

## Poverty

### The Impact of Welfare Reform in Scotland Tracking Study: Baseline Findings

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The aim of this qualitative longitudinal study is to explore the impact of on-going welfare changes on a range of households in Scotland over time. This document reports on the baseline findings from the first sweep of 43 in-depth interviews which took place between September 2013 and January 2014.

## Main Findings

- 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 Pensions' website and telephone line, were generally considered to be a poor source of information. Third sector organisations were a preferred source of advice.
- Participants had very different experiences of claiming benefits and the way claims were handled. For example, errors and delays were a source of considerable financial instability for some claimants. Several participants had experienced mistakes or sudden stops to benefits payments without warning. There was 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.
- People taking part in this study often found it difficult to make ends meet. Sometimes they had to make decisions between food and heating.
- Some suggested that income limited their opportunities to socialise, which reinforced their feelings of isolation and loneliness.
- Some participants had been able to turn to family members for money. But many did not have this option.
- Participants all identified the stigma attached to being in receipt of benefits. All believed that wider society looked down on them as a result of their benefit claimant status.
- There was a lot of anxiety about future benefits changes and possible loss of income. Those claiming disability benefits experienced high levels of anxiety about the impending move to Personal Independence Payment and the associated medical assessment, which would decide the level of benefit they would get in future.
- Some participants reported large variations in the cost of living especially for those in rural areas or those with disabilities
- Many participants shared their experiences of housing occupancy regulations (the spare room subsidy or 'bedroom tax'), saying that it does not adequately take account of people's different life situations.

## Background

This qualitative longitudinal study aims to help 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.

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 is five;
- Receipt of Universal Credit, including move to monthly payments;
- Disability Living Allowance in the process of changeover to Personal Independence Payment;
- Employment and Support Allowance.

The changes to welfare benefits are currently underway. All changes are expected to be implemented by 2017.

## Research Objectives

- 1. 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.
- 2. 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.
- 3. 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.

- 4. 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.

## Methods

The study takes a qualitative longitudinal approach, which involves interviewing participants six times over three years to 2016, with the first two interview sweeps starting 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.

Forty three individuals have taken part in the research, with a variety of different reasons for claiming benefits. Participants were recruited across Scotland, including rural and urban areas and the major cities, and had a range of demographic and other characteristics.

In-depth, semi-structured interviews lasting between 30 to 90 minutes were carried out with participants. The first sweep, which is reported in this report, is designed to gather initial baseline data (including retrospective information about income and employment) about the participants and their households as well as the core longitudinal questions.

The content of the interviews was analysed for important and/or recurring themes (partly using the qualitative analysis computer software NVivo).

Although the sample in this research is small and qualitative, and any generalisation is difficult, it is still useful to observe whether patterns emerge 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.

This study also allows 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 respondent in their own unique context.

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

## Main Findings

In the findings, so far, the participants raise a number of key issues that affect them.

### 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 Pensions' 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 Department for Work and Pensions 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 to suggest 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 Employment and Support Allowance 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 Personal Independence Payment 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 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.

### **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 could be problematic, as the current Jobseeker's Allowance 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 not having the 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 Universal Credit 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.

## **How could the experiences of benefits be improved?**

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

- Better communication from the Department for Work and Pensions 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 a 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.

## Issues to be explored in the next phase of the research

Sweep 2, commencing in April 2014, will shed further light on the changes. Of particular interest are those participants awaiting news of appeals and the changing labour market opportunities for Jobseekers who were looking for work when interviewed in Sweep 1.

Based on the initial findings the following issues may be explored in future interviews:

- Participants' individual circumstances: any changes in perceived income, labour market participation, debt, stress, health, stigmatisation since last interview.
- Participants continuing experiences with the Department for Work and Pensions 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 Employment and Support Allowance 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.

This document, along with full research report of the project, and further information about social and policy research commissioned and published on behalf of the Scottish Government, can be viewed on the Internet at: <http://www.scotland.gov.uk/socialresearch>. If you have any further queries about social research, please contact us at [socialresearch@scotland.gsi.gov.uk](mailto:socialresearch@scotland.gsi.gov.uk) or on 0131-244 2111.