



The Scottish
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The Impact of Welfare Reform in Scotland – Tracking Study

Poverty



THE IMPACT OF WELFARE REFORM IN SCOTLAND – TRACKING STUDY

Interim report to the Scottish Government on 1st Sweep of interviews

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Scottish Government Social Research
2014



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ACKNOWLEDGMENTS

The research team would like to thank all the participants who gave generously of their time to participate in and make this research study possible and to the many agencies who assisted us in identifying participants.

We would also like to thank staff at the Scottish Government and members of the Research Advisory Group (RAG) for their support and guidance:

Ade Kearns, Glasgow University
Alison Stout, Scottish Government
Andrew McGuire, Improvement Service
Anthony Glendinning, University of Aberdeen
Bill Scott, Inclusion Scotland
Franca MacLeod, Scottish Government
Gerry McCartney, NHS Health Scotland
Isabell Donnelly, Scottish Government
Maggie Kelly, Poverty Alliance
Marion Davies, One Parent Families Scotland

GLOSSARY

| Acronym | Term |
|---------|------------------------------------|
| AA | Attendance Allowance |
| BA | Bereavement Allowance |
| BT | Bedroom Tax |
| BL | Budgeting Loans |
| BC | Benefit Cap |
| CA | Carer's Allowance |
| CB | Child Benefit |
| CTC | Child Tax Credit |
| CAA | Constant Attendance Allowance |
| CB-ESA | Contribution Based ESA |
| CB-JSA | Contribution Based JSA |
| CTB | Council Tax Benefit |
| CTR | Council Tax Reduction |
| DLA | Disability Living Allowance |
| DP | Disability Premium |
| DWP | Department for Work and Pensions |
| ESA | Employment and Support Allowance |
| FP | Funeral Payments |
| GA | Guardian's Allowance |
| HB | Housing Benefit |
| HMRC | Her Majesty's Revenue and Customs |
| IB | Incapacity Benefit |
| IB-ESA | Income Based ESA |
| IB-JSA | Income Based JSA |
| IS | Income Support |
| JSA | Jobseeker's Allowance |
| MA | Maternity Allowance |
| PLA | Parent's Learning Allowance |
| PIP | Personal Independence Payments |
| SDP | Severe Disability Premium |
| SG | Support Group (ESA) |
| SMP | Statutory Maternity Pay |
| SRS | Spare Room Subsidy ('Bedroom Tax') |
| SWF | Scottish Welfare Fund |
| SSMG | Sure Start Maternity Grant |
| UC | Universal Credit |
| WCA | Work Capability Assessment |
| WRAG | Work Related Activity Group (ESA) |

EXECUTIVE SUMMARY

The aim of the study is to explore the impact of on-going welfare changes on a range of households in Scotland over time. This report provides a review of the literature and presents the results of the first sweep of interviews which took place from September 2013 to January 2014. The study is being carried out for the Scottish Government by the Employment Research Institute at Edinburgh Napier University and the University of Stirling.

The research is concerned with those in receipt of working age benefits and addresses the impact of the current benefit reforms and new rules including the Benefit Cap; changes made to the payment of Housing Benefit (HB) relating to under-occupancy; changes to lone parents' obligations when their youngest child reaches the age of five; Disability Living Allowance (DLA) and the forthcoming changeover to Personal Independence Payments (PIP); and Employment and Support Allowance (ESA). The research also addresses participants' opinions about the move to Universal Credit (UC), including a shift to monthly payments, and the move towards making all claims through an online system.

The research utilises a longitudinal qualitative methodology, so that participants' experiences of the changes can be followed and understood across time. Forty three individuals have taken part in the research, each with different reasons for claiming benefits. Participants were recruited to the study from across Scotland, including rural and urban areas and the major cities, and had a range of demographic and other characteristics.

At the time of writing, some changes to welfare benefits have been implemented, while others are underway. All changes, including the transition to UC¹, are expected to be implemented by 2017. The literature to date indicates a number of problems pertaining to the reforms. Other factors, not directly related to welfare *per se*, that impact on those claiming benefits are also important, such as the availability of transport and suitable employment opportunities.

Findings

Some issues arising from the participants in Sweep 1 include:

A lack of clear information and advice

- Participants in the study often found it difficult to access appropriate, clear and concise information about benefits and impending changes to benefits. The Jobcentre, and the Department for Work and Pension's (DWP) website and

¹ www.gov.uk/universal-credit/overview

telephone line, were generally considered to be a poor source of information. Participants felt that Jobcentre staff often lacked knowledge about benefits, and that it required a great deal of effort on the part of claimants to obtain the information they needed. Official communications from DWP were also cited as being confusing and too lengthy, and some found them threatening in their tone. Participants expressed a preference for third sector organisations in seeking advice.

- The lack of suitable information regarding benefit changes caused participants considerable anxiety about how they would financially manage in future, if affected negatively by the changes.

The current administration of benefits can be inconsistent and stressful

- The interviews illustrated very different experiences of claiming benefits and the way claims were handled. For example, sometimes errors and delays were a source of considerable financial instability for claimants, and several participants had experienced mistakes, including seven who reported that their benefit payments had stopped suddenly and without warning.
- There is evidence suggesting that Jobcentre staff were sometimes inconsistent in how they dealt with claimants. Some participants had extremely negative experiences at the Jobcentre, while others came into contact with helpful advisors. While specific circumstances and expectations may influence their perceptions, it would appear that a participant's experience is sometimes down to which advisor they dealt with.
- The assessment process for ESA placed a considerable strain on claimants. There was a general feeling among participants that the process was not dignified or fair, and that the criteria employed failed to truly encapsulate a person's ability to work, particularly for those with fluctuating or 'invisible' conditions.
- Support seemed to be more readily available once a person had reached a crisis situation; but it may be more effective to provide support earlier to prevent a crisis from happening in the first place.

The current benefit system is not meeting claimants' basic needs

- Most of the study participants reported struggling to manage financially. The current system does not appear to be meeting people's financial needs, and participants reported making difficult choices about which essential household items to prioritise. Some had got into debt, often due to unforeseen expenses

such as the breakdown of household equipment, or simply in the process of trying to keep up with bills. Few were able to afford 'treats' that went beyond basic sustenance, such as days out, and a lack of money restricted opportunities for social interaction, which reinforced feelings of isolation and loneliness.

- Some participants had been able to turn to family and friends for support in an emergency, and this support was crucial in helping participants to manage their daily lives and make ends meet. However, some people did not have this option and were completely dependent on benefits income to survive. Those without any other source of support were hit hardest by any errors and delays in payments mentioned above.

Stigma, financial insecurity and anxiety about the future have a negative impact on well-being

- Participants all identified the stigma attached to being in receipt of benefits, and all believed that wider society looked down on them as a result of their benefit claimant status. Such sentiments were felt by all participants, irrespective of their reasons for claiming. The media was felt to be particularly stigmatising. Participants felt that the focus on particular groups of 'undeserving' claimants served to stigmatise all benefit claimants. Some participants had also experienced negative and stigmatising attitudes from Jobcentre staff when claiming benefits.
- Those claiming disability benefits experience high levels of anxiety in relation to the impending move to PIP and the required medical assessment related to that. The on-going uncertainty and associated stress of being reassessed, including the length of time for decisions to be made, and of the process of future reassessments, was strongly expressed.
- There was some concern about the proposed move to a monthly payment under UC, as it was widely felt by participants that it would be considerably more difficult to budget the small amount of money they received over such a long period of time.

The current benefit system fails to fully take account of the specific issues facing certain groups or types of claimant

- The movement of increasing numbers of disabled people and lone parents onto Jobseeker's Allowance (JSA) could be problematic, as the current JSA regime does not appear to adequately take into account the needs of all those with specific barriers to employment, and as a result does not effectively help them into employment.

- Most of the lone parent participants highlighted that they could not rely on regular (or any) child maintenance payments coming from the parent who was not primary caregiving role, so disruptions or changes to welfare payments affected them greatly.
- Disabled participants noted that they faced expenses that were not covered by the benefits they received, including higher heating bills and equipment costs. Those in rural areas argued that their cost of living was particularly high due to the higher cost of food and their reliance on private transport.
- Changes to occupancy rules in social housing, where households will have their Housing Benefit cut if they are seen to have 'additional rooms', do not adequately take into account households' unique and sometimes complex needs. Some disabled participants reported that they needed a spare room due to their condition (e.g. for occasional use by a carer). Some families also raised the issue of fluctuations in family size and the number of bedrooms required, for example in some cases children may move in to, or out of, or live between, households.
- The proposed move to monthly payments under UC may have a more adverse effect on certain claimants. For example, participants felt that those with a learning disability, or certain mental health conditions, may be unable to manage their finances sufficiently well to handle this more challenging budgeting situation.

Recommendations

According to participants, experiences with benefits could be improved by:

- Better communication from the DWP and the Jobcentre with regards to benefits, as well as continued support for third sector organisations providing impartial, specialist support – this is especially important at the moment with many changes on the horizon.
- Improved administration of benefits, including more sensitive service provision by departments, better administration of benefits changes and seeking to reduce the feelings of stress related to applying for them. There is a continued need for emergency funds to mitigate the impact of crisis situations when they occur.
- Consideration of the level of benefits and the cost of living for those on a low income, and the need for quicker intervention for those who are struggling to cope, to prevent crises rather than just responding to them.

- There is continued need for policies to mitigate some of the adverse impacts of specific aspects of welfare reform; for example the social housing occupancy rules, and specific circumstances such as lone parenthood.
- Stigmatising messages from the media need to be countered by education about those on benefits and of the true (limited) extent of benefit fraud. Jobcentre staff should receive more training in dealing with groups with specific needs and have specialist officials to deal with all those key groups (such as lone parents or those with different types of disability).

In addition to the recommendations for welfare benefits, the research also highlighted a number of issues affecting those on benefits, which policy could seek to address. One of these is the need for affordable childcare in order to enable parents, particularly lone parents, to compete for jobs that do not fit around school opening and closing times. Another is the development of a network of formal and informal support – this is especially important for groups such as lone fathers, who report a lack of support.

The next stage of research

Sweep 2, which will commence in April 2014, will shed further light on the impacts of benefit changes. In particular, it will follow up on the situation of participants awaiting news of appeals. Sweep 2 will also include a new block of questions to investigate the labour market opportunities and barriers to employment for jobseekers who were looking for work when interviewed in Sweep 1.

1 INTRODUCTION

- Chapter 1 presents the background and research objectives of the study ‘The Impact of Welfare Reform in Scotland’.
- The structure of the report and chapters are briefly described.

Background

- 1.1 The aim of the study is to explore the impact of on-going welfare changes on a range of households in Scotland over time. The study is being carried out by the Employment Research Institute at Edinburgh Napier University and the University of Stirling for the Scottish Government.
- 1.2 The study will help to increase understanding of the impact of the welfare changes in Scotland as they occur over time, and will assist the Scottish Government in making decisions related to those areas within its devolved responsibility.
- 1.3 The welfare changes explored are:
- Benefit Cap;
 - Additional hours required for Working Tax Credit;
 - Changes to lone parents’ obligations;
 - Lone parents moving to Job Seeker’s Allowance when their youngest child reaches five;
 - Receipt of Universal Credit, including the move to monthly payments;
 - Disability Living Allowance² (in the process of changing over to Personal Independence Payment);
 - Employment and Support Allowance.³
- 1.4 Table 1.1 provides an overview of the number of claimants of selected benefits in Scotland in May 2013 (just prior to the start of the research).

² Note that Disability Living Allowance is not related to labour market status, but is provided to cover the additional costs of disability.

³ See Appendix 1 for details of the changes.

Table 1.1: Number of claimants of selected benefits in Scotland, May 2013

| Benefit | Number of claimants |
|---|----------------------------|
| Jobseeker's Allowance | 130,360 |
| Employment and Support Allowance | 195,590 |
| – Work Related Activity Group | 67,560 |
| – Support Group | 73,410 |
| Disability Living Allowance (working age claimants) | 205,000 |
| – Care high rate | 46,660 |
| – Care middle rate | 71,120 |
| – Care low rate | 63,400 |
| – Mobility high rate | 95,850 |
| – Mobility low rate | 89,260 |
| Income Support (claimants under 60) | 90,100 |
| – Lone parents | 39,770 |
| – Carers | 14,710 |
| Carers allowance (working age claimants) | 54,570 |

Note: some people claim more than one benefit. Source: DWP Tabulation Tool

1.5 The implementation of welfare reform is happening as the UK economy is emerging from a recession. The impact of this recession on the Scottish labour market is outlined in Appendix 5. It is in this context, and the more specific local labour market contexts where each participant lives, that those on out of work benefits are attempting to move from benefits into employment. This context should be borne in mind when considering welfare reforms that aim to encourage claimants to take up employment.

Research objectives

1.6 The research objectives were:

- **To obtain baseline information about a sample of 30 Scottish households with direct experience of welfare changes:** The baseline stage of the research involves the selection and recruitment of an appropriate sample of households, and the collection of information from them. The sample is of households with common direct experience of welfare changes, but also reflects some of their diversity with respect to characteristics such as family type, family circumstances, types of benefit received, geographic location and ethnicity. Qualitative interviews are used to elicit information about relevant aspects of their lives, such as income and expenditure, health and well-being, and family life and relationships. They also try to establish some retrospective information about previous income and employment.

- **To obtain follow up evidence on the sample of households, and whether any changes have occurred to the aspects of their lives explored in the first interview:** This involves re-interviewing original participants about their family situation, with particular interest in any changes that have occurred, the impacts of these changes and their perception of the reasons for these changes.
- **To analyse and report the differences between time points, potential reasons for these differences, and the implications of these findings for understanding the impact of welfare reform and the appropriate response from the Scottish Government:** This will be used to inform the Scottish Government about significant or emerging problems encountered by households, to assist in them framing their response to these.
- **To continue to collect and analyse this information at intervals over three years:** Subject to a contract extension, households will be re-interviewed at intervals, to track the longer term impact of welfare changes on family life. Reports will be produced for the Scottish Government bi-annually. In order to achieve a final sample of 30, the first sweep of interviews included 43 people, so as to allow for a drop off in the numbers of participants over time.

1.7 This interim report covering Sweep 1 of the interviews has been prepared for the Scottish Government to show progress to date and initial findings. These findings open up further issues which will be explored in purposefully tailored, subsequent sweeps, the second of which will commence in April 2014.

Structure of the Report

1.8 Chapter 2 outlines the literature surrounding welfare reform. There is a focus on reform overall, and particular attention is paid to changes which may impact upon specific groups.

Chapter 3 sets out the research methods used for the interviews, and the rationale behind the longitudinal qualitative approach used.

Chapter 4 presents the key themes the study has uncovered within the first sweep of interviews: current and recent experiences of claiming benefits; stigmatising attitudes; income and financial situation; employment and training; awareness of benefit changes; and experiences of these changes. In addition, this chapter covers the move to monthly payments and changes to the way in which payments are made, sources of support and support when in a crisis situation. Finally, the impact welfare changes have had on

participants' health and the particular problems encountered by people living in rural areas are reported.

Chapter 5 presents the conclusions that have been reached so far and suggestions for inclusion in Sweep 2.

Appendix 1 provides an overview on the current range of benefits provided in the UK.

Appendix 2 shows the interview schedule used in Sweep 1.

Appendix 3 shows the consent form.

Appendix 4 shows the participant information sheet.

Appendix 5 outlines the general labour market context.

2 LITERATURE REVIEW: THE IMPACT OF WELFARE REFORM

- Chapter 2 presents a review of the literature pertaining to welfare reform. It addresses issues relating to welfare reform overall, and more focussed reports on how particular groups are thought to be affected by the changes.
- Welfare reform is expected to affect a considerable number of people in Scotland; for example 144,000 individuals are expected to be affected by Incapacity Benefit changes and 621,000 households by changes to Child Benefit (Beatty & Fothergill, 2013) (Table 2.1).
- Some of the impact will occur in the form of a loss of existing entitlement (such as the anticipated reduction in the number of claimants of disability benefits), and changes to uprating procedures may result in a fall in income in real terms for those who do not lose their entitlement.
- Welfare Reform includes an increased emphasis on the conditionality of benefits, with more severe sanctions applied to those who fail to comply with their 'Claimant Commitment'. For example, under the amended regulations, a Job Seeker's Allowance claimant can be sanctioned for refusing to accept a particular job.⁴ These sanctions are also applicable to Income Support and Employment and Support Allowance claimants prior to the introduction of Universal Credit.
- The impact of welfare reform varies according to household characteristics, and some households will gain financially under UC relative to the current post reform arrangements, but others will lose out, with lone parents forecast to lose the largest proportion of their income.

2.1 The UK Government are in the process of introducing a number of changes to the tax and benefit system. Some of these have already occurred and others are being introduced over the coming months and years. It is not only the amount of benefits payable that is changing, but also their administration, with a proposed move to an online claiming system and monthly payments for Universal Credit (UC). The impact of UC is intended to make some better off, and others worse off, and research to date has suggested that this will depend on household characteristics such as family type, employment status, and type of housing. This chapter explores the literature to date on welfare reform and some of the key issues that may arise as a result of welfare reform.

⁴ www.dwp.gov.uk/docs/jsa-sanctions-draft-regs-2012-memorandum.pdf

- 2.2 This is not a systematic review of the literature, and while all works cited provide credible evidence, the applicability of the findings to different situations should not necessarily be assumed.

The Welfare Reform Act

- 2.3 The Welfare Reform Act 2012⁵, based upon the Department for Work and Pensions' (DWP) sponsored 'Welfare that Works' White Paper, published in November 2010, suggested a radical overhaul of the UK benefits system.⁶ The reform was designed to improve work incentives for families and simplify the current system by combining a number of key means tested benefits such as Income Support (IS), Income Based Jobseekers Allowance (IB-JSA), Employment and Support Allowance (ESA), Housing Benefit (HB) and Tax Credits into one single entitlement called Universal Credit. This will be paid to claimants on a monthly basis, mirroring the typical situation of individuals who are in paid employment and those receiving Housing Benefit in the private rental sector. Not all of the reforms are part of the Act, with key disability benefits being introduced by the previous Labour government.
- 2.4 Welfare reform has yet to be implemented in its entirety; however, some elements have been rolled out, with UC being introduced in Inverness in October 2013. In April 2013, the Scottish Government introduced the Scottish Welfare Fund (SWF) as a replacement for the discretionary Social Fund.⁷ In addition, the Council Tax Reduction (CTR) scheme was introduced to replace Council Tax Benefit (Scottish Government, 2013). CTR enables local authorities in England, Scotland and Wales the power to run their own CTR schemes. This means that they have the power to decide who is eligible to CTR and who is not. Budgets have been cut by 10%; however, the Scottish Government decided not to pass this cost onto Local Authorities and claimants (Scottish Government, 2014).
- 2.5 The way benefits are applied for and paid will also change, as the UK Government moves towards using online technology to process applications as opposed to the traditional method of telephone and letter (DWP, 2012d). However, the DWP does recognise that those claiming benefits are currently less likely to use the internet than the general population (DWP, 2012d; 8).

⁵ www.legislation.gov.uk/ukpga/2012/5/contents/enacted

⁶ www.dgvoice.co.uk/uploads/Document%20Library/Welfare%20Reform%20overview.pdf

⁷ The SWF is a discretionary grant that is administered by local authorities in Scotland, and does not have to be repaid. Two of types of grants comprise the fund – Crisis Grants and Community Care Grants. Crisis Grants are designed to help people in crisis or emergency. A crisis could be a fire or a flood, and an emergency could be the theft of money. Community Care Grants help people who may have to move into local authority care if support is not provided, or to help care leavers with the purchase of furniture for a new home. This Grant can also be used to help families who need help to purchase a one-off essential item such as a cooker.

- 2.6 Against the backdrop of these changes, Citizens Advice have noted that a significant number of claimants wish to be able to speak to someone regarding any enquiries about their benefits (CAB, 2013). To deal with these issues when UC is rolled out, the DWP intend to place the onus on Local Authorities, who, as part of the proposed Local Support Framework scheme, will be 'central to establishing, leading and commissioning partnerships to deliver support for claimants' (DWP, 2013f; 4). The Scottish Government is included as a partner to a Scottish Overarching Partnership Agreement (DWP, 2013f). Local Authorities will be empowered to make their own decisions about whether they elect to participate (DWP, 2013f), which may mean that claimants receive different levels of support with moving onto UC depending on whether their Local Authority has decided to take part in the scheme. Dundee City Council are currently running a pilot project which will end in summer 2014 (DWP, 2013f), and South Lanarkshire Council and Aberdeenshire Council are establishing measures to help claimants prepare for the UC online system.
- 2.7 The UK Government's Welfare Reform strategy is changing the benefits themselves and who is entitled to them, together with the decision to freeze or uprate benefits at less than the rate of inflation (Improvement Service, 2014). The UK Government acknowledges that the reforms will benefit some groups and disadvantage others. In October 2010, they predicted that 2.8 million households were set to gain financially due to the changes with another 2 million losing out as a result of the shifts (DWP, 2010). A preliminary estimate by the Institute for Fiscal Studies of the impact of UC in Great Britain by 2014/15 suggested that 2.5 million working-age families will gain, 1.4 million will lose out in the long run, and 2.5 million will stay the same. The total gain of the "winners" is £3.6 billion per year; while the total loss of the "losers" is £1.9 billion per year (Scottish Government Welfare Analysis, 2012a). In Scotland, the DWP estimates that the introduction of UC will leave 200,000 households better off (by £25 per week on average), and 170,000 households worse off (by £19 per week on average) (Welfare Reform Scrutiny Group, 2011b). However, the DWP have also estimated that by simplifying benefits, more people who are actually entitled to them will take them up (DWP, 2012e).

The uprating of welfare benefits

- 2.8 Since April 2011, benefits previously uprated in line with the Retail Price Index (RPI) or Rossi Index have been uprated using the (lower) Consumer Prices Index. In addition, Child Benefit (CB) and selected elements of the Child and Working Tax Credits were frozen for three years from April 2011. The Welfare Benefit Uprating Act 2013 also placed further restrictions on uprating for the

two year period from April 2013, limiting uprating to 1% for most working age benefits and tax credits, including: IS, Income-based Jobseeker's Allowance (IB-JSA), and HB; the basic rate and Work-Related Activity component of ESA; Statutory Sick, Maternity, Paternity and Adoption Pay; the basic, 30 hour, second adult and lone parent elements of Working Tax Credit (WTC); the child element of Child Tax Credit (CTC); and CB (which remains frozen for the first of these two years) (Bardens & Cracknell, 2013).

- 2.9 The effect of these changes to uprating is a decrease in claimants' incomes in real terms. For example, the freeze in CB for 3 years from 2011-12 is estimated to reduce the real-terms income of approximately 621,000 families in Scotland, and the greatest relative impact will be on low income households as it is a flat rate benefit (Welfare Reform Scrutiny Group, 2011). As a result of the combination of the CB freeze and its subsequent 1% uprating between 2011/12 and 2015/16, a family with 2 children would receive £1100 less than they would under current RPI uprating (Scottish Government Welfare Analysis, 2013b). The move to uprating Statutory Maternity Pay (SMP) by CPI, and 1% for two years, will also have an impact on family incomes; in 2015/16 a mother claiming SMP will be £275 worse off than if SMP had been uprated by RPI throughout this period (Scottish Government Welfare Analysis, 2013b).

The impact of welfare reform in Scotland

- 2.10 Recent Scottish Parliament-commissioned research into the impact of welfare reform on Scotland was presented to Parliament in April 2013 as part of the 2nd Report of the Welfare Reform Committee (Beatty & Fothergill, 2013). This analysis models the impact of the reforms in Scotland when they have come into full effect – in most cases this is the 2014/15 financial year, although it is later for some changes. Although it considers changes across the board, it should be noted that it omits consideration of UC, the switch to CPI uprating, changes to Council Tax Benefit (CTB), and the transfer of lone parents off IS. Table 2.1 presents selected estimates obtained in the analysis.

Table 2.1: Impact of welfare reform on Scotland by 2014/15

| Reform | Number of households affected | Average loss per affected household (£ p.a.) | Estimated total loss in Scotland (£m p.a.) |
|---------------------------------|-------------------------------|--|--|
| Incapacity Benefits | 144,000 ⁸ | 3,480 | 500 |
| Tax Credits | 372,000 | 810 | 300 |
| Child Benefit | 621,000 | 360 | 225 |
| Disability Living Allowance | 55,000 ⁹ | 3,000 | 165 |
| Local Housing Allowance | 80,000 | 1,010 | 80 |
| Size criteria in social housing | 80,000 | 620 | 50 |
| Household benefit cap | 2,600 | 4,810 | 15 |

Source: Beatty & Fothergill (2013)

2.11 The total impact of welfare reform in Scotland is estimated at £1.6bn per year. The largest aspect of this comes from changes to incapacity benefits, which represent an estimated loss of £500m per year, and other substantial elements of this are changes to tax credits (a loss of £300m) and the move to 1% uprating (a loss of £290m). By comparison, some of the most controversial reforms such as the size criteria in social housing are predicted to represent a relatively smaller loss of £50m. The most far-reaching change is the freezing of CB, which will affect over 600,000 households, and this represents a total loss of £225m. The largest average per-household loss is as a result of the household benefit cap, which will cost households an average of £4,810 per year, although it is only predicted to affect around 2,600 households. Changes to disability benefits also represent large per-household losses, with the reform of IB and changes to DLA costing affected households an average of £3,480 and £3,000 per year respectively.

Impacts of the move to Universal Credit

2.12 The current migration of six working age benefits to UC is forecast to be completed by October 2017. Once the move is complete, IB-JSA, IR-JSA, IR-ESA, IS, WTC, CTC and HB will cease to exist. Those who have started or been moved onto UC will find it to be uprated by 1%, in line with plans for existing working age benefits.

2.13 This section considers: both the effects UC will have on particular groups (such as lone parents and people with disabilities)¹⁰; and also wider issues that affect all claimants, such as the requirement to budget on a monthly

⁸ Individuals affected rather than households, by 2015/16

⁹ Individuals affected, by 2017/18

¹⁰ See McQuaid et al. (2013) for a review of economic inactivity among lone parents and people with disabilities.

basis. Citizens Advice has suggested claimants in general may struggle to budget monthly payments adequately (Kirkpatrick, 2013). Certainly, this is one aspect of UC that should be addressed in research projects that attempt to understand the lived realities of the scheme once it is fully implemented. Clearly, it is impossible to stipulate precisely what the lived impacts of UC are likely to be until after it is fully rolled out; however, research conducted so far suggests there are likely to be a number of areas of concern.

- 2.14 UC will not necessarily enable households to reach a minimum income standard¹¹ (Hirsch & Hartfree, 2013). The minimum income standard is argued to be the minimum amount of money a household needs to receive in order to achieve a standard of living which not only allows them to pay for essentials such as food and heating, but also an income which allows people to be able to take part in society. The minimum income standard is clarified by the Joseph Rowntree Foundation (JRF): “A minimum standard of living in Britain today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society” (Padley & Hirsch, 2014: 9). Research conducted by third sector organisations to date indicate that benefit levels as they are currently provided fail to allow individuals to attain an adequate standard of living, with lone parents especially vulnerable (Harkness & Skipp, 2013, Rabindrakumar, 2013). Lone parents on modest wages will struggle to exceed three quarters of the minimum standard, and the optimum scenario for them is working just ten hours per week; more than this and their gains will be eroded by falling levels of UC and higher childcare bills. For a couple, it might be possible to achieve the minimum standard with both parents working full-time, but second earners working part-time will be worse off than under the present system.
- 2.15 Analysis conducted on behalf of the Trades Union Congress (2013) suggests that certain groups of individuals will lose out as a result of the combined impact of benefit and tax credit changes and the introduction of UC. The incomes of households with children will be considerably affected. Working lone parents will experience average losses of over £1,300 per year (5.5% of their disposable income), single earner couples with children will lose over £680 per year (2.1% of their disposable income) and dual earner couples with children will lose over £1,250 per year (3.1% of their disposable income). The Trades Union Congress also argue that welfare reform will affect the number of families below the minimum income standard. Their analysis forecasts that as a result of benefit and tax credit reforms there will be 370,000 more

¹¹ The Minimum Income Standard for the UK shows how much money people need, so that they can buy things that members of the public think that everyone in the UK should be able to afford. Further information on the methodology behind the calculation is available at www.minimumincomestandard.org

households below the minimum income standard by 2015, with an additional 180,000 families pushed below it once the impact of UC is accounted for (Trades Union Congress, 2013).

- 2.16 One of the intentions of UC is that household incomes will be higher for those who are in employment, thereby providing an incentive to work. However, it has been argued that the rationale does not take into account the macro-level considerations which affect individuals' entry into, and retention in, employment – such as GDP growth, and good employment opportunities which pay a living wage and suit the individual (Welfare Reform Project, 2011). The Institute for Fiscal Studies suggests that, on average, incentives to work will be strengthened, although not universally; for example, although it strengthens the incentive for couples with children to have one earner rather than none, it also weakens the incentive to have a second earner (Scottish Government Welfare Analysis, 2012a).
- 2.17 Citizens Advice have stated that although UC provides an opportunity to simplify a complex benefits system (CAB, 2013), it also warns that claimants will need significant levels of support in order to enable them to transfer onto the new benefit, both in terms of making initial claims and subsequent managing of payments (CAB, 2013). The Bureau surveyed over 1,700 of their clients who will migrate to UC, in order to explore their readiness to move onto the new system. Their baseline pilot results suggests that a significant number of claimants are not yet ready to move onto UC (92%) (CAB, 2013). Of this 92%, 85% of people required help with more than one 'capability area' – that is, dealing with managing monthly payments, budgeting, banking, staying informed and getting online. 38% (668) of these people needed help with all five areas.
- 2.18 Concerns were raised regarding the decision that will see the monthly payment of UC being made to an individual; this decision has been criticized by the Scottish Government for its potential to create an unfair bias against women (Scottish Government, Communities Analytical Services, 2013). In addition, incorporating payments for children into UC may result in a situation whereby child related support would not necessarily be paid to the main care-giver of children. Simply, the concern is that the money may not go towards those it is intended to assist (Tarr & Finn, 2012). Similar problems may occur if monthly payments designed to be budgeted and paid to a landlord are sent to the bank account of someone who cannot spend this money in the way it is intended to be spent, such as someone with drug and/or alcohol problems.
- 2.19 Tarr and Finn (2012) draw attention to the period of transition to UC itself, suggesting that if no financial assistance will be available to bridge the gap, it is essential to prepare claimants well in advance for the shift to monthly

payments so that they can start to make provision for possible shortfalls. If financial assistance will be available, but requires service users to borrow money (through an advance payment, for example), this may lead to many recipients beginning their claim in debt (Tarr & Finn, 2012).

- 2.20 Early findings from a number of Local Authority led pilots in 16 districts (including three in Scotland) also indicate a number of issues that should be addressed before UC is implemented completely. Benefit and tax administration is mostly undertaken by the DWP and HMRC, whose integrated departments combine policy and delivery functions, doing business from centralised offices and increasingly using the telephone or internet-based services as a preferred method of communication. Thus, the transition to moving welfare benefits to an online system appears to be consistent with the general move to working online as opposed to utilizing face to face or vocal communication. However, not all people claiming benefits have access to the internet, or possess the necessary IT skills needed to make a claim online (Kirkpatrick, 2013), with the DWP acknowledging that claimants are less likely than the average population to use the internet at all (DWP, 2013d). Although the pilot study is far from representative, its findings give some insight into potential issues. One of the local authorities, the borough of Lewisham in London, found that 52% of social housing tenants did not have internet access in the home, and in Birmingham, 50% of social housing tenants did not have an email address. In addition, certain rural areas lacked sufficient broadband coverage (Kirkpatrick, 2013), something which is out of the control of claimants. In Dumfries and Galloway, a survey conducted by the Local Authority 18 months prior to the pilot found that only 2% of users wanted on-line access to services.¹²
- 2.21 There are some suggestions that once people are given support, they become able to access services unaided. West Lindsay District Council in Lincolnshire installed internet enabled computers at one of their offices and had staff assist people with welfare related services such as claims and job searches. In the beginning, 81% of 318 new claimants required help, but once this was provided, the percentage requiring assistance after this was only 44% (Kirkpatrick, 2013). Despite this reduction, however, there are still significant numbers of people in West Lindsay who need more support to learn to use and access the services. Scottish evidence suggests that many claimants may not have access to the internet at home. Data from the Scottish Household Survey suggests that around a third of households do not have access to the internet, with less than half of households with an income of less than £15,000 having access to the internet (Scottish Government,

¹² www.gov.uk/government/uploads/system/uploads/attachment_data/file/228469/universal-credit-la-update-nov-2012.pdf

2011). Furthermore, Ofcom notes that only one in three Scottish households earning less than £17,500 per annum had broadband access compared with 56% of equivalent households in the rest of the UK (Ofcom, 2012). Pilot information revealed that many claimants who did have internet access in the Dumfries and Galloway area accessed it via mobile telephones, which do not support online systems for filling in the forms needed to claim benefits, thus calling for a greater need for public online access.¹³

- 2.22 Local authorities are attempting to address these problems by installing internet access points at customer reception areas of council premises, with staff on hand to assist with online claims (Kirkpatrick, 2013). It would seem then, that a number of claimants will struggle during the transitional period towards making claims online. As well as actually having access to the internet, some claimants were wary about going online to make claims, citing a lack of understanding about the availability of new services, and the associated benefits of using online services (Kirkpatrick, 2013), and also fears about using a public service to input sensitive information (CAB, 2013).
- 2.23 The introduction of UC also brings with it new sanctions for non-compliance with rules, for example failing to keep records of job search activities up to date. Such failure can lead to sanctions being imposed for at least three months, rising to six months and subsequently three years (Welfare Analysis, 2013). The strict regime appears to have had a hard impact on claimants in Scotland; initial analysis suggests that approximately £1 million per month is lost in benefit income as a result of sanctions being applied (Improvement Service, 2014). In 2011/12, clients at Citizens Advice Bureaux in Scotland sought advice on over 1,850 new issues relating to JSA conditions, sanctions and hardship payments; an increase of 25% from 2010/11. Current estimates indicate that the number of clients seeking advice from Scottish bureaux is continuing to increase. Citizens Advice Scotland report that many of these clients have reached a crisis point where the disruption in their income as a result of the sanction has left them in a desperate situation (Citizens Advice Scotland, 2012).

Benefit Cap

- 2.24 As part of the reforms, the Government has introduced a cap on the total amount of benefit that households up to working age can receive so that broadly, households on out of work benefits will no longer receive more in welfare payments than the average weekly wage for working households (DWP, 2012b). This means that if a household is affected, the amount of HB

¹³ www.gov.uk/government/uploads/system/uploads/attachment_data/file/228465/universal-credit-la-update-apr-13.pdf

they receive will be reduced, in order to take their total payment to the level of the cap. If a household does not receive enough HB to achieve this, the cap will not be applied in its entirety; HB will not fall below a minimum of £0.50, in order to ensure that claimants can still access support for which eligibility depends on HB receipt (Ibid.). The cap is set at the average earned income of working households, which is £350 per week for a single adult with no children, and £500 per week for a couple or lone parents. It is set at the same level regardless of how many children are in the family.

- 2.25 The cap system was introduced in April 2013 across four Greater London local authorities (Bromley, Croydon, Enfield and Haringey). Other local authorities applied the cap between 15 July 2013 and the end of September 2013 (OPFS, 2013). The cap applies to the combined income from benefits, although some people are exempt, such as those who are currently claiming DLA, PIP, Attendance Allowance (AA), the support component of ESA or Industrial Injuries benefits. The exemption also applies to people in receipt of war widow/ers pension and armed forces compensation scheme payments (OPFS, 2013). Households where one person is entitled to WTC are also exempt.
- 2.26 Data from the four pilot local authorities indicates that, as of June 2013, across the four local authorities, 2,700 households had their housing benefit capped (DWP, 2013b).¹⁴ The same data also shows that 85% of the capped households had between one and four children, and 74% of the capped households were headed by a lone parent. What this suggests is that, especially in high housing cost areas of the UK, it would seem that people with children, and lone parents in particular, are most vulnerable to a reduced income as a result of the cap. Thus, future work may look to explore the ramifications of the benefit cap for these families. Some local authorities in Scotland and the rest of the UK have introduced policies to mitigate the effects of these changes, but there is currently no comprehensive data on their effects. Broadly speaking, according to the information website Turn2Us, the cap is most likely to affect large families with several children, who are potentially in receipt of higher than average amounts of CTC, and are more likely to live in large homes and thus obtain higher levels of HB. Smaller households may also be affected if they are living in high rent areas, due to the amount of HB they may currently be in receipt of.¹⁵

¹⁴ DWP (2013b) does not however give a figure of the total number of households receiving housing benefit in the four local authorities.

¹⁵

www.turn2us.org.uk/information_resources/benefits/benefits_news_and_changes/benefit_cap.aspx#whoaffected

Changes made to the payment of housing benefit relating to under-occupancy

- 2.27 Referred to as the 'spare room subsidy' by the government and the 'bedroom tax' by the media, this aspect of welfare reform relates to an identified need to address under-occupancy in social housing (DWP, 2012a). Prior to this reform, private and social housing tenants were treated differently, with private sector tenants only receiving HB in relation to the accommodation needs of their household. Social housing tenants were not subject to these restrictions, which meant that such tenants would receive a set maximum amount of housing benefit, regardless of the number of rooms in the house and whether they were being occupied (DWP, 2012a). The purpose of imposing a size criteria for working age household benefit claimants is argued by the DWP to be fairer, (DWP, 2012a) by making the rules that have applied to private tenants the same as those occupying social housing. The change is also argued to enable the freeing up of accommodation for households who do require additional rooms and are currently living in overcrowded accommodation – or allow the accommodation to be offered to other people on the social housing list. The DWP argue that these measures will address growing housing benefit expenditure, encourage greater mobility in the social rented sector, make better use of available housing stock and provide greater incentives to obtain work amongst working age claimants (DWP, 2012a).
- 2.28 The Government estimates how many rooms are required depending on how many individuals occupy a household and compares this to how many bedrooms are presently in the house/flat. If a house contains 'additional' rooms, HB will be cut by 14% of the claimant's rent if they have one spare room or 25% if there are two. UK Government rules stipulate a room should be allocated to accommodate each circumstance as detailed below:
- Each single adult
 - Each adult couple
 - Each child aged 16 or over
 - Two girls or two boys under the age of 16
 - Two children of either gender under the age of ten
 - A carer who stays overnight
- 2.29 Affected groups will have two options available to them. Firstly, they can continue to live in their present social rented accommodation, and make up the shortfall in housing benefit through their own income; this could be savings, moving into work, increasing working hours and so on. Alternatively, the affected household could move to an alternative form of accommodation

which is better suited to the size and composition of their household (DWP, 2012a).

- 2.30 The DWP has estimated that the new occupancy rules will affect 80,000 HB claimants in Scotland, with an average weekly loss of £12 per claimant (DWP, 2012a). The Scottish Government has estimated that 80% of these households include a disabled adult and 15,500 are households with children (Scottish Parliament, 2013).
- 2.31 As it stands, there is little research that explores the impact the changes will have on the behaviour of social housing tenants, however subsequent evaluations from the DWP and work conducted by other researchers should unveil the actual lived impact this section of the reform bill will have. DWP have stated they intend to publish a review of housing benefit caps in autumn 2014 (DWP, 2012b). Currently, there is some evidence from the Housing Futures Network who found that under-occupying tenants would be quite likely or very likely (approx. 25%) to move into smaller accommodation, thus not having to cover any additional rent. Nearly 30% said they would be quite or very likely to move into work or increase their hours and 10-15% would offer out their spare room to a lodger or family member (DWP, 2012a).
- 2.32 As noted (DWP, 2012a), the amount of people in a household affects HB. Single people and couples without children are more likely to be found to be over-occupying. This also means that older people are more likely to be affected, as they are more likely to have children who have left the home. Younger people are more likely to have a family still living with them, and are more likely to have recently been placed in social housing, so there is less likely to be a change in their household requirements when they first applied to when the HB changes are applied. Women are also more likely to be affected than men; this is due to their greater likelihood of being single parents and therefore greater likelihood of being in receipt of housing benefit. In December 2011 there were approx. 1.1 million more single female housing benefit claimants of all ages than single males – with the majority of these women being lone parents (DWP, 2012c).
- 2.33 In some cases, households containing a disabled adult and a non-resident carer will be deemed to have a reasonable requirement for an additional room, and will not be impacted by the change (DWP, 2012c). Although DWP have stated individuals who give a 'reasonable requirement' for a spare room (Wilson, 2014) will not be penalized, others have argued that this is not the case.
- 2.34 Citizens Advice Scotland noted that the changes made to the payment of HB relating to under-occupancy has created some very difficult situations for

clients (Dryburgh, 2012, 2013a), for example:

- Households with disabilities who rely on Discretionary Housing Payments to pay for medically necessary extra rooms, who may have to leave a property that has been adapted for them;
- Children with disabled siblings, who may face considerable disruption having to share a room;
- Separated parents with childcare responsibilities, but whose children are officially housed elsewhere (this could even result in them losing access altogether);
- Those who are in the 'right' size of property according to housing association rules (and not eligible for downsizing), but the 'wrong' size according to the new under-occupancy rules;
- Those who have rent arrears or chargeable repairs that they cannot afford to pay, but must do so before they move;
- Those who have tried to move into private rental, but are rejected by landlords because they receive HB.

The impact of welfare reform on people living with a disability or a health condition

- 2.35 The transition to PIP is one of the biggest changes affecting disabled people. The transition began on 08 April 2013. As of January 2014, a number of Scottish claimants will be invited to claim PIP. The affected areas are Dumfries and Galloway, Edinburgh, Galashiels and Motherwell (DWP, 2013d). The gradual transition from DLA to PIP is likely to terminate disability benefits for some individuals, due to the fact that PIP is provided over two categories rather than the three provided by DLA. PIP is awarded based on how an individual's condition affects them, rather than being awarded purposefully on the basis of them being diagnosed with a condition. The award system under which PIP operates does not rely on self-assessment, but rather, generally involves the assessment of an individual by an outsourced agency (known as an assessment provider) (DWP, 2013c).
- 2.36 To be eligible for PIP, claimants must score 8 points or above on one or both of two categories, that of Daily Living and Mobility. There are a number of criteria on which claimants are assessed. One which has caused particular anxiety is the 'Moving Around' component, which requires an individual to be able to move independently for 20 metres as opposed to the 50 metres stipulated under DLA.¹⁶ The Disability Rights Group *We Are Spartacus* note that under PIP, physically disabled people of working age who can move

¹⁶ www.arthritiscare.org.uk/Campaigns/pip-20-metres-consultation

more than 20 metres – safely, to an acceptable standard, repeatedly and in a timely fashion and without a wheelchair – are not entitled to the enhanced rate mobility component of PIP which replaces the higher rate mobility component of DLA (We are Spartacus, 2013). The organization argue this is problematic due to the fact the previously used benchmark of 50 metres is widely used as a measure of significant mobility impairment – notably in relation to other disability benefits, the blue (disabled) parking badge and in official guidance on creating an accessible built environment, including the location of disabled parking spaces in relation to public and commercial buildings. The group note that because most wheelchair users can walk a little, the use of 20 metres as the benchmark distance runs the risk that disabled people with significant mobility difficulties lose essential adapted cars or specially converted wheelchair accessible vehicles supplied via the ‘Motability’ scheme. This is because the move from DLA to PIP will also affect those who use their DLA payments to cover the hire costs of a Motability vehicle. Existing recipients of the Higher Rate Mobility Component of DLA who are reassessed and not awarded the Enhanced Rate of the Mobility Component of PIP will not be eligible to use the Motability Scheme (Motability, 2013), meaning they will either lose their access to a vehicle completely, if they are unable to afford a car and the related costs independently. In turn, this would result in a significant group of disabled people, estimated to be 428,000 according to the UK Government (DWP, 2013e), not qualifying for the Enhanced rate and thus potentially losing independent mobility which may lead to social isolation and worsening health (We Are Spartacus, 2013).

- 2.37 Disabled people are likely to receive lower awards under UC than under the current system (Wilson et al., 2013). Under the new regime, a number of key benefits claimed by disabled people will be reallocated as part of UC, including income-based ESA and the disability elements of CTC and WTC. This reallocation will mean some disabled people will receive less under UC; for example, families with a disabled child, at the moment, may be entitled to receive support through the disability element of CTC, at £57 a week. Under UC, this support will be provided through ‘disability additions’ within household benefit entitlements, but the proposal is to cut the financial assistance in half to £28 a week. This change will affect all families with a disabled child unless the child is receiving the higher rate of the care component of DLA or is registered blind. This is equivalent to a loss of around £1,500 per year for most families with a disabled child (Royston & Royston, 2012).
- 2.38 In addition, UC sees the abolition of the SDP which accounts for the costs incurred by those who are severely disabled and there are new criteria for disability benefits not included in UC. Eventually PIP will completely replace DLA for people aged 16 to 64, with a 20 per cent reduction in projected expenditure. This means that many disabled people (estimated to be 500,000)

currently entitled to DLA will *not* be entitled to PIP (Royston & Royston, 2012). These and other changes have made disabled people one of the groups of claimants who will be particularly at risk as a result of welfare reform (Kaye et al., 2012).

- 2.39 A disabled person who is not in work will typically receive ESA as their wage replacement benefit. There are two types of ESA; those considered (by assessors) to be able to find work will be placed in the Work Related Activity Group (WRAG), and those deemed unable to work are placed in the Support Group. Those in the latter group receive a higher payment and are not obliged to participate in activities at the Jobcentre. Disabled individuals may also receive DLA due to their condition; this is paid regardless of income or employment status. DLA is paid at either a lower, middle or high rate for care and at either a lower or higher rate for mobility.
- 2.40 Issues have been raised with regard to proposed cuts to support provided to working disabled people. Under the current system, the disability element of WTC recognises the difficulty disabled people can have in earning an adequate income (Berthoud, 2011). This support is not provided for under UC, unless the claimant is deemed unfit for work (Royston & Royston, 2012). Furthermore, those claiming CB-ESA and who are in the WRAG category will only be able to receive this for one year. This means that these people are essentially given a 'deadline' by which they must obtain work, unless at the end of the period they are found to be eligible for Income related ESA (IR-ESA). IR-ESA is one of the benefits covered under UC, however, CB-ESA will continue to be awarded separately.
- 2.41 UC will also impact on people who are only able to work part-time due to their condition, who will, according to Citizens Advice, lose £40 per week (Royston & Royston, 2012). These changes make work less attractive to disabled people, as take home pay would be so low. Concerns were expressed as to how essentials such as food and help around the home would be paid for without the additional support currently present in the form of WTC and Severe Disability Premium (SDP) (Royston & Rodrigues, 2012). At the moment, disabled people who work more than 16 hours a week are entitled to the disability element of WTC, worth £54 per week and currently claimed by 116,000 families. The extra support is considered important as it recognises the fact that many disabled people face additional costs which are not covered by the Access to Work Scheme. This scheme is in place to support those people whose disability affects the way they can work, and gives claimants and employers advice and support pertaining to extra costs which may arise due to need. However, it would appear that this benefit alone is not sufficient without tax credits. One example is the need to pay for taxis for

travel to work related social events and items such as protective clothing and the replacement or repair of wheelchairs.

- 2.42 As previously noted, DLA is not included as part of UC, but instead will be replaced with PIP for claimants of working age. The changeover involves all existing working-age DLA claimants to be reassessed and invited to claim PIP – even those who have been informed they have been awarded DLA for life. Medical conditions need to have existed for more than six months before a claim for PIP can be made, and it is predicted that by the time PIP is rolled out in its entirety, 500,000 people will be removed from this form of disability benefit (Jackson & Nixon, 2012) due to the different eligibility criteria for PIP.
- 2.43 However, there are some benefits that may come about as a result of the introduction of UC. There is provision for carers to retain a carer premium on top of paid work – even when that paid work exceeds the stipulated earning limit (Royston & Royston, 2012). This means that couples where one person works and acts as a carer for their partner will benefit from changes. Also, families with disabled children where someone can work full-time (thus incurring no childcare costs) will be better off under UC – despite the reduction in the child disability addition (Royston & Royston, 2012).
- 2.44 Couples who are both disabled are likely to be disadvantaged by UC, if they are claiming at least the middle rate of DLA. As the situation currently stands, such couples can receive SDP. The termination of this will mean that these couples will be £100 worse off per week under UC – even when one of the partnerships is in work and earning up to £300 per week. The reason for this considerable drop is due to the fact there is no equivalent replacing SDP in UC reforms (Royston & Royston, 2012).

The impact of welfare reform on lone parents

- 2.45 In Scotland, there are 157,000 lone parent families (Office for National Statistics, 2012). Lone parents are argued to be a vulnerable group in society as they more likely to be living below the poverty line (Royston & Davies, 2013; McQuaid et al., 2013). The Institute for Fiscal Studies analysis of the impact of welfare reforms shows that single parents, especially lone mothers, are particularly badly affected by the reforms; lone mothers are forecasted to lose the biggest proportion of their income, at 8.5%, with lone fathers losing 7.5% and couples with children 6.5% (Fawcett Society, 2011). This section explores the impacts of two aspects of welfare reform on lone parents: JSA conditionality and changes to the child maintenance system.

- 2.46 Since May 2012, lone parents whose youngest child has reached the age of five years are expected to look for work in order to be eligible for benefits. This means they are no longer entitled to IS upon their child turning five, but rather, JSA. In addition, the Baby Element of CTC, an additional payment of £545 per year made to those in receipt of CTC with a child aged 0-12 months, was removed from April 2011 (Scottish Government Communities Analytical Services, 2013). Campaigners have expressed concerns about the impact of increasing conditionality on lone parents in the absence of adequate childcare, effective employment services and jobs (One Parent Families Scotland, 2011a).
- 2.47 The Single Parents Action Network (SPAN) have noted that the information provided to lone parents with regard to the Work Programme is inadequate, as parents were often unsure about what was expected from them with regard to the minimum standards and services offered on the programme, and a lack of clarity around rules they are expected to abide by as part of their being on the Work Programme. Jobcentre Plus locations were found to adopt inconsistent practices in relation to the needs of children (Dewar, 2013). A similar situation appears to be the case regarding disabled people – only 22% of people in the “Holes in the Safety Net” study were receiving help via the Access to Work scheme, with other people either unaware or thought the hassle of obtaining it was not worth the benefit (Royston & Rodrigues, 2012). Therefore there is the potential that different people will have different obligations, with no form of consistency across the board. A reliance on the discretion of a singular individual under UC may further exacerbate this situation. For example, despite having young children who still required some form of childcare, SPAN found that some of their service users were still forced to agree to look for *any* work, including in some cases work involving full-time hours, as part of their Jobseeker’s agreement (Dewar, 2013; Graham & McQuaid, 2014). Furthermore, there has been an increase in the number of people, including lone parents, working part-time since 2008, as a result of the economic recession which has minimised the number of full-time positions available (Alakeson, 2012, Campos et al., 2011).
- 2.48 Lone parents also face barriers such as the cost and availability of suitable childcare (which can be additionally problematic if the child is disabled), access to flexible jobs which can fit around children, and on average, lower skill levels that can be taken into the labour market (Royston & Davies, 2013). Access to affordable childcare was cited as the principal problem which prevented lone parents in Glasgow not only being in employment, but finding that employment in the first place (Graham & McQuaid, 2014; Save the Children, 2012), with problems presenting themselves when parents were invited to interviews, as there were no childcare options available. The same situation was reported by claimants in Newham, East London, who found it

hard to combine employment with the lack of affordable childcare (Coleman et al., 2011, Horwitz, 2013).

- 2.49 In Scotland, childcare is more costly than the national UK average. Rutter (2013) notes that weekly childcare costs in Scotland average £120.23 per week (in the School/Local Authority Sector) and £101.05 per week in the Private/Voluntary Sector. The UK average is £101.97 and £109.23 respectively. For a lone parent claiming JSA, affording such sums of money may be unattainable, even when working full-time in a minimum wage job (Lloyd, 2013; Simpson, 2013). Aside from this, there is also a question mark over where lone parents might find the money required in advance of obtaining their first pay-cheque; this is especially problematic for those who have no outside sources of financial support, such as family members.
- 2.50 Previous research conducted across the UK on the impact of changing the age threshold for claiming JSA to seven years old (which occurred in 2010) has raised a number of concerns about the impact of JSA conditionality on lone parents and their children, and the adequacy of the Jobseekers regime for lone parents. A survey of lone parents who had moved onto JSA as a result of their IS entitlement ending reported mixed experiences; 63% found signing on and attending meetings fairly easy, and 62% said looking for work was fairly easy, but only 45% said they felt their personal circumstances had been taken into account, and were more likely to agree than disagree that they felt pushed into things they didn't want to do (Coleman & Riley, 2012). Although lone parents are supposed to be entitled to flexibilities around their work requirements, neither lone parents themselves nor their advisors may be fully aware of these entitlements, and they are not applied consistently across the board (Gingerbread, 2012; Lane et al., 2011). Qualitative research has suggested that lone parents furthest from the labour market find the JSA scheme the least helpful, which is perhaps unsurprising as the early stages of support are designed for those who have just lost a job (Casebourne et al., 2010).

The relationship between claiming benefits and stigmatising attitudes

- 2.51 The stigma of being on benefits has a long history in the UK (Baumberg et al., 2012). There is an acknowledged relationship between personal, social and institutionalised stigma and being in receipt of welfare benefits (Bell, 2013). 43% of Britons surveyed in the 2000 British Social Attitudes survey felt that those on benefits were considered to be 'second class citizens' (Baumberg et al., 2012). Lister (2004) notes the historic link between poverty and stigma; however, in recent years an increasing sense of stigmatisation has been

attached to those in receipt of welfare benefits (Bell, 2013). Certainly, the content of media stories pertaining to benefits has become increasingly negative against claimants, with a particular focus on fraud (Bell, 2013). Clery et al. (2013) note that support for Government spending on welfare benefits by the public has reached a historical low (Clery et al., 2013). There has also been an increase in the number of media accounts which concentrate on claimants' apparent lack of effort in moving away from benefits (Baumberg et al., 2012), thus painting an image that claimants are quite happy to remain on benefits on a long term basis. Bell argues that the media's focus on the negative fails to portray a true picture of welfare claimants and the circumstances that have led to their reliance on state assistance (Bell, 2013). Clery et al. (2013) also note that attitudes to claimants may also be influenced by which political party is in power at the time; their research found that Labour party supporters felt more strongly that the cause of poverty was the result of individual as opposed to societal factors when Labour was in power. They argued that the party had adopted a more right-wing approach to the way they considered benefits and this new approach had apparently impacted on the opinions of their supporters.

- 2.52 The negative focus of the media may also contribute to the stigma felt by claimants – the idea that the media has played a principal role in applying stigmatising labels to claimants has been observed (Dorey, 2010; Sage, 2012). It has been argued that there has been a rise in the 'scrounger' discourse in the media, with disdain generally afforded to people who are considered to be 'undeserving' of support (Baumberg et al., 2012), although the recorded public discourse on the 'undeserving poor' is well over a century old. In 2011, 47% of disabled people in Baumberg et al.'s (2012) study said that attitudes towards so-called 'undeserving' people and their benefits status over the last year had grown worse. Disabled people also felt that the process for actually claiming the benefits was especially humiliating (Baumberg et al., 2012). Negative attitudes have also been reported by claimants who use the services required to make a claim for benefits, such as the Jobcentre, with one participant believing staff considered service users to be 'second-class citizens' (Bell, 2013), and others feeling they were looked down on by DWP staff (Finn et al., 2008). However, it appears that the service received can depend on who the claimant encounters when using a service, as there is a strong sense that how one is treated depends on their individual worker (Baumberg et al., 2012). This means there may be no standard 'good practice' for dealing with claimants. Lone parents are found to be most stigmatised, with negative attitudes being most common towards those who are seen to be somehow responsible for the situation they are in (Baumberg et al., 2012) (i.e. sentiments around single parenthood being a 'choice' and so on).

2.53 Welfare Reform may go some way to minimizing the stigma that claimants face. Bell (2013) notes that the introduction of UC may serve to minimise the stigma that is attached towards welfare benefit claimants. Bell argues that this is due to the fact that those in receipt of tax credits, seen as less stigmatised than other benefits, will instead be awarded UC, as will others on more stigmatised benefits. Simply, Bell (2013) suggests the distinction between people claiming tax credits (often seen as the in-work poor and thus more 'deserving of state help) and 'undeserving' recipients such as unemployed Jobseekers will be harder to maintain as everyone's payment will awarded and paid using the same method.

3. METHODOLOGY

- The study utilises a qualitative longitudinal approach in order to best track participants' experiences over time, as the welfare changes are introduced.
- All participants interviewed are currently in receipt of working age welfare benefits, and were selected using a purposive sampling strategy which was designed to reach those in receipt of benefits from across Scotland, and cover a diverse set of household circumstances.
- In-depth, semi-structured interviews were carried out with 43 participants.
- The data was transcribed and analysed using the qualitative analysis computer software NVivo.

- 3.1 The study takes a qualitative longitudinal approach, which involves interviewing participants six times over three years to 2016, with the first two sweeps of interviews being started in September 2013 and April/May 2014. The longitudinal approach allows changes to be mapped out over time, as they occur. The study design also allows issues to be explored at the time that participants present them.
- 3.2 Longitudinal social research, which typically involves in-depth interviews with participants who are re-interviewed across time in order to map any changes in their circumstances, is particularly useful for a study exploring the impacts of welfare reform. By returning to participants, we are able to give them the opportunity to reflect on any changes that might have occurred since their last interview. It also allows the researcher to tailor individual interviews in order to find out more about specific sets of circumstances (Farrall, 1996). This is especially useful when interviewing people who are claiming benefits for a number of different reasons such as disability and/or because they are a jobseeker and/or lone parent. The longitudinal nature of the research can also capture the experiences of participants at different stages of welfare reform as it is rolled out, and to identify other changes, including those in their labour market status and how these have affected them.
- 3.3 The first sweep of interviews, which is presented in this report, is designed to gather initial baseline data about the participants and their households as well as the core longitudinal questions.

Typical profile of participants

- 3.4 Participants had a variety of different reasons for claiming benefits. Although the exact combination and amount received varied according to each

household's individual circumstances, there are nonetheless a number of typical benefit combinations, and most participants fell into one of these categories.

- Lone parents whose youngest child has turned five years of age who are not in work and are typically in receipt of JSA as their wage replacement benefit, and are claiming HB and CTB. They also receive CB and CTC for their child(ren). Child benefit is received for each child, although a lower rate is paid for any additional children after the first born. Prior to the youngest child turning 5 years of age, lone parents can claim IS instead of JSA. Two parents in the study were in receipt of IS, but all other parents, including lone parents, in the study had been moved onto JSA at time of interview.
- Full-time carers in receipt of IS and CA as their income replacement benefit, and by association HB and CTB, along with DLA for the person they are caring for.
- Single people and couples who are looking for work and are claiming JSA, either contribution or income based depending on their working history and the income of their partner, if present in the household. Whilst claiming JSA, they may also be entitled to claim HB and CTB.

Selecting and recruiting the sample

3.5 A purposive sampling strategy was used. The main criterion for inclusion in the sample was that the household had direct experience of at least one of the following benefits changes:

- Benefit cap
- Additional hours required for working tax credit
- Changes to lone parents' obligations
- Receipt of Universal Credit
- Disability Living Allowance
- Employment Support Allowance.

3.6 Within this, there is considerable scope for variation; for example, households affected by these changes may or may not have children, could be couple or single adult households, and be in or out of work. A sample framework of minimum estimated participant numbers for a range of different household characteristics guided recruitment. Data from the Labour Force Survey (Q1 2013) about the percentage of people in Scotland on JSA, ESA, IS and DLA provided guidance in the drafting of the sample framework. The sampling also

sought to 'represent' spatial (e.g. rural –urban) factors that could potentially affect the outcomes of interest (see Table 3.1 for details of the sample characteristics, both the target sample size and the actual sample size). However, it should be acknowledged that this sample is not meant to be representative. This means that there are limitations in the conclusions that this study can provide in terms of the experiences of some groups of participants (e.g. lone parents, those living in rural areas). However, the study provides valuable insights into the experiences of those in receipt of benefits and highlights some of the issues faced by specific groups which could be followed up in more depth in other research.

- 3.7 Recruitment of participants primarily took place through gatekeeper organisations (i.e. approaching relevant third sector and public agencies who deal with the relevant groups); additional recruitment also took place through snowball sampling (where participants recommended potential participants for a study). This strategy was used as it not only made it easier to recruit suitable participants, but also to keep in touch with them for the follow up interviews.
- 3.8 After this initial recruitment the sample will be re-contacted prior to each repeat wave of fieldwork. Maintaining the interest of the sample should be thought of as an on-going process, rather than a one-off event. Therefore there will be some on-going contact, either directly with participants or through the gatekeepers, which should help to minimise sample attrition.
- 3.9 The required sample size at the end of the study is 30 households. However, the initial sample needed to be larger than this to allow for some attrition, as participants may be unwilling or unable to participate in future sweeps, or the research team may lose contact with them. It is difficult to estimate the degree to which attrition will occur. However, in order to reduce the risk of participants refusing to take part in subsequent interviews, where possible, the same researcher will return to conduct interviews in order to provide consistency for participants. The sample size for this first sweep is 43 (see Table 3.1).

Table 3.1: Overview of sample characteristics

| Household characteristic | Requirements for diverse sample | Target Minimum Sample Framework (overlapping categories) | Actual Sample |
|---------------------------------|---|--|---------------|
| Children | with dependent children under the age of 5 years | 3 | 5 |
| | with dependent children over the age of 5 years | 3 | 15 |
| | with 2 or fewer dependent children | 4 | 5 |
| | with more than 2 dependent children | 2 | 7 |
| | without dependent children | 15 | 18 |
| | lone parent households | 5 | 13 |
| | where both parents/carers present | 6 | 7 |
| Employment | where members are employed full-time | 2 | 2 |
| | where members are employed part-time | 4 | 3 |
| | where some members are employed and others unemployed | 4 | 4 |
| | where all adults are unemployed | 4 | 31 |
| Protected characteristics | households with disabled adults | 10 | 25 |
| | households with disabled children | 2 | 3 |
| | men as well as women | 10 | 14 |
| | working age adults of different ages | 10 | 9 |
| | households with ethnic minority adults | 2 | 1 |
| Location | rural areas | 6-8 | 6 |
| | urban areas | 15-16 | 19 |
| | cities | 16 | 18 |
| Total sample Sweep 1: 43 | | | |
| Gender | Male | 17 | |
| | Female | 26 | |

Data collection

3.10 In-depth, semi-structured interviews lasting between 30 to 90 minutes were carried out with participants (see Appendix 2 for the schedule). In-depth interviews are seen as the most effective method as they are particularly suited to gathering data on individuals' personal histories, perspectives, and experiences. The interviews were semi-structured, with a brief and topic guide that gives a clear idea of the issues that should be covered, but with most questions focusing on open responses and the opportunity for the participant to raise other issues. This method allows participants to give rich, personal and in-depth accounts of their experiences, and also allowed for the researchers to build a rapport with participants (this was especially important

in helping to minimise sample attrition between Sweeps 1 and 2). Interviews were conducted in a private setting in which participants felt comfortable, such as in their own home, or in a more neutral setting such as an advocacy organisation.

- 3.11 Participants were given an information sheet before participating in the study (see Appendix 4), and full consent was obtained before proceeding with the interview (see Appendix 3 for the consent form). Interviews were audio recorded where permission was given, and partially transcribed (i.e. relevant content from interviews, such as the households' accounts of their experiences, but not incidental conversation or 'warm up' questions).
- 3.12 The content of the baseline interview covered a number of areas (see Appendix 2 for the schedule):
- Financial information – level and sources of current income (including some cross-checking against expected entitlements), household costs and expenditure, budgeting and debt;
 - Current employment and training/education;
 - Sources of support – the use of services and formal support (and any barriers to accessing these), and informal support networks including family and friends;
 - Household members' self-reported physical, mental and emotional health, and any use of healthcare services;
 - Challenges people are currently facing, how they are coping and what is helping or hindering them;
 - Other areas for discussion on welfare changes identified by participants, including participants' perspectives on welfare changes as a whole; and
 - Retrospective evidence on income sources and employment over the previous two years.
- 3.13 No payment for time provided by participants was given. However, participants were given a voucher to compensate for travel, and any other expenses (including childcare), at a rate of £10 per household per meeting.

Analysis

- 3.14 The content of the interviews was analysed (including using qualitative analysis computer software NVivo)¹⁷ for important and/or recurring themes.
- 3.15 Although the sample in this research is small and qualitative, and any generalisation is difficult, it is still useful to observe whether patterns emerge

¹⁷ www.qsrinternational.com/products_nvivo.aspx

in participants' experiences, not least to suggest avenues for future, larger scale research. However, this study also seeks to preserve narratives rather than reduce them to constituent parts, in order to understand people's individual experiences and the impact that policies will have on them.

- 3.16 This study also allows for the identification of key features of a participant's life as measured by established instruments (such as those used in national surveys to classify their type of accommodation or to measure of wellbeing), and to link these elements together, and situate the participant in their own unique context.

Research Ethics

- 3.17 This study received research ethics approval from Edinburgh Napier Business School's Research Integrity committee.

4 KEY EMERGING THEMES

- Chapter 4 presents the key emerging themes from the interviews with participants in receipt of welfare benefits. Quotes taken from transcripts have been used to illustrate the issues as participants experience them.
- There is a need for clear, concise information about benefits and benefit changes. Many participants feel poorly informed about their entitlements and impending changes to these.
- Some participants had experienced delays or administrative errors in receiving their benefits which, without external support, can create great hardship.
- The assessment process for ESA was cited repeatedly as a source of stress for those obliged to participate in it. Participants also complained of a lack of dignity in the process. Those with fluctuating or 'hidden' conditions did not feel that the criteria used in the assessment reflected the impact of their condition on their lives.
- Many participants struggled to get by on the money they received and to meet basic needs such as heating, electricity and food. Often trade-offs had to be made. Most had restricted their participation in social and leisure activities, and some had accumulated debt.
- Most of those interviewed were not in work. Some did not feel able to work at all, but even those who wished to work often felt that there were few realistic job opportunities for them, due to factors such as caring responsibilities or health conditions.
- Participants did not like being 'benefit claimants', and felt stigmatised by others for having this status. This was often exacerbated by the portrayal of claimants in the media.
- Many participants felt anxious and/or poorly informed about future changes to benefits, such as the move to UC. Most were troubled by the prospect of a single monthly payment, and the difficulty of budgeting over this time period.

- 4.1 This chapter presents some of the findings from the interviews with participants in receipt of welfare benefits. It summarises the findings under five themes that have emerged from the research: the lack of clear information and good advice; problems with the current administration of benefits; the struggle to make ends meet; the failure to account for specific needs; and stigma, financial insecurity and wellbeing.

The lack of clear information and good advice

- 4.2 Many participants felt that there was a lack of clear, concise information about their benefit entitlements and how these might change.

“It is hard to get clear and concise information at the moment. It is a bit of a minefield to find out information.” Male, 60 years.

4.3 All participants were broadly aware that there would be changes to the benefit system over the next couple of years, but they were not necessarily clear about the details of the changes, or how they would be implemented in practice.

4.4 With regard to UC, none of the participants had any knowledge of *exactly* when changes would impact on them personally, or if changes to one of the benefits covered by the UC award would impact on the entire UC payment awarded. Participants commented that they did not have enough information about UC and were confused as to what the changes were and why different benefits were being changed.

“I don’t know enough about it [UC]. I think it is quite strange how they’re trying to bring in lots of different benefits at the same time, and then trying to replace the ones they’re bringing in, it seems very confused...It would be good to have a bit more information about it, they don’t seem to tell you about these things until they’re actually happening.” Female, 34 years.

4.5 Generally participants stated that they had not found the Jobcentre or the DWP telephone number or website helpful in getting information about benefits or benefit changes. Communications from the DWP and the Jobcentre about the changes to benefits were cited as confusing and unclear, and some participants had found the tone of these communications threatening. The majority of participants cited that they did not necessarily know where to find information about changes to benefits, and noted the large amount of time used to find the information that they needed.

“There was the change from IB to ESA which happened last year.... So I made some phone calls and spent hours on the internet trying to find out information. And it was very, very difficult. There was very, very little information....” Male, 56 years.

4.6 Participants cited a range of alternative sources that they have turned to for information, or could do so if they needed it. Most of these were local access centres or specialist third sector organisations (e.g. organisations working around a particular health condition). Participants who used this provision tended to be very positive about the help provided. Some looked for information on the internet. However, some participants did not know of any sources of information at all.

- 4.7 Opinions were mixed regarding the service provided by the Citizen's Advice Bureau. Four participants reported negative experiences with their Bureau, noting they lacked specialist information. There were also long delays reported in being able to obtain an appointment. However, four other participants reported very positive experiences with the assistance provided by the organisation.

"I wouldn't phone the DWP [for advice on benefits]. I did that once and never again. I normally go to my advocacy worker. I went to the [Citizen's Advice Bureau] but sometimes I feel these organisations are useless." Male, 43 years.

"Who do I talk to who basically knows everything about all benefits, that's what I would like. Somebody who doesn't work for DWP or the Jobcentre, but somebody impartial who you can go to. It's meant to be Citizen's Advice but to be honest they don't have a clue about the disability thing." Female, 26 years.

- 4.8 Participants tended to favour specialist services, for example one participant was highly positive about a support group specifically designed for people with her specific health condition.

Problems with the current administration of benefits

- 4.9 For those reliant on income-replacement benefits, the administration of the benefits caused significant stress and reduced wellbeing of many participants. Errors and delays in payments are a source of considerable financial instability. These delays and stoppages have taken considerable time to resolve even when due entirely to errors caused by DWP. There was considerable stress associated with the process of moving people with disabilities to new benefits and with the reassessment process.

Inconsistencies, errors and delays

- 4.10 Some experienced delays in payments, for example when making a transition from one benefit to another. The participant quoted below was transferred from IS onto JSA when his youngest child turned five years old. He was not notified that he would receive his payment on a different day, which meant he had to go for four days until receiving a payment.

"On the Monday that I always got my money that I budgeted for...the money didn't go in...they failed to tell me that the money doesn't go in until the Thursday on JSA....so I have lost 4 days money haven't I?...I argued with them and got nowhere...I was phoning up and I didn't know that every time I

picked up the phone and phoned that number...it cost me about £18 in phone calls..." Male, 49 years.

- 4.11 Seven participants also expressed problems with benefits being stopped without any prior notice or communication. The participant quoted below found her benefits stopped with no notice when her ESA was altered from income to contribution based¹⁸. Her experience draws attention to a lack of knowledge about benefits of some DWP staff.

"[My benefits] were stopped between changing from income related to contribution based. And I phoned up and asked DWP what's the difference and they said they didn't know, so why did they stop the money?" Female, 26 years.

- 4.12 Participants also noted considerable inconsistency in the outcomes of claims, suggesting whether or not an award would be made was dependent upon 'whose desk the paperwork landed on'. This meant that participants felt that being accepted was very much about chance rather than whether or not the benefit should be awarded. Such inconsistency was a feature of participants' experiences of engaging with the Jobcentre:

"You end up getting different decisions and different decision makers – the decision making is inconsistent and flawed." Male, 60 years.

"I was originally put into work related. I appealed it and I was obviously lucky with the decision maker I got. But when I was in WRAG [the] worst I had to do was go to the Jobcentre, but I found a nice advisor and she didn't give me a hard time." Male, 43 years.

The assessment process for disabled claimants

- 4.13 Most participants with a disability spoke about their experiences of moving from IB onto ESA (or failing to do so in some cases and having to move onto JSA), and the work capability assessment they were required to undertake in doing so. These assessments were a huge source of stress, and participants complained of a lack of dignity in the process.
- 4.14 A key deficiency of the work capability assessments appears to the participants to be a lack of understanding of the assessors about fluctuating or

¹⁸ There are two different types of ESA. Some people will get 'contribution based ESA' (CB-ESA) because they made enough National Insurance contributions while they were at work to qualify for it (similar to Incapacity Benefit). Others will get 'Income-related ESA' (IR-ESA) provided they have little or no income and little if any capital (similar to Income Support) (see Appendix 1 for further details).

'invisible' health conditions. Several participants reported having good days and bad days, with work capability varying day to day, but that the assessment criteria were unable to capture this fluctuating impact of their condition. This applied both to those with physical or mental disabilities.

- 4.15 Some participants also claimed that they were being incorrectly assessed as able to work because their condition was not immediately obvious. One participant was placed in the WRAG group until a successful appeal allowed them to transfer into the Support group. This participant had a particular visual impairment which meant they were unable to use computer programs which can be used by other visually impaired people. Despite this, the Jobcentre staff failed to take this into account whilst he was in the WRAG group.
- 4.16 Another issue raised with the assessment process was the lack of input from participants' own medical professionals, who better understood their condition.

"If they relied more on your own medical team rather than someone who has never met you They're moving away from what your own doctor says to what the Atos doctor says ... I think that is going in the wrong direction."
Female, 29 years.

- 4.17 One participant cited that they found the process of applying for ESA depressing, as it served to reconfirm and highlight the problems he had.

"Initially I found it depressing because when you have a health issue...there is that reconfirming that you have a problem....what I hate is having to divulge...is the opening yourself up and having people looking at your private life." Male, 36 years.

- 4.18 The uncertainty and stress caused by reassessments in relation to ESA seemed considerable among many disabled participants, as the outcomes of the reassessment would have a considerable effect on their future incomes and life. It was noted that this uncertainty may reoccur each time there was a reassessment. This was felt strongly by one participant, who also highlighted that it took a long period for the decisions to be made, which left them living in 'limbo'.

"It is so stressful when you are reassessed and they take so long to take a decision that it is the length of time that you are left sort of in limbo, not knowing, em, if you are to have an income, you know, after another couple of months.... So if it is taking 3, 4, 5 months and that is being done every year, then obviously that is a huge chunk of the year that you are being really stressed out....." Female, 29 years.

- 4.19 Another disabled participant argued that for some disabilities, there is no need for assessment. This, in his opinion would not only relieve such people of a stressful experience but would also free up DWP staff to focus on other claims.

“if someone clearly cannot walk they should be given mobility automatically. They shouldn’t have to fill in a form.” Male, 60 years.

Struggling to make ends meet

- 4.20 The majority of participants reported struggling financially and there was evidence of considerable financial hardship. The amount of support received by those on out of work benefits was found to be insufficient to meet basic needs.

Surviving on a low income

- 4.21 Most participants identified problems in managing financially. The vast majority of participants (n= 39) said that benefits payments did not cover utility bills and food. Some described the very careful budgeting that they had to undertake, and the need to prioritise some bills over others.

“An absolute nightmare, we’ve never got any money, you have to prioritise what you need and things like that.” Female, 39 years.

“I had to use the money that was for my food to pay for my bills...I am finding that [I have to use] the money that I have allocated for my food.” Female, 43 years.

- 4.22 Some attempted to reduce household bills by cutting down on their heating costs, although this was not an option available to all participants.

“We keep the heating off. We have to keep our jumpers and housecoats on so we can keep the hot water for a bath.” Female, 24 years.

- 4.23 Finances were especially problematic for participants who were lone parents or the carers of disabled children. This appeared to be due to the low income received by lone parents and the additional costs experienced by carers with disabled children; for example, households with disabled children often reported having higher energy bills. Participants employed a number of strategies to get by, such as bulk buying food, in order to reduce costs. Parents also skipped meals/had smaller meals so that their children had enough to eat.

“.....I’ve went without eating to make sure there is electricity and [daughter’s] got her milk and nappies.” Female, 19 years.

- 4.24 For many participants, ‘treats’ that went beyond basic sustenance such as days out and socialising with friends were impossible. Participants and those in their household were unable to engage in many forms of social interaction with others, due to the fact there was insufficient money to do so.

“I would like to buy little luxuries like toiletries, the cinema, theatre. I can’t meet with friends because I can’t afford a cup of tea.” Female, 56 years.

“Well I can’t afford to go out. Now and again I can maybe go to the cinema.” Female, 24 years.

“We can’t afford to do anything. Even bus fares are a struggle....” Male, 38 years.

“Quite often I get money on Tuesday and by Wednesday I have got pennies in my purse. I don’t have £2 to give to my daughter to go to her Guides thing.” Female, 43 years.

- 4.25 Participants also noted the additional costs of buying equipment to access the internet, and issues around being able to afford monthly internet bills. This is problematic for those who are required to look for work in order to receive their benefit. This was especially the case for lone parents, who were often unable to obtain childcare so that they could use the internet in public libraries or the Jobcentre.

“I had to borrow money for a computer to do my job search because I couldn’t do it at libraries because that wanted me to do it for three hours a day.....obviously I can’t take a five year old to the library for three hours a day.” Female, 24 years.

- 4.26 Some participants had turned to family and friends for emotional or financial support but this was not available to all. For some this support is absolutely crucial. However, participants did not like being in the position where they had to ask for money from family and friends.

“If I have got no money the only people I can turn to is my parents for money and I am lucky enough that they can give me money.” Female, 43 years.

“There are only so many times I can ask my Gran for help, she’s not always going to be here. And I don’t like it. She’s only on a pension.” Female, 24 years.

- 4.27 Some participants found themselves getting into debt when an unforeseen problem arose, such as household equipment breaking down, or funeral costs. Twenty one participants had used credit cards, commercial loans and/or loans from friends/family when they were short of money, and one participant had pawned jewellery.

“I’m not getting into debt because I’m going on luxury holidays. I’m getting into debt because I need everyday things for my house, like if my washing machine breaks down.” Female, 42 years.

“I’ve got two items, one in the pawn at the moment, one in the cash generator. If you have a crisis in your life which you haven’t allocated for...I had to pawn my mother’s engagement ring....but that’s life in the have no money lane, you know?” Female, 56 years.

Support in a crisis

- 4.28 Participants noted that although extra assistance was provided when they encountered a crisis situation, they argued such support should come sooner, i.e. before they had reached that situation in the first place. This would allow them to avoid stress and humiliation. The following participant, who was in work, but with a highly seasonal and variable income, appreciated the help he received from his local authority in order to obtain his housing rent deposit, but found it extremely frustrating and stressful that he was unable to access this assistance until he found himself in a crisis situation.

“In order to benefit from certain things regarding housing you have to be in a crisis situation which is not beneficial to anybody’s health...it’s crisis management.” Male, 36 years.

- 4.29 The same participant felt humiliated when he reached a crisis point when he felt he had no choice but to enquire about accessing a food bank. Unfortunately, he was not provided with assistance as he failed to meet the specified criteria. Again the need for greater sensitivity in providing support is highlighted.

“I actually enquired into help for emergency food and the way I was treated I felt like, they literally assume how many slices of bread you have.....I didn’t meet the criteria.....naively I thought I would be able to get a week’s shopping....and to go through the humiliation of having to ring them up, contact them, be questioned on the contents of your cupboard and then to be denied is humiliating.” Male, 36 years.

Under-occupancy and discretionary payments

- 4.30 Some participants who were social housing tenants had been affected by the new size criteria, and had seen a reduction in their HB payment accordingly. Some issues were raised regarding engagement with local authorities and housing associations concerning discretionary payments to compensate for the reduction in benefits. For example, in two cases, participants were initially turned down for discretionary payments; they eventually received the payments, but underwent a great deal of stress and anxiety in the process.
- 4.31 There also appear to be problems regarding communication between those claiming benefits and local authorities regarding discretionary payments. For example, the following participant was unclear as to whether or not he owed any rent after obtaining a discretionary payment to cover the spare room subsidy that had been applied to him. It would appear from his statement his discretionary payment was *not* covering the full amount of the increase; however, due to a lack of communication from the local authority, the participant was unsure of the situation. This means that there is a possibility that the participant might be faced with a bill for the shortfall.

“They put on the bedroom tax so there was another 40 [pounds] a fortnight but fortunately we got the discretionary payment so I’m not sure if there is any rent to pay. They haven’t said anything....we are getting about £13 something a week so that’s about £26, so there’s about seven or eight quid the difference but they’ve not said anything about that and I get quite confused with that. I’m not sure if I’m due or not. They are not taking anything.” Male, 38 years.

Coping with a move to monthly payments

- 4.32 There was concern about the move to monthly payments and people’s ability to budget. Only one participant felt that this would help people to budget in the same way as most households and help them if they returned to work. The majority view is that it will make life more difficult.

“I would manage but I would definitely find it harder.....because I’ve been used to the fortnightly for quite a while.” Female, 24 years.

- 4.33 At best, people said they would manage because they had managed on a monthly salary when they had been in work. People noted that it would be very hard to budget a relatively small amount of money if it was only paid once per month.

- 4.34 Participants also noted that their resilience was limited due to the relatively large impact of one-off events such as having to find the money to replace white goods.

“I understand that people ought to budget...but when you have a limited income it's more likely you have emergencies, you'll need to fix your washing machine because you don't have a warranty for it, you need a laptop to look for work otherwise you'll get sanctioned. So when there's stuff like that happening, I can't quite picture why it would be a good idea to have it paid monthly.” Female, 32 years.

Failing to account for specific needs

- 4.35 In addition to the problems outlined above with living on a low income, the research raised a number of issues affecting particular groups or types of claimant, which the current system of support and obligations fails to take into account.

Barriers to work, training and education

- 4.36 For those such as lone parents who had previously been on IS, or disabled claimants who had been on IB, moving onto JSA was often problematic, because being treated like 'just another job seeker' was not felt to take into account their specific barriers to employment.
- 4.37 Many of the participants cited that they could theoretically work, but in practice there were no jobs that were suitable in terms of hours and flexibility. One participant outlined how their medical condition fluctuated and while they might be able to work on some days, they might not be well enough on others. Lone parents pointed out the restrictions that their childcare responsibilities placed on their availability for work. Many participants did not feel that employers would be able to offer the flexibility in terms of hours etc. that they required.
- 4.38 Participants generally reported that they did not find the Jobcentre helpful in providing assistance in locating realistic work opportunities, such as employment which took into account childcare responsibilities.

“For me, walking into the Jobcentre is just the most soul destroying thing you ever had to do in your life. I absolutely hate it...they don't have a clue about what it's actually like...I'm a single parent so I'm excluding anything flexible like overnight, weekends, so I'm disregarding all those jobs because I can't get the childcare...” Female, 40 years.

- 4.39 Some participants felt that the focus of the Jobcentre's staff was getting them into any kind of work – even if that work was not suitable, or did not fit the skillset of the participant. What the individual actually wanted to do was felt not to be taken into account.

“It's the attitude of Jobcentre staff...it doesn't matter if you've got plans in place...they just see part-time work coming up and they say you should go for that, cleaning jobs or whatever, and I feel really frustrated at it.” Female, 32 years.

- 4.40 For participants who were lone parents, the availability and cost of childcare presented a key specific barrier to employment. They found it very difficult to find work offering hours which would fit around childcare. None of the couple households with children in the sample cited childcare as a particular issue, although that is not to say that childcare is not an issue for couple families.

“Well ... I can't get a job that's between 10am and 2pm. It's impossible and that is what I am trying to get.” Female, 24 years.

“...this year my daughter started school, and I thought my day's going to open up so much more, but it's kind of not been the case, because I feel like I'm under more restrictions to find something 10 till 2, but there's nowhere really that offers that, and there's so many people wanting the same hours.” Female, 32 years.

- 4.41 Some lone parents were very keen to improve their chances of competing successfully in the job market by studying, however, they found doing this and juggling childcare and maintaining their jobseeker's agreement very difficult. Furthermore, participants indicated that there is pressure to obtain any job – even if that means having to give up an opportunity to engage in further education. This may mean that people lose out on opportunities to be able to compete for better paid, more secure positions by virtue of their achieving qualifications.

“I found this course on my own, the Jobcentre didn't tell me about it. Because it started in August that was good because my son started school in August so I knew I'd be able to come to it for two days a week. But they still check up on my job search, they need to make sure I am applying for jobs. I can't say no to a job. If I get an interview I can't say no and if I get accepted for a job I have to take it. If they say you don't qualify for this position then that's fine but if I get one and I don't take it, they stop my benefit so I need to take a job if I get offered it. I don't have a choice. I want to do this course so I can get into college and get a decent job.” Female, 24 years.

Managing financially: experiences of different groups

- 4.42 Most of the lone parent participants highlighted that they could not rely on regular (or any) child maintenance payments coming from the parent who did not take on the primary caregiving role. Delays and errors in benefit payments are particularly critical when they are the only source of household income.

“Sometimes it [child maintenance] doesn’t come because the youngest’s father...has had a pay cut...so I can’t ask him.....It is not reliable. I can’t use it as every month to know that I have got that to pay for things.” Female, 43 years.

- 4.43 Participants claiming disability benefits noted that their disability was often accompanied by expenses which were not covered by the money they received. One participant, who cares for their daughter, had to pay £300 for a new mobility aid, as there was no provision to cover broken medical equipment. Other additional expenses cited by participants claiming disability benefits include greater use of heating, washing machines and clothing.

“My washing machine is on all the time, and the tumble dryer and things because of [son’s] problems and the money I get doesn’t take into account the extra costs of that.” Female, 39.

“I probably do have higher costs; the [medical equipment] cost fifty pounds every time...My heating is probably higher than most people as well.” Male, 39 years.

- 4.44 Participants in general directed attention to the rising cost of living; however, the six participants who resided in rural areas felt that the cost of living was higher in rural areas, especially in remote parts, citing higher costs of food and reliance on cars.

“We have to have the car where we live. We pick [son] up and take him to school each day, that is sixty miles. We have a motability car.” Female, 39 years.

“Everything’s going up – electricity, food, oil. And are we getting more benefit to pay for these things? We’re not. They’re even taking more away from us.” Female, 42 years.

- 4.45 Mobility for disabled people in rural areas may be particularly problematic. One participant outlined how they had needed to pay for a taxi themselves in order to access the care provision they needed, as using standard public transport was not feasible. Fortunately, following a campaign, a community

bus service was then provided by the local authority, which permitted the participant to leave the house. However, such a service is down to the discretion of local authorities

Occupancy rules and complex circumstances

- 4.46 Changes regarding occupancy rules in social housing were especially problematic for disabled people, who found themselves having to challenge the changes made to the payment of HB relating to under-occupancy when it was applied to them, as they needed a spare room. The participant quoted below had to launch an appeal against the changes made to her payment of HB relating to under-occupancy which was applied to her. This participant required a spare room for when she needed care, and also to accommodate her partner when they came to stay with her. The participant cited the importance of taking into account people whose situation was not clear cut and had fluctuating support needs.

“That was a total minefield when it came to: was I going to get help or not. I got it sorted eventually....they have written these guidelines but there are going to be people that aren’t going to be clear cut one [way] or the other, who are going to have fluctuating support, and I think that’s one thing that with the benefits they don’t always take into account.” Female, 26 years.

- 4.47 Another participant cited that he could manage alone but sometimes required overnight care, and therefore needed a spare room for his carer.

“I don’t need 24 hour care but there could be a time I am not well and somebody has to stay with me.....They actually sent me a bill in for the yearly tariff what I was going to have to pay, when I opened it I was shocked because it was almost £4,000.” Male, 37 years.

- 4.48 These situations reveal the changes made to the payment of HB relating to under-occupancy may not sufficiently take into account the lived realities of disabled people, whose condition fluctuates on a day to day basis. It also suggests insufficient communication of, or knowledge of, existing discretionary housing payments that may be available for people with difficult circumstances.

- 4.49 In addition, the changes made to the payment of HB in relation to under-occupancy is also problematic for individuals whose circumstances, whilst not related to disability, mean they do not currently require additional space in the home, but will do so in future. For example, one participant was being made to pay for an empty room as his child was not currently living with the family

full-time; however, there was no option to move as the expectation was that the child would return.

Uneven impact of a move to monthly payments

- 4.50 Some participants noted that certain groups might find it especially difficult to manage a monthly benefit payment, such as people suffering from addictions, or people with mental disabilities which prevented them from understanding how to budget money. For example, the comment below was made by the parent and carer of an individual with learning disabilities. She had concerns over how her daughter would manage once she turned eighteen and her benefits would be paid directly to her (currently, the benefits are paid to the parent).

“She has no concept of money. If she got that money every month she would just blow it every month.” Female, 39 years.

- 4.51 Another participant felt certain managing monthly payments would be problematic due to her mental illness.

“I would find that [managing monthly payments] difficult because I’m not very good at budgeting...I don’t try to blame things on the fact that I have bipolar, but it is something, when it comes to money, budgeting, things like that, most people with bipolar, that is something they have difficulty with.” Female, 30 years.

- 4.52 Lone parents were more likely to worry about monthly payments due to their feeling that it would be very difficult to make, what they found to be a small amount of money, last all month.

“I think that would be awful. It is not a large amount of money that you can manage. HB is already monthly, but having the others fortnightly helps as you don’t have a lot of money.” Female, 45 years.

“Moving to monthly is a horrendous idea, awful. I don’t know how anyone will manage. At least this way I know I am buying my food week to week. Having it every month is just going to be even harder to keep control of the money.” Female, 43 years.

Stigma, financial insecurity and well-being

- 4.53 There are a number of aspects of participants’ experiences, in addition to the poverty and financial instability outlined above, which may be having a negative impact on their well-being. Participants reported feeling stigmatised

for their status as benefit claimants, degraded by the process of applying for support, and anxious about the future.

The stigma surrounding benefit claimants

- 4.54 All participants believed there was a strong societal stigma attached to people who were in receipt of welfare benefits. Most participants identified the stigma they experience about being on benefits with feelings that negative media coverage affected them personally. They felt that there was a lack of coverage of the circumstances of all claimants in the media. This meant that wider society was being given an inaccurate description of the circumstances of people who claim benefits and the kind of lives they are able to lead. Participants especially felt that popular TV programmes gave an inaccurate representation of the majority of those claiming benefits and served to portray them all in a highly negative light.

“I think it is pretty bad that everyone perceives [those claiming benefits] as spongers and it’s not the case.” Female, 49 years.

“It’s never positive, and because people just have these images of people scrounging, they don’t seem to realise the effect that that kind of language has on people who are legitimately claiming. The way it’s perceived in the press is quite damaging.” Female, 36 years.

- 4.55 Some participants had also experienced negative and stigmatising attitudes from Jobcentre staff when claiming benefits. Many reported feeling that staff did not accept as valid the many circumstances that participants felt were legitimate barriers to taking up employment.
- 4.56 One participant cited that they did not like to disclose to others that she was in receipt of benefits because of the stigma. Others also felt that people might make judgements about them based on their status as a claimant.

“I don’t advertise the fact I get DLA to anyone because there is a stigma, but if you need it, you need it.” Female, 24 years.

- 4.57 Despite the perception of negative social attitudes towards benefit claimants, most participants believed they were entitled to their benefits, particularly those who had worked prior to becoming unable to work.

“I’ve worked all my days, I’ve paid the big stamp, so it’s really my money coming back to me” Female, 58 years.

“[I’ve] paid in all these years as well, that’s what you pay your money for in a way” Male, 56 years.

- 4.58 Some participants did believe there were individuals who were fraudulently claiming benefits, and these people served to portray them in a negative light. It was felt by some participants that the media focused on these cases, rather than legitimate claimants.

“...you can see walking around any shopping centre there are people with walking sticks that don’t use them, you realise that there are people who are milking the system, but that 0.000 whatever percent have an impact on those who need it...” Female, 34 years.

“I think people who are on benefits are made to look bad [by the media]. I do believe there are some people who are just on it for an easy life but if you are a carer that is not the case at all. They should spend a week in my shoes you know.” Female, 39 years.

- 4.59 There were also participants who believed that there were claimants who were not fraudulent, but did not ‘deserve’ to receive benefits, due to the idea that they ‘chose’ to put themselves in a particular situation e.g. having large families, or not looking for work. Such individuals were viewed negatively. This means there is a potential conflict between different groups of claimants.

“A single parent with 8 children – come on...she knew what she was doing, having child after child and thinking it’s OK, I’ll get benefit. Situations like that it’s totally wrong, and yes I do agree with capping her money...she chose to have all these children.” Female, 42 years.

“There’s people genuinely needing help, but they [people shown on TV programmes about welfare benefits] sit on the street with carry outs, walking about with their top of the range phones, they’re just not interested [in working]” Male, 54 years.

Anxiety about future changes to benefits

- 4.60 Benefit changes and a lack of clarity around their implementation meant that many participants were increasingly uncertain about the future and how they would cope if they stopped receiving benefits.

“It is the danger of it [disability benefits] being taken away and how I will cope with the constant thought of ‘is this getting taken away’? And I don’t know how I will be affected by UC...” Male, 43 years.

“It worries me silly, if they stop my benefits, where will I go, what will I do?”
Female, 58 years.

- 4.61 Participants felt stressed as they dealt with the current changes to their benefits and as they worried about how their situation would transpire in relation to their benefits in future. One participant cited that this had had a negative effect on their health.

“I would say the majority of my health problems have got worse since having to deal with ESA, which is ironic because they are trying to encourage you to get off benefits.” Female, 26 years

- 4.62 For people with disabilities, the changeover to PIP, with its stricter criteria, was a source of great anxiety. Some (not all) participants who claimed disability benefits were content with the money they received, but the uncertainty of whether or not they would continue to be entitled to them was a source of anxiety. This was exacerbated by the intention to remove the ‘lower’ care component of DLA when the transition is made to PIP. Two participants felt particular anxiety about the removal of the low rate mobility element, as they relied on their mobility car to look for work and get around in general.

“My main concern is the transition from [DLA] to [PIP]. The conditions for mobility are going to be far harder to meet to get the benefit to claim a mobility car. And if I don’t have that it’s going to make my life an awful lot more difficult in terms of work and getting about.” Male, 39 years.

- 4.63 The ‘20 metres rule’ was also a source of stress for participants. One participant expressed great anxiety over being assessed for PIPs, due to the fact he could theoretically move 20 metres, but only in certain circumstances. He felt that this was not realistic in reflecting day to day living.

“...you still have that worry in the back of your mind, moving on to [PIP] from [DLA] and the 20 metre rule, which I will eventually be reassessed for. I am particularly concerned about the mobility part of it...I mean I could move 20

metres but it would really need to be a smooth pavement with no kerbs or anything.” Male, 56 years.

- 4.64 Participants also drew attention to what they believed to be a flawed assessment procedure for PIP, which failed to adequately take into account the day-to-day realities of living with a disability. Participants felt that the proposed assessment procedure, as with the current procedure for ESA, would not adequately take into account complicated and fluctuating medical conditions.

“And they are going to use a points system which is similar to the work capability assessment which is deeply flawed; obviously people have complicated medical conditions they don’t just conform to a tick box. People have good days and bad days. I do. Some days I’m able to do quite a lot and other days not very much at all.” Male, 39 years.

5 CONCLUSIONS – EMERGING ISSUES

This chapter presents the conclusions that have been reached so far and a discussion of issues for Sweep 2 of the interviews. As it is based on a qualitative study, great care needs to be taken about generalising from the results.

- 5.1 This chapter summarises the key emerging findings of the research, and suggests areas in which improvements could be made or circumstances mitigated with additional support.

Key findings

A lack of clear information and advice

- 5.2 There appears to be a need for – but a lack of – clear, concise information about benefits and impending changes to benefits. The Jobcentre, and the DWP’s website and telephone line, were generally considered to be a poor source of information. Participants felt that Jobcentre staff often lacked knowledge about benefits, and that it required a great deal of effort on the part of claimants to obtain the information they needed. Official communications from the DWP were also cited as being confusing and too lengthy, and some found them threatening in their tone.
- 5.3 Participants expressed a preference for third sector organisations in seeking advice. Some had found Citizens Advice Bureaux helpful, while others cited local or specialist organisations as more likely to have the relevant knowledge to help them. However, not all participants knew of sources of information they could consult if they needed to.
- 5.4 **Recommendation:** These findings suggest a need for much improved official communication about benefits and benefit changes, as well as continued support for third sector organisations providing impartial, specialist support.

The current administration of benefits can be inconsistent and stressful

- 5.5 Sometimes errors and delays were a source of considerable financial instability for claimants, and several participants had experienced such mistakes, including seven who reported that their benefit payments had stopped suddenly and without warning. However, it should be noted that these mistakes can occur in any benefit system, and it is not possible to say from this research whether the situation is worse now than it was before recent changes.

- 5.6 There is evidence suggesting that Jobcentre staff were sometimes inconsistent in how they dealt with claimants. Some participants had extremely negative experiences at the Jobcentre, while others came into contact with helpful advisors. While specific circumstances and expectations may influence their perceptions, it would appear that a participant's experience is sometimes down to the particular advisor they had dealings with.
- 5.7 The assessment process for ESA placed a considerable strain on claimants. There was a general feeling among participants that the process was not dignified or fair, and that the criteria employed failed to truly encapsulate a person's ability to work, particularly for those with fluctuating or 'invisible' conditions.
- 5.8 Support seemed to be more readily available once a person had reached a crisis situation; but it may be more effective to provide support (e.g. Housing Benefits) earlier to prevent a crisis from happening in the first place.
- 5.9 **Recommendation:** These findings suggest a need to improve the administration of benefits, including more sensitive service provision by departments, better administration of benefits changes and seeking to reduce the feelings of stress related to applying for them. They also highlight the crucial importance of recourse to emergency funds to mitigate the impact of these situations when they occur.

The current benefit system is not meeting claimants' basic needs

- 5.10 Most of the study participants reported struggling to manage financially. The current system does not appear to be meeting people's financial needs, and participants reported making difficult choices about which essential household items to prioritise. Some had got into debt, often due to unforeseen expenses such as the breakdown of household equipment, or simply in the process of trying to keep up with bills. Few were able to afford 'treats' that went beyond basic sustenance such as days out, and a lack of money restricted opportunities for social interaction, which reinforced feelings of isolation and loneliness. It appears that the level of benefits currently provided does not allow participants to attain the minimum standard of living identified by the public. This is outlined in the work on Minimum Income Standards by the Joseph Rowntree Foundation¹⁹.

¹⁹ The Joseph Rowntree Foundation established a minimum income standard in 2008 (Padley & Hirsch, 2014) – see chapter 2.

- 5.11 Some participants had been able to turn to family and friends for support in an emergency, and this support was crucial in helping participants to manage their daily lives and make ends meet. However, some people did not have this option and were completely dependent on benefits income to survive. Those without any other source of support were hit hardest by any errors and delays in payments mentioned above.
- 5.12 **Recommendation:** These findings highlight the problem of the cost of living for those on a low income, and the need for quicker intervention for those who are struggling to cope.

Stigma, financial insecurity and anxiety about the future have a negative impact on well-being

- 5.13 Participants all identified the stigma attached to being in receipt of benefits, and all believed that wider society looked down on them as a result of their benefit claimant status. Such sentiments were felt by all participants, irrespective of their reasons were for claiming. The media was felt to be particularly stigmatising. Participants felt that the focus on particular groups of 'undeserving' claimants served to stigmatise all benefit claimants. Some participants had also experienced negative and stigmatising attitudes from Jobcentre staff when claiming benefits.
- 5.14 Those claiming disability benefits experience high levels of anxiety in relation to the impending move to PIP and the required medical assessment related to that. The on-going uncertainty and associated stress of being reassessed, including the length of time for decisions to be made, and of the process of future reassessments, was strongly expressed.
- 5.15 There was some concern about the proposed move to a monthly payment under Universal Credit, as it was widely felt by participants that it would be considerably more difficult to budget the small amount of money they received over such a long period of time.
- 5.16 **Recommendation:** Stigmatising messages from the media need to be countered by education about those on benefits and of the true (limited) nature of benefit fraud. Jobcentre staff should receive more training in dealing with groups with specific needs and have specialist officials to deal with all those key groups (such as lone parents or those with different types of disability).

The current benefit system fails to fully take account of the specific issues facing certain groups or types of claimant

- 5.17 The movement of increasing numbers of disabled people and lone parents onto Jobseeker's Allowance can be problematic, as the current Jobseeker's Allowance regime does not adequately take into account the needs of all those with specific barriers to employment, and as a result does not effectively help them into employment.
- 5.18 Lone parents overwhelmingly report difficulty in obtaining employment which fits around their childcare responsibilities, and in finding suitable and affordable childcare that would allow them to work. Some participants felt that the Jobcentre did not take the impact of these childcare responsibilities into account, or offer any appropriate opportunities to take up employment around them. The obligations upon lone parents, such as when their youngest child reaches 5 years old, to take up work in order to receive benefits have increased in recent years, and it is important that they are able to take up these opportunities.
- 5.19 Different groups face different challenges to managing financially. Lone parents struggle to meet their family's needs on the amount they receive, and often cannot rely on maintenance payments. Disabled participants noted that they faced expenses that were not covered by the benefits they received, including higher heating bills and equipment costs. Those in rural areas argued that their cost of living was particularly high due to the higher cost of food and their reliance on private transport.
- 5.20 Changes to occupancy rules in social housing do not adequately take into account households' unique and sometimes complex needs. Some disabled participants reported that they needed a spare room due to their condition (e.g. for occasional use by a carer). Some families also raised the issue of fluctuations in family size and the number of bedrooms required, for example in some cases children may move in, out of, or between households.
- 5.21 The proposed move to a monthly payment may have a more adverse effect on certain claimants. For example, those with a learning disability, or certain mental health conditions, may be unable to manage their finances sufficiently well to handle this more challenging budgeting situation.
- 5.22 **Recommendation:** There needs to continue to be policies to help ameliorate specific polices such as the social housing occupancy rules and specific circumstances, such as those who cannot rely on maintenance payments from their former partners. There appears to be a need for specialist

employment services and staff who more fully understand the employment barriers facing specific groups, such as lone parent advisors in Jobcentres.

Related policy issues

5.23 In addition to the recommendations for welfare benefits, the research also highlighted a number of issues affecting those on benefits, and which policy could seek to address. One of these is the need for affordable childcare in order to enable parents, particularly lone parents, to compete for jobs that do not fit around school opening and closing times. Another is the development of a network of formal and informal support – this is especially important for groups such as lone fathers, who report a lack of support.

The next stage of the research

5.24 Based on the initial findings mentioned above, the following issues may be worth exploring in the next round of interviews (Sweep 2, April-June 2014), in addition to the specialist module on training and employment:

- Participants' individual circumstances: any changes in perceived income, labour market participation, debt, stress, health, stigmatisation since last interview.
- Participants continuing experiences with the DWP and Jobcentre: attitudes and experiences concerning the management of the benefits (including time to process claims etc.).
- Exploration into the current labour market situation: further exploration into labour market opportunities for jobseekers since last interview. This will allow us to find out whether further opportunities for employment have come about since last interview, and if there have been any further developments e.g. job interviews, training programmes etc.
- Powerlessness: including participants' perceptions of power relations in the process, including to what extent their own voice is taken into consideration, and the perceived fairness of the reforms.
- Exploration into the relationship between benefits and being able to sustain a 'minimum income standard': issues to be addressed include the cost of living (including 'non-essential' living expenses such as socialising as well as food and heating).

- Outcome of any appeals: some participants were awaiting a decision regarding their ESA claims. Appeals will be followed up in order to discover the outcome and participants feelings about any decisions made.
- Stigmatisation / media: further exploration into feelings of stigma, whether or not participants feel any different since last interview.

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APPENDIX 1 DESCRIPTIONS OF KEY WELFARE BENEFITS

Note: Unless otherwise stated, the reflected rates cited are taken from the Government's recent publication of benefits rates for 2014-2015.²⁰ These rates are weekly, however they may be paid on a fortnightly basis, dependent upon the benefit.

Attendance Allowance (AA)

AA is paid to people who are physically or mentally disabled, require care and are aged 65 years or over.²¹

AA is paid at two rates:

- Lower rate: £54.45
- Higher rate: £81.30

Constant Attendance Allowance (CAA)

CAA is paid to those who are in receipt of Industrial Injuries Disablement Benefit or a War Disablement Pension. CAA is paid at four rates depending on the extent of the disability and the amount of care the claimant requires.²²

CAA is paid at the following rates:

- Exceptional Rate: £132.80
- Intermediate Rate: £99.60
- Full day rate: £66.40
- Part day rate: £33.20

Disability Living Allowance (DLA)

DLA is paid to assist disabled people who have care and mobility requirements. It is paid to adults of working age, and children.

There are two separate components that make up DLA; 'care' and 'mobility'. The 'care' component is payable at one of three rates; low, middle and high, depending

²⁰

www.gov.uk/government/uploads/system/uploads/attachment_data/file/275291/Benefit_and_Pension_rates_2014-15.pdf (Accessed 03 April 2014)

²¹ www.gov.uk/attendance-allowance/overview (Accessed 03 April 2014)

²² www.gov.uk/constant-attendance-allowance/overview (Accessed 03 April 2014)

on the frequency of an individual's needs for personal care. In order to receive the high rate, a person needs to require frequent help during the day and night.

The 'mobility' component is awarded over two categories; low and high. The low rate is awarded to those who need guidance or supervision outdoors. The highest rate in general is paid to people who have difficulties walking.²³

DLA is also provided for children and the same conditions apply to disabled children, apart from some restrictions on the mobility component. They must show their needs are considerably greater than other children their age.²⁴

DLA is currently paid at the following rates:

- Higher rate: Care – £81.30 per week / Mobility – £56.75 per week
- Middle rate: Care – £54.45 per week / Mobility N/A
- Lower rate: Care – £21.55 per week / Mobility – £21.55 per week

From 2013 the Government introduced a new benefit called Personal Independence Payment (PIP), which replaced Disability Living Allowance (DLA) for eligible working age people aged 16 to 64. There are no current plans to replace Disability Living Allowance for children under 16, or people aged 65 and over who are already receiving Disability Living Allowance. Reassessment of DLA claimants began in October 2013, but the majority of working age DLA claimants will not be affected until 2015 or later.²⁵

Personal Independence Payments (PIP)

Personal Independence Payments will replace DLA, and is for people between the ages of 16-64 inclusive. The transition began in April 2013.²⁶ PIP can be paid regardless of whether the claimant is in work.²⁷

PIP is comprised of two categories; a **daily living** component, for help participating in everyday life, and a **mobility** component, for help getting around. A claimant can be paid either component separately, or both at the same time.²⁸

Each component is paid at two different levels; standard and enhanced. The rate awarded is dependent upon whether the claimants' ability to carry out daily living or mobility activities is limited or severely limited.

²³ www.gov.uk/dla-disability-living-allowance-benefit/overview (Accessed 03 April 2014)

²⁴ www.gov.uk/disability-living-allowance-children (Accessed 03 April 2014)

²⁵ www.gov.uk/government/policies/simplifying-the-welfare-system-and-making-sure-work-pays/supporting-pages/introducing-personal-independence-payment (Accessed 03 April 2014)

²⁶ www.gov.uk/pip (Accessed 03 April 2014)

²⁷ www.gov.uk/pip/eligibility (Accessed 03 April 2014)

²⁸ www.gov.uk/pip/what-youll-get (Accessed 03 April 2014)

New PIP claimants must have needed help for 3 months or more (this is known as the qualifying period) and be likely to need help for the next 9 months (this is the prospective test period).²⁹

PIP is paid at the following rates:

- Daily living component: Standard £54.45 per week / Enhanced £81.30 per week.
- Mobility component: Standard £21.55 per week / Enhanced £56.75 per week.

Children under 16 will continue to claim DLA, and people over 65 can claim Attendance Allowance. As of October 2013, some existing DLA claimants aged between 16 and 65 who report a change in their condition, are approaching age 16 or who have a fixed-term award of DLA will be invited to claim PIP³⁰. Individuals who receive DLA and are aged between 16 and 64 on 8 April 2013, will eventually be invited to make a claim for PIP, **even if they have been given an indefinite or lifetime award for DLA.**³¹

Eligibility for PIP will be based on an assessment of individual need. The new assessment will focus on an individual's ability to carry out a range of key activities necessary to everyday life. It will not be related to the current DLA award. Thus, some individuals currently receiving DLA will not be awarded PIP, as it uses different criteria for the award. One of the key changes from DLA to PIP is the move from the current self-assessment to a points-based assessment which, in most cases, will involve a face-to-face meeting with an independent healthcare professional working under contract to DWP.³² The new assessment will follow a similar process to the Work Capability Assessment currently used to assess claims for ESA.

Employment and Support Allowance (ESA)

ESA is a benefit that is paid in replacement of earnings for those who are ill and disabled, which offers financial support if the person is unable to work, and personalised help for the person to work if they are able to. People can apply for ESA if they are employed, self-employed or unemployed. People are assessed through the work capability assessment (WCA) to determine the extent to which their ability to perform certain tasks is limited by a health condition or impairment.³³ Following the WCA, people assessed as entitled to ESA are placed in either the work-related activity group (must attend regular interviews with an advisor about job

²⁹ www.gov.uk/pip/eligibility (Accessed 03 April 2014)

³⁰ www.gov.uk/dla-disability-living-allowance-benefit/how-to-claim (Accessed 03 April 2014)

³¹ www.gov.uk/pip (Accessed 03 April 2014)

³² www.gov.uk/government/policies/simplifying-the-welfare-system-and-making-sure-work-pays/supporting-pages/introducing-personal-independence-payment (Accessed 03 April 2014)

³³ www.gov.uk/employment-support-allowance (Accessed 03 April 2014)

goals etc.) or support group (not required to attend regular interviews; usually those in this group have a severely limiting disability).³⁴

There are two different types of ESA. Some people will get 'contribution-based ESA' (CB-ESA) because they have paid enough National Insurance contributions. Payment of contribution-based ESA is limited to 12 months for those in the work-related activity group. There is no time limit on how long CB-ESA can be claimed if the claimant is in the support group. Others will get 'Income-related ESA' (IR-ESA) provided they have little or no income and little if any capital. People may qualify for IR-ESA if they no longer qualify for CB-ESA³⁵.

ESA is currently paid at the following rates:

Personal Allowances

- Single, under 25: £57.35
- Single, 25 or over: £72.40
- Lone parent, under 18: £57.35
- Lone parent, 18 or over: £72.40
- Couple both under 18: £57.35
- Couple, both under 18 with child: £86.65
- Couple both under 18 (main phase): £72.40
- Couple both under 18 with child (main phase): £113.70
- Couple, one 18 or over, one under 18 (certain conditions apply): £113.70
- Couple, Both over 18: £113.70
- Couple, Claimant under 25, partner under 18: £57.35
- Couple, Claimant 25 or over, partner under 18: £72.40
- Couple, Claimant (main phase), partner under 18: £72.40

Premiums

- Enhanced Disability, Single: £15.55
- Enhanced Disability, Couple: £22.35
- Severe Disability, Single: £61.10
- Severe Disability, Couple (lower rate): £61.10
- Severe Disability, Couple (higher rate): £122.20
- Carer: £34.20
- Pensioner, single with WRAC: £47.20
- Pensioner, single with support component: £40.20
- Pensioner, single with no component: £75.95
- Pensioner, couple with WRAC: £84.05
- Pensioner, couple with support component: £77.05

³⁴ www.gov.uk/employment-support-allowance/what-youll-get (Accessed 03 April 2014)

³⁵ www.gov.uk/employment-support-allowance/what-youll-get (Accessed 03 April 2014)

- Pensioner, couple with no component: £112.80

Components

- Work-related Activity: £28.75
- Support: £35.75

Severe Disablement Allowance (SDA)

SDA has been replaced by ESA. SDA is not affected if the claimant engages in the following:³⁶

- Voluntary work
- Work and earn up to £20 a week
- Work for less than 16 hours a week on average and earn up to £101 a week for 52 weeks
- Do 'supported permitted work' and earn up to £101 a week

For those still in receipt of SDA, the benefit is paid at the following rates:

- Basic rate: £73.75

Age related additions (from Dec 90) are paid at the following rates:

- Higher rate: £11.00
- Middle rate: £6.15
- Lower rate: £6.15

Carers Allowance (CA)

CA is paid to someone aged over 16 years who cares for someone with substantial caring needs for at least 35 hours a week. CA is taxable.³⁷ Young carers are not eligible for this benefit. CA is paid at £61.35 per week.

Incapacity Benefit (IB)

IB is being replaced by ESA. IB is a benefit for people who are unable to work due to being sick and/or disabled before 31 January 2011. People who currently receive IB will be assessed to see if they are capable of work or eligible for ESA.³⁸

The rates that IB is paid at are currently set at the following levels:

³⁶ www.gov.uk/severe-disablement-allowance (Accessed 03 April 2014)

³⁷ www.gov.uk/carers-allowance (Accessed 03 April 2014)

³⁸ www.gov.uk/incapacity-benefit (Accessed 03 April 2014)

- Long-term IB: £104.10

Short-term IB (under state pension age)

- Lower rate: £78.50
- Higher rate: £92.95

Short-term IB (over state pension age)

- Lower rate: £99.90
- Higher rate: £104.10

Increase of Long-term IB for age

- Higher rate: £11.00
- Lower rate: £6.15

Invalidity Allowance (Transitional)

- Higher rate: £11.00
- Middle rate: £6.15
- Lower rate: £6.15

Income Support (IS)

IS is a benefit for those who are between the ages of 16 and pension qualifying age and are on a low income. Claimants must work less than 16 hours a week (with any partner working no more than 24 hours a week). Income support can also be received for people who are pregnant, are a lone parent with a child under five, or in some cases are unable to work due to sickness and/or disability. People who do unpaid voluntary work or are on parental leave may also qualify. Furthermore, those who are 19 years old or younger, in full-time secondary education and are a parent, or not living with a parent/guardian, or a refugee learning English qualify may also qualify.³⁹

Those who have savings over £16,000, require permission to enter the UK, are in receipt of JSA or ESA, or are looked after by the local authority do not qualify for IS.⁴⁰

Current IS rates are:

Personal Allowances

- Single, under 25: £57.35
- Single, 25 or over: £72.40

³⁹ www.gov.uk/income-support/eligibility (Accessed 03 April 2014)

⁴⁰ www.gov.uk/income-support/eligibility (Accessed 03 April 2014)

- Lone parent, under 18: £57.35
- Lone parent, 18 or over: £72.40 Couple both under 18: £57.35
- Couple both under 18 – higher rate: £86.65
- Couple one under 18, one under 25: £57.35
- Couple one under 18, one 25 and over: £72.40
- Couple both 18 or over: £113.70
- Dependent children: £66.33

Premiums

- Family / lone parent: £17.45
- Pensioner (applies to couples only): £112.80 Disability – Single: £31.85
- Disability – Couple: £45.40 Enhanced Disability – Single: £15.55
- Enhanced Disability – Disabled child: £24.08
- Enhanced Disability – Couple: £22.35 Severe Disability – Single: £61.10
- Severe Disability – Couple (lower rate): £ 61.10
- Severe Disability – Couple (higher rate): £122.20
- Disabled Child: £59.50
- Carer: £34.20
- Relevant sum for strikers: £40.00

Job Seeker's Allowance (JSA)

JSA is for people who are not in full-time employment but are capable of working and are looking for a job. This benefit is paid to those between the ages of 16 and state pension age, however for those aged 16/17 there are specific rules for qualification.⁴¹

There are two types of JSA; contribution-based and income-based. Contribution-based JSA can be paid for up to six months if the claimant has been in work and has paid enough Class 1 National Insurance contributions over the previous two years. Claimants may be able to get income-based JSA after this period. Income-based JSA is paid to people who have not have paid enough National Insurance contributions (or whose eligibility for contribution-based JSA has ended), and is means tested⁴². For income- based JSA, if the claimant has a partner they must not be working or be working less than 24 hours a week.⁴³

Current JSA rates are:

Contribution based JSA

- Under 25: £57.35
- 25 or over: £72.40

⁴¹ www.gov.uk/jobseekers-allowance/eligibility (Accessed 03 April 2014)

⁴² www.gov.uk/jobseekers-allowance/what-youll-get (Accessed 03 April 2014)

⁴³ www.gov.uk/jobseekers-allowance/eligibility (Accessed 03 April 2014)

Income-based JSA

- Under 25: £57.35
- 25 or over: £72.40
- Lone parent, under 18: £57.35
- Lone parent, 18 or over: £72.40
- Couple, both under 18: £57.35
- Couple, both under 18 – higher rate: £86.65
- One under 18, one under 25: £57.35
- One under 18, one 25 and over: £72.40
- Both 18 or over: £113.70
- Dependent children: £66.33

Premiums

- Family / lone parent: £17.45
- Pensioner – single: £75.95
- Pensioner – couple: £112.80
- Disability – single: £31.85
- Disability – couple: £45.40
- Enhanced disability – single: £15.55
- Enhanced disability – disabled child: £24.08
- Enhanced disability – couple: £22.35
- Severe disability – single: £61.10
- Severe disability – couple (lower rate): £61.10
- Severe disability – couple (higher rate): 122.20
- Disabled child: £59.50
- Carer: £34.20
- Prescribed sum for strikers: £40.00

Child Benefit (CB)

CB is paid to those who are responsible for a child who is under 16, or under 20 if they stay in approved education or training).⁴⁴

CB is unaffected by National Insurance contributions.

CB Rates are⁴⁵:

- Eldest or only child: £20.30 per week
- Additional children: £13.40 (per child) per week

⁴⁴ www.gov.uk/child-benefit (Accessed 03 April 2014)

⁴⁵ www.gov.uk/child-benefit/what-youll-get (Accessed 03 April 2014)

Child Tax Credit (CTC)

CTC can be paid to parents / guardians for each child under the age of 16, or under 20 and in education and/or training. The level of CTC depends on household income.⁴⁶

CTC Rates are:⁴⁷

- For each child: Up to £2,720 per annum
- For each disabled child: Up to £3,015 per annum
- For each severely disabled child: Up to £1,220 (on top of the disabled child payment) per annum.

Working Tax Credit (WTC)

WTC can be claimed by those: aged 16 or over; working a certain number of hours a week; those who get paid for the work they do (or expect to); and those whose income is below a certain level.⁴⁸ How much a person gets depends on their circumstances and income. The 'basic element', received by all claimants, is up to £1,920 per year. Additional elements are available for a couple applying together (up to £1,970 a year), a single parent (up to £1,970 a year) and for those who work at least 30 hours week (up to £790 a year). Additional elements are also available for those with a disability and those paying for childcare (see below).⁴⁹

Disability Element of Working Tax Credit

The Disability Element of Working Tax Credit is payable to people who are working at least sixteen hours a week, and whose disability makes it difficult for them to get a job. Claimants must be receiving another benefit related to a disability or illness. For 2013-2014, on top of WTC, claimants could get up to:⁵⁰

- £2,855 a year for those who qualify for extra payments because they have a disability
- £1,220 a year for those who qualify for extra payments because they have a severe disability
- £4,075 a year for those who qualify for both lots of extra payments
- Those who claim as a couple and where both have a severe disability can qualify

⁴⁶ www.gov.uk/child-tax-credit/overview (Accessed 03 April 2014)

⁴⁷ www.gov.uk/child-tax-credit/what-youll-get (Accessed 03 April 2014)

⁴⁸ www.gov.uk/working-tax-credit/overview (Accessed 03 April 2014)

⁴⁹ www.gov.uk/working-tax-credit/what-youll-get (Accessed 03 April 2014)

⁵⁰ www.hmrc.gov.uk/taxcredits/start/who-qualifies/workingtaxcredit/disability.htm (Accessed 03 April 2014)

for two extra payments of £1,220.

The amount received depends on other sources of household income. Disability Living Allowance or Personal Independence Payment do not count as income, but other benefits such as Carer's Allowance do.

Child Care element of Working Tax Credit

This benefit can be paid to those who have responsibility for a child but are also in work. The claimant must use approved childcare and can be a lone parent working 16 hours or more a week, or part of a couple if both work more than 16 hours a week. Only one of the partners is required to work in the event that one person is either incapacitated, in hospital, in prison or entitled to Carer's Allowance.

Recipients can get help with up to 70% of childcare costs, up to a limit of £175 per week for one child (i.e. a maximum payment of £122.50 per week), and £300 per week for two or more children (i.e. a maximum payment of £210 per week).⁵¹ However, the amount paid depends on household income.⁵²

Housing Benefit (HB)

HB is paid to people on a low income, to help them to pay their rent.⁵³ People who live in the home of a close relative or are a full-time student are not eligible for this benefit (unless the student has a disability or has children).⁵⁴

Current HB Rates are:

Single

- Under 25: £57.35
- 25 or over: £72.40
- Entitled to main phase ESA: £72.40

Lone parent

- Under 18: £57.35
- 18 or over: £72.40
- Entitled to main phase ESA: £72.40

⁵¹ <http://www.hmrc.gov.uk/taxcredits/start/who-qualifies/children/childcare-costs.htm> (Accessed 04 April 2014)

⁵² The relevant income tapers can be found at <http://www.hmrc.gov.uk/taxcredits/people-advise-others/entitlement-tables/work-and-child/work-pay-childcare.htm> (Accessed 04 April 2014)

⁵³ www.gov.uk/housing-benefit/overview (Accessed 03 April 2014)

⁵⁴ www.gov.uk/housing-benefit/eligibility (Accessed 03 April 2014)

Couple

- Both under 18: £86.65
- One or both 18 or over: £113.70
- Claimant entitled to main phase ESA: £113.70
- Dependent children: £66.33

Pensioner

- Single/lone parent has attained the qualifying age for Pension Credit but under 65: £148.35
- Couple – one or both has attained the qualifying age for Pension Credit but both under 65: £226.50
- Single / lone parent – 65 and over: £165.15
- Couple – one or both 65 and over: £247.20

Premiums

- Family: £17.45
- Family (lone parent rate): £22.20

Disability

- Single: £31.85
- Couple: £45.40

Enhanced disability

- Single: £15.55
- Disabled child: £24.08
- Couple: £22.35

Severe disability

- Single: £61.10
- Couple (lower rate): £61.10
- Couple (higher rate): £122.20

- Disabled child: £59.50

- Carer: £34.20

ESA components

- Work-related activity: £28.75
- Support: £35.75

HB will be replaced by Universal Credit (UC). UC payments will include eligible housing costs so households will be responsible for managing their own rent

payments⁵⁵. This means that social tenants will be subject to the same method as administration as those renting in the private sector, most of whom currently receive HB and then pay it to their landlord.

Discretionary Housing Payments

These can be paid by the relevant Local Authority to those who are receiving HB, or the housing costs element of Universal Credit, but still require further help with rent or certain other housing costs. This includes help towards specially adapted accommodation, payment of rent in advance or a deposit, or to cover a reduction in HB after the removal of the spare room subsidy in social housing.⁵⁶

Council Tax Benefit / Reduction

The nationally devised Council Tax Benefit was replaced by Council Tax Reduction from 01 April 2013.⁵⁷ These schemes provide help for people on low incomes or claiming benefits towards their council tax bill. Council Tax Reduction is administered by local authorities.

In-Work Credit

In Work Credit is a financial incentive available to lone parents moving into work. It is paid for a maximum of 52 weeks for those moving into paid employment of 16 hours per week or more, who have had a period of 12 months or more on out-of-work benefits⁵⁸. In Work Credit stopped on 1 October 2013.⁵⁹

Universal Credit (UC)

UC is the new means-tested benefit for people of working age that will replace: Income-based Jobseeker's Allowance; Income-related Employment and Support Allowance; Income Support; Working Tax Credit; Child Tax Credit; and Housing Benefit⁶⁰. The structure of UC is intended to simplify the benefits system and tax credits system.

All recipients of UC will be allocated to one of four categories based on individual

⁵⁵ www.gov.uk/government/uploads/system/uploads/attachment_data/file/275875/universal-credit-rented-housing.pdf (Accessed 03 April 2014)

⁵⁶ www.gov.uk/government/uploads/system/uploads/attachment_data/file/269539/housing-benefit-factsheet-3-discretionary-housing-payments.pdf (Accessed 03 April 2014)

⁵⁷ www.gov.uk/council-tax-reduction (Accessed 03 April 2014)

⁵⁸ www.gov.uk/government/collections/in-work-credit-statistics-on-start-ups--3 (Accessed 03 April 2014)

⁵⁹ www.gov.uk/in-work-credit (Accessed 03 April 2014)

⁶⁰ www.gov.uk/universal-credit (Accessed 03 April 2014)

circumstances and capability. The groups are⁶¹:

- No work-related requirements
- Work-focused interview requirements only
- Work preparation agreement
- All work-related requirements

The monthly rates for UC comprise of the following:

- Single, under 25: £249.28
- Single, 25 or over: £314.67

- Couple, Joint claimants both under 25: £391.29
- Couple, Joint claimants, one or both 25 or over: £493.95

Child element

- First child: £274.58
- Second/ subsequent child: £229.17

Disabled child additions

- Lower rate addition: £124.86
- Higher rate addition: £362.92

- Limited Capability for Work element: £124.86
- Limited Capability for Work and Work-Related Activity element: £311.86
- Carer element: £148.61

Childcare element

- Maximum for one child: £532.29
- Maximum for two or more children: £912.50

- Non-dependents' housing cost contributions: £68.68

Higher work allowance (no housing element)

- Single claimant, no dependent children: £1111.00
- Single claimant, one or more children: £734.00
- Single claimant, limited capability for work: £647.00
- Joint claimant, no dependent children: £1111.00
- Joint claimant, one or more children: £536.00
- Joint claimant, limited capability for work: £647.00

⁶¹ www.legislation.gov.uk/ukdsi/2013/9780111531938/pdfs/ukdsi_9780111531938_en.pdf (Accessed 03 April 2014)

Lower work allowance

- Single claimant, no dependent children: £1111.00
- Single claimant, one or more children: £263.00
- Single claimant, limited capability for work: £192.00
- Joint claimant, no dependent children: £1111.00
- Joint claimant, one or more children: £222.00
- Joint claimant, limited capability for work: £192.00

- Assumed income from capital: £4.35

Third Party Deductions at 5% of UC Standard Allowance for:

- Single, under 25: £12.46
- Single, 25 or over: £15.73
- Couple joint claimants, both under 25: £19.56
- Couple joint claimants, one or both 25 or over: £24.70
- Maximum deductions for Fines: £108.35

Overall Maximum Deduction Rate at 40% of UC Standard Allowance:

- Single, under 25: £99.71
- Single, 25 or over: £125.87
- Couple joint claimants, both under 25: £156.52
- Couple joint claimants, one or both 25 or over: £197.58

Fraud Overpayments, Recoverable Hardship Payments and Administrative Penalties at 40% of UC Standard Allowance

- Single, under 25: £99.71
- Single, 25 or over: £125.87
- Couple joint claimants, both under 25: £156.52
- Couple joint claimants, one or both 25 or over: £197.58

Normal Overpayments and Civil Penalties at 15% of UC Standard Allowance

- Single, under 25: £37.39
- Single, 25 or over: £47.20
- Couple joint claimants, both under 25: £58.69
- Couple joint claimants, one or both 25 or over: £74.09

Normal Overpayments and Civil Penalties at 25% of UC Standard Allowance if claimant's and/or partner's earnings are over the Work Allowance

- Single, under 25: £62.32
- Single, 25 or over: £78.67

- Couple joint claimants, both under 25: £97.82
- Couple joint claimants, one or both 25 or over £123.49

Crisis Loans for Living Expenses and Community Care Grants

Those benefits, which were paid as part of the Social Fund administered by DWP, were replaced in Scotland from April 2013 by the Scottish Welfare Fund.⁶²

Scottish Welfare Fund (SWF)

The Scottish Welfare Fund is delivered by Local Authorities, and provides two types of grant; Crisis Grants and Community Care Grants. This replaces Crisis Loans for living expenses and Community Care Grants which were in effect before the introduction of the SWF.

Crisis Grants are provided in case of crisis to meet expenses that have arisen as a result of an emergency or disaster.

Community Care Grants provide assistance to help people establish themselves in the community following a period of care or help people remain in the community rather than going in to care; help people set up home in the community after an unsettled way of life; help families facing exceptional pressures; and help people to care for a prisoner or young offender on release on temporary licence.⁶³

Sure Start Maternity Grant (SSMG)

SSMG is payable to parents who claim IS, IB-JSA, IR-ESA, PC, UC, CTC at a rate higher than the family element, and WTC that includes disability or severe disability element.⁶⁴ The benefit is a one off payment of £500 towards the cost of having a child, and can be only claimed for the first child. Individuals must claim the grant 11 weeks prior to the birth or up to 3 months afterwards.⁶⁵

Budgeting Loan (BL)

A BL can be applied for to pay for essential items such as rent or furniture. They are interest free and the smallest amount that can be borrowed is £100. The loans are available to those claiming income-related benefits for at least 26 weeks. Borrowers

⁶² www.scotland.gov.uk/Topics/People/welfarereform/scottishwelfarefund (Accessed 03 April 2014)

⁶³ www.scotland.gov.uk/Topics/People/welfarereform/scottishwelfarefund/scottishwelfarefundguidance (Accessed 03 April 2014)

⁶⁴ www.gov.uk/sure-start-maternity-grant/eligibility (Accessed 03 April 2014)

⁶⁵ www.gov.uk/sure-start-maternity-grant/overview (Accessed 03 April 2014)

have 104 weeks to repay the loan.⁶⁶

Funeral Payments (FP)

FP are paid to those on a low income who are responsible for a funeral, and must be applied for within 3 months of the funeral. Individuals must be able to prove their relationship with the deceased, and they or their partner must receive one of the following benefits; IS, IB-JSA, IB-ESA, PC, HB, WTC (severe disability or disability element), one of the extra elements of CTC or UC. The amount received is dependent upon how much over money is available from sources such as insurance policies or the deceased's estate.⁶⁷

Guardians Allowance (GA)

GA can be paid to those who are bringing up a child whose parents have died. GA is paid at a rate of £15.90 per week, and is paid on top of CB.⁶⁸

Statutory Maternity Pay (SMP)

SMP for eligible employees can be paid for up to 39 weeks. The first 6 weeks are paid at 90% of their average weekly earnings before tax. The remaining 33 weeks are paid at £136.78, or 90% of their average weekly earnings, whichever is lower. Tax and National Insurance are deducted.⁶⁹ Qualifying individuals must have been working for at least 26 weeks and earn at least £109 (gross) per week in an 8 week period.⁷⁰

⁶⁶ www.gov.uk/budgeting-loans (Accessed 03 April 2014)

⁶⁷ www.gov.uk/funeral-payments/eligibility (Accessed 03 April 2014)

⁶⁸ www.gov.uk/guardians-allowance (Accessed 03 April 2014)

⁶⁹ www.gov.uk/employers-maternity-pay-leave (Accessed 03 April 2014)

⁷⁰ www.gov.uk/employers-maternity-pay-leave/eligibility-and-proof-of-pregnancy (Accessed 03 April 2014)

APPENDIX 2 INTERVIEW SCHEDULE

The Impact of Welfare Reform in Scotland: Questionnaire, Sweep 1

My name is [Name]. I am from The Employment Research Institute at Edinburgh Napier University. We have been asked by the Scottish Government to explore the impact of the welfare changes over time on a sample of households in Scotland.

This is a 3 year research project and you will be contacted twice a year to take part in an interview for the project:

- September-November 2013
- April-June 2014
- September-November 2014
- April-June 2015
- September-November 2015
- April-June 2016

We would also like to interview any other adults in your household if appropriate, and you agree.

Taking part is completely voluntary. Everything you say will be kept confidential. When we write our report or any academic papers, we will not use any real names or give information that might identify you as the person who has told us these things.

If you do agree to take part, you can stop at any point, or decline to answer any particular question that you are not comfortable with. Because of the nature of this research it is possible that we might touch on periods or events in your life which are quite personal, so please feel free to let us know if you would rather not talk about any issue, or if you would prefer to change the subject or to not answer particular questions. Also, because people's experiences are so different, some questions may seem more relevant to you than others, so please feel free to say more on these as you see fit. The interview is an informal conversation and we want to hear what you have to tell us about your experiences.

We would like to record the interview if that is ok, so that we can remember everything that you have told us today. Recordings will be kept securely and destroyed after we the reports or any articles that might come from the research have been published. Are you happy for us to record this interview or would you prefer us not to?

Do you have any questions?

Details for the interviewer to complete

Date of interview:

Interviewer:

Location of interview:

Persons present (apart from the interviewer and the main interviewee):

If another person (not the main interviewee) answers any of the questions, please note this in the margin.

NOTE TO INTERVIEWER: focus on the qualitative responses & closed questions/coding is for limited analysis

Section 1: Participant and Household Background

I'd like to start by asking about you and the people who live in your household.

1. I'd like to start by asking you to summarise your background.

Probe – Why did you decide to get involved in the study?

2. How many people are there in your household, including any children or babies?

[Interviewer: Probe for answers to complete the below grid]

| Person Number | Relationship to the interviewee | Age of household member | If child, is the participant the parent/ legal guardian | Sex of household member |
|--------------------------|---------------------------------|-------------------------|---|-------------------------|
| Participant 1 | | | | |
| Participant 2 | | | | |
| Participant 3 | | | | |
| Other household member 1 | | | | |
| Other household member 2 | | | | |
| Other household member 3 | | | | |
| Other household member 4 | | | | |

| | | | | |
|--------------------------|--|--|--|--|
| Other household member 5 | | | | |
| Other household member 6 | | | | |

3. What is your marital status?

4. Does your household own or rent your accommodation?

[Interviewer: Tick answer from list below]

- Owned/being bought on mortgage
- Shared ownership (part-owned part-rented)
- Private rented
- Council (local authority) rented
- Housing association, housing cooperative, charitable trust, registered social landlord rented
- Other (specify)

5. How would you describe your cultural or ethnic background?

[Interviewer: Tick answer from list below]

WHITE

- Scottish
- English
- Welsh, Northern Irish or other British
- Irish
- Other European (please specify)
- Any other white background

MIXED

- Any mixed background

ASIAN, ASIAN SCOTTISH OR ASIAN BRITISH

- Indian
- Pakistani
- Bangladeshi
- Chinese
- Any other Asian background

BLACK, BLACK SCOTTISH OR BLACK BRITISH

- Caribbean
- African
- Any other Black background

OTHER ETHNIC BACKGROUND

- Any other background
- Don't know
- Refused

Section 2: Employment and training/education

6. How old were you when you left school?

- a. Why did you leave at that particular time?

7. What is your highest qualification?

8. How would you describe your working life since leaving school, and in the last 2 years?

[Interviewer: Ask interviewee to summarise their responses by selecting one of the below phrases]

| Since leaving school | In the last 2 years |
|--|--|
| <ul style="list-style-type: none">• 'I have you spent most of my time in stable employment'• 'I have mostly been unemployed and seeking work'• 'I have you moved between a number of jobs but with only short periods of unemployment' (less than 4 weeks)• 'I have you moved between a number of jobs with some long period periods of unemployment' (more than 4 weeks)• 'I have spent long periods caring for my family or claiming other benefits'• 'I have spent most of my time in full-time further/higher education'• Other (please specify) | <ul style="list-style-type: none">• 'I have you spent most of my time in stable employment'• 'I have mostly been unemployed and seeking work'• 'I have you moved between a number of jobs but with only short periods of unemployment' (less than 4 weeks)• 'I have you moved between a number of jobs with some long period periods of unemployment' (more than 4 weeks)• 'I have spent long periods caring for my family or claiming other benefits'• 'I have spent most of my time in full-time further/higher education'• Other (please specify) |

9. Are you currently employed?

- a. If no, are you seeking work? What was your last job?

[Interviewer: Probe for answers to complete the below grid – if not currently in employment please complete for the participant’s last job]

| | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Current job or past job? | | | | |
| Do you have more than one job? | | | | |
| | Job 1 | Job 2 | Job 3 | Job 4 |
| Job title | | | | |
| Is this a permanent job? | | | | |
| Is this a zero hours contract job? | | | | |
| How many hours do you normally work per week in this job? – Probe zero hour contract? | | | | |
| What is your net (take home) pay? | £ (week/month/ year) | £ (week/month/ year) | £ (week/month/ year) | £ (week/month/ year) |
| How long have you been in this job? | | | | |

Section 3: Income and Financial information

Now I'd like to ask you a few questions about your household income and how you're getting by financially.

10. How easy do you find it to pay for things e.g. rent, bills, food, clothes?

- a. Is getting a sufficient income a source of anxiety to you?
- b. Have you ever had to borrow money in the last 2 years and how often? (specify: Loan from the bank; Loan from family or friends; Loan from a credit union or friendly society; Loan from a money lender; Payday loan company; Pawn broker etc.)
 - i. If yes, are you managing to keep up with the repayments for this loan(s)?

- ii. Is keeping up with the repayments for this loan(s) a source of anxiety to you?
- c. Have you ever had to use a food bank in the last 2 years and how often, were there specific reasons (what was the main reason)?

11. Taking everything together how would you say you and your household are managing financially these days?

[Interviewer: Ask interviewee to summarise their response by selecting one of the below phrases]

- Manage very well
- Manage quite well
- Get by alright
- Don't manage very well
- Have some financial difficulties
- Are in deep financial trouble
- Refused
- Don't know

12. What benefits are you currently in receipt of?

- Disability Living Allowance
- Personal Independence Payments
- Incapacity Benefit
- Carer's Allowance (formerly Invalid Care Allowance)
- Income Support
- Job Seeker's Allowance
- Child Benefit (including Lone-Parent Child Benefit payments)
- Working Tax Credit (includes Disabled Person's Tax Credit)
- Housing Benefit
- Council tax benefit
- Council tax reduction scheme
- ESA (WRAG or Support)
- In work credit for lone parents
- Universal Credit
- Scottish Welfare Fund
- Don't know
- Refused

Probes

- Who is/was the claimant
- Currently receiving and for how long?

- Received in the past, when stopped, why?
- Why did you start to claim this benefit?
- How do you/did feel about being on this benefit?
- Don't know
- Refused

13. Do you currently have any other sources of household income

[Interviewer: Open Question with prompt for first two, tick answers from list below]

- Dividends or interest from any saving and investments you may have
- Income from employment
- State Retirement (Old Age) Pension
- A Pension from a previous employer
- A Pension from a spouse's previous employer
- A Private Pension/Annuity
- A Widow's or War Widow's Pension
- A Widowed Mother's Allowance / Widowed Parent's Allowance / Bereavement Allowance
- Pension Credit (includes Guarantee Credit & Saving Credit)
- Severe Disablement Allowance
- Industrial Injury Disablement Allowance
- Attendance Allowance
- Independent Living Fund
- War Disablement Pension
- National Insurance Credits
- Maternity Allowance
- Educational Grant (not Student Loan or Tuition Fee Loan)
- School Uniform or School Meal Vouchers
- Trade Union / Friendly Society Payment
- Maintenance or Alimony
- Payments from a family member not living here
- Rent from Boarders or Lodgers (not family members) living here with you
- Rent from any other property
- Foster Allowance / Guardian Allowance
- Rent Rebate
- Rate Rebate
- Return to Work Credit
- Sickness and Accident Insurance
- Other Disability Related Benefit or Payment
- Any other regular payment
- Any other state benefit

- DON'T KNOW
- REFUSED

14. Including all your benefits and other sources of income you listed, can I ask you to tell me what percentage of your income comes from your job (if applicable), benefits, savings, pensions etc?

[Interviewer: Establish if this is a week, month, year, and get breakdown of different sources to complete the grid below]

| Total income: £ | | | |
|-----------------------------|-------------------------------|---------------------|------------------------------------|
| (week, month, year) | | | |
| Benefits and Credits | Income from employment | Pensions | All other sources of income |
| (week, month, year) | (week, month, year) | (week, month, year) | (week, month, year) |

15. Who in your household mainly controls the household budget (deciding what money gets spent on)?

16. How are your benefits paid to you? (E.g. paid straight into your bank, building society or credit union account, paid using a Post Office card account etc.)?

- Is this OK or does it cause any problems? Would you rather have it paid in a different way (why)?

17. Are there any benefits that you would like to claim/think you should receive but don't?

- Specify which benefits
- Why do you think you should receive this benefit?
- Why do you not claim it/receive it?

I'd like to ask you about whether there have been any recent changes to your benefits.

18. Of the benefits that you receive, have there been any changes to them in the last year? (Probe, where appropriate/relevant, whether affected by benefit cap, change to size regulations in social housing, new lone parent obligations, changes to disability benefits.)

- Specify which benefits changed
- What were the changes e.g. eligibility, amount received?

- c. What effect have these changes had on you and your household? Focus on the three most important changes for the participant.
- d. Have you received any sanctions – and what were the effects of these sanctions on you? If you have not been sanctioned, are you worried about being sanctioned in the future and how does the possibility of sanctions influence what you do?

19. Do you think that there will be changes to your benefits or the way they are provided to you in the next year?

- a. Probe: move to monthly payments, online system, single payments
- b. Probe: Looking ahead, how do you think you will be financially a year from now, will you be ... better off, worse off than you are now, about the same?

20. How do you feel about the changes to benefits?

- a. Probe: move to monthly payments and budgeting, online system and confidence in using the internet, single payments

21. How do you feel about how the press and TV or others talk about those on welfare? (OPTIONAL QUESTION)

- a. Probe: what are these perceptions?
- b. Do these views influence or affect you in any way?

22. Where would be a good place to get information about benefits?

- a. Probe: Why is this a good source for information?
- b. Have you approached anyone for help? Where? Citizens Advice? Other advice services?
- c. What was the outcome (were they helpful, did you get the support you needed, did you get the information or outcome you wanted)?

I'd like to ask you a few questions about how you are getting on financially.

23. What is the first thing that your household goes without when money is short? (OPTIONAL QUESTION)

- a. How often have you gone without these in the last two years?
- b. What sorts of things are important in helping you feel 'better off'?

24. Is there anything that has happened recently (in the last two years) which has affected your income/affected how you manage financially?

Section 4: Sources of support

25. Who would you turn to if you were having problems with (prompt: information, moral support, practical help)... (OPTIONAL QUESTION)

- a. The benefits that you are currently receiving
- b. Any new benefits that you wanted to claim for
- c. Finding out information about benefits
- d. Finding out information about changes to benefits
- e. Managing financially
- f. Support on other issues

Section 5: Health

26. Please can you tell me to what extent does your condition affect your daily life?

Probe – Is regular care required to complete day to day tasks? Who provides this care? Is this care adequate?

27. Who are you/they seeing to help with the health-condition or disability?

- a. GP and/or attending hospital?
- b. Other healthcare professional e.g. community health nurse, physio
- c. Accessing any services – e.g. mental health?

28. I'd like to finish by asking you about your life in general...all things considered, how satisfied are you with life as a whole nowadays?

[Interviewer: Ask interviewee to summarise their response by selecting on a scale of 1 to 10, where 1 means very dissatisfied and 10 means very satisfied]

Thank you very much for speaking to us today. The information you have given us is very valuable to our research.

[Get participant to read and sign consent form at this point.]

Description of the household (to be completed at the end of the interview). Tick all that apply

- with dependent children under the age of 5yrs
- with dependent children over the age of 5 yrs
- with one or two dependent children
- with three or more children
- lone parent household
- where both parents/carers present
- where members are employed full-time
- where members are employed part-time
- where some members are employed and others unemployed

- where all adults are unemployed
- households with disabled adults
- households with disabled children
- men as well as women
- single adult household
- working age adults of different ages
- households with ethnic minority adults

APPENDIX 3 CONSENT FORM



Consent Form

Title of Project: The Impact of Welfare Reform in Scotland

Please read the following statements, and delete any you are not happy with:

- I agree to take part in the above study.
- The aims of this research have been explained to me. I have had the opportunity to ask questions and have had these answered satisfactorily.
- I understand that my participation is voluntary and I may decline to answer any question, or end the interview, at any time.
- I agree to the audio recording of this interview.
- I understand that the data collected in this interview will be used only for the project reports, or for academic papers relating to the project.
- I understand that the audio recordings and transcripts will only be accessed by the research team and will not be passed onto any third parties.

Further Contact

- I would like a copy of the summary report that you are going to write.
- I agree to be contacted by the research team at the research team to take part in further interviews for this project. The information may be stored in electronic form in a secure environment within the university in accordance with the Data protection Act.

Name of Participant

Date

Signature

Name of Person

Date

Signature

Taking Consent

PTO to complete contact details

| | |
|--|---|
| Participant Contact Details Name: Address: Postcode: | Tel. No: Mobile No: E-Mail: |
| Is there another person we can contact (e.g. a parent?) in case you have moved and we are unable to contact you in any of the ways you have given? | |
| Other Contact Details Name: Address: Postcode: Relationship to participant: | Tel. No: Mobile No: E-Mail: |

APPENDIX 4 PARTICIPANT INFORMATION SHEET



The Impact of Welfare Reform in Scotland: Information Sheet

You are being invited to take part in a research study. This leaflet explains why the research is being done and what taking part would involve. Please read the following information carefully and discuss it with others if you wish. Take time to decide whether or not you wish to take part. Thank you for reading this.

What is the Purpose of the study and who is organising it?

The aim of the study is to explore the impact of the welfare changes over time on a range of households in Scotland. The project is being carried out by the Employment Research Institute, Edinburgh Napier University and the University of Stirling on behalf of the Scottish Government.

Why have I been invited to take part in this study?

You have been invited to take part in this study as you have expressed an interest in doing so and because you have direct experience of welfare changes.

Do I have to take part?

It is up to you whether you want to take part. You do not have to give a reason if you do not want to be involved.

What will happen to me if I take part? What do I have to do?

Taking part in the study would involve being interviewed for approximately 30 minutes, twice a year over the next three years, about your experiences of welfare changes. The interviews will take place in:

- September-November 2013
- April-June 2014
- September-November 2014
- April-June 2015
- September-November 2015
- April-June 2016

We would also like to interview any other adults in your household if appropriate, and if you agree.

The interview could take place in your home or somewhere else convenient. If you agree, the interview would be audio recorded. All the information you give would be kept confidential. You would be asked to sign a consent form and given a copy to keep.

Expenses and Payments

No payment for time would be provided to you. However, we will give you a voucher to compensate for your travel and any other expenses, at a rate of £10 per household per meeting.

Will my taking part in this study be kept confidential?

Your taking part in the research will be confidential. Your name and other personal details will not be included in the writing up of the research. Quotations may be used but you will not be identified by name. The recordings will be kept securely and destroyed after the reports or any articles that might come from the research have been published. Transcripts of the interviews will be anonymised and retained for future research.

What are the disadvantages and risks of taking part?

Sometimes talking about what is happening can be distressing. If this happens we can stop the interview if you wish.

What are the possible benefits of taking part?

We cannot promise the study will help you but the information we get from this study will help understand the impact of the welfare changes in Scotland and will help the Scottish Government in making decisions related to those areas within its responsibility.

What will happen if I don't want to carry on with the study?

If you change your mind and decide that you no longer want to take part in the study, you can withdraw at any time.

What if I want more information about the study?

If you have any questions about any aspect of the study or your participation in it please contact:

Dr Billie Lister
Research Assistant
Employment Research Institute
Edinburgh Napier University

Tel: 0131 455 2348
Email: b.lister@napier.ac.uk

Dr Valerie Egdell
Research Fellow
Employment Research Institute
Edinburgh Napier University

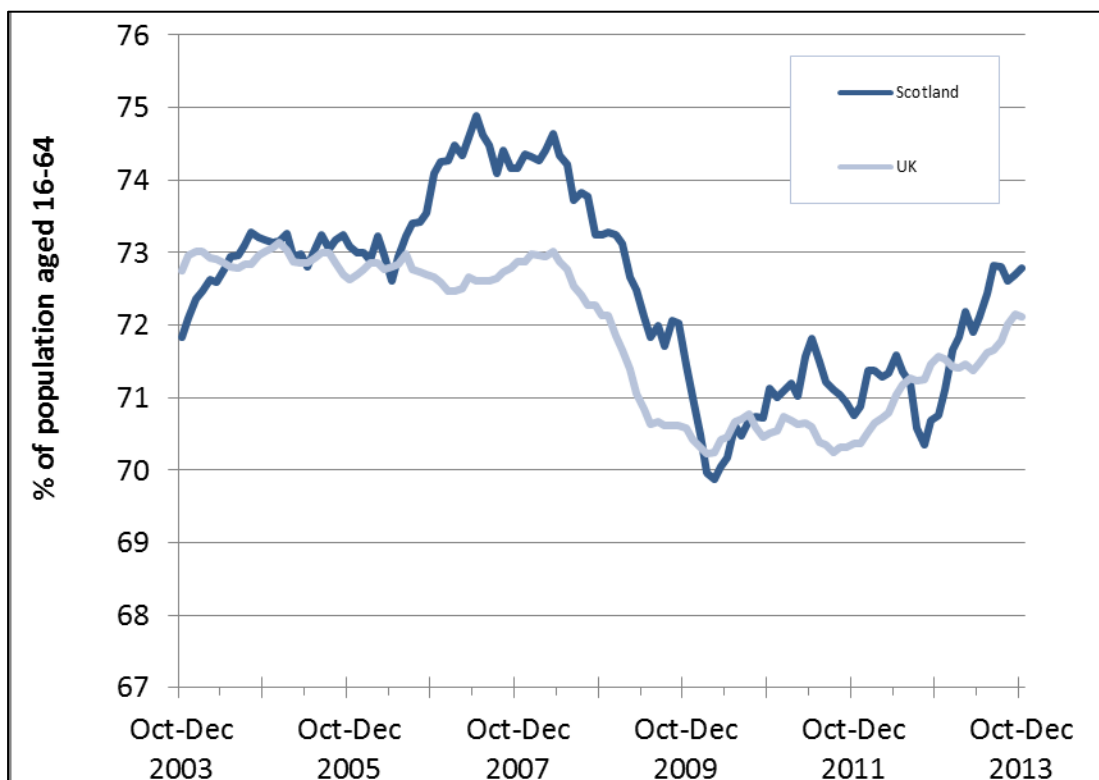
Tel: 0131 455 4714
Email: v.egdell@napier.ac.uk

APPENDIX 5 LABOUR MARKET CONTEXT

It is important to set this research in the context of a constrained labour market. In 2008 the UK economy entered a period of economic recession after nearly 16 years of growth in Gross Domestic Product (Campos et al., 2011). As a result, the labour market contracted and employment fell; relative to previous recessions, this fall in employment was due less to redundancies and more to recruitment freezes, which were particularly concentrated amongst those under 25 (Oxford Economics, 2010).

Figure A5a shows the employment rate in Scotland and the UK since 2003. The impact of the recession on employment can be clearly observed, with a substantial drop in employment rates after the second quarter of 2008. The drop, from a higher peak, was more pronounced in Scotland (4.7 percentage points over the following two years) than in the rest of the UK (2.8 percentage points over the same time period). Recovery began in the second quarter of 2010, although it has been uneven, particularly in Scotland, and employment in the last quarter of 2013 was still some way off pre-recession levels.

Figure A5a: Employment rate (16-64), Scotland and UK, 2003-2013



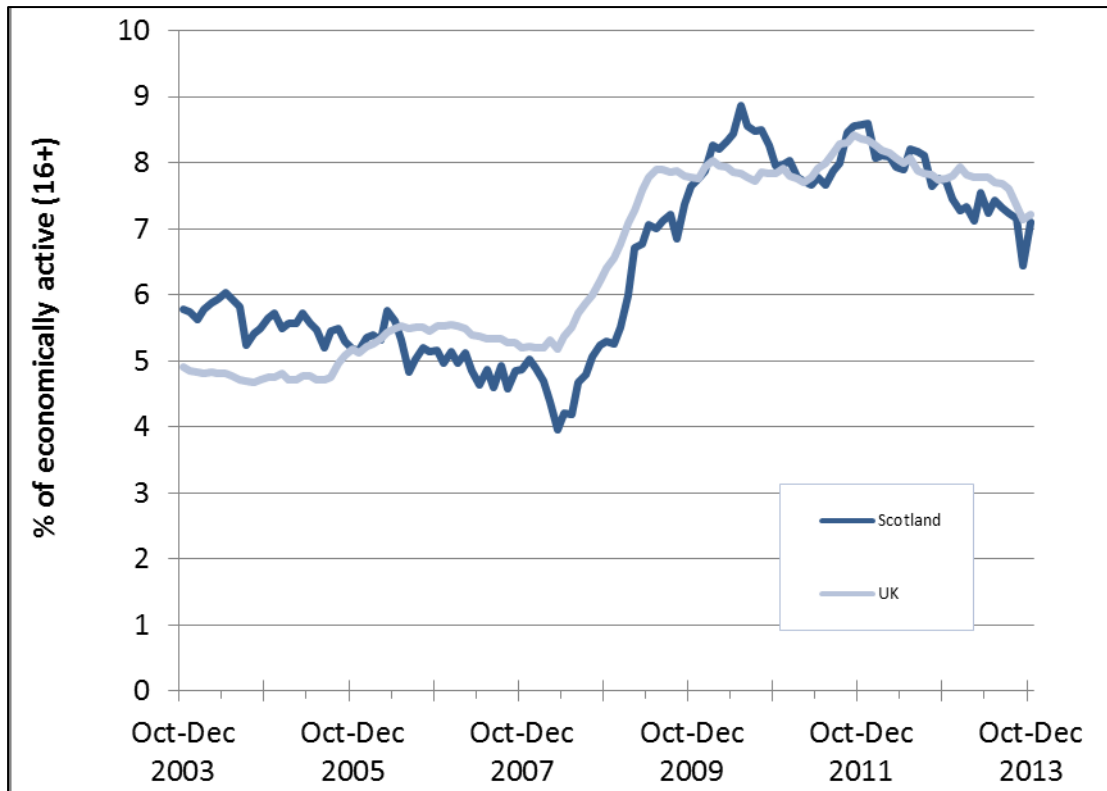
Figures are seasonally adjusted.

Source: Scottish Government (2014), Chart 1

The unemployment rate over this same period mirrors the changes in the employment rate (Figure A5b). As with the employment rate, the unemployment rate

in Scotland showed a similar pattern to that of the UK, but with greater extremes, increasing by six percentage points after the second quarter of 2008, before falling unevenly since the latter part of 2010.

Figure A5b: Unemployment rate (16+), Scotland and UK, 2003-2013

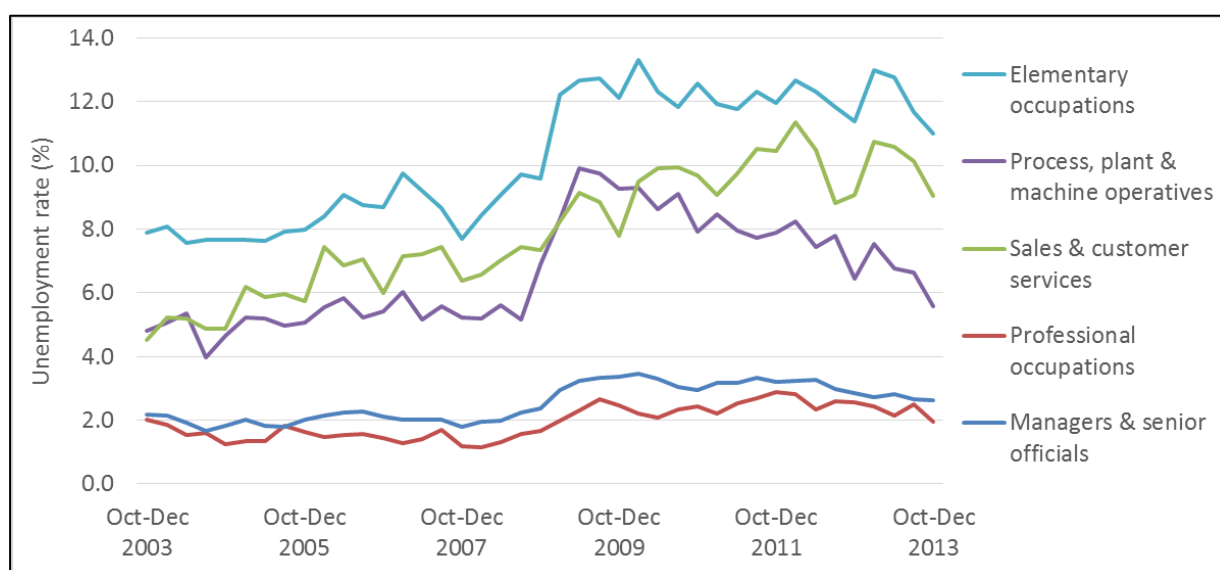


Figures are seasonally adjusted.

Source: Scottish Government (2014), Chart 2

However, the overall increase in the employment rate during the economic downturn was not shared equally among all occupational groups. Figure A5c shows that, prior to the recession, those in elementary occupations were already considerably more likely to be unemployed than those in professional or managerial occupations. However, Figure A5c also shows that this gap widened as a result of the recession, with only a slight increase in unemployment among those in professional and managerial occupations, but a much larger increase among those in elementary occupations. Figure A5c also shows large increases in employment for those in the 'Process, plant and machine operatives' and 'Sales and customer services' occupational groups over the same time period.

Figure A5c: Unemployment by selected occupational groups, UK, 2003-2013

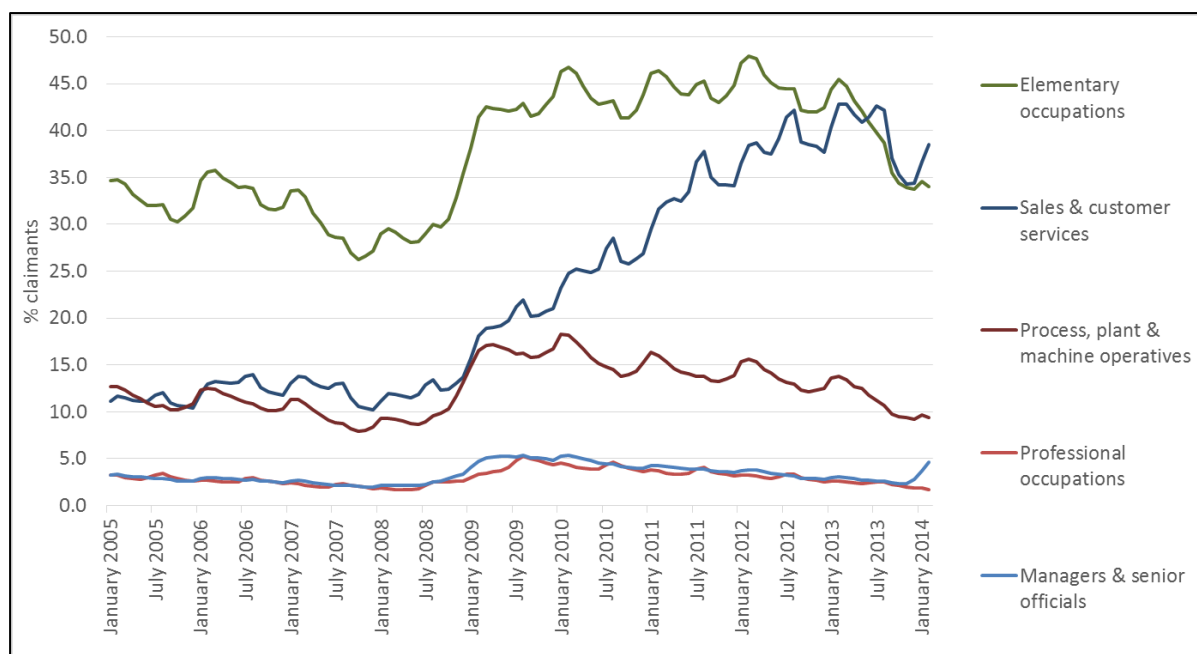


Figures are not seasonally adjusted.

Source: Office for National Statistics, *Unemployment by Previous Work and Status*, table UNEM02

The above figures on unemployment by occupation are not produced separately for Scotland, but figures on claimant count by occupation sought can provide some insight into the relative distribution of unemployment across the occupational classification. Figure A5d shows that those seeking elementary occupations were a falling proportion of the total Jobseeker's Allowance claimant count prior to the recession, but this proportion increased sharply towards the end of 2008, and remained high until the beginning of 2013. An even steeper increase was seen in the proportion of claimants seeking a sales or customer service role, from around a tenth at the beginning of 2008 to over two fifths by 2013. Conversely, the recession has had only a limited impact on the proportion of claimants seeking jobs in the 'Process, plant and machine operatives' group. The majority of those on benefits (including those not on JSA) are likely to be seeking lower skills jobs such as elementary or sales jobs where there is high competition.

Figure A5d: Proportion of claimants seeking selected types of occupation, Scotland, 2005-2014



Figures are not seasonally adjusted
 Source: Claimant count data, via NOMIS

The larger numbers of claimants seeking elementary and sales and customer service roles is not reflected in a concomitantly larger amount of vacancies in these occupations. Table A5a combines two data sources to illustrate the number of JSA claimants seeking each type of job vacancy. The number of vacancies is presented using data from the 2013 Employer Skills Survey, conducted by the UK Commission for Employment and Skills. Data on the average number of claimants seeking each type of occupation in 2013 is drawn from claimant count data (an average is taken across all months to give an average for the calendar year 2013).

Table A5a shows that, for some occupations, the number of claimants is roughly equal to the number of vacancies (i.e. 'Caring, leisure and other services staff'), or even lower in the case of professional occupations. However, there are over five times as many claimants seeking an elementary position as there are vacancies, and almost seven times as many claimants seeking a job in sales or customer service as there are vacancies of this type. Thus, not only do those seeking these two types of occupation comprise the majority of JSA claimants, but they also face the most competition.

Table A5a: Vacancies and JSA claimants, by occupation type, Scotland, 2013

| Occupation type | Vacancies | JSA claimants | JSA claimants per 100 vacancies |
|--|-----------|---------------|---------------------------------|
| Managers | 2,139 | 2,562 | 120 |
| Professionals | 10,356 | 2,228 | 22 |
| Associate professionals | 5,366 | 5,018 | 94 |
| Administrative/clerical staff | 5,372 | 8,997 | 167 |
| Skilled trades occupations | 5,157 | 13,136 | 255 |
| Caring, leisure and other services staff | 7,786 | 7,731 | 99 |
| Sales and customer services staff | 5,575 | 37,605 | 675 |
| Machine operatives | 3,429 | 10,852 | 316 |
| Elementary staff | 6,981 | 37,680 | 540 |

Sources: UK Commission's Employer Skills Survey 2013, *Underlying data tables*, Table T54; Claimant count – occupation, accessed via NOMIS

It is also well documented that certain groups may face particular barriers in the labour market as a result of the recession and more generally. For example, young people in particular have been negatively affected by decreasing employment as a result of the recession (Oxford Economics, 2010). Young people, especially those from disadvantaged backgrounds, may experience a range of barriers including a lack of experience and qualifications (Hollywood et al., 2012). Both disabled people and those with caring responsibilities (especially lone parents) face significant inequalities together with high economic inactivity rates e.g. lack of qualifications, potential discrimination from employers, low self-belief, lack of financial incentives, lack of policy integration, joined up thinking in service provision, and difficulties finding sustainable employment (McQuaid et al., 2013). Others, such as people from ethnic minority communities may also face a range of barriers (Scottish Government Social Research, 2010; Sosenko et al., 2013).

The participants interviewed were spread across rural, urban and city areas of Scotland and so each will be differently affected by their specific local labour market conditions. Hence opportunities and competition for relevant jobs will differ to some degree for each participant.

Social Research series

ISSN 2045-6964

ISBN 978-1-78412-454-0

web only publication

www.scotland.gov.uk/socialresearch

APS Group Scotland
DPPAS29432 (05/14)

