



r e p o r t

Scottish Public Health Network (ScotPHN)

UK Welfare Reform:

Final Guidance for NHS Boards in Scotland on mitigating actions

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PREFACE

In June 2012, as Director of Public Health for NHS Highland, I was asked to share with the members of the Scottish Government Finance Committee my views on the impact of the UK Government's reform of the welfare system on the health of the people in the Scottish Highlands and Argyll and Bute. The committee was also concerned with understanding what the impact of the changes may be on the ability of the NHS to deliver care for people.

In my written submission to the Committee I commented that:

“While we know there are clearly defined health detriments involved in the areas [changes in welfare support] outlined above, there is little or no quantification of this within the literature. We do not know whether reducing income by £20 per week for 5000 people will cause one more case of cardiovascular disease or ten. There is a current lack of knowledge as to how these detriments can be mitigated.”

Since then a number of individuals, working as part of the Scottish Public Health Network have considered carefully what evidence there is for mitigation in practice and have created this set of guidance for NHS Boards. This seeks to help NHS Boards, working with their Local Authority and Third Sector partners, establish a clear way of supporting those affected by changes in their welfare arrangements. I am indebted to those named as authors of this guidance, as well as the many others across Scotland who have helped to craft it in some way.

Clearly this guidance is not definitive. What is needed will change over time and we can expect the guidance to be strengthened over time. But at least now we have a blueprint for taking action, knowing that what is set out in this guidance will help to minimise the negative impacts of these far reaching reforms.

Margaret Somerville
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April 2013

SECTION ONE

Background

This guidance, produced by the Scottish Public Health Network (ScotPHN) outlines the UK Government's welfare reform programme and potential impact on health and health services in Scotland. It suggests where health boards may want to focus any mitigating actions to reduce negative impacts. The guidance also outlines the work being taken forward by the Scottish Government's Welfare Reform and Health Impact Delivery Group.

The UK Government has put in place a far reaching programme of reform to the welfare system in the UK. The reform programme stems from three main sources: the previous UK Labour Government's reforms which were not fully implemented by the time of the General Election in 2010; measures announced by the current UK Coalition Government in the June 2010 Budget and the October 2010 Comprehensive Spending Review; and measures in the Welfare Reform Act 2012, which received Royal Assent in March 2013.

The overarching principles of the welfare reform programme are to 'make work pay', simplify the benefits system and to make savings of around £18 billion to the welfare budget by 2014/15. And in the autumn statement 2012, the Chancellor announced that from April 2013, for a three year period, benefits would be uprated by only 1% each year, saving a further £3.8 billion.

Whilst simplifying the welfare system is not an unhelpful aspiration, the expenditure savings have resulted in a set of radical reforms which will change the whole landscape of welfare provision across the UK (see Appendix 1 Benefit Changes Timetable, *please note the timescale is subject to change by DWP*).

Scottish expenditure on the key benefits accounts for 9% of the total UK expenditure, slightly higher than Scotland's share of the UK population (8.6 per cent)¹. In particular Scotland receives a much higher share of total UK expenditure on benefits related to disability and health, reflecting in part Scotland's comparative poor health record. Changes in eligibility criteria or real terms value of these benefits, in particular those which link to devolved responsibilities such as health may have implications for the Scottish Budget.

The implementation of the UK Government's welfare reform programme comes at the same time as the UK economy is experiencing low economic growth, rising unemployment and increasing levels of personal debt (see Box 1).

¹ National Records of Scotland and Office for National Statistics Mid 2010 Population Projections

Box 1: UK Personal Debt Facts and Figures

- UK personal debt is £1.458 trillion
- Increases by £1 million every 4 minutes
- Average owed by every adult £29,687 which is around 121% of average earnings
- Every 14 minutes a property is repossessed
- Every 4 ½ minutes someone is declared bankrupt
- £1.369 Billion of purchases made using credit cards in May
- £174 million was the daily amount of interest paid on personal debt in June

Evidence from previous economic downturns suggests that there will be both short-term and long-term health effects, including more suicides and attempted suicides; possibly more homicides and domestic violence; fewer road traffic fatalities; increase in mental health problems, including depression and lower levels of well-being; and, worse infectious disease outcomes such as tuberculosis and HIV².

² University College London Institute of Health Equity (2012) The impact of the economic downturn and policy changes on health inequalities in London.

SECTION TWO

Impact of the Welfare Reform Programme

The changes to the welfare benefits system are the biggest for 60 years and will have a profound effect on people in Scotland. The changes are likely to widen the health inequality gap, increase poverty and have a negative impact on local economies³.

The impact will directly affect both people who are unemployed and people in work because over 50% of people who are considered to be living in poverty are in work and often claim benefits such as working tax credit⁴. Alongside the changes in benefits there are other areas in the reform programme which cause concern. These include:

- conditionality and the increase in sanctions;
- digital by default;
- lack of public awareness about the changes and the requirement to engage in a reassessment process which has seen many people falling through the net, particularly people with mental health problems;
- increased risk of homelessness and arrears for social landlords due to housing benefit changes and monthly payments;
- monthly benefit payment to the household rather than the main carer putting women and children at risk;
- with few exceptions, no-one under 35 years will have access to single person accommodation, only bedsit or shared accommodation which may have risks for vulnerable people; and
- stigmatisation of people on benefits (see Box 2), particularly people with disabilities leading to a rise in hate crime.

Box 2: Benefits Stigma⁵

Elizabeth FinnCare, a charity that supports people in need, has recently published a report that provides a guide to some of the most common myths and misconceptions about welfare benefits. Many of these common statements that often appear in the tabloid press about benefit claimants are inaccurate.

Myth: There is an increasing number of people claiming out-of-work benefits

Reality: Out-of-work benefit receipt has been in long-term decline and is half a million lower now than in the aftermath of the last recession.

Myth: Benefit spending is high because of large families on out-of-work benefits

Reality: Families with more than five children account for 1% of out-of-work benefit claims

³ The Fraser of Allander Institute *Economic commentary Vol 34 No 2 November 2010*. Available online: <http://tinyurl.com/6htwtmg> [Accessed 7 October 2011].

⁴ Joseph Rowntree Foundation (2012) *Monitoring Poverty and Social Inclusion 2012*.

⁵ Elizabeth FinnCare and University of Kent (2012) *Benefits stigma in Britain*

When considered on a benefit by benefit basis the impact of welfare changes can seem modest or of limited impact. For example, the Institute for Fiscal Studies⁶ suggest that on a UK wide basis, “A total of 2.5 million working-age families will gain and, in the long run, 1.4 million working-age families will lose, and 2.5 million working-age families will see no change in their disposable income because their entitlements to Universal Credit will match their current entitlements to means-tested benefits and tax credits”. However it is widely acknowledged that the uprating of benefits by 1% will increase poverty⁷ (see Box 3).

Box 3: Uprating of benefits

In the Autumn statement 2012, the Chancellor announced that from April 2013, benefits would be uprated by 1% a year for the next three years. It is estimated that over a three year period single unemployed people will lose £2.85 a week compared with the uprating policy currently in use (Consumer Price Index) and £3.85 compared with the previous uprating policy used before 2010 (Retail Price Index).

Impact on population groups

It should be noted that the cumulative impact of changes to the welfare benefit system will disproportionately affect those with disabilities or long term health conditions as they are likely to be directly affected by changes to Employment Support Allowance, Housing Benefit, Passported Benefits and the introduction of Personal Independence Paymen.t⁸ In addition research undertaken by University College London⁹ has concluded that those who will be ‘hardest hit’ by the reform programme are: workless households and those in low paid employment of more than 16 hours per week; households with children; lone parents (90% of whom are women); possibly women in couples; larger families; some minority ethnic households; and, disabled people.

Impact on health and health services

Over the last twelve months evidence has been produced identifying the impact of welfare reform on health and health services, in particular a rapid health impact assessment undertaken by the Scottish Health Impact Assessment Network (SHIAN) and an extensive literature review by NHS Highland. In addition at the beginning of 2013, the Scottish Government’s Welfare Reform and Health Impact Group undertook a further impact assessment using published and unpublished research and anecdotal evidence (see Appendix 2, all published reports and working documents are available on the Welfare Reform page of the ScotPHN website). The findings of these impact assessments are summarised in the sections below.

⁶ Institute of Fiscal Studies (2011) Universal Credit; A Preliminary Analysis

⁷ Joseph Rowntree Foundation (2012) The Autumn Statement: UK Austerity set to outstay its welcome

⁸ Inclusion (2012) Cumulative Impacts of Welfare Reform

⁹ University College London Institute of Health Equity (2012) The impact of the economic downturn and policy changes on health inequalities in London

Impact on health

In general it was concluded that supporting working age people to move into and progress in good quality employment will have a **positive impact** on health, narrowing of health inequalities and support the recovery from illness or disease therefore reducing demand on primary and secondary care services. However concerns were raised about the barriers disabled people continue to face in securing employment opportunities and the problems many people experience in trying to secure additional employment hours in the current economic climate when many new job opportunities are low paid and part-time.

The potential **negative impact on health** was closely linked to concerns about increases in levels of poverty and loss of income for the population groups identified, importantly this included both people who were out of work and in-work. For example the Scottish Government has reported that the 1% uprating of benefits will affect two and a half times more people in work than those out of work, in addition the DWP's own impact assessments have found that approximately 35% of those currently eligible for Disability Living Allowance will lose out under the new system of Personal Independence Payments; they also estimate that in relation to Universal Credit around 200,000 households in Scotland will have higher entitlements (£25 more per week on average) and around 170,000 households will receive less (£19 less per week on average).

It was generally agreed that this reduction in income and potential increase in homelessness caused by changes to housing benefit were likely to result in a widening of health inequalities in Scotland and an increase in levels of poor health associated with poverty, disadvantage and social isolation.

In particular poorer mental health and increased risk of self-harm and suicides, increased risk of cardiovascular disease and respiratory illness, poorer nutrition and diet related health problems, increase in drug and alcohol dependency, worsening of mental health and well-being in children, increase in incidence of child protection cases and violent crime (including gender based violence) and increase in sexual health problems including increase in teenage pregnancy and sexually transmitted diseases are expected.

Concerns about the impact of stigma on health were also raised as there is increasing evidence that common myths and misconceptions about welfare benefit claimants are promoting resentment within the general population and rivalries amongst low income communities and disabled people.

Impact on primary care

The potential impact on primary care services was mainly identified in terms of increased demand for services due to poorer levels of health associated with poverty and disadvantage (see above) and increased levels of anxiety caused by the changes to the new welfare benefits system.

It was agreed that increased demand would not only be experienced by GPs and practice based staff but also community nursing staff including CPNs,

health visitors, district nurses and learning disability teams. It is expected that there will be an increase in GP consultations focussing on the patient's social and economic concerns rather than medical ones.

It was recognised that primary care will face further increased pressures due to demands for evidence to support claims for welfare benefits including Employment Support Allowance (ESA), Personal Independence Payment, Discretionary Housing Allowance, Scottish Welfare Fund and access to passported benefits. Given the experience of the ESA Work Capability Assessment and number of appeals arising through this process, it is expected primary care, and GPs in particular, will see an increase in number of patients appealing welfare benefit decisions made by the DWP and local authorities. It is likely these patients will need additional support from GPs and primary care teams in response to increasing levels of stress and anxiety caused by the appeal process, as well as additional medical evidence to support their appeals.

Due to an increase in demand for services and incidence of poorer levels of health it is expected that GP practices and primary care services, particularly in areas of deprivation, will see a rise in costs associated with diagnostic testing, prescribing and treatment programmes.

Through the impact assessment it was clear that GP practices and primary care teams had a key role to play in providing patients and carers with information about the welfare benefit changes and the application process. Also primary care should increase its knowledge of and relationship with the third sector to make appropriate referrals to welfare rights advice, support groups, cooking groups, food banks, credit unions etc.

Impact on secondary care

The potential impact on secondary care services was more challenging to identify in this impact assessment although increases in diseases associated with poverty are likely, in the longer term, to impact on secondary care services. Poverty also impacts on recovery from health conditions.

However it was agreed that there was likely to be an increase in accident and emergency admissions, in-patient psychiatric care and requests for medical evidence to support applications or appeals for welfare benefits.

It was felt that secondary care had a role to play in providing patients and carers with information about the welfare benefit changes and the application process, as well as information about the third sector particularly in relation to gender based violence, welfare rights advice, food banks, support groups etc.

SECTION THREE

Possible mitigating action by NHS Boards

The current policy context for tackling poverty and health inequality covers Equally Well, the Early Years Framework, Achieving Our Potential, the Child Poverty Strategy and Healthy Working Lives.

The NHS Highland literature review highlighted that there is a relative lack of material in the evidence-base on how these detriments can be mitigated. Clearly some form of mitigation will be needed; however, what this may mean for the NHS will have to be based on a “consensus” or “best practice” basis for the immediate future.

Ultimately, mitigating action needs to achieve the following outcomes:-

- securing personal/household income (referrals to money advice and employability services)
- maintaining socioeconomic status, (rehabilitation back to work or to stay in work when off sick)
- keeping people close to the labour market (referrals to employability support, NHS work placements and volunteering, Modern Apprenticeships)
- reducing household costs (food co-ops, growing schemes)
- reducing barriers to services (service design and location, reducing barriers relating to protected characteristics)

The NHS in Scotland has a key role to play as a partner and a service provider in achieving these outcomes and has done so for many years. Therefore, along with activity to support the NHS workforce affected by welfare reform, NHS boards should consider actions and interventions that will achieve these outcomes, for example see diagram below.



Interventions could include:-

- **Staff training & awareness programme:** roll out welfare benefits training to front line staff so that they are aware of the changes to welfare benefits, the impact on their patients and their role in providing advice and evidence to support patients with benefits claims.
- **Financial assessments & signposting:** review and standardise routine health assessments to routinely include financial questions, such as ‘do you have any money worries at the moment?’ Ensure staff are aware of agencies they can signpost patients to for welfare benefits support and advice.
- **Partnership working:** work in partnership with community planning partners and within the developing health and social care arrangements to: identify those affected by these changes; take actions to reduce the impact of inequality and poverty and the consequences of housing insecurity and homelessness; and to enhance social capital and resilience.
- **Workforce planning and support:** ensure those within the NHS workforce affected by welfare reform have access to money advice, NHS credit union and opportunities to improve digital literacy skills and financial literacy skills.
- **Service development and delivery:** co-location of welfare rights advisors in NHS facilities and GP practices.
- **Employability actions:** develop vocational rehabilitation services/approaches, extend Healthy Working Lives activities throughout the NHS and with additional employers. Develop closer working relationships with employability partners.

A section of the ScotPHN website has been established which provides details of projects / interventions which are currently underway with Scottish local authorities and NHS Boards together with other, potentially useful resources from independent sector and governmental agencies.

http://www.scotphn.net/projects/current_projects/impact_of_welfare_reform

Monitoring

There is a clear need that monitoring of key indicators to ascertain changes that might be associated with welfare reform is undertaken. There are, of course, difficulties in selecting appropriate proxy indicators which are sufficiently specific to the changes to allow effective monitoring of outcomes.

However some work in this area is already being progressed, for example, NHS Greater Glasgow and Clyde has developed a range of indicators to measure the impact of the recession which would be useful to consider. The Scottish Government is working with the Scottish Public Health Observatory to identify indicators, and the Institute of Health Equity at University College London is developing a framework of indicators to help track changes in key determinants of health. In addition work from SHIAN has suggested a number of indicators that might be useful initial candidates for possible use in assessing change. These are:

- incidence of domestic violence;
- social housing transfer requests and homelessness applications;
- risk-taking behaviour (e.g. drug-related admissions and mortality, alcohol-related hospital admissions and mortality);
- labour market data (e.g. employment rate of people moving from Employment Support Allowance to JobSeeker's Allowance etc.); and
- sickness absences.

Further information on monitoring will be provided as it becomes available.

SECTION FOUR

What action is already underway?

At a UK level, there is a wide range of activity already underway on taking forward implementation and delivery of the welfare reforms with much of that work being progressed by the UK Government's Department for Work and Pensions (DWP).

The Scottish Government is working with key sectors such as local authorities, health, housing and third sector to analyse the impact of the reforms and to implement measures to support people and organisations make the transition to the new system. Where Scottish Government has direct responsibility e.g. in relation to Council Tax Benefit and Social Fund successor arrangements, investment is being made to help protect vulnerable people.

The link below to the Welfare Reform section of the Scottish Government's website provides the latest information on the action and analysis being undertaken <http://www.scotland.gov.uk/Topics/People/welfarereform>

Welfare Reform and Health Impact Delivery Group

Building on the work undertaken by ScotPHN, the Scottish Government has set up a Welfare Reform and Health Impact Delivery Group (HIDG). The role of this group is to:

- consider the impact of the introduction of reforms to the welfare benefit system in Scotland on population health and demand for healthcare services;
- identify opportunities for mitigation or militation of negative impacts;
- identify good practice and assist in the sharing of such practices across Scotland; and
- identify areas where further discussion is required, action might be taken or better alignment needed between NHS and other services, including local government and the third sector, and wider actions taken in response to welfare benefit reforms.

Membership of this group includes the Scottish Government, COSLA, NHSScotland, ScotPHN, ScotPHO, Deep End GPs and third sector organisations. Notes of these meetings will be available on the ScotPHN website.

The HIDG has requested that ScotPHO explore a formal framework for monitoring the impact of welfare reform and its consequences on the health of individuals and communities.

NHS Boards in Scotland

NHS Health Scotland is currently developing its work to mitigate health inequalities which are likely to accrue as a consequence of these changes. A number of NHS Boards in Scotland are already developing and implementing actions to mitigate the impact of welfare reform. Details of actions and resources developed are available on the ScotPHN website http://www.scotphn.net/projects/current_projects/impact_of_welfare_reform

Appendix 1: Benefits Changes Timetable (correct December 2012)

| Date | Change | Impact |
|---------------------|--|--|
| October 2008 | Employment and Support Allowance (ESA) Introduced ESA replaced Incapacity Benefit (IB) for all new claimants. | |
| October 2010 | Support for Mortgage Interest Standard interest rate at which Support for Mortgage Interest is paid to be set at a level based on the Bank of England published average mortgage rate. Previous policy was to freeze the standard interest rate at 6.08% from late 2008 until December 2010. | DWP Equality Impact Assessment Reduction in support available for mortgage interest for benefit recipients. 50% of losers were pensioners. |
| January 2011 | Health in Pregnancy Grant Abolished A one-off payment of £190 paid to pregnant women to help prepare for the birth. Not means tested so is available regardless of income and capital. | Loss of one-off payment of £190 to pregnant mothers |
| January 2011 | Child Trust Fund abolished The Child Trust Fund was a savings and investment scheme started in 2002 to encourage parents to save for their child's future. The Government plan to introduce a Junior ISA scheme in Autumn 2011 but no money will be provided. | IPPR Research Saving of just over £500 million a year. Children born in the UK since 2011 no longer receive £250 at birth and a further £250 when they reach the age of seven (£500 for poorer families and disabled children). |

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| January 2011 | Educational Maintenance Allowance No new applicants in England. The Scottish Government decided to continue the EMA in Scotland. | In Scotland a flat rate of £30/week per student is payable where assessed income is £20,351 or less (or £22,403 where there is more than one child in the household). |
| January 2011 | Support for Mortgage Interest Temporary changes to the Support for Mortgage Interest Scheme which was due to come to an end in January 2011 was extended until January 2012. These included a reduced waiting period of 13 weeks and an increase in the eligible mortgage capital limit to £200,000. | Extension of 13 week waiting period (which was due to revert to 389 weeks) expected to protect payments to 100,000 jobless homeowners. |
| March 2011 | Employment and Support Allowance From 28 March new rules applied to all assessments and the ESA50 form was changed to reflect this. Those who had been sent an ESA50 based on the previous rules assessed using the previous rules as long as the form was received by 28 September 2011. | Support Group criteria expanded to include individuals waiting or between courses of certain types of chemotherapy, as well as individuals with significant disability due to impaired mental function. |
| April 2011 | Child Benefit Child Benefit rates frozen for three years | Projected to save almost £3bn by 2015. |
| April 2011 | Disability Living Allowance New qualification criteria for the higher rate mobility component of Disability Living Allowance to cover those with a severe visual impairment | Anticipated that up to 23,000 customers would benefit and become entitled to the higher rate mobility component at the point of change – current rate 2012-2013 - £54.05 per week |

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| April 2011 | Housing Benefit Baby element of family premium abolished. | Housing benefit entitlement for those affected reduced by up to £6.80 per week. |
| April 2011 | Housing Benefit Non-dependant deductions (NDD) increased (uprated) on the basis of prices using the Consumer Prices Index. The rate of deduction made from a claimant's Housing Benefit award if they have a non-dependant living with them had been frozen since 2001. By April 2014, by gradual increases, NDD rates will reach the level they would have been at if they had not been frozen. | People with adult non dependants in their households receive a reduced level of housing benefit. 64% of those affected have a disability, |
| April 2011 | Housing Benefit Local Housing Allowance (LHA) for new claimants is restricted to four-bedroom rate regardless of household size. Existing claimants will have their LHA rate reduced on the anniversary of their claim. | About 8,000 households would be affected by this limit, according to the Department for Work and Pensions (DWP). |
| April 2011 | Housing Benefit Local Housing Allowance £15 excess rule removed. This was the rule that if a person's LHA rate is higher than the rent they are paying, they can keep the difference up to a maximum of £15 a week | <u>DWP estimated</u> 300,000 customers may see a reduction in their benefit. |
| April 2011 | Housing Benefit An extra room allowed in the 'size criteria' used to determine LHA if a person has a disability and requires over night care from a non-resident carer. | |
| April 2011 | Housing Benefit New maximum LHA rate based upon property size – £250 for one bedroom, £290 for two bedrooms, £340 for three bedrooms, £400 for four bedrooms. To apply to all new claimants. Transitional protection for most existing claimants introduced for up to 9 months to give them more time to find a new home if they could not afford their existing one because of the benefits changes. | <u>DWP estimated</u> 110 losers in Scotland – average loss £51 per week. |

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| April 2011 | <p>Housing Benefit LHA rates previously set at a value where 50% of the rents in an area fall below it, and 50% are more expensive. This was reduced so that LHA rates valued where only 30% of the rents in an area are below it and 70% are above it. Applied to all new claimants. Up to nine month's transitional protection for most existing claimants to give them more time to find a new home if they cannot afford their existing one because of the benefits changes.</p> | |
| April 2011 | <p>Housing Benefit Discretionary Housing Payments (DHP) budget increased by £10 million to £30 million for 2011/12 to offer some assistance to those most affected by the cuts to Housing Benefit.</p> | |
| April 2011 | <p>Jobseeker's Allowance Some Jobseeker's Allowance claimants to be required to do unpaid work, or work-related activity, for up to four weeks in order to continue receiving their benefit. The Personal Advisers at Jobcentre Plus to decide which claimants would benefit from being referred onto this scheme (delivered by a range of organisations from the private, voluntary and third sector.)</p> | |
| April 2011 | <p>Pension Credit Maximum Savings Credit award to be frozen for four years</p> | 1.8 million pensioners over age 65 will lose a total of £330 million by 2014-2015 according to Treasury estimates |
| April 2011 | <p>State Retirement Pension rate increased through a 'triple guarantee' – which means that the pension is increased each year by the highest out of the earnings inflation rate, the prices inflation rate (using the Consumer Price Index) or 2.5%.</p> | DWP estimate that the triple guarantee means that the average person reaching state pension age in 2012/13 can expect to receive an additional £15,000 in basic state pension over their retirement. |

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| April 2011 | Sure Start Maternity Grant Only to be available for the first child, unless it is a multiple birth or the new child is the only one in the family under 16. | |
| April 2011 | Tax Credits Increase in the rate at which Tax Credits are withdrawn as a person's income increases. Loss of 41p from maximum entitlement for every £1 of income over the relevant threshold | |
| April 2011 | Tax Credits Change to in year income increase - increases of up to £10,000 ignored instead of previous £25,000. | Increase in Tax Credit overpayments |
| April 2011 | Tax Credits The baby element removed from Child Tax Credit | |
| April 2011 | Tax Credits changes to the way the family element of Child Tax Credit is awarded, claimants with incomes over £40,000 will be affected | |
| April 2011 | Tax Credits The child element rate increased by £255 | |
| April 2011 | Tax Credits The percentage of childcare costs that parents can claim through the childcare element of Working Tax Credit (WTC) reduced from 80% to 70% | |
| April 2011 | Tax Credits The basic and 30 hour elements of WTC frozen for three years | |

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| April 2011 | <p>Tax Credits People aged 60 or over eligible for Working Tax Credit by working 16 hours - previously 30 hours</p> | |
| April 2011 | <p>Uprating of benefits Consumer Price Index (CPI) replaced Rossi and Retail Price Index (RPI) as the tool used to decide benefits increases in April each year (also known as uprating).</p> | <p>This change is expected to result in £6billion savings per year by 2015. Institute for Fiscal Studies (IFS) analysis found that only 23% of claimants protected by this change, the rest will be paying for things not covered by CPI so there will be a real loss of income over time. This change saves the Government the most money out of all things announced. CPI was just 3.1% in September 2010 and this is the figure that will be used for uprating benefits in April 2011, at that time RPI was 4.6%</p> |
| May 2011 | <p>Incapacity Benefit and Employment and Support Allowance Migration of existing Incapacity Benefit, Severe Disablement Allowance and Income Support through sickness claimants to ESA. Application of the new Work Capability Assessment.</p> | <p>1.9 million claimants affected – As at February 2012 only 26% of existing claimants transferring to ESA at date of reassessment. Most of those awarded ESA are put in the Work Related Activity Group – and generally on a lower rate of benefit than previously.</p> |

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| Winter 2011 | <p>Winter Fuel Payment reduced for the winter of 2011/2012. The payments for people who have reached female state pension age were temporarily increased in 2008 from a maximum of £200 to £250 and, for people aged 80 and over, from a maximum of £300 to £400. This increase was renewed in subsequent Budgets until 2011 when payments returned to the £200 and £300 level</p> | |
| January 2012 | <p>Support for Mortgage Interest Temporary changes to the Support for Mortgage Interest Scheme which was due to come to an end in January 2012 was extended until January 2013.</p> | Government predicted this would reduce mortgage arrears for 100,000 jobless homeowners. |
| January 2012 | <p>Housing Benefit the age threshold for the shared accommodation rate of Local Housing Allowance (LHA) increased from 25 to 35. Single claimants up to the age of 35 to have their LHA based on a room in a shared property rather than a self contained one bedroom property. Exceptions for some disabled claimants, certain people who have previously been homeless and ex-offenders who could pose a risk to the public. Existing claimants whose claims were made between 1 April 2011 and 1 January 2012 be moved to the shared accommodation rate on the anniversary date of their claim.</p> | |
| April 2012 | <p>Crisis Loans Maximum rate of a Crisis Loan, for single non-householders, to be 30% of the appropriate benefit personal allowance rate. The maximum rate for householders or people who are homeless still set at 60% of the appropriate benefit personal allowance.</p> | |
| April 2012 | <p>Discretionary Housing Payments A further £40million per year added to the Discretionary Housing Payment budget. £10 million was added in April 2011.</p> | |

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| April 2012 | Housing Benefit Local Housing Allowance rates frozen ahead of the April 2013 change when rates will no longer be linked to market rents. | |
| April 2012 | Tax Credits Further changes to the way Tax Credits are calculated so that the credit is withdrawn faster as income rises. | |
| April 2012 | Tax Credits 50+ element removed from Working Tax Credits (WTC) | |
| April 2012 | Tax Credits If income falls by up to £2,500 during the Tax Credit award year, benefit is not revised to see if you are entitled to a higher Tax Credit payment. | |
| April 2012 | Tax Credits Backdating of new applications and changes of circumstances reduced from three months to one month. | |
| April 2012 | Tax Credits Increase of child element by £110. This was not implemented (Chancellor's Autumn 2011 statement) | |

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| <p>April 2012</p> | <p>Tax Credits Couples with children required to work at least 24 hours a week between them, with one working at least 16 hours to qualify for WTC. However, couples with children where one person works at least 16 hours and is entitled to the WTC disability element or is aged 60 or over still to qualify for WTC. Also, couples with children will continue to qualify for WTC if only one member of the couple works at least 16 hours per week and the other is incapacitated an in-patient in hospital or in prison. Changes announced in the Budget 2012 mean that a couple will also continue to receive Working Tax Credits as long as one partner works 16 hours a week and the other is entitled to Carer’s Allowance. In this circumstance they will also qualify for help with childcare costs.</p> | |
| <p>May 2012</p> | <p>Contributory ESA From 1 May people in the Work Related Activity Group of Employment and Support Allowance (ESA) to have their claims limited to one year. Existing claimants to have their entitlement limited to one year from the time their entitlement began, disregarding time in the support group. Some claims ended immediately once this change came in.</p> | <p><u>DWP Impact Assessment October 2011</u> Around 700,000 people to lose their entitlement to contributory ESA by 2015/16. Some may qualify for the means-tested version of the benefit, but an estimated 40% will be removed from benefit. Any time already spent in receipt of contributory ESA whilst in the work related activity group will count towards the one year time limit so some claims ended 30 April.</p> |

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| <p>May 2012</p> | <p>Contributory ESA in Youth Contributory ESA in youth abolished. Existing claimants to have their entitlement limited to one year from the time their entitlement began, disregarding time in the support group. Some claims ended immediately once this change came in.</p> | <p><u>DWP Equality impact assessment</u> By 2015/16, the abolishment of ESA 'youth' provisions will affect approximately 15,000 people who would have been claiming contributory ESA. Some may qualify for the means-tested version of the benefit. 20% will have no change in income, 70% will lose £25 per week and 10% will get no ESA at all.</p> |
| <p>May 2012</p> | <p>Income Support New claimants only able to claim Income Support as a lone parent if the youngest child is under 5. Originally intended to be changed from October 2011. Changed to 21 May 2012</p> | <p><u>DWP Impact Assessment</u> Many lone parents had to claim Jobseeker's Allowance unless they qualified for Employment and Support Allowance or Income Support for another reason.</p> |
| <p>October 2012</p> | <p>Automatic enrolment into pensions Automatic enrolment into pensions started. This is a new law that the Government has introduced to make it easier for people to save for their retirement. It requires all employers to enrol their workers into a qualifying workplace scheme if they are not already in one.</p> | |

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| <p>October 2012</p> | <p>Civil penalties a civil penalty will apply if you are overpaid a benefit and you have negligently given incorrect information or evidence, and you fail to take steps to rectify the error, and the error causes an overpayment, or you fail to provide information or evidence or fail to notify a change in your circumstances without a reasonable excuse.</p> | <p>DWP Impact Assessment Fixed rate penalty of £50. It will be added to the total amount of the overpayment and will be recovered by the same method. Tribunal Service expect an increase of 1,000 appeals in Scotland in 2013 as a result. Expected annual saving £32 million by 2014-2015</p> |
| <p>October 2012</p> | <p>New Simple Payment Service A new 'Simple Payment' service introduced to replace the benefit cheques system for claimants who can't be paid by direct payment because they are unable to open or manage bank or Post Office card accounts. Under the new system, claimants are issued with a reusable 'Simple Payment' card so that they can receive their benefits at 'PayPoint' outlets located in local newsagents, convenience stores, supermarkets, garages and off licences.</p> | <p>Only available in limited circumstances https://www.gov.uk/simple-payment</p> |

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| January 2013 | <p>Child Benefit From 7 January 2013, a new income tax charge will be applied where a person has an individual income of over £50,000 and they or their partner gets Child Benefit. This will be applied as extra income tax payable by the person whose income is above £50,000. Where a person has an income between £50,000 and £60,000, the charge applied to their income tax will be 1% of the Child Benefit paid for every £100 of income between £50,000 and £60,000. The income tax charge will always be less than the amount of Child Benefit. Where a person has an income of over £60,000 the charge will be equal to the full amount of Child Benefit payable. Couples with a combined income of over £50,000 will not be affected, unless either one of them has an individual income of over £50,000.</p> | |
| April 2013 | <p>Benefit Cap As part of the Welfare Reform Act there will be a cap on the amount of benefits a working-age household can receive, capped at the level of the average earnings of a working family. This will be applied through Housing Benefit.</p> | |
| April 2013 | <p>Council Tax Benefit To be replaced by localised support for Council Tax. Local authorities will set up new schemes to support people in their own areas within a 10% reduced budget. This will only affect people of working-age who currently receive Council Tax Benefit. The Scottish Government and CoSLA have decided to fund council tax benefit at existing levels for 2013-2014</p> | No impact in Scotland 2013-2014 |
| April 2013 | <p>Personal Independence Payment Pilots In a number of areas PIP will replace DLA for new claimants to test out the new arrangements. Rolled out throughout the UK from June 2013.</p> | The government is hoping for a 20% reduction in expenditure by 2017 by bringing in this process. All working-age claimants will be reassessed. |

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| <p>April 2013</p> | <p>Housing Benefit - Bedroom Tax In England, Wales and Scotland size criteria will apply in the social rented sector (e.g. council and housing association properties) replicating the size criteria that applies to Housing Benefit claimants in the private rented sector under the Local Housing Allowance rules. This means that people living in houses larger than they need (under-occupiers) will have to move to somewhere smaller or make up the difference in rent because their Housing Benefit will be reduced with a: 14% cut in Housing Benefit if you under-occupy by one bedroom 25% cut in Housing Benefit if you under-occupy by two or more bedrooms</p> | <p>DWP Impact Assessment shows that 66% of those affected have a disabled person in the house, 41% have children.</p> |
| <p>April 2013</p> | <p>Local Housing Allowance LHA (housing benefit in the private rented sector) rates will be increased in line with the Consumer Price Index instead of the market rents in each area. The connection with actual rents will be lost.</p> | |
| <p>April 2013</p> | <p>Social Fund Crisis Loans when waiting for benefit claims to be processed, and Budgeting Loans are to be replaced by a 'payment on account' system Other Crisis Loans and Community Care Grants are to be abolished with the budget being passed to Local Authorities in England and to the devolved governments in Wales and Scotland. New Scottish Welfare Fund (SWF) to administer Community Care Grants (CCGs) and Crisis Grants (CGs) in Scotland. An additional £9 million will be allocated to this next year.</p> | |
| <p>April 2013</p> | <p>Tax Credits Any rise in income of £5,000 or more during the award year will be taken into account when finalising your Tax Credit award. Previously only income rises of £10,000 or more were taken into account.</p> | |
| <p>April 2013</p> | <p>Universal Credit Department for Work and Pensions, working with HM Revenue and Customs and selected local councils, will launch its pathfinder project to introduce Universal Credit to claimants within certain areas of the North-West of England.</p> | |

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| June 2013 | Personal Independence Payment All new working age claimants will have to claim Personal Independence Payment instead of Disability Living Allowance. | |
| October 2013 | Universal Credit The current complex system of working-age benefits and Tax Credits is to be replaced by a new benefit called Universal Credit. National introduction will start in October 2013. | |
| October 2013 | Personal Independence Payment Transfer of existing Disability Living allowance claimants to Personal Independence Payment begins. | |
| March 2014 | Incapacity Benefit The transfer of existing claimants on incapacity benefits (i.e. Incapacity Benefit, Severe Disablement Allowance and Income Support on disability grounds) to Employment and Support Allowance should be completed by the end of March 2014. | |
| April 2014 | Universal Credit to be introduced in Northern Ireland. | |
| April 2016 | State Pension Age Plans to bring women's pension age in line with men's will be sped up from April 2016 so that women's pension age reaches 65 in November 2018. Pension age for men and women will then increase to 66 from December 2018 to April 2020. The Pensions Bill has been amended after concerns that some women would have to wait for up to an extra two years to collect their pensions. The proposed rise in the state pension age to 66 by 2020 is to be delayed by six months, from April 2020 to October 2020 capping the increase at a maximum of 18 months. | |

Appendix 2

Published and unpublished evidence

1. The impact of the economic downturn and policy changes on health inequalities in London; University College London, Institute of Health Equity (2012)
2. GP's at the Deep End Austerity Report (2012)
3. Interim Guidance for NHS Boards; Scottish Public Health Network (2012)
4. Welfare Reform and older people in Scotland; agescotland (2013)
5. Voices from the Frontline: Sanctions; Citizens Advice Scotland (2012)
6. Monitoring poverty and social exclusion in Scotland: Joseph Rowntree Foundation (2013)
7. Literature review of the health impacts of welfare reform; NHS Highland (2012)
8. Rapid equality and human rights impact assessment; Scottish Health Impact Assessment Network, unpublished (2012)
9. Unpublished evidence from SCVO
10. Child and Working age Poverty 2010-2020; Institute for Fiscal Studies (2011)
11. Cumulative Impacts of Welfare Reform & the Risk of Homelessness; Inclusion Scotland (2012)
12. Impact of the Change from Disability Living Allowance (DLA) to Personal Independence Payment (PIP); Inclusion Scotland (2012)
13. Health Works, A Review of the Scottish Government's Healthy Working Lives Strategy (2009)
14. The Double Lockout; Child Poverty Action Group (2012)
15. The Tipping Point; Hardest Hit (2012)
16. Various reports and parliamentary evidence, Shelter Scotland (2011-2012)
17. Scottish Government Welfare Reform Committee papers (2012 – 2013)
18. Department for Work and Pensions Impact Assessments (2011 – 2012)
19. Women and Welfare Reform in Scotland; Engender (2012)
20. A working life for all disabled people; Scottish Government (2010)
21. Scottish Government's Welfare Reform Scrutiny Group papers (2011- 2012)
22. Elizabeth FinnCare and University of Kent (2012) Benefits Stigma in Britain



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