organisations provide benefits advice – an example would be a hub run by volunteers, providing advice on accessing benefits and developing skills to maximise income as well as increasing awareness of sanctions and how to avoid them.

Another example is job search provision, which often goes beyond career advice and providing access to a computer – there is a growing demand for informal job clubs where experiences are shared and peer support and empathy are provided. CHEX is also aware of community-led health networks in Scotland organising training on welfare reform for staff and volunteers. This is based on a recognition that those who work with people who are affected by the ongoing changes need to be able to pass on accurate and helpful advice.

The provision of services addressing stress, mental health and other health issues is nothing new to community-led health organisations. However, community development also has a preventative focus, and should be about harnessing and supporting the capacity of communities to have more influence in their communities and over the decisions that affect them. If there is more demand on 'downstream' crisis provision addressing ill-health and financial difficulties, then organisations will

¹⁶ See <https://www.youtube.com/watch?v=fcRslzDKlpo>

have less capacity to build healthier communities and to support community activism.

The impact of welfare reform is likely to be long lasting and not just on those who are unemployed or unable to work. CPAG has highlighted predictions from economists that recent UK government policy will mean working families with children lose an average of £1300 per year by 2020. Some of the most far-reaching changes have almost gone unnoticed, such as the matching of benefits to the consumer price index instead of the retail price index.¹⁷ This will lead to yearly decreases in the amount of benefit people receive in relative terms, eroding basic income over time.

Resources for work around welfare issues

As the full effects of changes to the benefits system continue to take effect community-led health organisations will increasingly need to marshal the skills and knowledge needed to assist those who are adversely affected by welfare benefit cuts. They will also need to be aware of where they can find sources of support and advice, not only to deal with current issues, but to consider how they might best influence future changes to the system which is currently exacerbating the health inequalities they were set up to challenge in the first place.

There are numerous organisations and other sources of support in respect to welfare and wider issues of poverty. CHEX has brought some of these together below. The list is not exhaustive but should cover the main sources of information and support. Please get in touch if there's anything you think should be added and we can update the list.

The Poverty Alliance

With roots stretching back to the mid-1980s, the Poverty Alliance is one of the best known poverty-related membership organisations in Scotland. Its membership is made up of grassroots community groups, individuals facing poverty, voluntary organisations, statutory organisations, policy makers and academics. Campaigning is a core function of the Poverty Alliance, with prominent examples being the [Scottish Living Wage Campaign](#), [Scottish Campaign on Welfare Reform](#) (see more below), and [Stick Your Labels Campaign](#).

Community organisations with a turnover of less than £50,000 can join the Poverty Alliance as a full member for free and be entitled to a range of resources as well as voting rights at the Poverty Alliance's AGM. The Poverty Alliance website has a wealth of useful resources and information on poverty and welfare issues.

¹⁷ Hood, A. and Phillips, D. (2015) 'Substantial cuts made, but biggest changes to the benefit system yet to come' Institute for Fiscal Studies <https://www.ifs.org.uk/publications/7541>

Child Poverty Action Group (CPAG) in Scotland

Like the Poverty Alliance, CPAG engages in a considerable amount of campaigning and lobbying for a better life for low-income families in Scotland. For instance, CPAG was one of the founding members of the Scottish Campaign on Welfare Reform along with the Poverty Alliance, Citizens Advice Scotland and Capability Scotland in 2006.

A particularly useful resource for community-led health organisations to know of is the advice on welfare rights that CPAG offers low-income families. This is delivered through a range of information channels and training programmes. CPAG has an [advice line](#) for anyone advising or supporting low-income families. This provides information on all aspects of the benefits and tax credits system.

A recent [CPAG briefing](#) on the impact of welfare reform on families in Scotland is also helpful.

Citizens Advice Scotland (CAS)

In addition to being a national advice body consisting of 61 member citizen advice bureaux, CAS provides a webpage where you can find your local citizen advice bureau (CAB). Advice on benefits, money and housing are three of the most common areas of inquiry to CABs.

In 2014 CAS published a [report based on its 'Challenge It' campaign](#) around benefit sanctions. The report highlights the unnecessary suffering caused by sanctions and provides advice on how to avoid being sanctioned as well as what actions to take if you are. [Local CAB activity](#) has also been taking place as part of this campaign. Their website has a [regularly updated page](#) which spotlights current issues relating to social security benefits

Capability Scotland

The system for claiming benefits for people with disabilities is notoriously complex.¹⁸ Many people with disabilities and long term conditions have been hit by cuts to benefits when they have had claims for PIP turned down. [Capability Scotland](#) provides a range of helpful [factsheets](#), [FAQs](#) and other information for people claiming disability benefits. An [advice service](#) is also available to which enquiries can be made by phone or via an online form.

SCVO welfare cuts bulletin

Scottish Council for Voluntary Organisations (SCVO) is working with the voluntary sector in Scotland to share experiences and ideas as well as identifying practical

¹⁸ See http://www.heraldscotland.com/opinion/14722704.Disabled_people_looking_for_a_cure_for_Lourdes/

areas of collaboration. You can sign up to the fortnightly Welfare Cuts bulletin and find a range of resources and policy papers on the [campaign's website](#).

The Scottish Welfare Fund

The Scottish Welfare Fund is provided by the Scottish Government as a safety net for vulnerable people on low incomes. Families on low incomes can apply for Community Care Grants and Crisis Grants. Applications have to be made through local councils. Find out more [here](#).

Money Advice Scotland

People in difficult financial circumstances can access debt advice through this organisation which is a national umbrella organisation promoting the development of free, independent, impartial and confidential debt advice and financial inclusion. The website provides access to [find an advisor](#) in local areas. Community-led health organisations who are providing debt advice can also access free training through the site and places can be booked at conferences and seminars.

Inclusion Scotland

Inclusion Scotland (IS) describes itself as a consortium of organisations of disabled people and disabled individuals. Its [new website](#) is currently being developed and will contain a range of resources and information on IS campaigns. The regular IS newsletter is a good source of up-to-date information on welfare reform and its impact.

One Parent Families Scotland

One Parent Families Scotland provides help to all single parent families. Its [website](#) offers a lone-parent helpline, information packs, fuel advice and links to other sources of support.

If you would like to further discuss any of the above with CHEX, please contact andrew.paterson@scdc.org.uk. Tel: 0141 222 4837