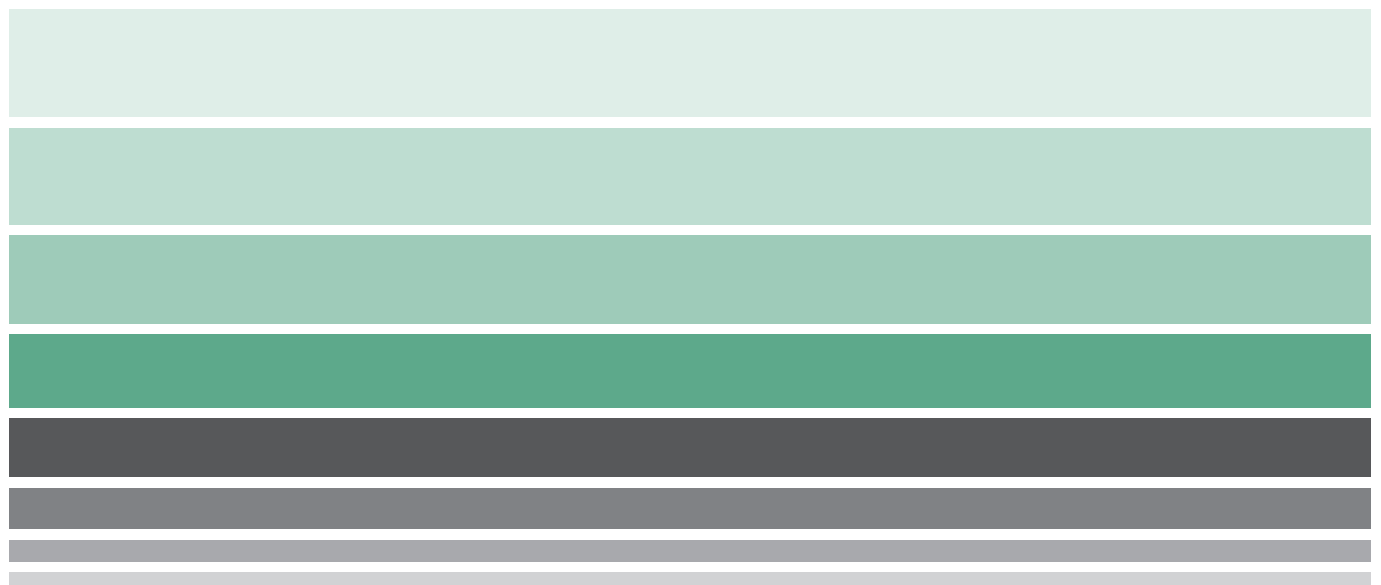


# WHAT'S GOING ON IN GLASGOW: WELFARE REFORM AND THE IMPACT ON FAMILIES



Written by  
Fiona McHardy,  
Research and Policy Officer  
The Poverty Alliance

AUGUST 2015



## About the project

Welfare Trackers is a collaboration between the Poverty Alliance, Glasgow Council for Voluntary Services and Scottish Drugs Forum and funded by the Big Lottery Fund. The research briefings form part of 'evidence' stream of the project which involves understanding the impact of welfare reform on organisations and service users on the frontline within the Glasgow area.

## Introduction

The Welfare Reform Act 2012 introduced a number of changes to the welfare system including to disability benefits, the under occupancy rule (the 'Bedroom Tax') and the introduction of Universal Credit amongst many other key changes. These changes have affected many groups including young people and children; however there is a need to consider the changes holistically when considering the cumulative impacts on families and their children. To mitigate effectively the effects of welfare reform we need to understand their impact and ensure effective advice and support is provided to households. Moreover welfare reform has happened in a broader context of austerity and challenging labour market conditions and this must shape policy and practice responses.

This briefing outlines findings from focus group discussions and interviews held with people working in organisations supporting families. Twelve representatives from organisations outlined the impact welfare reform had on their organisations and the families they were supporting.

## Key findings

- Welfare reform had placed additional pressures on families and the organisations supporting them. Responses to welfare reform must recognise the impacts faced by different family types.
- Increased stress and anxiety were reported as key impacts on families because of welfare reform changes.
- Practitioners reported that the scale and diversity of changes meant it was challenging for both families and the services supporting them. This was a particular issue for those organisations who did not have dedicated welfare support as part of their service.
- Families who were not engaged with services were perceived to be very vulnerable to the impact of welfare reform particularly with issues such as poor mental health and increased risk of debt.
- Practitioners reported increased rates of food poverty amongst families including the use of emergency food aid provision. Several services reported having to set up their own emergency food aid provision.
- Problems with debt: Families used a mixture of coping strategies such as use of payday lenders, borrowing from families and friends and accessing emergency food aid provision.
- Forthcoming changes such as the roll out of Universal Credit was viewed as confusing and could potentially leave families in precarious situations, for example where there was addiction in the household, or because of potential delays in payments or the problems associated with monthly payments.

## Welfare Reform and Different Family Types

The relationship between family structure and poverty reveals a complex picture. Research by Culliney et al (2014) found that larger families and lone parents are still those with the highest risks of poverty<sup>i</sup>. For example lone parent families have been some of the hardest hit under the current changes. Glasgow has the highest proportion of lone parent households of any local authority across Scotland – around 40% of households with dependent children<sup>ii</sup>. Evidence shows that children living in a lone parent household are twice as likely to be living in a household with an income below 60% of the median than children in a two-parent household<sup>iii</sup>. Lone parents stand to lose nearly £1,800 a year as a result of welfare changes. <sup>iv</sup>In addition, there will be gendered dimensions to this as nine out of ten lone parents are women<sup>v</sup>.

Although less at risk of poverty, figures show that couples with children will lose an average of more than £1,400 a year. Overall, the estimated impact on families with children is an estimated loss of £960million a year because of welfare reform changes.

How welfare changes will affect families is complex. The precise impact will depend on the family composition and the benefits that are being claimed. A report by Sheffield Hallam University for Scottish Parliament's Welfare Reform Committee outlined the impact of changes to Housing Benefit, local housing allowance rates, non-dependent deductions, the household benefit cap, and the freeze in Child Benefit and Tax Credits. In Glasgow the anticipated loss from changes ranged from £540 for a couple with no dependent children to £2,360 for a lone parent with two or more dependent children<sup>vii</sup>. The effects these figures are having on families in Glasgow are outlined below.

### Emotional impact

The emotional impact on families as a result of welfare reform was significant. Almost all participants talked about the increased stress and anxiety that the changes had on families. This was especially the case for those with existing mental health problems such as anxiety or depression.

Participants felt that this could push families to a tipping point, with one participant describing a parent having suicidal thoughts as a result of the additional stress.

*"On anti-depressants- has been on the edge of being suicidal but is doing their best under very difficult circumstances"*

(Family support worker)

Some spoke of children becoming more aware of the emotional stress in their households despite parents and caregivers attempts to hide this. Particular welfare changes, such as sanctions and the implications that these could have on a household, have contributed more to this. Stress and anxiety was further heightened where families were forced to use foodbanks or other emergency food aid provision.

This finding is supported by wider research. McHardy et al (2013) found that poverty and welfare reform had a high emotional impact amongst lone parent families. Research conducted by Child Poverty Action Group (2014) found pressures on family relationships because of the increased stress from dealing with welfare reform changes<sup>viii</sup>.

Several participants spoke about the value of support agencies in helping people to deal with the emotional pressures of the changes as well as their concerns for people who were without support. Families without support services were perceived to be at higher risks of emotional distress as they tried to navigate the complexity of the welfare system. Specific barriers such as language difficulties or low confidence were cited as being reasons for making it difficult for families to access help.

Several participants also highlighted that the areas most affected by welfare reform were already communities who suffered from wider social problems such as high levels of problematic substance use and this again would add to families' stress.

## Support with Change

Due to the range of changes since 2012, participants stated that it had been confusing and complex both for households and the agencies supporting them.

*"I'm finding it confusing and I can't imagine how the families are feeling"*

(Family support worker)

Agencies spoke about the increased need for onward support from specialist advice providers as welfare advice was beyond their remit. This left agencies concerned about the support being provided to families, or whether they had actually attended the welfare services to which they were signposted. Not taking up help from other agencies could have been a result of fear or lack of confidence.

Some participants stated that it was difficult for agencies to get clear and accessible information about the welfare reform changes to their staff. Some stated that they only got to hear about the better-known issues such as the bedroom tax and were unclear on recent changes.

Participants stated that there were often limited choices and options available to families. Wider issues came into play such as housing. Families who had precarious or unstable housing tenures felt the impact of welfare reform more acutely. One participant spoke of rent arrears accumulated by a large family due to inadequate housing benefit as a result of the benefit cap. Although they were paying a contribution towards the arrears this had led to further pressures on the household budget. This meant they were still vulnerable to homelessness.

## Coping Mechanisms

Both families and the services supporting them used a variety of coping mechanisms to address the impact of welfare reform. For families this involved cutting back on food and fuel, cutting back on transport leading to reduced engagement with wider family and friends. Participants argued that this isolation would negatively affect emotional wellbeing for parents, carers and children. This could be confusing for younger children who may not fully understand the financial circumstances that the household faced.

Debt and problems accessing additional financial support were highlighted as critical issues. While practitioners acknowledged families on low income had always faced these issues, welfare reform had exacerbated this. This was becoming an even more challenging issue for support agencies.

Borrowing money from families and friends was preferred to other lending options such as payday loans. However, this option often had more hidden pressures than borrowing from other lending sources. For example maintaining family relationships and pride meant that people felt under pressure to repay these particular forms of debt.

*"People tapping money off of somebody even if it is a pal they are under pressure to pay it back"*

(Family support worker)

Similar findings were reported in a study conducted in England by Herden et al (2015) who found that 63 per cent of those surveyed said they were managing financially by reducing expenditure, in some cases on food, getting into debt to pay large bills, or borrowing from family and friends<sup>ix</sup>.

Other strategies included the use of high cost payday lenders, and practitioners cited cases of some families going to illegal loan sharks. This led families into even more precarious situations and in the case of illegal loan sharks, families could be threatened to make payments. Practitioners felt that families could become more susceptible as they try to provide for their children.

*"Where else people are getting money? Money lenders, wonga?"*

(Family support worker)

The use of payday lenders in Glasgow has been identified as a key problem for the city. Research undertaken by Glasgow City Council (2012) estimated that people in Glasgow were borrowing £57,000,000 per year through payday lenders, home credit, and pawnbrokers etc.<sup>x</sup> It also reported that there were 55 pawnbrokers operating in the city.

Although this research does not cover in detail the relationship between welfare reform and payday lending, it does indicate the existence of high cost credit available to people on a low income across Glasgow. Further research on the use of high cost lenders would be beneficial for tackling over-indebtedness.

Accessing emergency food aid was reported as another coping mechanism for families. Whilst emergency food aid, such as foodbanks, was often the last port of call for families, five organisations in this study said they had started to offer emergency food aid provision since the introduction of welfare reform. This could consist of providing food parcels directly or administering vouchers or referrals to other providers.

Discussion also focused on the increase in emergency food provision in Glasgow and some of the challenges it presented. It was not seen as a longer-term solution to food poverty. In addition families were confused about how long they could receive support or the number of applications they could make, sometimes creating pressures on relationship between the support agency and their clients.

*“We have clients who think we are able to give out unlimited food vouchers when we are only able to give three”*

(Family support worker)

It was also felt that the stigma of receiving food aid could be a barrier to families asking for help. This is consistent with wider research. Recent research by McLeod (2015) showed that fear, pride and shame were considered significant barriers. McLeod (2015) also indicated that sudden loss of income through benefit sanctions or delays were key reasons for using food banks.

A more hidden coping strategy highlighted by one practitioner who had noticed that some young people were unable to attend employability projects. The income they had received to assist with attendance was instead being used to support the wider family budget. This clearly had implications for the young person's long-term future and indicated a worrying trend that the impact of welfare reform was having.

*“Young people aren't always attending employability programmes. Money they are receiving for attending is going into supporting their family”*

(Family practitioner)

Another coping mechanism highlighted was applying to the Scottish Welfare Fund. Generally positive experiences were reported in terms of the application process and the support that was provided.

*“Scottish welfare fund is easy to access but limited what people are given, it's a very easy process but people are limited with what they are given”*

(Family support worker)

Overall the adoption of coping strategies was individualised within households. They were influenced by the issue being experienced, the severity of the financial crisis and what alternative support families were able to access. Seasonal variations were also reported by practitioners. The school summer holiday was a period where support was more likely to be required. For example the absence of free school meals, extra entertainment costs during holidays and the need to buy new school uniforms at the end of the holiday.

## Impacts of specific changes

Increased conditionality was widely reported as a key issue facing families. Practitioners cited the confusion over benefit changes in particular the extra commitments to which claimants had to adhere. The Claimant Commitment (a document that outlines claimants responsibilities and actions that must be undertaken when claiming benefits such as JSA) was causing confusion for many on the front line as well as leading to sanctions.

*“There are a lot of issues with the claimant commitment they see it as the old style and don't realise they can be sanctioned”*

(Family practitioner)

*“Pressure that is on people - families are finding it very confusing not always clear what the expectations are on that person”*

(Family practitioner)

Analysis by Scottish Government found that claimants who are sanctioned are often unable to comply with conditions rather than being unwilling to comply with them<sup>xi</sup>. Evidence indicates that people are sanctioned due to a number of factors including a lack of awareness of the process, knowledge and understanding of sanctions, practical and personal barriers.<sup>xii</sup> It is clear that conditionality is playing a key role in increasing the pressure of welfare reform. This was clearly an issue for lone parents, as they are moved quickly into the 'active' job-seeking regime. This not only increased pressure on parents but also increased the likelihood of receiving a sanction.

*"Decreasing ages for work and the expectations around this a key issue"*

(Family practitioner)

Lack of access to employment, affordable childcare and flexible employment were identified as ongoing barriers facing parents. The changes to tax credits were viewed as likely to have negative impacts in terms of the financial viability of work for families.

Appealing benefit decisions was a key issue, as was the time taken to get benefits reinstated. Both were problematic and left families in a state of uncertainty and even crisis. This was especially the case for parents when it came to disability benefits. Often families were unsure of their rights or if they had grounds to appeal.

*"The appeals stuff is getting harder for people"*

(Family practitioner)

*"It's taking longer, getting those payments back"*

(Family practitioner)

The assessment processes for benefit such as ESA and PIP were also raised as an issue. For example just undergoing assessments could be stressful for families. In some cases the families had been provided with misinformation. Practitioners described the panic and anxiety people faced when receiving information about assessments particularly if they were to take place outside Glasgow. Families were often unaware that they could ask for these to be held in Glasgow.

*"They were asked to go to Edinburgh and not actually told that they have a choice"*

(Family practitioner)

Other issues related to the attitude of some staff within the job centre and in other services when dealing with families. Participants felt that increased conditionality had brought about a hardening of attitudes amongst some frontline staff. Points were also raised on the difficulties of investigating grievances raised by families. Other research has supported this. Research by Turn to Us (2012) found that nearly half (46%) of those they surveyed reported high levels of institutional stigma.<sup>xiii</sup>

*"I have got to feel for people who don't have a lot of support who are dealing with unsympathetic professionals"*

(Family practitioner)

*"We have had people treated very badly"*

(Family practitioner)

## Impact on services

Practitioners also reported having to spend longer dealing with issues related to welfare reform and the increased pressure placed on them to help families in crisis. They also reported how welfare reform added to the challenges that low income families already faced such as the pressure of dealing with rising food and fuel prices.

It was also important to view the changes taking place in the welfare system to the wider impact of austerity and pressure on Local Authority budgets. A key issue was funding for projects supporting families. Several participants discussed it was more difficult to gain funding as there were more organisations applying for often reduced funding as a result of wider cuts.

This also applied to funding streams directly available to families. One participant discussed a charitable grant-providing stream, which offered help being stopped early due to the volume of applications for household support received from agencies on behalf of families in difficulty or crisis.

*“Affects on the charity programmes we apply to for support, the... has had to shut applications early as they have been inundated and this has knock on impacts on families”*

(Family practitioner)

Points were also raised on the capacity raising work required with families in circumstances that are more difficult and the importance of being able to offer support over a prolonged period. This included a range of support such as support with play and emotional relationships with children, employability skills and other issues

### Forthcoming changes

Participants did not feel optimistic about the future changes to benefits, in particular the further introduction of Universal Credit. Factors such as the introduction of the monthly payments and the online application system were seen as significant challenges for families and the services and agencies supporting them. There were many concerns raised about the impact on women experiencing domestic abuse, or households experiencing problematic substance use.

Research by Women’s Aid on women with experience of financial abuse, found that 73 per cent thought monthly payments would give an abuser access to a larger amount of money on payday than was currently the case. Sixty per cent of women surveyed expressed concern about the potential for the abuser to misuse the rent element of Universal Credit and the implications this could have for their home<sup>xiv</sup>.

Concerns were also raised by some about the ‘digital first’ agenda in the reform of the benefit system and how that would impact on some families. Families felt to be most at risk were those who had poor literacy or IT skills.

Another concern was for those families such as kinship carers and those who had recently been granted refugee status. Such groups were felt to be more at risk due to lack of knowledge of the benefit system and the fact that it was changing so quickly.

## Conclusions and Recommendations

Overall, this research indicates that some families have been and will continue to be hit by welfare reform. The research also shows that these families face multiple issues including food and fuel poverty, emotional stress, and debt.

Supporting these families will require coordinated and holistic approaches to connect them with advice and support agencies. The combined impact of austerity, welfare reform and increased caseloads mean that services will continue to be under great pressure. It is likely this will increase with the further roll out of Universal Credit.

A number of policy recommendations are made based on this research.

- Income inadequacy because of welfare reform continues to be a key issue. Urgent action is required at a UK level to address these issues. At a Scottish level more action is required to ensure accessible credit and other financial support is provided to families facing hardship and access to adequate advice services for income maximisation.
- Approaches to tackling food poverty must go beyond food banks and work should be conducted to ensure there is a more protective measures placed to tackle the rising use of foodbanks.
- A clear action plan to mitigate the impacts of welfare reforms on families, which adopts an intersectional approach looking at factors such as gender and family types.
- Research and consultation with different family types who have been impacted by welfare reforms is required in the design of any new legislation and delivery systems for devolved benefits.
- There is a need for more information on the implications of universal credit for families, in particular exploring the implications for families with particular vulnerabilities such as addiction or domestic abuse.

## Footnotes

---

- i Culliney, M., Haux, T. and McKay, S. (2014). Family Structure and Poverty. York: Joseph Rowntree Foundation, pp.124-125.
- ii One Parent Families Scotland (2014) 'Exploring the Impacts of the UK Governments welfare reform and on lone parents moving into work'.
- iii Graham H & McQuaid R (2014) 'Exploring the impacts of the UK government's welfare reforms on lone parents moving into work'
- iv Scottish Parliament (2015) Welfare Reform Committee 1st Report 2015. (Session Four) page 3
- v One Parent Families Scotland (2014) 'One Parent Families –A Profile Aug 2009'
- vi Scottish Parliament (2015) Welfare Reform Committee 1st Report 2015. (Session Four) page 3
- vii Scottish Parliament (2015) Welfare Reform Committee 1st Report 2015. (Session Four) page 17
- viii CPAG (2014) Families on the brink : Welfare reform in London. Page 37
- ix Herden, E., Power, A., Porvan, B. Is Welfare Reform Working? Impacts on working age tenants March 2015 Paper No' CASE report 90
- x Glasgow City Council (2013) Glasgow City Council:Payday Lending Sounding Board
- xi Scottish Government (20 ) 'The potential impacts of benefit sanctions on individuals and households welfare analysis'
- xii Ibid
- xiii Turn 2 Us (2012) Benefits Stigma in Britain University of Kent : Kent xiv Womens Aid (2013) Unequal, trapped & controlled Women's experience of financial abuse and potential implications for Universal Credit Women's Aid: England

### The Poverty Alliance

162 Buchanan Street

Glasgow G1 2LL

Tel: 0141 353 0440

Fax: 0141 353 0686

Email: [admin@povertyalliance.org](mailto:admin@povertyalliance.org)

[www.povertyalliance.org](http://www.povertyalliance.org)

