

Third sector and welfare on the frontline

The impact of welfare reform on families, individuals and communities from the perspective of the third sector organisations that support them

Research report by the Scottish Council for Voluntary Organisations

MAIN REPORT

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1. Report summary

In this report SCVO presents third sector perspectives on the impact of welfare reform on the people and communities it supports in Scotland.

It is based on research carried out by SCVO during summer 2014. It builds on an earlier SCVO mapping study which reported in 2013¹, and uses a qualitative methodology: a literature review, interviews with charities and community groups across six key locations (covering a mix of urban, semi-urban, rural, and isolated communities in Scotland), and a Scotland-wide online survey.

Summary of findings

Impact of welfare reform on people and communities:

- There is a lot of confusion due to poor communication about changes to the benefits system
- The reforms are aggravating existing problems facing people
- Depression, fear & anxiety about the changes are commonplace amongst benefit claimants and their families
- People are being punished unfairly within the current system
- In-work poverty is a significant policy challenge
- Welfare changes have a bigger knock on effect in rural areas where services are more dispersed

Impact on third sector:

- Demand on the third sector from people seeking support continues to grow
- Funding is not keeping up with demand
- Helping people cope with welfare changes specifically distracts from core, preventative work
- Frontline workers are struggling to keep up with changes
- Errors and a lack of knowledge amongst DWP staff about benefit changes creates more work for third sector

¹ <http://www.scvo.org.uk/news-campaigns-and-policy/research/scvo-welfare-reform-mapping-report/>

Summary of recommendations

SCVO recommends:

- Legislation, policies and strategies to ensure everyone has **access to sustainable employment paying the living wage**
- A welfare support system that gives **equal value to the range of ways** in which people can contribute to society
- Scotland moves to **end the role of sanctions** in our welfare system in its entirety
- **Clearer information** for individuals and families to help them avoid sanctions or the loss of benefits within the current system
- A **specific rural strategy** to support third sector and communities responding to welfare reform
- Scottish Government to invest in **capacity and sustainability** of frontline, community-based organisations, through more open and responsive funding
- A concerted effort to invest in **building relationships and trust** with an emphasis on smaller, community organisations
- That the **Christie Commission principles**² form the basis for any further powers over welfare that are devolved.

2. Introduction

In 2012/2013, SCVO undertook research to better understand the impact of welfare reform on Scotland's third sector. Through this, we also began to identify the often devastating effect of benefit cuts and changes on families and individuals, which mirrored emerging evidence from the sector.³

Our research identified an almost universal (and anticipated) increase in demand for support across a wide range of third sector organisations and across all geographical areas. This was on top of existing pressures e.g. the transfer to Employment and Support Allowance (ESA). Concerns raised included:

- An expected higher incidence of people presenting with mental ill health and associated challenges.
- Organisations spending an increased amount of time on welfare issues at the expense of their core business. 88% expected demand for support to increase.

Organisations reported that they were already operating at full capacity – even though some of the key benefit changes had still to be implemented. Therefore concern and

² <http://www.scotland.gov.uk/About/Review/publicservicescommission>

³ <http://www.cas.org.uk/publications/voices-frontline-rising-demand-food-parcels>

anticipation being expressed at that time (December 2012 – January 2013) was already worrying.

Charities raised significant concerns about under-occupancy charges being applied to the social rented sector (the 'bedroom tax'), and outlined people's concerns about future benefit changes (e.g. transfer to Personal Independence Payment (PIP)).

The research also found significant gaps in existing support networks. The most frequently cited of these was lack of access to accurate information as voluntary organisations struggled to cope with the complexity and pace of change.

Other identified gaps in support included: provision for advocacy and representation, one-to-one support, better community-based support and greater digital capacity. The link between access to benefits, job seeker support and poor public transport was also identified as a problem.

Additionally, the report identified examples of collaborative working which focused on helping people affected by benefit changes. Respondents also made a clear call for the sector to continue to be a campaigning voice for people affected by benefit changes and to continue to challenge government on policies which were penalising and hurting the families supported by the sector.

3. Rationale for this research

Existing research and anecdotal evidence has revealed welfare and advice organisations continue to struggle to meet demand, despite additional Scottish Government investment. We know from SCVO members and third sector partners that organisations not directly involved in benefits advice are being affected as people they support seek help to deal with a raft of changes to an already complex benefits system.

Up to this point, research has focused mainly on specific groups of people or impact studies which have been run by individual organisations in isolation. From the existing research, we already know that welfare changes are seriously affecting some of society's most vulnerable people – to say that changes have already caused devastation for some is no exaggeration.

Research further suggests that areas with high deprivation are being disproportionately affected, and that rural areas experience additional and different complexities.

To date, there has not been a great deal of research examining the cumulative impact of welfare reforms on Scotland's local communities and on the additional resource requirements of organisations providing community-level support.

SCVO therefore wanted to take a wider, 360 degree look at the impact of welfare changes across a range of charities and community groups working directly with people at a local level. There was also a need to assess the compound impact on local communities in a range of geographies across Scotland.

4. Report layout

This current report covers the second phase of our qualitative research, and it includes:

- A review of current impact evidence from a range of sources, with a particular focus on the work of the third sector
- The results of our research – themes and issues emerging from interviews, group sessions and a survey conducted with third sector/community organisations across Scotland
- Lessons and recommendations

5. Methodology

SCVO's current research included three strands of work:

Literature review - considering existing research on the impact of welfare reform with a focus on evidence coming from the third sector. This part of the report aims to bring together the experience of key groups and a sense of what the changes mean for them.

Primary research - involving interviews and focus groups with 40 organisations. For the main research we selected six key locations to cover a mix of urban, semi-urban, rural, and isolated communities. The Scottish Index of Multiple Deprivation and local knowledge was used to ensure that areas with varying levels of deprivation were selected.

We identified suitable organisations within the chosen communities to help inform, shape and take part in the research. We worked with partners such as local Third Sector Interfaces (TSI's)⁴ and Citizen's Advice Bureaux (CABs) to determine the best organisations to approach in each chosen area, as well as using SCVO's networks and intelligence on the sector.

Travelling across Scotland, from Easter Ross to Castle Douglas, we used focus groups and semi-structured interviews to ascertain the experiences of each community at a local level.

Survey - the final phase involved a short Scotland-wide survey which supplemented the local experiential information gathered in our work with community organisations. A total of 65 national, regional and local organisations submitted their views, including key welfare advice and support bodies, and social care, health and mental health charities. A more detailed analysis of the survey is provided in Appendix 1 but we cross-refer to findings from the survey throughout our analysis of the key themes.

⁴ Third Sector Interfaces – these are bodies which represent the third sector in local authority areas, with involvement in key policy areas such as Reshaping Care for Older People

6. Literature review: understanding the cumulative impact of welfare reform on people

Welfare reform is still the most talked-about policy issue affecting the third sector.

A raft of impact reports, case studies and research highlights the devastating human costs arising from a range of cuts. These include the so-called 'bedroom tax', the capping of benefit increases and in the amount of benefits paid, cuts to tax credits and the loss of disability benefits.⁵

At evidence sessions in the Scottish Parliament, SCVO members and partners have made clear what these changes mean for individuals, families and entire communities. One session in particular focused on the effect of increased use of jobseeker sanctions on a range of groups including lone parents, people with disabilities, young people and others.⁶

The roll out of Universal Credit, and its predicted effect on families, has not yet fully materialised. However the rapid emergence of jobseeker sanctions⁷ has ensured that demand for support from a range of third sector bodies continues to grow. As more people in dire need present themselves to voluntary organisations, frontline staff in the third sector face dealing with very emotional situations where, in some cases, there may be nowhere for families to turn.⁸ A change in guidelines within the Scottish Welfare Fund to include people who had previously been sanctioned⁹ was welcomed across the board by the sector.

Severe delays in the processing of claims for Personal Independence Payment (PIP) and ongoing issues with the Work Capability Assessment (WCA) remain significant issues for disabled people, carers and other groups.¹⁰

The work of charities has demonstrated the often confusing and sometimes perverse nature of the UK benefits system. Carers UK talks about the level of Carer's Allowance and how it links with other means-tested benefits, often leaving carers and their families no better off.¹¹ Carers UK estimates that £1 billion will be cut from carers' benefits as a result of the total impact of cuts to e.g. council tax/housing benefit and loss of Carer's Allowance.¹²

This section provides an insight into some of the available research which has been carried out. It focuses on the human consequences of a range of changes to the benefits

⁵ <http://www.cas.org.uk/system/files/publications/Tidal%20Wave%20of%20Change.pdf>

⁶ <http://www.youtube.com/watch?v=qLRE-PsDPTE>

⁷ <http://www.scvo.org.uk/news-campaigns-and-policy/briefings-consultation-responses/independent-review-of-jobseekers-allowance-sanctions/>

⁸ <http://www.scotland.gov.uk/Resource/0045/00451877.pdf>

⁹ <http://www.update.org.uk/news-detail.php?page=848>

¹⁰ <http://dpac.uk.net/2014/02/pip-disaster-have-you-been-rejecteddelayed-delayed/>

¹¹ <http://www.carersuk.org/36-for-professionals/policy-eng/report/138-caring-family-finances-inquiry>

¹² <http://www.carersuk.org/scotland/policy/policy-library/carers-at-breaking-point-report>

system and where available, covers some of the cumulative impacts of changes for key groups within our society. The human cost is already substantial, with the UK at risk of breaching UN human rights conventions¹³. The Campaign for a Fair Society and others have been particularly vocal on these issues.¹⁴ Recent political announcements can be expected to add to an already bleak picture.¹⁵

In all of SCVO's work to date, we have rarely experienced a policy and service issue on which there is such complete agreement. Concern about the inequities of welfare reform is accompanied by strong anger about what the changes mean for individuals and families who may already be struggling for a whole range of reasons. The following sections provide an insight into those struggles.

6.1 People with disabilities

As benefit changes clash with the contraction of public services, disabled people have faced a 'double whammy' of cuts.

*A Fair Society?*¹⁶, based on research carried out by the Centre for Welfare Reform, highlights that people with disabilities have borne, overall, almost a third (29%) of cuts which cumulatively affect their quality of life, their ability to work and to participate in community life.

In considering the nature of these cuts, the Centre for Welfare Reform focuses on the financial and human costs:

"...one person in 50 (2% of the population) has to face a loss of income and vital support of nearly £9,000 per year. But this one person will also be somebody's brother, sister, mother, father or child. The impact on over 1 million families in the UK will be devastating."¹⁷

A Fair Society is particularly scathing of cuts to local authority budgets – where one of local government's prime functions, social care, has been particularly hard hit. As Simon Duffy, the author of this report says, the role of social care in prevention and in holding families together is not fully understood and often underestimated.¹⁸

Welfare reform impacts on people's ability to pay for home/community care services especially as these charges continue to increase.¹⁹ Wider cuts are leaving people with less support. This can lead to "...health crisis, hospital admission, institutionalisation, fractured families...all of which is more expensive and less effective than early support to stay

¹³ <http://www.theguardian.com/society/2013/feb/18/food-poverty-uk-human-rights-obligations>

¹⁴ http://www.viascotland.org.uk/webfm_send/330/upr-scottish-campaign-fair-society-coalition-stakeholder-submission-21nov.pdf

¹⁵ http://povertyalliance.org/news_pubs/press_releases/tory_freeze

¹⁶ <http://www.centreforwelfarereform.org/uploads/attachment/354/a-fair-society.pdf>

¹⁷ A Fair Society, page 8: <http://www.centreforwelfarereform.org/library/type/pdfs/a-fair-society1.html>

¹⁸ A Fair Society: <http://www.centreforwelfarereform.org/library/type/pdfs/a-fair-society1.html>

¹⁹ <http://www.scotlandagainstthecaretax.org/index.php/the-issues>

strong and independent.”²⁰ With the many benefit cuts, cost shunting to public services and the third sector is very likely.

The inability of families to pay for care is likely to become an increasingly common scenario as we consider the ongoing ‘disability benefit chaos’²¹ highlighted by charities and other intermediary organisations who support disabled people.

The most recent *Voices from the Frontline* report from Citizen’s Advice Scotland highlights the cumulative effect of disability benefit changes to individuals supported by local CABs:²²

- Delays to both PIP and ESA are common and cause very deep hardship amongst disabled people, their families and carers. This includes clients getting themselves into debt, worsening health caused by delays, and reliance on food aid for others.
- Delays in the PIP process mean that people cannot access passported benefits such as the Motability scheme, concessionary travel, and Carer’s Allowance – in most cases this causes financial hardship, family stress and significant anxiety.²³

Finally, research by Demos and Scope in 2013 indicated that for some 5,000 people a combination of six benefit cuts would lead to a linked cut in income of £23,000.²⁴ Such significant losses are likely to leave disabled people and their families struggling to meet even the most basic of needs.

6.2 People with mental health issues

One of the emerging themes from our 2012/2013 research was the effect of benefit changes on people’s mental wellbeing. A number of organisations described how lack of detail and misinformation about planned changes e.g. the ‘bedroom tax’, had caused significant anxiety and stress. That remains a key issue arising from our new research – see Section 7.

Research by the Scottish Association for Mental Health (SAMH) in 2013 revealed that 98% of survey respondents felt that their mental health had suffered as a result of welfare reform.²⁵ *Worried Sick: Experiences of Poverty and Mental Health across Scotland*, also showed that 85% of staff reported having to provide extra support to service users as a direct consequence of the benefit changes. And in the most alarming statistic of all, staff had to carry out six suicide interventions directly related to the effects of welfare reform.

²⁰ <http://www.centreforwelfarereform.org/uploads/attachment/354/a-fair-society.pdf>. p15

²¹ *Voices from the Frontline* reform.org/uploads/attachments: The impact of delays, Citizens Advice Scotland, October 2014

²² *Voices from the Frontline* reform.org/uploads/attachments: The impact of delays, Citizens Advice Scotland, October 2014

²³ *Voices from the Frontline – Personal Independence Payments: The impact of delays*, Citizens Advice Scotland, October 2014

²⁴ <https://www.unison.org.uk/upload/sharepoint/On%20line%20Catalogue/21709.pdf>

²⁵ SAMH: *Worried Sick* - http://www.samh.org.uk/media/417248/deprived_communities_report.pdf

6.3 People with long-term health conditions

People with long-term health conditions, as well as those with disabilities, are far more likely than others to live in poverty, experience debt, face unemployment or work in low paid, less secure employment.²⁶ Given the significant potential impact, a number of health charities carried out research to better understand the impact of welfare changes on people with serious health problems.

Macmillan's 2014 review of the impact of PIP on people living with cancer²⁷, found that thousands of people with cancer have had to wait six months or more for disability benefits during the process of transferring from Disability Living Allowance (DLA) to PIP. Over half (56%) of those surveyed experienced financial worries, including problems heating their homes. 34% of respondents said the process had a negative impact on their mental health, citing problems such as anxiety or depression.

Another example is research carried out by The Stroke Association²⁸, which found that none of the stroke survivors interviewed had claimed benefits before, and found the system very confusing and difficult to navigate. Respondents used words like "unfair, humiliating, frustrating, degrading" and "offensive" to describe the Work Capability Assessment (WCA) process, with most saying that assessors did not understand the hidden effects of stroke which can affect people's ability to work.

The WCA is often viewed as a blunt, unresponsive test which cannot properly take account of the needs of specific groups such as those with HIV²⁹ and individuals with autism.³⁰ The Work and Pensions Committee recently made a number of recommendations to improve the operation of the assessment.³¹

6.4 Children and families

How families and children have fared has been a primary focus for many charity campaigners. The rising level of child poverty has been a key feature of various analyses of welfare reform and other changes e.g. to tax credits.³² CPAG's ongoing *Early Warning System* is one such example. Over time the programme is developing a deep insight into family life and how it has been affected by a range of benefit changes.³³

²⁶ The Expert Group on Welfare – Call for evidence, Health and Social Care Alliance Scotland, 2013

²⁷ Waiting to benefit – An evaluation of how Personal Independence Payment (PIP) is working for people living with cancer, Macmillan, 2014 s

²⁸ Short Changed by Stroke – The financial impact of stroke on people of working age, The Stroke Association, 2012

²⁹ <http://www.hivscotland.com/news-and-events/latest-news/article/new-report-welfare-reform-making-life-worse-for-people-with-hiv-and-hepatitis/>

³⁰ <http://www.actnowforautism.co.uk/page8.htm>

³¹ <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmworpen/302/30203.htm>

³² <http://www.cpag.org.uk/content/child-poverty-map-shows-shocking-levels-hardship-across-scotland-0>

³³ <http://www.cpag.org.uk/scotland/early-warning-system>

A recent research report from Barnardo's and the NSPCC demonstrated the increasing number of families facing crisis. Based on a series of semi-structured interviews conducted with frontline staff, *Challenges from the Frontline* found family poverty was arising from the low level of benefits, rather than an inability to access benefit entitlements.

Significantly increased use of sanctions and wider benefit changes are leading to increased "stress levels and mental health issues for service users."³⁴ Reflecting the findings of SCVO's last mapping exercise, the impact on Barnardo's core business is evident, with welfare reform already undoing preventative and enabling work with families.³⁵

Service managers talk about increasing levels of disadvantage with 31% of children experiencing multiple issues within their families – these issues include substance/alcohol misuse, family breakdown and parental illness, with poorer mental health becoming more prevalent.³⁶ The changes outlined by these frontline services are linked to the recession and welfare reforms. The impact on family aspirations and hope for the future is one theme which emerges from this research.

Lastly, One Parent Families Scotland (OPFS) has worked hard to outline the negative impact of benefit changes for lone parents and their families. Across a range of briefings and through the charity's work with lone parents across Scotland, there is a clearly identified increased risk of poverty arising from the application of sanctions.

A freedom of information request showed that over 12 months, almost 10,000 lone parents were sanctioned and subsequently had their benefits cut. OPFS analysis demonstrated that including children, more than 20,000 people were affected when the household income was reduced in this way.³⁷

Lone parent flexibilities within the current benefits regime are not being uniformly applied, which can lead to parents being sanctioned for not taking up work which would place unreasonable expectations on them (e.g. lengthy travel-to-work times).³⁸

These factors work together to create a cumulative effect which leads to families having to seek crisis support or moving home as a result of the 'bedroom tax'.³⁹

³⁴ <http://www.nspcc.org.uk/globalassets/documents/research-reports/challenges-frontline-scotland-multiple-adversities-report> - page 10

³⁵ <http://www.nspcc.org.uk/globalassets/documents/research-reports/challenges-frontline-scotland-multiple-adversities-report> - page 13

³⁶ <http://www.nspcc.org.uk/globalassets/documents/research-reports/challenges-frontline-scotland-multiple-adversities-report> - page 12

³⁷ <http://www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=9093&mode=pdf>

³⁸ http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Written_submission_-_One_Parent_Families_Scotland.pdf

³⁹ http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Written_submission_-_One_Parent_Families_Scotland.pdf

6.5 Gender impact

There is strong evidence of a 'gender penalty'. From changes to child benefit and tax credits to maternity grant cuts and the structure of Universal Credit, analysis shows benefit changes are specifically affecting the lives of women.

Treasury figures themselves clearly demonstrate that women's incomes have been hit hard,⁴⁰ as outlined by Engender:

"£14.9 billion worth of cuts have been made to benefits, tax credits, pay and pensions since 2010. 74% of this has been taken from women's incomes".⁴¹

As with disabled people, cuts to public services have a cumulative effect on women. For key groups such as women affected by domestic violence, the changes serve to make their journey towards independence and a better life much more difficult.⁴² Female lone parents claim benefits such as Income Support in greater numbers, and the tightening of expectations on unemployed lone parents claiming benefits and other key cuts have had a harsh effect on families.

Before the worst of the changes hit, research carried out by the Poverty Alliance and Fife Gingerbread highlighted challenges around benefit adequacy and the low incomes faced by lone parents. At that stage, difficult choices about eating, heating, and paying rent were already being made.⁴³

6.6 The effect on carers

Carers receive the lowest rate of income replacement benefits with Carer's Allowance. With the increase in pension age, they are more likely to remain in poverty for longer. Cuts in disability benefits, especially in the transfer to PIP, will see thousands of carers lose access to Carer's Allowance,⁴⁴ and just under two thirds of carers are women.⁴⁵ This is likely to create further hardship for a group who are propping up public services to the tune of £10 billion per year.⁴⁶

More widely, a perfect storm of public service cuts and benefit cuts can lead carers to give up work. More families are moving into crisis situations with knock-on costs for health,

⁴⁰ <https://docs.google.com/spreadsheets/ccc?key=0AonYZs4MzIZbdHA1M2JJVF8tZTBvYWUzeFRnRU1yOHc#gid=0>

⁴¹ <http://www.engender.org.uk/content/publications/engenderwelfarereport.pdf>

⁴² <http://www.engender.org.uk/content/publications/engenderwelfarereport.pdf>

⁴³ http://povertyalliance.org/userfiles/files/EPIC/Reports/EPIC_Research_Surviving_Poverty2013.pdf

⁴⁴ <http://www.carersuk.org/scotland/policy/policy-library/national-carer-organisations-submission-to-the-expert-group-on-welfare>

⁴⁵ <http://www.scotland.gov.uk/Resource/Doc/319575/0102110.pdf>

⁴⁶ <http://www.carersuk.org/scotland/news/scotland-s-carers-struggling-with-alarming-levels-of-hardship-carers-scotland-inquiry-reveals>

social care and other services. There are financial and wellbeing costs for families who are dealing with a care gap and a whole raft of benefits changes.⁴⁷

6.7 Rural impact

Rural poverty featured heavily in the news this year with analysis carried out by Scotland's Rural College (SRUC). This showed, amongst other things, much higher levels of fuel poverty in comparison with urban areas and an increased cost of living e.g. more expensive food and reduced uptake of benefits among young people. In addition, the prevalence of insecure, low paid jobs leaves people more open to dependency on in-work benefits. Inadequate housing supply, lack of access to public services, and transport difficulties all contribute to rural poverty.⁴⁸

The SRUC report also underlines the hidden nature of poverty in rural areas, as poverty measurement tools such as the Scottish Index of Multiple Deprivation do not adequately capture rural challenges. This can sometimes create a myth that those in rural areas are more affluent. We explore these issues more in Section 10.

6.8 Wider impact studies

Devolved assemblies and governments across the UK have carried out impact assessments on welfare reform, with each in turn demonstrating the effect of changes on local communities and key groups.⁴⁹ Across Scotland and Northern Ireland, it is, not surprisingly, already vulnerable communities which are worst affected.^{50 51}

Research from Northern Ireland outlined the cumulative effect, again on those with disabilities, where some people experienced multiple cuts and changes across ESA, DLA and Housing Benefit.

The Scottish Parliament's Welfare Reform Committee has taken a lead in looking at the cost of these changes to communities across Scotland. Work carried out by Sheffield Hallam University on behalf of the Committee looked at the economic and local effect of tax and benefit changes. The report, *Local Impact of Welfare Reform*⁵², concluded that it is expected that the recent spate of reforms will take £1.6 billion out of the Scottish economy. For some local authority areas and for some key groups these losses are disproportionate and devastating.

⁴⁷ State of Caring, 2014 – Carers UK

⁴⁸ 2014: Rural Scotland in Focus Report, Scotland's Rural College

⁴⁹ E.g. http://www.nicva.org/sites/default/files/d7content/attachments-resources/the_impact_of_welfare_reform_in_ni_2013.pdf

⁵⁰ http://www.nicva.org/sites/default/files/d7content/attachments-resources/the_impact_of_welfare_reform_in_ni_2013.pdf - page 16

⁵¹ http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/wrR-14-05w.pdf

⁵² Local Impact of Welfare Reform: <http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/local-impact-welfare-reform-scotland.pdf>

The report states that even in relatively affluent areas across Scotland, significant amounts of money are being removed from families and communities e.g. Aberdeen, where the figure is £50m.⁵³ However, it is those areas which already have the highest levels of deprivation which will experience the greatest financial losses.

The report authors also highlight that “a key effect of the welfare reforms will be to widen the gaps in income between communities.”⁵⁴ This gap between poor and rich and the additional problems faced by our most deprived communities have been raised and challenged in research by the Poverty Truth Commission⁵⁵ and the GPs Working in the Deep End project.⁵⁶

While Scotland’s most deprived wards tend to be in the central belt, the researchers have produced data maps at electoral ward level which show significant variations within the same local authority, with many rural wards expected to experience high levels of financial loss as a result of the welfare changes.

6.9 Summary

Over the last two years, an expanding evidence base has demonstrated the harsh and life-changing effect of welfare reform on a wide range of groups and communities across Scotland. Our experience is not that different from that of other countries, such as Wales.⁵⁷ Even within Northern Ireland, where the bulk of reforms are still to take place, the transfer to ESA has been a cause of stress, worry and poverty in a number of localities⁵⁸.

The pattern emerging is one which takes vulnerable groups backwards in terms of income, and inhibits their ability to connect to work and society. There are knock-on costs for public services and an increased risk of societal and economic divisions. This leaves many families in crisis and turning to the third sector for support. The specific challenges created by what is seen by many as the unforgiving system are themes which featured strongly in our interviews, focus groups and surveys.

7. What welfare reform means – people, community and sector impact

As outlined in Section 6, the third sector has been the source of significant amounts of evidence to demonstrate the effects of a whole raft of benefit changes and the negative impacts being caused by their implementation.

⁵³ http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/wrR-14-05w.pdf

⁵⁴ The Local Impact of Welfare Reform :
http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/wrR-14-05w.pdf

⁵⁵ 2014 Turning up the volume on poverty, Poverty Truth Commission

⁵⁶ 2013: GPs at the Deep End Report 21: GP experience of welfare reform in very deprived areas, Graham Watt, University of Glasgow

⁵⁷ <http://wales.gov.uk/topics/people-and-communities/welfare-reform-in-wales/analysingreforms/?lang=en>

⁵⁸ <http://www.nicva.org/resource/impact-welfare-reform-northern-ireland>

Our research has focused on investigating the impact of welfare reform at the frontline, gauging how people are coping and what this in turn means for the third sector organisations, particularly smaller, community groups.

Through interviews, focus groups and an online survey involving third sector organisations across Scotland, we have identified a number of consistent themes and challenges. These are split across two categories – the human costs of welfare reform and the knock-on impact for the charities supporting them.

7.1 The human costs

7.1.1 A system which disempowers

Many interviewees reported that lack of clarity within the changing benefits system, inconsistent communication from jobcentres, and specific benefit changes are causing substantial confusion and stress for claimants.

As one frontline adviser said: “It’s difficult enough for professionals, so how can people navigate the system? They don’t have a chance.”

This reflects the findings from our previous mapping research which highlighted a link between the sector’s need to keep pace with a whole raft of benefit reforms whilst also dealing with increasing numbers of enquiries from worried individuals and families.

Our Scotland-wide third sector survey corroborated these concerns. Intense anxiety, stress and confusion was specifically and frequently cited in relation to claiming jobseeker benefits. Complexity, combined with administrative barriers and the inaccessibility of the system have been picked up by many organisations who took part in this research. This can lead to people being sanctioned because they have unwittingly failed to meet increasingly complex and demanding jobseeker requirements.

Two respondents – an island-based advice service and a community care organisation commented:

“Clients don’t understand what they have to do and can’t keep abreast of the complications and inflexible deadlines of the...system. They cannot cope with the forms they have to fill in. Very often, the letters they receive are in such legalised language that they are incomprehensible...”

“A large proportion of the people we support have mental health issues and can’t always deal effectively with the DWP...they struggle to understand the bureaucratic language and can’t always deal with things at the right time...”

7.1.2 Exacerbating ill health

Frontline workers reported that the stress experienced by those they work with is leading to a deterioration in people’s emotional and physical health and wellbeing – especially for individuals already dealing with pre-existing mental health issues. In some cases, this was reported to impede other support work which focused on improving people’s health, e.g.

for people dealing with substance misuse. In the worst possible way, the benefits system is seen to be bad for people's health.

One practitioner commented: "I have a client who got into such a state about her jobseeker diary that she was prescribed sleeping pills. This is someone who was already ill... it would have impacted upon her child too. There are people who have been sanctioned who are suffering from mental health issues. Every person I have dealt with has gone back to alcohol and drugs from the stress of their sanction."

A Citizen Advice Bureaux (CAB) outlined deteriorating mental health for its clients too, especially amongst people claiming ESA. The following quote highlights the revolving door of assessment for claimants because the appeal process takes so long that by the time a decision has been reached, individuals may already have been called up for reassessment:

"They are assessed every year, despite appeals of up to 6 months when they are declared fit for work. They might have a two week break and then have to be assessed again, despite the appeal board recommending that they are not assessed from that point for another 18 months. People with general mental health problems are deteriorating as a result."

At least one respondent picked up on how these impossible situations for individuals were affecting local health services:

"We're seeing stress, substance misuse, alcohol abuse, and self-harming. Prolonged mental health issues lead to subsequent physical issues."

Our survey respondents confirmed these challenges. A Women's Aid manager wrote that her clients experienced "...greater pressure to remain in abusive relationships, increased fear to leave, and concerns regarding financial security, rehousing into inappropriate property and financial effect."

7.1.3 Food poverty and increased crisis situations

A number of charities highlighted the inability of people to access the most basic of needs because of financial destitution.^{59 60} It is not surprising therefore that access to food was a primary concern raised by many of our interviewees.

Poor nutrition is a direct result of the inability to afford basic commodities. As one local CAB worker said: "People are eating much cheaper food, choosing between soap one week and fruit the next. I have clients who can't afford to have five-a-day."

A young carers' worker outlined the potential impact on other public services and the life chances of young people being negatively affected by food poverty: "I have clients using food banks, so young carers must be going to school hungry. This is going to impact on education."

⁵⁹ <http://www.cpag.org.uk/sites/default/files/uploads/SFHA%202014-04-01%20Cause%20for%20Concern%20-%20SFHA%20report%20on%20Sanctions%20FINALwC%281%29.pdf>

⁶⁰ <http://www.scvo.org.uk/news-campaigns-and-policy/briefings-consultation-responses/independent-review-of-jobseekers-allowance-sanctions/>

Backing up concerns identified in our interview process, our survey respondents also expressed worries about the effect of sanctions on food poverty. One manager said: “If someone is to be sanctioned, they need to have a minimum living amount whether it be vouchers for food etc...”

Our survey suggested that organisations which offer practical and crisis support – not just food banks – are seeing increased demand for support for help in meeting basic needs. They too are providing food parcels and looking for access to grants to meet emergency situations. One survey respondent said that they were experiencing: “Huge demand for support with prevention of destitution...”

The increased presentation of families and individuals in absolute crisis, and providing support for families who have to make difficult choices between ‘heating and eating’ or who have little money for food, were amongst the key themes and concerns raised by the organisations we interviewed and surveyed.

7.1.4 A barrier to engagement/involvement

Participants in the research felt that the reforms had the effect of preventing people from being actively engaged within their own communities. Frontline workers reported that many claimants are disengaging because of depression, fear and confusion as a direct result of the reforms.

Case study from a local mental health charity

A client was referred to us by her MSP due to inability to pay the ‘bedroom tax’. The MSP had applied unsuccessfully for an exemption on the grounds that the box room in her small flat was too small to hold a spare bed. Her mental health is fragile. The ‘bedroom tax’ is affecting her mental health and making it much worse. It’s very important to her mental health to have a secure and safe home. Home is a sanctuary especially to those with mental health problems. This tax is affecting people in the most vulnerable communities. It’s cruel.

Charities expressed concern that in a number of cases the stress of dealing with the complex benefits system and the threat of sanctions is causing some claimants to attempt to re-enter prison. The despair felt by families was expressed by one service manager:

“It’s hard to come across someone who hasn’t had a negative experience with the DWP. It’s easier to reoffend to survive. It’s more secure. [The system is] pushing people further back, rather than encouraging them to lead more productive lives. They have such a fear of sanctions. They feel the DWP is there to make them fail. [The DWP has] no concept of what this sanction means to someone and their family.”

It was frequently cited that the strain of existing on low level benefits is putting pressure on relationships – families, couples, in the community. Relationship breakdown effectively removes support from those who need it most.

A support worker said: “...this is worsened by benefit system reform. Young people are supported by their families. But if anything affects the family, like a reduction in benefit income, it affects them. If the family is stressed by money issues, it affects the person who

is taking up extra resources. Young people are marginalised and if they are experiencing mental health problems they are put out the door.”

7.1.5 Stigma and ‘scapegoating’

Research participants across the board expressed frustration at the injustice of ‘scapegoating’ those who are already vulnerable. This has been a key theme of the debate and of the policy direction being driven by the UK Government.⁶¹

Respondents felt that the system is unjustly punishing people, and that the stigma surrounding poverty and benefit claimants actively strips confidence. The media’s focus on people needing ‘budgeting skills’ and being ‘bad parents’ because they have to use food banks was roundly criticised and challenged.

A local CAB manager said: “It’s a misnomer that people can’t manage money which is why they fall into debt. A lot of people on low incomes are very good at budgeting but fall into debt through no fault of their own; either by being forced into high interest credit or they’ve had an emergency situation that’s caused them to take on a loan... These people are living hand to mouth – so how can they budget for a haircut or for washing powder?”

A frontline worker commented: “The people we are working with are not abusing the system. They have genuine health conditions and they need to jump through hoops in order to get the support they need.”

Some practitioners brought up the power of the media in influencing stigmatisation of claimants and expressed concerns that the general public believes untruths about people within the benefits system.

One interviewee said: “The media has done a very good job of creating the perception of an underclass by presenting a picture of benefit claimants that’s not true. It’s seeping into our culture and touching people who wouldn’t normally have such right-wing views.”

7.1.6 Creating barriers to employment

The complexity of the benefits system and the commitment required from claimants to meet eligibility was frequently cited as impeding people’s journey back into employment.

One frontline worker said: “Recent work with Dundee claimants revealed they felt the process of claiming benefits is the greatest barrier to employment over having a criminal record.”

As mentioned above, the stress of navigating the system can be a barrier for many. In addition, the lack of access to a computer or internet services means that people cannot complete the tasks required by the DWP - another factor preventing people from finding suitable work.

A lack of basic skills amongst some claimants was raised by numerous participants as an issue. It was pointed out that the DWP are not identifying or dealing with literacy,

⁶¹ For example - <http://www.dailyrecord.co.uk/news/scottish-news/record-view-george-osborne-wont-2325961> and <http://press.conservatives.com/post/98719492085/george-osborne-speech-to-conservative-party-conference>

numeracy or other basic skills concerns when pushing people towards courses or when agreeing the Claimant Commitment. Gaps in support from jobcentres featured in the feedback we received.

A frontline service manager told us: “Jobcentres are not giving people enough support. I help service users complete their jobseeker diaries. Some people can’t read or write at all. This takes up a lot of staff time and is not what we are funded to do.”

Specific challenges for people with sight loss were highlighted in the survey. People who have received benefit cuts face significant barriers to finding work, including being able to pay for taxis and mobility aids/adaptations.

One survey respondent said: “There’s no way for our [visually impaired] clients to read communications about benefits or fill in forms within deadlines as they have no allowance or council services to support them to do this. Even our sighted staff have difficulty getting through to benefits agencies to process forms due to inadequacies within the benefits system.”

Case study from a local CAB

I have a client who was born with a learning disability. He’s in his 50s and lives with very elderly parents. He was working, but his employer let him go He was put onto Jobseeker’s Allowance (JSA), I’m not sure why or how...appalling that they didn’t say JSA wasn’t the right benefit for him.

The jobcentre made him go on a Lifeskill computer course, but he has really poor literacy so this is causing him a lot of stress and upsetting his parents. They are worried about what happens when they die: how will he look after himself? His elderly mum has to accompany him to the course because he can’t travel by himself, but she’s been told she can’t sit in the course with him. It is a complete waste of resource. I am now trying to get him onto ESA.

Interviewees also mentioned the lack of childcare support for lone parents. This prevents parents, young mothers in particular, from accessing education and opportunities to increase their employability. Changes to working tax credits will only make this situation worse, as there is reduced coverage for childcare costs.⁶²

A family support project manager said: “Girls have to stop attending education courses because they can’t get money for childcare. The loss of benefits when undertaking some further or higher education is also a key barrier for many.”

⁶²http://www.cpag.org.uk/sites/default/files/Welfare%20Reform%20Impact%20on%20families%20in%20Scotland%20fact%20sheet%20Oct%202014%20_1.pdf

7.1.7 In-work poverty

Mirroring the recent, extensive Poverty and Social Exclusion research,⁶³ a frequently recurring theme is the effect of welfare reform on working families and the prevalence of in-work poverty.

Many interviewees mentioned that most unskilled work available is comprised of temporary and zero-hour contracts, with many people juggling numerous part-time jobs to make ends meet and having to deal with unscrupulous employers.

A CAB advisor was concerned that "...people on zero-hour contracts are excluded from benefits, pensions and mortgages. They can't move on in life or see a future. So this is not just about people on benefits, but people who are working."

7.2 Welfare Reform, Austerity and the Third Sector

The first phase of SCVO's mapping work took us by surprise when it made clear the extent of the impact on the third sector. We were taken aback by the range and type of organisations affected – from churches to children's charities, community cafés and food projects. Welfare reform was affecting the service delivery, finances and capacity of a huge number of organisations and voluntary groups.

Our current research has confirmed that welfare reform remains a significant and continuing challenge for many voluntary organisations, especially those smaller organisations grounded in local communities. Newer organisational and human resource challenges have also emerged.

7.2.1 Capacity and demand

It is evident from the interviews we undertook that welfare reform and the implementation of a number of benefit changes is still creating demand pressures for the majority of third sector organisations.

An independent advice service manager said: "I cannot cope with demand for welfare rights. It's only myself that does it and I have an admin worker. Because of the paperwork you need to keep and the different systems now in place for appeals and reviews since welfare reform came on board... I used to run a drop-in service, but since recent welfare reforms have kicked in, people have had to make appointments only due to a big rise in demand. Waiting times have increased."

This corresponded with the findings of our survey, where 91% of respondents from third sector organisations across Scotland reported that the demand on their services has increased, with 76% reporting a significant increase. The rise in demand varied from between a 15% - 80% increase, but most organisations reported an increase in demand of over a third.

⁶³ <http://www.poverty.ac.uk/editorial/scottish-poverty-study-calls-governments-tackle-rising-deprivation>

Demand affects a number of organisations not traditionally associated with providing welfare or benefits advice. This effect is being felt by some care and support organisations, condition specific charities and third sector interfaces (TSIs) who have opened up resources/support services to the public.

One TSI outlined their experience of the Claimant Commitment in our national survey: “Our job club drop-in is increasingly in demand with more and more service users having little or no computer literacy but being expected to be proficient enough to create CVs and apply for jobs online. The responsibility to fill that gap falls to our staff.”

The impact of the Claimant Commitment, coupled with tougher expectations of jobseekers and other changes, places pressures on third sector organisations which they are not resourced to deal with.

7.2.2 Barrier to fulfilling remit

As with our previous research, many service providers expressed real concern about their inability to fulfil their remit due to having to deal with benefits issues arising for their clients. Providing benefit assistance such as appealing sanctions, claiming an appropriate benefit, and supporting people to complete Claimant Commitment tasks have diverted charities from their core services.

One service manager explained: “The focus of service is shifting to helping benefit issues rather than getting back into skill-building and employment, which we are being paid to deliver.”

The effects of sanctions, benefit changes and cuts, and helping people with ‘basic survival issues’ have also served to reduce the ability of charities to build family capacity and confidence, and to help people get back into work.

National charities which focus on specific conditions and illnesses are not immune from these additional pressures. Headway highlighted in our survey that:

“The increase in the numbers of medical assessments and appeals [is] having a huge impact on our workload, with this area being given priority over other areas of work. This is having a detrimental effect on the capacity we have to provide one-to-one support in other areas.”

Other survey respondents made similar points about the knock-on effects of welfare reform on services such as those offering therapeutic support for people with alcohol dependency.

7.2.3 Keeping up to date with benefit changes

Many of the smaller and/or independent organisations surveyed highlighted their inability to keep abreast of welfare changes and to attend training. This is due to lack of resource and ever-increasing demand. The cost of training is an issue which emerged during the last mapping exercise – and it became apparent that this is still a challenge for some organisations.

Providing resources to enable staff to have time and space to undertake necessary training was a concern. An independent advice service manager said:

“I have to make time to go for training. I take work home with me and complete claimant forms there. I can’t limit my workload because it is people’s incomes we are talking about here.”

7.2.4 Using tight resources to help people in need

Some organisations reported having to use their own core funds to help people in real need, actions which can affect their own finances. In some cases, charities have dipped into their own petty cash to help people buy food.

Corroborated by respondents in our survey, a women’s aid worker wrote:

“We have more clients sanctioned and who have to wait for benefits longer which takes a toll on organisational funds as we pick up the bill for food, electricity, etc., for those in refuge.”

7.2.5 Pressure on other resources

Providing IT equipment and literacy support to help clients with their Claimant Commitment was frequently cited as a strain on capacity. As one interviewee said:

“The DWP is assuming that everyone has internet access and computers. Claimants now have to make a claim online, however, jobcentres aren’t providing computers. Therefore, claimants are coming to third sector organisations to use computers. Many people are not computer literate, so it is taking 2.5 hours to do the first initial claim. It’s a lot of an organisation’s time. Libraries may have the computers but they don’t have the staff to teach a claimant computer skills.”

7.2.6 Lack of space to develop and plan

Interviewees reported that they don’t have the funding and/or time to evaluate and develop their services to reflect changing need. The ability to look outwards and make connections with other services to create potential partnerships is hindered by increasing demand, and a need to respond to this and other difficult funding challenges (see Section 7.2.7). This mirrors findings from our previous research and, in particular, the concerns of participants in our 2012 ‘Taking on Welfare Reform’ conference.

A service worker said:

“There’s not enough financial support. We don’t have time to step back and develop what is working, there’s just not enough resource.”

7.2.7 Funding challenges

Funding concerns were frequently cited by research participants. Despite increases in demand, all but a few organisations have experienced a drop in funding, or receive funding that has not increased in line with inflation. In some cases the funding reduction has been as much as 50%. And yet, demand for third sector support continues to increase with little or no wiggle room to deal with future benefit changes or cuts.

Participants raised a number of other funding issues – many are themes which underpinned our first mapping exercise and other work carried out by SCVO earlier this year.⁶⁴ For example:

The end of Scottish Government and other welfare reform funding

A key concern amongst advice organisations is that welfare mitigation funding will cease before Universal Credit is rolled out. Demand is increasing and funding stretched already, yet the full effect of Universal Credit is still to be felt by the majority of Scottish communities. In the interim, keeping hold of experienced staff without funding until 2017 is a real concern for some service managers.

Competition

Service providers often expressed frustration at being in competition for funding with similar organisations, impeding the potential to share best practice and form successful partnerships.

A service manager in a remote community said:

“There is ever-increasing competition for funds. Almost all of my job is about competing for grant funding, and if I wasn’t doing that I could be doing so much more to help clients.”

Short-term funding and contracts

As with SCVO’s previous research, organisations highlighted short-term funding as one of the biggest challenges they face as short contracts prevent effective long-term strategic planning and the ability to provide a complete support service.

One advice service manager said: “It’s hard to plan for a three year period and create an effective strategy when you don’t have funding in nine months’ time. With short-term funding, 18-month funding contracts are an issue. By the time you set a project up you have to start looking at an exit strategy: it takes 6 months to get it up and running and 6 months to close it down, leaving just 6 months to do proper work.”

An additional issue with short-term contracts is that staff must look for other work and are likely to leave before their contract is up. Some interviewees said this had various consequences for their organisations including a number of staff leaving at the same time and service users losing their support earlier than expected. Subsequently, “this can mean that grants are underspent, and [the project] looks undersubscribed and not completed to full potential.”⁶⁵

Reduced funding/insufficient funding to meet increased demand

Recent public spending challenges have led to a reduction in funding, particularly from local authorities whose funding may make up the majority of an organisation’s income.

One service worker commented: “Funding structure is a challenge. More people are affected by welfare reform so more staff and more hours of help are required. Yet we’ve

⁶⁴ Survey covering funding issues for Scottish Government – 2014 (not published)

⁶⁵ Quote from service manager interviewee

had a 30% reduction of council funding, [it's our] main funding source.”

Organisations are simply not being funded adequately to meet demand. Some are being required to implement developments such as social prescribing, which place additional pressure on community organisations, but with no accompanying increase in resources.

Some have been working with outdated resources, and funding issues precede the most recent recession. One participant said:

“I don't have time to do funding applications. I have two computers that are 14 years old, but don't have the money to replace them.”

Lack of fundraising expertise

It became clear during the research that many small organisations are made up of frontline practitioners who are focused on client support, but who may lack in-house fundraising expertise. Consequently, they face difficulties in identifying funding options and constructing successful bids.

A frontline worker said:

“We have a participation coordinator. She does all the fundraising for our projects. She doesn't have fundraising experience, but had to learn it on the job.”

Lack of profile affecting funding success

Smaller organisations also report they are losing out to larger organisations who might have more fundraising expertise and who may also have a higher profile with potential funders. It is felt that this profile can give them an advantage even if they are not necessarily well-placed to deliver on outcomes or meet the needs of individuals and families.

An advice service manager said:

“Bigger organisations always make a bid for Scottish Government funding and they get it because they are recognised. The four independent advice agencies in this local authority make bids but don't get anywhere because we are not recognised, even when we work together in partnership. I think they feel that we aren't going to create such a big impact, but we ask for a fraction of the funds the Council and CAB ask for. We wanted to hire a part-time volunteer officer to train people to give initial welfare rights advice. For £20K we could help 1000 people with welfare rights. We are currently given under £50K and have brought in £513,000 in unclaimed benefits.”

Contracts awarded out with the locality

A key issue highlighted by organisations in remote and rural areas was that local service providers are losing out to large central-belt based organisations.

Without secure funding, initiatives that are doing positive work locally are being cut and people, networks and partnerships are being lost. There are knock-on consequences for the local community, the local economy, and for wider government policy as a result e.g. implementation of crisis support through the Scottish Welfare Fund.

As one frontline manager said:

“Funding decisions have a knock-on effect. We have just lost our community care grant bid and it’s gone to a national company. The homeless we work with can’t move into properties straight away because they are now waiting for new goods to come through the Scottish Welfare Fund, whereas before we could provide used goods to them immediately. Local employability schemes have been desperate to give clients work experience via our organisation, but as we are now struggling without the Scottish Welfare Fund clientele, it affects the number of volunteers we can take on.”

Keeping funding packages ‘local’ can positively affect the local economy, ensuring that contracts bring benefit to the communities they are supposed to help, including job creation. One service manager said:

“Best value does not mean best service. I think we should go local as long as it makes economic sense. [Funding decision makers] need to look at all economic factors. If our funding is lost, business to local tax paying solicitors will also be lost, as well as other services. There is a local supply chain that loses out when contracts go to organisations based out with our local authority.”

Need for ring-fenced funding

Through the course of our interviews, the lack of ring-fenced funding came up repeatedly. Organisations felt that the Scottish Government need to be very specific about where they want funding to go.

A frontline worker said: “Money that the Scottish Government is giving to local authorities for direct use or distribution needs to be ring-fenced. It goes into a Social Work pot, and we don’t know what has happened to it and which departmental budgets it went into.”

7.2.9 The lack of a joined-up approach in service provision

A number of research participants mentioned that, in the context of responding to welfare reform, there is no ‘joined-up approach’ in service provision – no close linkages between statutory bodies and the third sector. Yet those different organisations are often speaking to the same people and offering complementary services and support.

A service manager said: “We can’t get things right at a local level: from the Scottish Prison Service to social work to the housing department to your local job centre to your local health service....agencies and local authority departments are not joined up.”

7.2.10 Impact on third sector staff

Service providers highlighted some of the ways welfare reform and austerity measures are negatively affecting staff morale. As demand has increased, the number of clients and complex cases has also increased. In addition, most staff have the added weight of balancing different funding pots, or are struggling to find a stable source of funding in the first place. These efforts place the burden of securing the future of their contracts and of their organisations heavily on their shoulders.

From women’s aid organisations to services supporting young people, many participants reported frustration at their inability to tackle the root causes of their clients’ situations –

even when they are funded to do so – because of the demands placed on them by welfare reform.

A service manager noted: “Staff morale is affected because they are unable to fully support their service users and improve their lives and prospects, as staff spend so much time dealing with benefits.”

Our national survey also revealed the pressure on staff. As one manager noted: “Increased workloads seriously affect morale of staff and volunteers – feeling of being unable to help, frustration with the system, lack of fairness. Likewise, seeing clients in despair awaiting decisions for DLA, PIP, ESA and suffering hardship makes staff and volunteers feel helpless.”

Finding and keeping qualified people

Organisations which rely on skilled and dependable volunteers reported a reduction in numbers at a time when they are needed more than ever to deal with increased demand. There are a variety of reasons for this.

As one CAB advisor outlined: “The CAB will start to lose volunteers. Volunteers used to take early retirement and volunteer with the CAB, but these numbers are now reducing as people have to keep working.”

And one charity working with older people highlighted how benefit changes have affected their volunteer base – as a result of more stringent claimant conditions some volunteers have faced benefits sanctions themselves.

As the emphasis on a ‘work first’ approach⁶⁶ continues, the charity said:

“More people are also having to go on training courses or work placements even though they are actively involved in our organisation. There is no recognition of the important part that the step of volunteering has on that person in terms of increasing their confidence etc., before moving to work.”

8. Working with the Department of Work and Pensions (DWP)

Participants consistently referred to the disconnection which exists between the DWP and the people they support.

SCVO recognises the commitment of many advisers and staff working within the DWP, however, there are clearly significant issues about how people are treated and experience the system. These issues must be addressed if the connection between the DWP and its users is to be an effective one. This has been picked up by previous research, including the Oakley sanctions review.⁶⁷

⁶⁶ SCVO response – Independent Review of Jobseeker Sanctions (Oakley review) January 2014

⁶⁷ <http://www.cpag.org.uk/content/oakley-sanctions-review-responses-other-organisations>

8.1 Maladministration

Practitioners reported that administrative errors committed by the DWP had serious consequences for claimants and resulted in a knock-on effect for third sector services.

A young adult support manager said: “Maladministration causes stress and financial hardship for clients, but also takes up a lot of third sector time that could go towards doing something more useful.”

The inaccessibility of the DWP’s systems is illustrated by this case study:

Case study from a council welfare rights adviser

Our visually impaired client notified the DWP and gave them his mobile number so they could phone him with appointments to sign on. However, they sent him letters with appointment details and he didn’t always have someone around to read for him. He missed an appointment and was therefore sanctioned. He went to the DWP to explain the situation. They apologised, but then it happened a second time. All of a sudden without any money, this person missed payments to others and even though he got the money eventually, this put him in debt because he’s on a very low income. Eventually, he needed to go to a foodbank.

8.2 Accessibility

Building on this last point, interviewees expressed concern that the DWP system is not accessible to various groups of people who depend on its services.

One frontline worker said: “Some people have a mild mental disability, and therefore don’t understand new rules or that things have changed. They can’t always do things over the phone or online, and if they can’t engage it becomes an issue.”

Some support workers noted that the phone numbers to access DWP services are not free, so being on hold for 30 minutes or more is a barrier for many claimants. In addition, advisors reported a lack of knowledge amongst DWP staff who are not always up-to-date with recent benefit changes.

Organisations felt that complex written communications from the DWP make it hard for claimants to understand what is required of them.

A frontline worker said:

“Benefit communication needs to be in plain English. I recently saw four letters regarding PIP all posted the same day to a client, but saying different things. I didn’t know where to begin, and it’s my job to help people claim benefits. Forms are 60 pages long, and to the inexperienced it’s confusing and overwhelming. They don’t know the bits they need to complete, plus they might have a full-time caring role and be dealing with their own health issues. The DWP don’t make it easy.”

In our survey, one community organisation reported:

“A large proportion of the people we support have mental health issues and can't always deal effectively with DWP, etc. They struggle to understand the bureaucratic language and can't always deal with things at the right time. When we phone the DWP staff tend to be fairly unhelpful.”

The focus on digital access to services is creating further barriers. Another survey respondent wrote:

“Clients are having difficulty with letters and forms because of (a) their mental health problems, (b) difficulties with reading and writing (which they may not feel able to admit to), (c) not having access to technology and not being familiar with using computers. Digital by default is a significant problem.”

8.3 Reforming the system without dealing with the consequences

Various practitioners were frustrated that the DWP is introducing reforms but not taking responsibility for the consequences, and that the third sector must subsequently step in to pick up the pieces.

One service manager observed:

“The DWP is supposed to be there to help people back into employment. But they aren't doing that, so it's down to us to step in and support [people] to return to work.”

9. Moving forward - Third sector perspectives

We asked research participants what would help them to tackle the challenges being faced by key groups affected by welfare reform.

Many of the responses and ideas were simple, honest appraisals of policy gaps and challenges (devolved and reserved), and mirrored wider economic and labour market issues highlighted by Oxfam⁶⁸, SCVO⁶⁹ and others.

The majority of respondents felt that decent permanent jobs and opportunities are needed to tackle poverty. There were very strong views that sanctions are not the answer for encouraging people into employment. We also heard about welfare mitigation policy and the need for a more joined-up, collaborative approach.

⁶⁸ <http://www.oxfam.org.uk/scotland/blog/2013/06/oxfam-publishes-major-new-our-economy-report>

⁶⁹ <http://www.scvo.org.uk/long-form-posts/an-economy-for-all-report-economyforall/>

9.1 Structural change

9.1.1 Reasonable job opportunities

A key point raised was the need to create local jobs, especially in more remote locations where transport and the loss of industry negatively affect the local economy.

An advice service manager said:

“We need to encourage businesses to set up in Scotland and provide entry-level jobs. Modern apprenticeships can be labour on the cheap, so [I’m] not convinced about that. [We need] real jobs for a low skill-base and low education.”

Practitioners suggested that agencies tendering out a service in a particular locality, should consider the benefits that can be gained for the whole community by ensuring that the service is managed locally. This links into to a wider understanding of community benefit considered as part of the recent Procurement Reform Act⁷⁰ and wider debates around the Living Wage within public procurement (see Section 9.1.2)

A service manager in a rural area commented:

“People need jobs to go to. Bureaucracy is getting in the way. Our local authority has tourism and forestry. How much of the wood is remanufactured in here? [None]. Local industry is not maximised. The value of local produce is not locally priced. [We are] waiting for commercial interests to decide they want to invest money here, which only works to limited extent. Someone needs to cut through all the chaff, and invest in building factories and starting sawmills.”

9.1.2 Decent pay

There was an overwhelming call for realistic pay and wide support for the Living Wage. Many service providers felt that their clients cannot survive on the pay they are receiving, let alone save money and improve their situation in any way.

A service manager said:

“There is so much in-work poverty. To really tackle poverty, we need to give jobs to people and pay them a reasonable wage. We have to work with companies to pay a decent wage to their workers. Government could subsidise companies to pay more – a different approach to giving people money in the form of tax credits.”

The challenges faced by the third sector as an employer in its own right were raised by some, who link these challenges to decisions made by funders, such as local authorities, in awarding contracts.

One participant commented: “...funders, Big Lottery, etc., should ensure everyone in a project is paid at least the living wage.”

Another commented: “We can’t pay a higher wage, because of the way we are funded.”

⁷⁰ <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/ProcurementReform>

9.1.3 Zero-hour contracts

One aspect of what can be considered ‘reasonable work’ was raised many times throughout our interviews: the effect of zero-hour contracts. On such contracts, people are often unable to qualify for benefits and do not receive a consistent, stable income. However in some localities, this is the only work available.

An advice worker said: “The best way to encourage people into work is to provide decent work. Get rid of zero-hour contracts, which make people self-employed, to avoid paying holiday and sick pay.”

9.1.4 Prevention

Early prevention work was a common suggestion from many practitioners. Chief among the suggestions was financial education to help young people prepare for the world outside of education.

One service manager said:

“We need mandatory financial education in schools, teaching the basic cost of living, debt, loans, etc. It’s apparently in the curriculum for excellence, but it doesn’t seem to be happening. 40% of the high school students we spoke to have been offered a store card, even though they need to be 18 years old to have one. [Our service] has been in touch with every high school to do a [free] project in each one about benefits. Not a single school has replied.”

9.1.5 Better Employability Support

Some of the participants who support people with mental health issues suggested that many of their clients really wanted to work but had identified a lack of ‘safe’ opportunities which would help them achieve that goal in a protected environment.

Case study from a local mental health charity

I have a client who is ex-services. He had bad experiences whilst in the army, which is where he became unwell. He has a fear and a dread of even the idea of being forced into work. This is a common issue with our members. He requires a lot of affirmation and has been involved in meaningful activities organised by our service which are building up his confidence. He can contribute a lot at this stage when he’s not under pressure to be in a working environment.

The DWP needs to understand how far he and people like him are from being job-ready and that they must work through all the in-between stages before successfully entering employment. This individual has responded well to peer-mentoring and volunteering. He has contributed to the structure of the organisation and service development. This man has got a lot to offer and given the right support and understanding could effectively contribute to workplace in the future, but the DWP needs to recognise just how difficult it is for him and people like him.

9.2 Effective welfare reform mitigation

Mitigating the impact of welfare reform has been a key focus of government policy. Within our research, respondents considered where we are now and what the next steps should be when dealing with the impact of changes that have already happened or are still to come

9.2.1 Communication/Access to Information

There was an almost universal appeal for better communication. Various ideas were suggested such as increased communication and partnership-building between different organisations, networks, forums and databases. Many organisations and statutory bodies are not aware of the other service providers (or their remits) working in the community.

A local GP who participated in the research noted that: “We need a third sector information hub.”

Further, some smaller organisations felt that they are not provided with enough information about benefit changes and processes, and want the DWP to keep them properly informed. They are clearly not aware of services such as those delivered by DWP Partnership Managers or of the full range of information provided by the third sector.

A local addiction support service manager said: “We need more support to services with all the DWP changes being made, such as forms and criteria. Direct welfare services may know, but frontline agencies that still deal with welfare reform are left out of the communication loop.”

Another important issue raised was the need for welfare reform training that is affordable, localised, regular and more informative for those organisations who are funded to deliver specific services, but whose remit may happen to provide benefits advice and support as part of the client journey. Access to training in rural areas was a concern.

As a women’s aid staff member said: “We need welfare training and all the rest of it, but training that is funded with all costs. We have to travel 108 miles to training at the nearest town. We need localised training with associated expenses. Time and travel expenditure is a barrier – we don’t have the money to stay up to date.”

9.2.2 Joined-up approach

Many interviewees highlighted the need for a joined-up approach to tackle welfare reform. One local addiction advice service felt that they need to be involved with statutory organisations, businesses and other third sector organisations. Collective planning and action was deemed to be important.

The service manager highlighted this point:

“The more integrated services are and the more joint working we have [means] we can tackle problems head on. A lot of organisations are working independently and in silos. We have demonstrated in the past eight months, by having all these services in here (NHS, Law Centre, the Connect Team), I have hit so many more outcomes and engaged people in far more services than I have in the past, by working in a more joined up way.”

9.2.3 Think 'local'

As outlined above, practitioners in more remote and rural areas believed there is a need to keep services, suppliers and contracts local.

A service manager commented:

“In regards to service provision, local responses are cheaper and effective because they know what’s happening on the ground. Please don’t just give tenders to [central-based service provider] because you’ve heard of them before. Get local people doing local things, it assists in job creation. If the Community Care Grant is being administered locally, local product fulfils it. The Scottish Government needs to think local. There is more administration, but ultimately more jobs are created.”

9.2.4 Funding

Building on the funding challenges outlined above, organisations highlighted that multiple reporting for different funding streams was a consistent concern, with participants suggesting that perhaps funders could agree on a reporting method that they could all use, to reduce reporting time and allow more time for service provision.

One service provider said: “It would help if the council would give block grants. I’m happy to report and agree outcomes. I think the local authority should take a Big Lottery model, with a clause to claw back funds instead of constantly reviewing our progress. Funders should trust the third sector and let them get on with the job.”

A common suggestion was to place greater value on core funding for services rather than one-off funding projects. A local housing association said: “Fund core services rather than projects. We shouldn’t have to bid for funding to provide a service that the government or local authority is relying on to support citizens.”

As outlined earlier (Section 7.2), smaller charities felt that they weren’t able to access available funding and didn’t have the expertise or the resources to put together successful bids. They suggested there should be a fundraising expert with whom they could talk about funding options and who was available to offer advice on funding proposals.

9.2.5 Trust

Third sector organisations suggested that councils, the Scottish Government, and the DWP needed to trust the ability of the third sector.

One service manager remarked:

“There’s an idea that the third sector is an amateur service. The local authority could actively and actually use the third sector to deliver services and let them deliver them in a third sector way – my staff are passionate about what they do. It’s those kinds of people who will really make a difference.”

Other suggestions to tackle the impact of welfare reform included having link workers in GP practices to link into social work, health, housing, financial inclusion and community service, and a programme similar to the Future Jobs Fund scheme, where unemployed

people could be trained and given jobs in welfare rights advice. This suggests that organisations are not aware of some existing schemes along these lines.

In addition, it was proposed that humanity should be brought to the table when deciding how much money to allocate to someone who is struggling with day-to-day survival.

10. Key factors in rural poverty

It was evident throughout our interviews that rural and remote areas of Scotland are experiencing poverty in different ways from more populated regions.

10.1 Lack of opportunity, transport and affordable basics

Many organisations highlighted the lack of permanent jobs which pay a reasonable wage as the main cause of poverty. This is exacerbated by the absence of training programmes and other opportunities which people might use to increase their employability.

A local advice manager said:

“The lack of jobs in this town is a main cause of poverty. There aren’t many employers. [We have] a lot of seasonal work, but tourism jobs are not the answer as they are low paid and don’t provide training or opportunities. There is no permanent work or training opportunities. Travel costs are a barrier in regards to taking a ferry or the long road round to Glasgow. Buses are expensive or infrequent.”

Remote localities are negatively affected by the widespread lack of transport and the large distances which need to be travelled to employment opportunities or for the fortnightly visit to the DWP. Transport costs can swallow a large proportion of benefits which are already stretched or have been reduced.

One CAB in a remote region reported:

“Unemployed must now take the bus to the Dumfries Jobcentre after the [local] branch closed. The £6 bus fare from £72.40 [weekly JSA payment] is a large chunk. We sometimes have to give people bus fare in order to get there. People are hitching instead, which is unsafe and unreliable.”

In more remote regions, advisors noted that the price of commodities is much higher, and without the funds to travel to a larger supermarket, people on low incomes have no other option but to pay more for basic items.

10.2 Benefit restrictions

Practitioners felt that throughout Scotland, but mainly in remote local authorities, benefit cuts are one of the major causes of poverty.

An advice service manager said: “The poverty we are seeing is mainly due to benefit restrictions. People who previously received an extra amount of benefits have seen the cuts. We handed out very few food parcels a year and a half ago, now there is a high demand.”

10.3 Poverty of aspiration

Service providers expressed a concern that people in rural communities are suffering from a lack of self-belief, with more than one respondent describing this as “poverty of aspiration”:

“It’s not just financial poverty, but the poverty of aspiration. Sustainable local employment is a solution and a necessity. We must reduce social exclusion, change attitudes and show there’s another way.”

11. What works well – third sector examples

As with our previous research, SCVO sought to identify how the sector itself is working to mitigate the impact of welfare reform. Despite the challenging circumstances, and the additional threat from reduced and reducing resources, we identified partnerships, networks and innovative initiatives which are both effective in helping families and which also help keep organisations running when funding is cut.

One service manager described the ingenuity and flexibility needed to survive in challenging circumstances:

“In the third sector, you have to be very creative with the small amount of funds you have because people are depending on you – service users most of all. Change drives evolution and innovation. If you have eight staff one day and seven the next, you still have the same workload and it’s up to managers to make it work. We’ve had to work in different ways: we can’t do outreach to far distances so now we use the phone or Skype [to counsel service users].”

11.1 Prevention work

A number of organisations are thinking of long-term solutions and investing in prevention work. Financial education is a key aspect of preparing young adults to handle their own finances and avoid debt once they leave school, as mentioned in Section 9.1.4. However, more work needs to be done to ensure that statutory organisations are backing these schemes, too.

A good example is one local authority where a department manager commented: “We provide financial education in 93% of schools, including interactive workshops on budgeting and responsible borrowing.”

11.2 Bespoke opportunities

Organisations are helping individuals to overcome barriers to work, even if they have come from challenging circumstances, chaotic backgrounds, or have a limited employment history and lack of skills. This kind of work is being delivered through colleges, community gardens, community cafés, and more, demonstrating that investment by the public sector has positive effects for people supported by the third sector.

A service manager noted:

“The NHS and local Alcohol and Drugs Partnership have invested in a recovery college based at Dumfries & Galloway College. It is specifically for people affected by mental health issues and people affected by alcohol and drugs issues. There are courses being run on developing better relationships, parenting skills, and nutrition.”

11.3 Community cohesion

We came across an example of joint working and a coming-together of the community in Argyll and Bute.

Case study from a local youth support agency

Our local employment partnership held a jobs fair in partnership with our local MSP, Mike Russell. We ran the event and from that one event the register for unemployed was reduced by 7%. There were 48 local employers who came along. One of the employers had 20 vacancies and he got 60 applications on the day. We had rooms off the main hall where people were being helped to fill in applications and rooms where they could print off their CVs so they could actually seize the moment and apply. We had rooms where people were being interviewed right there and then. The local radio were there broadcasting on the day. There were even knock-on effects: our young people were serving teas and coffees and raised £100 for MacMillan nurses. Everybody was involved in it. The event was all about many organisations saying “we can contribute a few pounds” rather than one individual organisation saying they couldn’t afford to organise it. That’s where the local community can work together as partners.

11.4 Partnerships

There are some extremely successful partnerships taking place in the third sector. In some cases partners are both funding and contracting ‘competitor’ organisations, but their combined experience collectively provides a better service for clients.

An example of these partnerships is the ‘**Shine**’ project for women who have offended or are at risk of offending. This Public Sector Partnership includes the following organisations: Sacro, Apex Scotland, Barnardo’s, Circle, The Wise Group, Turning Point Scotland, Access to Industry, and Venture Trust. Together they deliver a bespoke service suited to specific individuals using the expertise which each of them brings to the table.

Through the partnership, the organisations can help people to access benefits they are entitled to and support them in their claimant commitments. The partnership also works to help women integrate into society, build skills and confidence and access employment opportunities.

This type of partnership is unique because, as project staff outline:

“These partners are also our funding/contract competitors. However, the model is based on mentoring and public social partnerships, and I believe that is the way forward. I would deem this model very successful in the year it’s been running.”

As a local authority with many remote and rural areas, Argyll & Bute's third sector organisations have unique challenges that they must overcome to deliver their services. The **Argyll & Bute Network** is a partnership of organisations that have set up a searchable directory of third sector services in the area. The partnership has used a joined-up approach to develop an online referral system which greatly benefits the sector and the people it supports.

As one partnership member said:

"The Argyll & Bute Advice Network was successful in a grant bid to create a website with an online referral system, which has been a fantastic tool to ensure that referrals between organisations are carried out safely and securely. It doesn't breach data protection, it's fast and simple, you can track a referral, and you can record a referral. The council monitors the referral rate and promotes the system. The referral system has increased referrals between organisations, the amount of advice people are getting and partnerships between third sector organisations. It ensures contact between community organisations."

Case study from a local addiction support service

A local addiction support service was approached by a NHS Blood Borne Viruses team to support them with some Hepatitis C research. The NHS chose to do the study with the support service because of work with individuals on the back of staff doing blood spot testing for the past nine years, and because the service was a safe and trusted place for individuals to visit. The study has been running for a year with 52 people signed up and 5 people who have successfully eradicated Hepatitis C from their blood. Service users come in on a weekly basis for one injection and pills to take throughout the week. They are also given "build up" drinks to ensure they are eating something, and food vouchers. If after four weeks they are given a result which says their antibody level is so low that they can't give Hepatitis C to somebody else, it's enough incentive for people to keep coming in. Most service users are saving vouchers to do something good with them. The outcome is looking at overall behaviour change and trying to get people to look at what makes their lives chaotic. People come in every week for the programme, so the service benefits by building up trust and is able to support them more effectively with other aspects of their lives.

12. Recommendations

Recommendation one

Throughout this research, frontline third sector organisations have suggested that decent work with a living wage is an important way out of poverty. They have pointed out how this will help many people restore self-belief, ambition, security, dignity and respect. SCVO recommends that Scottish Government, Local Government, the business community and third sector work together to develop legislation, policies and strategies that will ensure everyone has **access to sustainable employment paying the living wage**.

Recommendation two

The report also highlights many other ways in which people can contribute to society, as carers, volunteers, and as individuals in their own right. Indeed, for some people paid work may not be an option. On that basis we would also recommend a welfare support system that gives **equal value to the range of ways** in which people can contribute to society.

Recommendation three

Our research clearly outlines that the current benefit sanctions system simply does not work. It marginalises people or punishes them, often for circumstances beyond their control. We would therefore recommend that Scotland moves to **end the role of sanctions** in our welfare system in its entirety. Politicians, governments, and institutions at various levels should work with third sector organisations to move to a more positive, supportive approach for helping people out of poverty.

Recommendation four

In the short term, our research indicates an urgent need for the DWP at national and local level to **address maladministration and delay** within the current benefits system. We recommend that the DWP work with the third sector to provide **clearer information** to individuals and families to help them avoid sanctions or the loss of benefits that are simply due to problems with the system.

Recommendation five

The research highlights the barriers people in remote and rural areas are facing: the lack of permanent jobs, a poorly structured labour market and the lack of effective access to employability support, exacerbated by the cost of living, as well as inadequate and expensive transport links. SCVO recommends a **specific rural strategy** to support people and the third sector organisations that support them in rural areas.

Recommendation six

The research demonstrates the pivotal role played by many smaller community-based organisations in meeting rising demand as a result of welfare changes. They continue to face challenges in accessing funding, training and information to help them support their client base. Up until now, most support for third sector in tackling welfare demand has favoured a very narrow set of mainly larger organisations. SCVO therefore recommends that the Scottish Government should specifically invest in the **capacity and sustainability** of frontline, community-based organisations, through a series of more open, responsive and less bureaucratic funding streams.

Recommendation seven

A clear finding from this research is the positive impact that comes from strong relationships and trust between statutory agencies and third sector organisations. These include relationships between community-based organisations, third sector networks, local authorities, the NHS and Scottish Government agencies. SCVO recommends a concerted effort to invest in **building relationships and trust** from both statutory and third sector partners, including with smaller, community organisations to recognise their part in both welfare mitigation and tackling poverty.

Recommendation eight

Finally, our report adds further evidence to the third sector's view on the principles that should underpin welfare powers that may be devolved. By and large these principles reflect the Christie Commission's proposals for a shift to prevention, community-based support and giving people greater control over the support offered to them. People's ability to thrive, to progress and be a respected part of their communities and the economy is undermined by a punitive system. SCVO therefore recommends that the **Christie Commission principles** form the basis for any further powers over welfare that are devolved to Scotland and sit at the heart of how they are implemented.

13. Conclusion

Spending time with community organisations across Scotland, all the way from Easter Ross to Castle Douglas, has highlighted the human cost of welfare changes and cuts. The cost-shunting effect of benefit changes mean that planned austerity measure savings are nothing more than a false economy; third sector and statutory services are having to step in to fill the gaps.

In many cases, local organisations are best placed to assist people in their own communities, but most of these organisations are struggling to meet demand with no increase in funding or resources. The capacity challenges we identified in our phase one research are mirrored in this current study. Access to training, capacity to build partnerships and to develop services remain key issues.

Government funding to tackle welfare mitigation should focus on ensuring people are prepared for and understand the current (and future) system. There is a need to ensure a greater emphasis on preventative approaches to welfare support. It must recognise the critical role of smaller, frontline organisations.

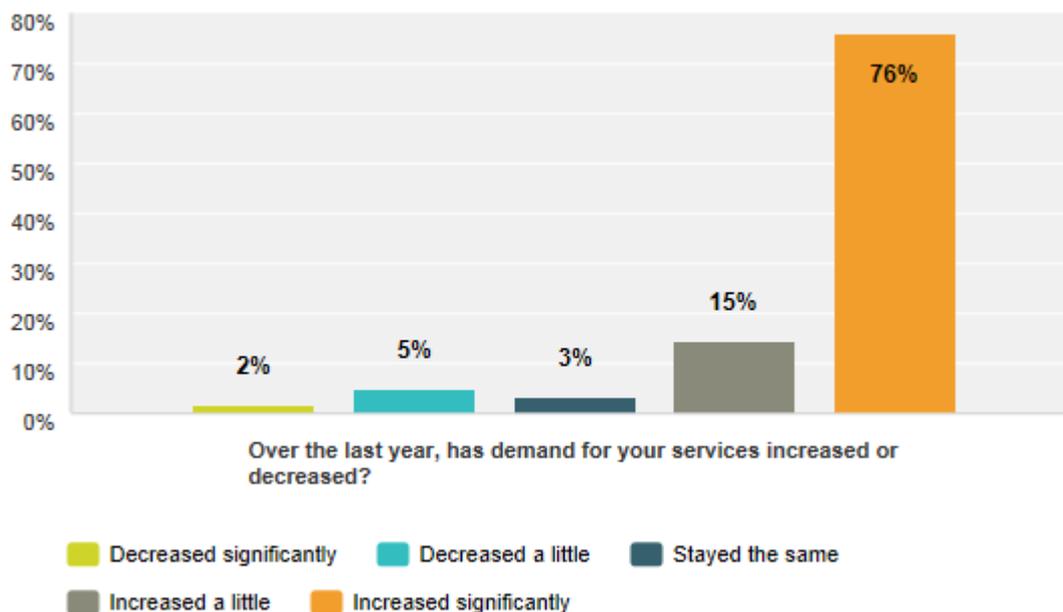
There are also clear messages here for the new Scottish Government's 'fair work' portfolio, and what makes a good, meaningful job. This includes urgent action on delivering a living wage, and more sustainable employment opportunities, including people's ability to connect to work, to their communities, and to the wider economy.

Finally, there must be opportunities with any further devolution of power to ensure that those who are dependent on social security are enabled to live a full and fulfilling life and not be consigned to abject poverty, through no fault of their own. There is an opportunity here to build on the findings and work of the Christie Commission and the Expert Working Group on Welfare. New powers must be used to do something quite different, taking a positive approach that helps people build their dignity, self-respect and confidence.

Appendix 1

Summary of the Scotland-wide survey

Impact of Welfare Reform Scotland-wide third sector survey



1. Respondent profile

65 organisations submitted their views, including key welfare advice and support bodies, as well as social care, health and mental health charities.

Responding organisations vary from small to very large, with a majority employing over 5 staff. A third of the respondents operate across Scotland. Of those working at a local level, Edinburgh and Glasgow-based organisations submitted the highest number of responses.

2. Findings

- 9 out of 10 respondents said that demand for their services has increased over the last year, with 76% saying demand has “increased significantly”.
- Of those able to put a figure on it, the increase seen varies between 15% and 80% - a typical responding organisation has seen demand increase by over a third in the last year.

Impact on organisations

CABs, welfare rights and money advice organisations reported significant direct impacts on their organisation. They are seeing increased referrals, more clients requiring support on welfare-related issues, and have to deal with more complex enquiries.

Demand

Many organisations reported that the lack of capacity to deal with the high levels of increased demand is leading to long waiting times for clients:

“Huge demand for support with prevention of destitution, translating forms, help with form filling, requests for support to combat anxiety.” Saheliya

“We are open between the hours on 10am to 3.30pm for clients to drop in Tuesday and Thursday, most of the drop in days we now need to close the door around 1pm due to the demand/queue.” Maryhill CAB

Organisations providing practical support are also seeing demand rise. Food banks are without doubt the highest profile, but others are seeing increased demands for crisis grants and material goods such as furniture:

“The increasing cases for food parcels are growing due to welfare reform. The poverty in our area is ever more increasing with the rising costs of living and welfare reform is leaving families struggling on basics like food.” Anonymous

Welfare issues vs remit

Many organisations reported that they are having to deal with service users' financial problems instead of providing the services they were set up for:

“It's often the case that staff on the ground must respond to the severe financial difficulties facing the families they work with before focusing on what their service was set up to do – e.g. parenting, employability, etc.” One Parent Families Scotland

“Families are increasingly needing more practical and material support; often the need to address basic survival issues gets in the way of the work we want to do e.g. parenting, routines, relationships, substance use, mental health.” Circle

Increased health support

A number of organisations are having to deal with the additional health and mental well-being challenges:

“[Welfare] is placing greater strain on resources and increasing mental ill-health.” Anonymous mental health support organisation

Support challenges

Other knock-on impacts include organisations using their own funds to support clients with no money, organisations having to provide additional support to service users, and some unable to support new clients as existing service users are unable to move on.

“We have more clients sanctioned and who have to wait for benefits longer, which takes a toll on organisational funds as we pick up the bill for food, electricity etc., for those in refuge.” Stirling Women's Aid

“Our job club drop-in is increasingly in demand with more and more service users having little or no computer literacy but being expected to be proficient enough to create CVs and apply for jobs online. The responsibility to bridge that gap falls to our staff.” Third Sector Interface

Staff training

Organisations report needing to invest a lot of time on training staff, keeping knowledge up to date and adapting to needs as they arise:

“Workers need to understand the changes themselves and be able to explain these to service users. This means there are additional training needs which are difficult to resource.” Disability organisation

Staff well-being

Staff stress levels are high and morale is low due to increased workloads and worries about clients:

“Increased workloads seriously affect the morale of staff and volunteers – feeling of being unable to help, frustration with the system, lack of fairness. Likewise, seeing clients in despair awaiting decisions for DLA, PIP, ESA and suffering hardship makes staff and volunteers feel helpless.” Anonymous

Impact on clients

Sanctions, benefit delays, complexity of the benefit system, harsher DWP rules and ESA assessment delays are causing much confusion. This in turn is exacerbating existing mental health problems and also leading to anxiety, stress, depression and suicidal thoughts.

Confusion

Many organisations reported that the system is overwhelming for service users:

“Clients don't understand what they have to do and can't keep abreast of the complications and inflexible deadlines of the welfare system. They cannot cope with the forms they have to fill in. Very often the letters they receive are in such legalised language that they are

incomprehensible – and standard reproductions, which are often nonsensical to the client's circumstances.” Island Citizens Advice Bureau

Inaccessible benefits system

The lack of information and the inaccessibility of the system to those with disabilities is causing undue stress and confusion to no fault of the claimant.

“A large proportion of the people we support have mental health issues and can't always deal effectively with DWP etc. They struggle to understand the bureaucratic language and can't always deal with things at the right time.” Carr Gomm Community Compass

“The reclassification of benefits and funds available for people with sight loss mean many of our clients are now receiving significantly less benefits and being told they can find work when in fact they cannot travel independently unless they spend weeks or months learning a route, or have money available for taxis or mobility aids.” RNIB Scotland

Sanctions

Sanctions, often applied with no warning for unclear reasons, benefit delays and benefit uprating are leading to financial hardship, fuel poverty and food poverty.

“A greater number of these people who have been sanctioned are those who have learning difficulties and have little understanding of form filling and have difficulty keeping appointments. They also have problems gaining access to and operating a computer. As a result of those who have been sanctioned we have now started to distribute Food Parcels because they have little or no money to spend on food.” Independent Living Support

Impact on the most vulnerable

Organisations reported that the benefits system is compounding existing problems and trapping people.

“Greater pressure to remain in abusive relationships, increased fear to leave, and concerns regarding financial security, rehousing into inappropriate property and financial effect.” Women's Aid organisation

3. Solutions

Respondents submitted potential solutions that would help their organisations and their clients. These suggestions can be split into three key areas:

Organisational capacity

Many organisations would like increased funding for more staff posts, staff training and capacity building to help their service meet demand and keep up with welfare reform changes.

“A dedicated in-house welfare advisor has greatly helped our service as our service user group is often reluctant to or cannot engage with other services available through the local council or advice agencies.” Barnardo’s

Some organisations felt the third sector needed to share resources more effectively to mitigate the impact of welfare reform.

“We need to take partnership more seriously, work together and share resources such as buildings and transport. [We need to] share information and make sure that we are not duplicating services that are operating at less than 100% capacity. Generally, make better use of resources by, in some cases, pooling them.” ECAS

Better information and communication

Some organisations reported that they needed clearer and more frequent information from the DWP so that they could assist clients successfully.

“Increased communication from early stages will help us make it work as opposed to the third sector picking up the pieces.” Women's Aid organisation

Frustration was expressed by some organisations that the statutory organisations and the third sector were not working together more effectively.

“By working closer together and allowing the third sector to lead and respond rather than increasingly being utilised as a ‘backstop’ operation that supports the council.” Anonymous

There were also comments that the third sector and the services provided were so numerous that systems needed to be incorporated to adequately allow referrals and signposting.

“Funding and co-operation to produce an online system that links/maps the services available in the city, along the lines of the searchable one used in Dundee... This would allow individuals and organisations to make appropriate referrals more easily. It would be

helpful if it could also give an indication of length of wait for appointments, etc.” Recovery Essentials

DWP: capacity, transparency and sanctions policy

Many respondents noted that problems stem from the DWP itself being under-staffed and over-stretched and that rectifying this would improve the situation for clients and service providers. Improvements suggested in the survey included:

- Speed up decisions and deal with backlogs
- Clearer language in communications
- More accessibility
- More transparency
- Improve telephone access to DWP
- Increase DWP staff with specialist or local knowledge

One organisation commented: “increase staffing at DWP to enable them to cope as it is clear that DWP have insufficient resources to deal with current level of benefits claims.” Support in Mind Scotland

A quarter of respondents singled out sanctions, highlighting that current sanctions policy is damaging to individuals, particularly the most vulnerable.

“Unless there is a specific, uncontested and pre-written reason to stop payments to an individual, claimants [should] continue to receive the 'basic level' payment.” Recovery Essentials

4. Summary

It is clear from the responses to this survey that organisations across Scotland are affected by welfare reform in the same way as those in our community research. The experiences, challenges and proposed solutions above reflect those in the research and we are reasonably certain that they are representative of the third sector as a whole.

Appendix 2

The questions asked in interviews and focus groups

The Scottish Council for Voluntary Organisations ([SCVO](#)) is researching the effect of welfare reform on the community and service provision. We appreciate your support in undertaking this interview.

We may include quotes from this interview in our report (which we will check with you first), however do let us know if you would like any answer to be confidential.

1. The effect of benefit changes on the community

- In regards to your service users, are levels of poverty increasing?
- What is the effect on physical and mental health?
- What is the effect on education, nutrition, relationships, employment, standard of living, etc?
- How is the structure of the community affected?

2. The effect of benefit changes on your organisation

- What are the challenges you are facing as an organisation?
- Have you experienced an increase in service demand, and/or a reduction in funds?
- Are you receiving enough financial support?
- Have staff numbers been affected and staff morale?

3. The solutions

- Do we need a fresh approach to tackle poverty and do you have any suggestions to what that should be?
- If there is to be no further money from the Scottish Government, what other methods are there to meet these challenges?
- What further help can the Scottish Government provide?

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About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 138,000 paid staff and approximately 138,000 and approximately 1.3 million volunteers. The sector manages an income of £5 billion.

SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1600 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies.

As the only inclusive representative umbrella organisation for the sector SCVO:

- has the largest Scotland-wide membership from the sector – our 1600 members include charities, community groups, social enterprises and voluntary organisations of all shapes and sizes
- our governance and membership structures are democratic and accountable - with an elected board and policy committee from the sector, we are managed by the sector, for the sector
- brings together organisations and networks connecting across the whole of Scotland

SCVO works to support people to take voluntary action to help themselves and others, and to bring about social change.

Further details about SCVO can be found at www.scvo.org.uk.

The Scottish Council for Voluntary Organisations (SCVO) is a Scottish Charitable Incorporated Organisation. Registration number SC003558.