

# REFORM WELFARE

VOICES FROM THE  
VOLUNTARY SECTOR

JANUARY 2016  
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**NCVO**  
CHAMPIONING  
VOLUNTARY  
ACTION

/02

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# INTRODUCTION

Voluntary organisations have been at the frontline of welfare reform. They have been helping individuals with advice, practical support, and trying to ensure that their voices are heard in the design and implementation of reforms. Their engagement with individuals and communities has often yielded valuable insights about how policy reforms designed at a national level affect people at the local level.

In this report, we look through the lens of these charities at the introduction of the government's welfare reforms. We focus on the extent to which the introduction of the reforms has supported the government's stated policy aims of simplifying the benefits system, protecting the most vulnerable in society and creating a system that incentivises work.<sup>1</sup> We consider the role that voluntary organisations have played and could play in future in supporting these objectives. We also document some unforeseen consequences of the introduction of the reforms.

We do not seek to assess the extent to which the government has met its other stated objective of reducing the welfare bill, nor do we offer an assessment of the success or otherwise of the reforms overall, as this would be too early and beyond the scope of our research.

Based on the insights of voluntary organisations across the country, we offer a number of recommendations for policymakers. In particular, we urge policymakers to continue engaging with voluntary organisations at the frontline as they shape and roll out welfare reforms. These organisations provide vital support and advocacy for individuals in need, catalyse social action and build capacity within communities.

The report is split into two main sections: the voices of individuals affected by the reforms, and the implications for voluntary organisations and their role in supporting those individuals.

*'An individual that we supported who was recovering from cancer faced difficulties accessing both ESA and DLA support. These health problems were coupled with bereavement, anxiety, depression, low self-esteem, an inability to manage personal affairs and the individual also became homeless when evicted from their rented property due to financial difficulties.'*

*'We supported the individual to apply for the help to which they were entitled, accommodation and a community care grant for furniture and appliances. This helped this person to begin to rebuild their life.'*

## Turning Point

<sup>1</sup> DWP (2014a)

# EXECUTIVE SUMMARY

In his first budget following the general election in 2015, the Chancellor of the Exchequer said he wants to create a welfare system for Britain that is ‘fair to those who need it and fair to those who pay for it’. His announcement of further reforms, including £12bn of reductions in welfare spending, signals the next phase of a root and branch reform of welfare provision that was begun under the previous coalition government through the introduction of the Welfare Reform Act (2012).

This report presents the findings of a year-long research project examining the impact of the introduction of the Welfare Reform Act on both voluntary sector organisations and the people with whom they work. The research was conducted over the course of 2014 in a representative sample of five English local authority areas using a combination of written evidence, focus groups and key informant interviews. As the government begins to design the next phase of welfare reforms, this report offers important insights for those engaged in trying to make the Chancellor’s vision of a fair welfare system a reality.

The Welfare Reform Act was designed to reduce the welfare bill, simplify the benefits system, protect vulnerable people and incentivise work. These are laudable aims for which we found support among voluntary sector organisations, yet our research also uncovered serious challenges around implementing the specific policies designed to achieve these aims, as well as some unforeseen consequences arising from the way in which they were rolled out at local level. We also found positive examples of effective cross-sector partnerships supporting the delivery of these goals.

The centrepiece of the reforms was the replacement of multiple benefits with a single Universal Credit, but other key changes included replacing Disability Living Allowance with Personal Independence Payments, restrictions on Housing Benefits through the removal of the spare room subsidy, setting the Housing Allowance by the Consumer Price Index, limiting Employment Support Allowance to a 12-month period, capping working age benefits and introducing a tougher system of sanctions.



## Impact on individuals

First, we examined the extent to which the reforms appeared to incentivise work for those furthest from the labour market due to factors ranging from homelessness to language and disability.

We found that some elements of conditionality under the new arrangements not only failed to address the barriers to employment faced by these groups, but in some cases actually made them worse. For instance, the requirement to complete a certain number of job applications each week caused vulnerable people to apply for jobs that they stood little or no chance of securing. The multiple rejections they received contributed to a worsening of their already low self-esteem.

The example of Jobcentre Plus Harlesden points to an alternative approach. Here, the Jobcentre Plus partnered with the local voluntary and private sectors to provide a 'community desk' staffed by people from community groups. By addressing language barriers, increasing trust and signposting to local services it resulted in a more tailored service that contributed to a 15% reduction in the claimant count over one year.

Second, we considered the extent to which the reforms resulted in a simpler benefits system.

A key feature of the new reforms was the devolution of responsibility for some elements of welfare provision such as the social fund down to local level. Although this created some difficulties for people around accessing accurate advice about the available support packages in each area, it also opened up opportunities to tailor support to the needs of local communities. In places like Southampton, tailored support was successfully designed through effective partnership working between statutory and voluntary sector bodies.

Another feature of the new approach was the introduction of a tougher sanctions regime. We heard that sanctions were being applied inappropriately in some cases and also that there was inconsistent advice being offered by Job Centre advisers. Examples include, in relation to volunteering, benefits being automatically withdrawn despite asking for appointments to be moved to accommodate volunteering, people being told they were volunteering for the 'wrong' charity, and even being sent letters telling them that volunteering on a certain day was mandatory and failure to do so would result in sanctions. Further work is needed to ensure all advisers recognise the value of willingly undertaken volunteering to the individual claimant but also the wider community.

As well as inaccurate advice about volunteering, we also found many examples of advisers failing to inform vulnerable individuals of their rights to specialist support under the new arrangements. We heard from homeless people who were not told of the discretionary power to assist them, from people fleeing domestic violence who did not know they were entitled to domestic violence easement until they were told about it by a local voluntary organisation, despite having explained their circumstances to the statutory adviser handling their claim. Such omissions have serious consequences for vulnerable individuals in difficult circumstances.

People with disabilities faced particular hardship over the period of the reforms being introduced. The process of migrating claimants from Disability Living Allowance to Employment Support Allowance resulted in significant and stressful delays in payment of support due to individuals, with 49% of assessment decisions that were appealed against being ultimately upheld. Our research suggests that this is just the tip of a wider iceberg of inadequately tailored support for people with disabilities in receipt of benefits. In the worst cases, inadequate support and inappropriate sanctions led to serious declines in mental health and an increase in suicidal thoughts for affected individuals.

## Implications for voluntary sector

Voluntary organisations seeking to support people through the introduction of the welfare reforms faced a number of challenges. The reforms were introduced at a time when voluntary organisations were already experiencing a steep decline in statutory grant and contract funding. Government income to the voluntary sector fell by £1.9bn in real terms between 2009/10 and 2012/13 and was not compensated for by a proportionate increase in funding from other sources such as public donations. Reductions in public spending had also led to the withdrawal of provision of some non-statutory services by local authorities, creating gaps in provision that charities were sometimes expected or felt obliged to fill.

The introduction of the welfare reforms resulted in further increase in demand for voluntary sector services arising from greater numbers of people accessing services, and those people presenting with more complex needs than previously. This finding was true of charities specialising in areas as diverse as cancer support, and homeless and advice services.

Financial losses per working-age adult arising from the welfare reform programme were greatest in deprived local authority areas. These areas are also those that have smaller numbers of voluntary organisations to provide services to meet the needs associated with these financial losses.

Nonetheless, voluntary organisations rose to the challenge of meeting increased demand with declining resources by adapting existing services and introducing new ones. Expenditure by foodbanks increased from £1.2m to almost £6.4m between 2010 and 2014. Foodbanks and other charities introduced additional specialised services alongside their core offer to meet the complex and changing needs of clients affected by welfare reforms. Examples included the installation of direct phone lines to benefits agencies and the provision of specialist advice and hands-on support to help clients with complex needs understand and comply with new conditionality.

In some cases, charities responded by forging innovative partnerships with one another and with public and private sectors at local level. Unified referral gateways were introduced to help clients with complex needs access the full range of local services with greater ease. Several local YMCAs worked with public and private sector landlords to identify and develop accommodation for young people, for instance.

Despite these positive examples, some important implications can be drawn for government from this research about how to partner more effectively with the voluntary sector on major reform programmes affecting the core client groups of this sector.

More effort is needed at the design and planning stage of welfare reforms to partner with voluntary sector organisations to accurately map user needs and ensure appropriate services are designed and delivered. This will be key to realising the government's current plans of universal support being delivered locally around the country. The positive examples cited in this report of specialist voluntary organisations co-designing and providing services with local Job Centres and local authorities resulted in better provision for the community as a whole, and especially for people with multiple and complex needs.

Advisers and other staff handling welfare claims should be better trained to support people wishing to take up volunteering opportunities and to meet the needs of vulnerable people in a personalised and holistic way. Mistakes made in this round of reforms ranged from applying conditions in ways that increased barriers to people entering the labour market, to failing to inform vulnerable individuals of their rights to specialist support, to making erroneous decisions that had serious mental health implications.

The roll-out of the next phase of reforms will be more effective if greater attention is paid to realistic planning and management of the roll-out of programmes at local level. Delays in the roll-out of universal credit and some other reforms made it very difficult for voluntary organisations with limited resources to prepare properly to support their beneficiaries through this period.

Inadequate training and information was offered to charities on the substance of the new reforms, especially when they were amended mid-way through being rolled out. Earlier dialogue about the likely effects of the reforms will enable specialist charities to partner more effectively with the government to inform people of their rights and responsibilities, and put in place support for their beneficiaries.

# METHODOLOGY

**This study took an iterative approach, drawing on three qualitative research strategies:**

- a national call for evidence
- focus group discussions with front-line voluntary organisations from five local authority areas
- twelve in-depth interviews with key informants selected from participants in the focus groups.

There were 57 written submissions from voluntary organisations to the call for evidence. Thirty-four organisations took part in local focus groups. Of the organisations we engaged with, 20% operate nationally, with the remaining 80% operating at local authority or county level. We deliberately sought to give particular attention to the perspectives of small and medium-sized local organisations<sup>2</sup> because 83% of charities have an annual income under £100,000, and these are often the organisations operating at local level.

Some charities asked to remain anonymous in this final report due to the sensitivity of their work or to prevent any risk that individuals could be identified.

The majority of this research was conducted in 2014, with the report being prepared in 2015. As such, it represents an insight into the experiences of voluntary organisations during that period and does not include analysis of more recent policy developments, such as the passage of the Welfare Reform and Work Bill in 2015.

This study was conducted by NCVO, supported by a grant from the Joseph Rowntree Foundation. The lead researcher was Anjelica Finnegan.

<sup>2</sup> NCVO UK Civil Society Almanac (2014)

Organisation size is determined by annual income.

Micro: £0–10,000; Small: £10,000–100,000; Medium: £100,000–£1m; Large: £1m–10m; Macro: £10m+

1. Online call for evidence

We asked a series of questions to voluntary organisations designed to encourage them to reflect upon the impact the introduction of the welfare reforms had on the organisations themselves – in terms of resources, activities and in other ways – and the impacts on their beneficiaries. We deliberately used open-ended questions to avoid asking leading questions that invited either critique or support of the reforms. As well as submitting written evidence, respondents were asked to provide organisational data such as size, location and primary activity. This allowed us to place the responding organisations’ experiences in a wider context and assess whether organisations’ experiences of the welfare reforms differ depending on geographic location, service field or size.

2. Focus group discussions

Five geographical areas were selected to take part in the focus group discussions. The samples were chosen to:

- include evidence from across the country
- involve a mix of local authorities that were heavily and less heavily impacted by the welfare reforms in absolute financial terms (we used data from Sheffield Hallam University which calculated this loss<sup>3</sup>)
- ensure that the local authorities chosen included a representative range of different political leaderships.<sup>4</sup>

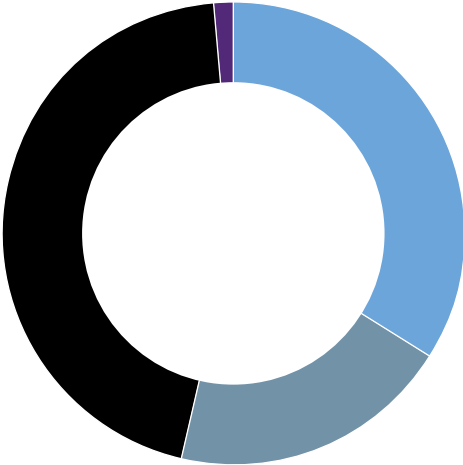
Based on these criteria the selected case study areas are: South Cambridgeshire, Southampton, Lancaster, Nottingham and Torbay. Table 1 below shows how each area matches the criteria.

We worked with ‘gatekeeper’ charities – typically the local council for voluntary service – to identify relevant organisations to invite to these discussions.

3. In-depth interviews

The themes from the focus group discussions shaped the questions used during the final stage of the research – structured interviews with key informants. Interviewees were selected from those who attended the focus group discussions. The chart below shows the main activities of participant organisations. Over two-thirds provide frontline services or advocacy/ advice and information.

Main activity of organisations participating in this study



- 28% Provide advocacy/advice and information
- 16% Umbrella/resource body
- 37% Provide front-line services
- 1% Make grants to individuals

Local authority	Financial loss per working-age adult / year	Political make-up	Region
South Cambridgeshire	£0–350	Conservative	East of England
Southampton	£350–450	Labour	South East
Lancaster	£450–550	NOC	North West
Nottingham	£550+	Labour	East Midlands
Torbay	£550+	Conservative	South West

To put our findings in context we also drew on selected secondary sources, including reports from the Institute of Fiscal Studies, the Third Sector Research Centre, Community Links, the Joseph Rowntree Foundation, and the Department for Work and Pensions.

<sup>3</sup> Beatty and Fothergill (2013)  
<sup>4</sup> LGiU (2014)



# BACKGROUND

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**In this section, we describe the background and context for the government's welfare reform agenda:**

- The key aims and components of the welfare reforms
- The economic backdrop to the reforms, with a slow recovery that potentially limited the opportunity for low income and out of work families to adapt to welfare changes
- The geographical context for roll-out of the reforms, with poorer areas experiencing the greatest financial losses in absolute terms
- The 'double squeeze' facing the voluntary sector, as its income from government declined at the same time as it experienced an increase in demand for advice and services.

## Welfare reforms

The Welfare Reform Act (2012) was the centrepiece of the coalition government's overhaul of the social security system. The changes have been driven by four stated policy objectives:

- Reducing the (predominately working-age) welfare bill
- Simplifying the benefits system
- Protecting the most vulnerable in society
- Creating a system that incentivises work.<sup>5</sup>

At the heart of the welfare changes is Universal Credit. This new single benefit is being gradually rolled out to replace the six existing means-tested benefits: Jobseeker's Allowance; income-related Employment and Support Allowance; Income Support; Child Tax Credit; Working Tax Credit; and Housing Benefit.

Delays to the roll-out of Universal Credit have meant that the voluntary organisations that participated in this study had limited evidence of its impact within the time frame of this research.

Other key areas of change have been:

- replacing Disability Living Allowance with Personal Independence Payments
- restricting Housing Benefits for social tenants whose accommodation is larger than needed (removal of the spare room subsidy)
- setting the Local Housing Allowance by the Consumer Price Index
- limiting the payment of income-related Employment Support Allowance to a 12-month period
- capping the total amount of certain benefits you can get if you are working age<sup>6</sup>
- introducing a tougher system of sanctions.

There is conflicting evidence about whether the reforms are achieving their stated policy aims. The record levels of employment in the UK (73.5%) are cited by proponents of the reforms as evidence of their successfully moving people into work.<sup>7</sup> Addressing delegates at the Reform think tank conference in February 2015, Iain Duncan Smith announced that since 2010 the number of workless households fell by 700,000, and that 270,000 more families in social housing had someone in work as a direct result of the welfare reform programme.

Critics have argued that the reforms are failing to fulfil their aims, specifically for vulnerable groups. For example, research on the impact of the reforms on social housing tenants from the London School of Economics found that sanctions – the immediate suspension of benefit payments – have not encouraged jobseekers to find work. Instead, affected social housing tenants focused on the immediate crisis of surviving without making strategic moves into employment as a long-term solution.<sup>8</sup> Research from the Joseph Rowntree Foundation raised concerns that the aim of simplifying the benefits system through Universal Credit is significantly undermined by the localisation of Council Tax Benefit and the Social Fund for families in crisis. Separate means tests and eligibility rules for this support has been found to complicate, rather than simplify, the system.<sup>9</sup>

<sup>5</sup> DWP (2015d)

<sup>6</sup> Benefits have now been capped at: £500 a week for couples (with or without children living with them); £500 a week for single parents whose children live with them; £350 a week for single adults who don't have children, or whose children don't live with them.

<sup>7</sup> DWP (2015d)

<sup>8</sup> Herden et al (2015)

<sup>9</sup> Tarr and Finn (2012)

## The economic context

### Employment and poverty

The welfare reforms were introduced against the backdrop of a slow economic recovery, increased cost of living and greater levels of in-work poverty. The five years since the UK moved out of recession in 2009 were characterised by the slowest economic recovery since the Second World War.<sup>10</sup> While the labour market bounced back relatively quickly after the recession, incomes did not.<sup>11</sup> The median net household income grew by just 1.8% in the four years from 2011 to 2014; well below the average annual increase of 1.3% since 1961. The Institute of Fiscal Studies (IFS) attribute this to a number of factors, including weak growth in working-age earnings and the combination of tax increases and benefit cuts.<sup>12</sup>

Half of all people in poverty in the UK were in working households in 2012/13 as the welfare reforms were introduced.<sup>13</sup>

This represented an increase of around 500,000 people since 2003/04.<sup>14</sup> This is in part due to measures designed to target out-of-work poverty. For example, because of the significant extension of state pensions and benefits, pensioner poverty has fallen to its lowest rate since records began in 1961.<sup>15</sup> However, wider evidence confirms that securing a job does not necessarily lead to people moving out of poverty – of the 70% of people who move into work, the remaining 30% stay in poverty despite finding a job.<sup>16</sup> For example, those people who find full time work are more likely to move out of poverty than those who find part time work. People who take on temporary contracts may move out of poverty for a while, but they are more likely than those in permanent roles to fall back below the poverty threshold in the following year. The IFS has stated that ‘it is low hourly wages rather than low hours of work that are most strongly linked to being in poverty’. The average full-time hourly pay for men has fallen from £13.90 to £12.90, after adjusting for inflation. For women, it has fallen from £10.80 to £10.30.

### Cost of living

Another consideration is the eroding value of wages and benefits over the period in which the welfare reforms were introduced. Overall, the cost of a basket of essential items rose by 28% over six years, while the minimum wage increased by less than half of that.<sup>17</sup> Within this, the cost of housing is a particularly important driver of people’s living standards. When housing costs are properly accounted for, poor people were worse off by 2015 than they were in 2010 in absolute terms.<sup>18</sup> Since 2010, the number of housing benefit claimants has increased by one million – a rise attributable to the increasing number of people in the private rented sector. The number of people in poverty in the private rented sector has doubled in the last decade.<sup>19</sup>

<sup>10</sup> House of Commons Library (2010).

<sup>11</sup> MacInnes et al. (2014)

<sup>12</sup> Belfield et al. (2015)

<sup>13</sup> DWP (2014a)

<sup>14</sup> MacInnes et al. (2014)

<sup>15</sup> Living Wage Commission (2014)

<sup>16</sup> ONS (2015b)

<sup>17</sup> [www.jrf.org.uk/publications/minimum-income-standard-2014](http://www.jrf.org.uk/publications/minimum-income-standard-2014)

<sup>18</sup> Belfield et al. (2015)

<sup>19</sup> MacInnes et al. (2014)

## The geographical context

It is widely recognised that the impact of welfare reform has varied significantly across the country. As would be expected, the poorest geographical areas (with higher numbers of people out of work) have been hardest hit in absolute terms. Yet, as analysis by Sheffield Hallam University of official data has shown, the welfare reforms affect huge swathes of the population in work and the variation between areas has been ‘enormous’. The hardest hit areas include old industrial areas of England, Scotland and Wales, as well as seaside towns and the most deprived boroughs of London. Southern England is much less acutely affected.<sup>20</sup>

Figure 1 on p.13 maps the overall financial loss arising from welfare reform by 2014/15 by local authority. Blackpool is the area most affected by the reforms where the average loss per working age adult is £914 a year. This is a result of both high levels of worklessness and large numbers of people in private rented accommodation claiming housing benefits. At the extremes, the loss per head is four times greater in Blackpool than in parts of Hampshire.<sup>21</sup>

This variation means that the capacity of the private, public and voluntary sectors to offer employment and provide support for individuals in these areas would be critical to the success of the reforms. Other studies have looked at private sector capacity and the profile of cuts to local government budgets in these areas.<sup>22</sup> These show that the areas most affected by welfare reform are also bearing the brunt of cuts to public service spending.

In terms of the voluntary sector’s capacity to offer employment and support individuals, our analysis suggests a similar picture. In the more deprived areas of the country, there is a lower prevalence of voluntary organisations in proportion to the population. Figure 2 on p.14 maps the number of voluntary organisations per head in each local authority. Taken together with Figure 1, the maps demonstrate the negative correlation between the impact of the welfare reforms by local authority and the prevalence of local voluntary organisations.<sup>23</sup> For example, Blackpool has both the fewest number of charities per 1,000 people and lost the most amount of money per working age adult per year.<sup>24</sup> South Tyneside has 0.9 organisations per 1,000 people and it is in the top 10% of local authorities affected by the welfare reforms, with £621 per working age adult per year is taken from the economy. Conversely East Hertfordshire, among the least affected local authority areas with each working age adult losing on £287 per year, has eight voluntary organisations per 1,000.

Although it is undoubtedly the case that some charities headquartered in London and elsewhere may be providing services nationally that extend to these deprived areas, the prevalence of local charities is lower than might be expected and has potential to further limit the capacity of these communities to adapt to changes in the welfare system. This is even clearer when we consider the impact of funding cuts to charities.

<sup>20</sup> Beatty and Fothergill (2013)

<sup>21</sup> Beatty and Fothergill (2013)

<sup>22</sup> Hastings et. al (2015)

<sup>23</sup> The map was generated based on their registration address of charities that work on a local level. National and overseas charities were excluded as their address is not likely to reflect their area of benefit.

<sup>24</sup> This data is freely available online: [www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/Welfare\\_Reform.xls](http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/Welfare_Reform.xls)

Figure 1 – Number of charities per 1,000 people by local authority  
(Source: NCVO UK Civil Society Almanac 2014)

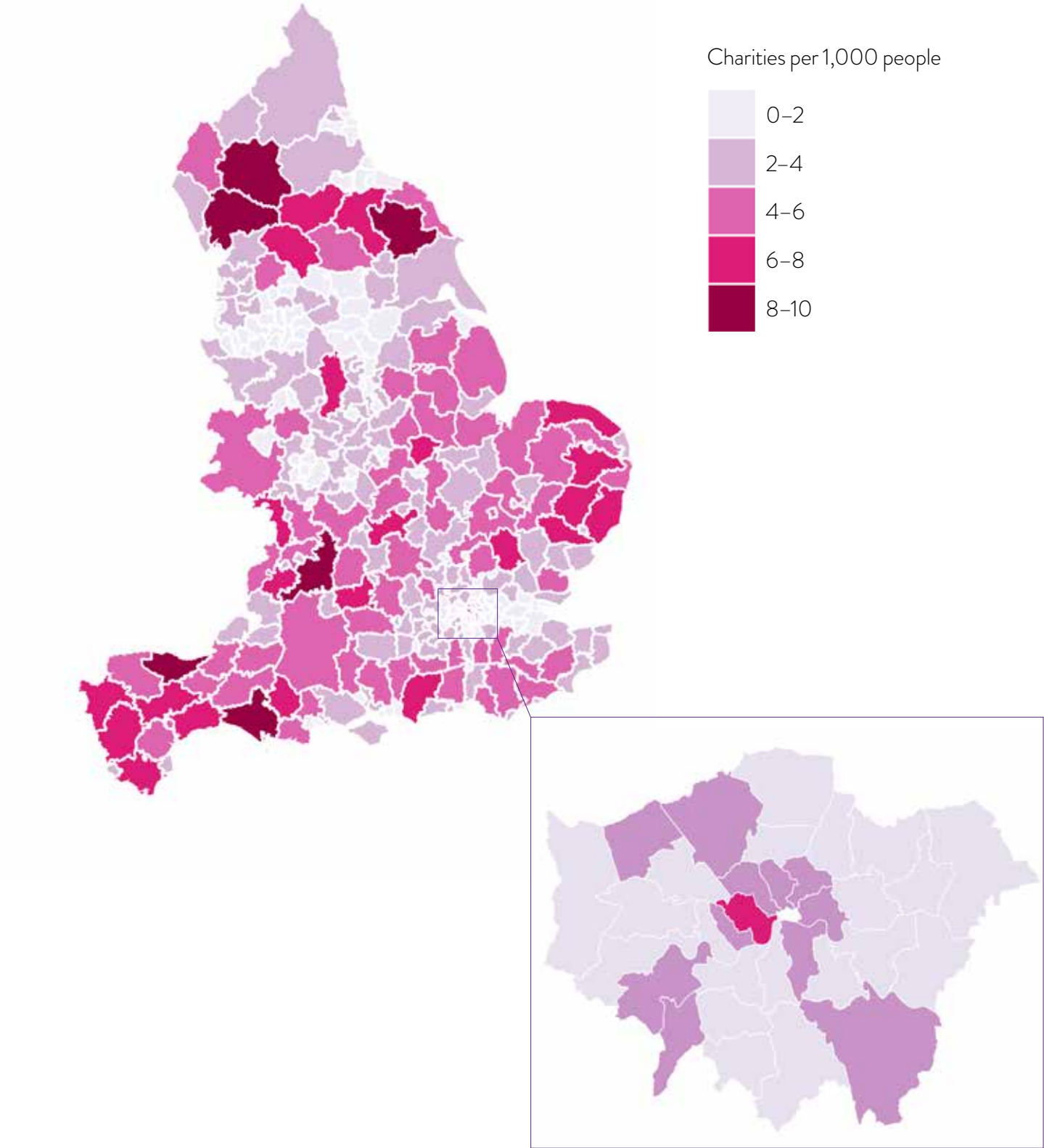
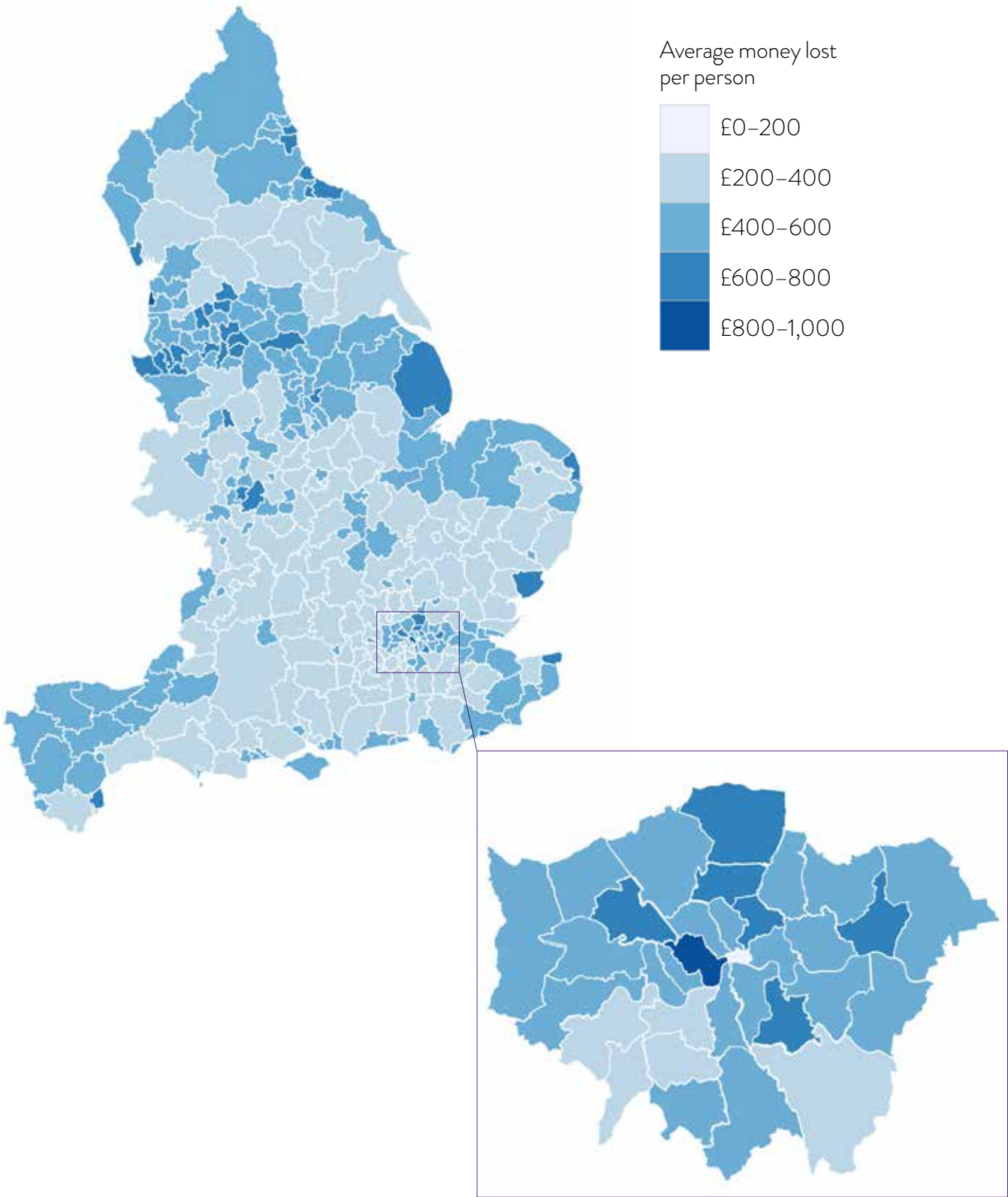




Figure 2 – Overall financial loss arising from welfare reform by 2014/15, by local authority. (Source: Beatty and Fothergill 2013)



## The voluntary sector context

### Scope of the sector

Currently there are 160,045 charities in the UK, as well as a far greater number of other community groups and organisations. They employ approximately 821,000 people and also catalyse the wider contribution of 13.8 million regular volunteers through social action.<sup>25</sup> The voluntary sector has long been recognised as having an established ability to provide flexible and responsive support to people and communities.<sup>26</sup> It is typically thought to be close to communities, expert at meeting the complex needs of individuals in a personalised way, and offering value for money in both shaping and delivering services through its preventative focus, and operating models focused on delivering wider social value.<sup>27</sup>

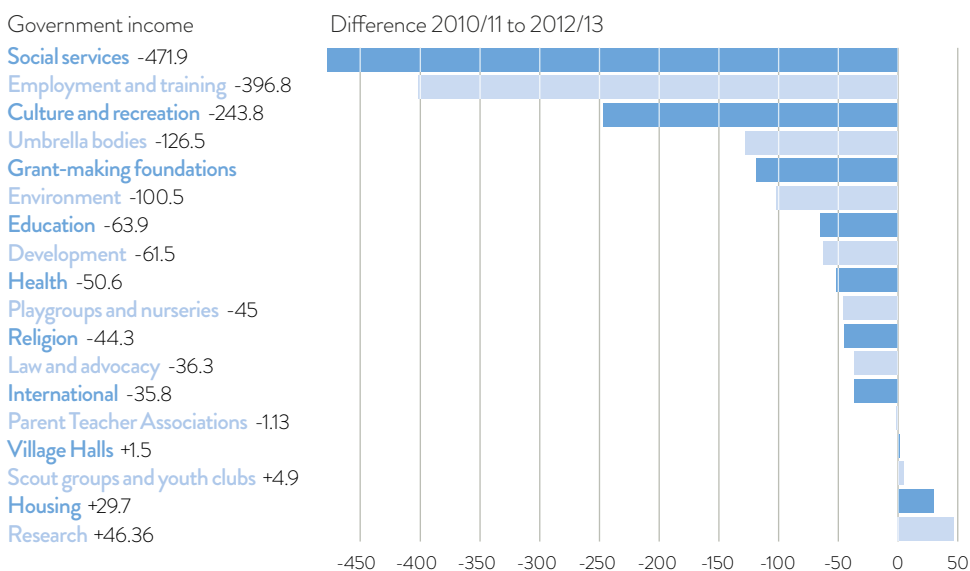
In terms of welfare-related support, voluntary organisations provide advice and support around benefits, deliver a wide range of practical support services and act as a voice for citizens. They often help statutory bodies map user needs and design services.

### Impact of austerity on voluntary sector capacity

Since 2010, many voluntary organisations have experienced funding cuts as a result of central and local government spending reductions.

Between 2010/11 and 2012/13, total income from government to voluntary sector organisations fell by £1.7bn in real terms. The chart below shows the change in income from government during this period for different categories of voluntary organisations.

### Change in voluntary sector income from government between 2010/11 and 2012/13 (£m)



Source: NCVO UK Civil Society Almanac (2014)

<sup>25</sup> NCVO UK Civil Society Almanac (2014)

<sup>26</sup> Billis and Glennerster (1998)

<sup>27</sup> VCSE Health and Wellbeing Review interim report (2015)

Not all organisations were equally affected by this reduction in funding –voluntary organisations serving disadvantaged communities were most likely to be publicly funded and deprived local authorities had the highest share of publicly funded organisations.<sup>28</sup> Taking into account what we know about the geographical variations in the impact of the welfare reforms, there is considerable risk that people who will need support in navigating the benefits system will have less chance of accessing the safety net provided by the voluntary sector.

In addition to reductions in the sector's funding, voluntary organisations were also experiencing a rise in demand for their services over this period. Research by PWC, Charity Finance Group and the Institute of Fundraising reported year-on-year increases in demand for services, with 67% of respondents reporting an increase during 2012 and 72% expecting a higher demand for services in 2013.<sup>29</sup> Similarly, research from the Institute for Voluntary Action Research (IVAR) found that small voluntary organisations, with an income of between about £50,000 and £150,000, faced increasing demand on their services while also experiencing a significant reduction in their funding. Qualitative interviews as part of IVAR's research highlighted the associated risk that these smaller organisations may struggle to provide quality services to vulnerable people.<sup>30</sup>

Nonetheless, new services have been developed to meet increased needs. The rise of foodbanks, in particular, has been well documented.<sup>31</sup> Other innovations such as social prescribing by health bodies to local voluntary sector provision have potential to improve wellbeing, where implemented effectively and with funding for the interventions that are 'prescribed'.<sup>32</sup> It is also the case that public donations to good causes have held up relatively well since the recession and that voluntary organisations have continued to catalyse social action and volunteering, including by individuals affected by welfare reforms, as described in the next chapter of this report.

<sup>28</sup> Clifford D (2012)

<sup>29</sup> Buckley et al. (2012)

<sup>30</sup> PWC, CFG and IOF (2013)

<sup>31</sup> [www.trusselltrust.org/stats](http://www.trusselltrust.org/stats)

<sup>32</sup> [www.nesta.org.uk/sites/default/files/more\\_than\\_medicine.pdf](http://www.nesta.org.uk/sites/default/files/more_than_medicine.pdf)

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# VOICES FROM THE FRONTLINE:

## CHARITY BENEFICIARIES

**In this section of the report we describe the impact of the welfare reforms on the beneficiaries of voluntary organisations that participated in this study. We focus particularly on the extent to which the introduction of the reforms appears to have supported the government's stated policy aims of incentivising work, simplifying the benefits system and protecting the most vulnerable in society.<sup>33</sup>**

### Overview

In this research, voluntary organisations were encouraged to share their experiences of the introduction of the reforms.

Respondents to this enquiry were supportive of the principles behind the government's welfare reforms. For example, one local youth advice and counselling charity stated the following:

*'There is potential for positive impacts. For example, Universal Credit does seem to be easier to navigate than the current system. But because it has not been rolled out [here], it is not clear what impact it will have. It's a good idea in principle.'*

However, evidence collected from participating organisations suggests that the way in which reforms were introduced in practice appeared not to support the fulfilment of its key policy aims. In particular, there is troubling evidence described below that the most vulnerable are not being adequately supported.

Five specific reforms were reported as having a particularly negative impact on claimants' lives. These were the system of sanctions, the changes to disability benefits (including ESA, PIP and Work Capability Assessments), the removal of the spare room subsidy, the localisation of council tax and the benefit cap.

### Incentivising work?

A key policy aim of the Welfare Reform Act (2012) is to incentivise work. During interviews we asked participants to reflect on the successes of the welfare reforms in moving people off benefits and into work.

In most cases the voluntary organisations we engaged with felt that the message behind the reforms – that being in work is better than being on benefits – is a positive one but that this message had not translated into their clients moving into paid employment.

*'There is a general sense that the introduction of the welfare reforms have encouraged people out of work and who can work – i.e. are not disabled, suffer from mental health problems etc) – to rethink the way that they live their lives.'*

### Front-line support charity

*'The message that work or training are better options than benefits is a positive one and is being reinforced by the welfare reforms. But there needs to be an adequate increase in work and training opportunities to support this. The whole language behind the welfare reforms emphasises compliance and sanctions and comes across as punitive. We haven't seen much evidence of individually tailored claimant commitment agreements, so whilst the concept sounds encouraging some of the way it is interpreted runs the risk of alienating already marginalised young people further.'*

### Youth advice, information and counselling charity

<sup>33</sup> DWP (2014a)

Only one out of the ten organisations interviewed reported that those people who are able to work but are unemployed have been supported by the reforms to find jobs. The charity in question operated in an area characterised by low levels of unemployment and, of the charity's beneficiaries, only 5% were unemployed. Others reported that the welfare reforms were not coupled with sufficient support or opportunities to support their clients into sustained employment.

Official figures show that the rate of employment is at the highest levels since records began in 1971.<sup>34</sup> The number of people claiming Jobseeker's Allowance in February 2015 fell to its lowest level since 2008.<sup>35</sup> While this fall coincides with the introduction of the reforms, it is difficult to determine what role they have played in the increasing rate of employment – it is unclear whether all the people that have been removed from claimant count at the time of the Office for National Statistics (ONS) research were in employment, or for other reasons, or whether or not they would have moved into employment without the introduction of the welfare reforms.

### Losing confidence

To meet the conditions of their benefits, job seekers are required to apply for an agreed number of jobs each week. Voluntary organisations described how this approach has resulted in unemployed people applying for unsuitable jobs. Charities told us that claimants that are furthest away from the labour market are applying for a large number of jobs without any results. This can erode job seekers' confidence, and in the worst cases, negatively impact their mental health.

*'Overall, the reforms have had a negative effect. People on JSA are spending six hours per day looking for work. The problem with this is that employers are being inundated with irrelevant applications and claimants become despairing as they apply for hundreds of jobs without results. For the reforms to work, jobs need to be available. Not only does there need to be more vacancies, the quality of jobs available needs to improve, both in terms of pay and conditions.'*

### Local advice charity

### Barriers to employment

For some claimants, there are multiple barriers to entering the job market. The organisations that participated in this research felt that the welfare reforms do not always take account of, or in some cases exacerbate, these barriers. For example, a refugee housing association reported that the majority of the people that they support have poor English language skills. Without appropriate language support from the Job Centre, the housing association's clients are more likely to be sanctioned. This is typically because they do not fully understand the conditions of their benefits. In such situations, the housing association reported, their clients move no closer to the labour market.

Similarly, YMCA reported that vulnerable young people 'face a range of barriers that need to be overcome to turn their desire to get into work and off benefits into reality'. These include a lack of confidence in looking for and applying for work, a lack of training, qualifications and experience, as well as the limited number of jobs available. As such, YMCA described how vulnerable young people are not receiving the necessary expert support needed to help them move into employment.

<sup>34</sup> ONS (2015)

<sup>35</sup> It is important to note that this figure also includes the number of people that have been sanctioned and therefore not receiving JSA for a set amount of time. It also does not explain why people are no longer claiming JSA. It may be, for example, that they have moved in with a partner who is in employment and therefore are no longer eligible.



The voluntary sector is particularly well placed to provide the essential support that vulnerable groups need in order to look for and move into employment. For example, in Harlesden, a multi-cultural area of London in which many people do not speak English, Jobcentre Plus (JCP) staff worked in collaboration with local voluntary and community, public and private sector partners to identify the barriers to employment faced by black and minority ethnic and other disadvantaged groups. A primary concern was communications. In response the JCP introduced a 'Community Desk' in the Jobcentre, which is staffed by local community groups. The desk provides an interface between local people with language barriers and JCP staff. Impacts have included breaking down communication barriers, increased trust, better signposting, improved understanding of community issues among JCP staff so support can be better tailored, and raised awareness of the JCP offer. This approach has been quoted as contributing to a 15% reduction in Harlesden's claimant count since April 2013.<sup>36</sup>

## Simplifying the system?

The policy aim of simplifying the benefits system has been broadly welcomed by participants in this study. However, the experience of their beneficiaries suggests that this has yet to be realised in practice.

### Localised welfare

In 2013 some areas of welfare policy and practice previously set nationally were devolved to local councils – namely the social fund and council tax rates.

This process has proved a challenge for some national organisations as they cannot provide consistent advice for their clients across the country. This makes the system more complex for both the organisations and their clients to navigate.

However, some organisations that participated in this study were more positive about the localisation of the social fund. This fund previously provided community care grants and crisis loans paid through job centres. In April 2013 the funding was transferred to local councils on a non-ring fenced basis under the new label of the local welfare assistance scheme. The aim behind this change was to ensure that those people facing greatest difficulty in managing their income are supported, and to enable a more flexible response to unavoidable need.<sup>37</sup>

Our research found that charities in areas where the voluntary sector was involved in shaping the design and delivery of the scheme were more positive about the localisation of the social fund. They felt that the funding available was targeted to local need. For example, during the Southampton focus group participants reported that the council postponed the new welfare provision scheme for twelve months. This was so that they could work in partnership with local charity, Southampton City and Region Action to Combat Hardship (SRATCH) to determine the best way to deliver the scheme. It was felt that once the fund was implemented it ran smoothly, funding has been processed more quickly and it was well-adapted to local need. However, at the time of conducting this research, there was considerable concern among participants in this study about what would happen when the fund is no longer available.

*'From 2013, the localisation of discretionary social funding (through Local Welfare Assistance) enabled us to work with other charities and our County Council to provide essential items for vulnerable households in need, helping them live more independently, avoid financial crises and access housing. But from April 2015 Local Welfare Assistance is being abolished and then there will be no help at all for people in this situation.'*

### Local furniture recycling charity

<sup>36</sup> Compact Voice (2014)

<sup>37</sup> DWP (2014a)

### Volunteering and sanctions

Voluntary organisations involved in this study reported that there has been a significant level of confusion among claimants, and the charities that they volunteer for, around whether jobseekers are able to claim benefits whilst volunteering. While the Department for Work and Pensions (DWP) has issued rules stating that volunteering should not prohibit claimants from receiving benefits *per se*,<sup>38</sup> there seems to be variation in how the rules have been interpreted locally by JCP advisers.

In some local authorities, claimants were told that they would be sanctioned if they volunteered. Conversely, the same JCPs informed other claimants that they would have their benefits stopped if they did not 'volunteer'. During one focus group discussion the participants were aware of claimants that had been told they were volunteering for the 'wrong' charity and were told to switch to a different organisation.

*'A volunteer for the charity, a peer mentor, was sanctioned when she didn't attend a meeting. She had rung the JCP in advance to ask if it was possible to re-arrange the meeting because she had been asked to volunteer for the charity. She was given permission verbally but was ultimately sanctioned for not attending the meeting. She was not informed that she was sanctioned. She was twelve weeks pregnant and left without any income. She appealed and got the decision overturned but it was a long process as she could not find the person she had spoken to... During the appeal she relied on the foodbank and borrowed from friends.'*

### Youth drug and alcohol charity

In some cases, voluntary organisations reported benefit claimants presenting with a mandatory letter that required them to 'volunteer' that day. If they did not volunteer, the claimant would be sanctioned. The charities that raised this issue felt that they had been put in a very difficult position as they did not want someone to be sanctioned, but at the same time they did not always have the capacity to supervise claimants. Neither did they want to have people who were mandated to be there, rather than helping out because they wanted to and were committed to the charity's cause. Furthermore, they felt that their services had somehow been incorporated into a scheme that they had not signed up to.

Where organisations directly engaged with their local JCP, they reported that they had been able to resolve certain barriers that their volunteers have had with their benefit claims as well as develop a mutual understanding about the value of volunteering as a pathway to employment. For example, a local advice charity reported that after a 'very positive discussion', the JCP recognised that JSA claimants who volunteer with the advice service are gaining valuable experience. Whilst developing positive relationships at the local level can achieve positive outcomes, relying on this mechanism risks rules being applied inconsistently. This not only has negative effect on the individual's wellbeing, but also means that voluntary organisations can end up losing valuable volunteers because the volunteers believe that they will be in breach of their claimant commitment.

### Claimants given incorrect information

Participants in this study reported that in some cases their clients had been given incorrect information by Job Centre advisers, and in others have not been informed of the support to which they are entitled.

For example, a local disability charity reported that one client, who had been turned down for ESA and needed to go through the mandatory reconsideration process, was advised by the Job Centre to apply for JSA so that he could receive benefit payments. The client was not informed that this would cancel his mandatory reconsideration as by signing on to JSA, he had technically declared himself fit for work.

In another case, a local advice charity reported that a young client had her benefits reduced by over £100/week as a result of the benefit cap. The JCP advisers did not explain to her that if she had a job for 16 hours per week the cap would no longer apply. Until she visited the charity for budgeting advice she believed that if she found a job she would have all her benefits stopped.

*'The people that should know the ins and outs of the system do not seem to know exactly how things interact.'*

### Local disability charity

<sup>38</sup> DWP (2009)

Voluntary organisations participating in this study also provided examples of Job Centre advisers not making claimants' rights clear. For example, through our call for evidence Epilepsy Action reported that of 175 of their clients surveyed, 29% were not aware that they could ask to take in an advocate to offer support and corroborate accounts. That benefit claimants are not always informed of the support to which they are entitled is supported by wider evidence. For example, a recent report by the Fawcett Society explained that women suffering from domestic abuse had not been told of the Domestic Violence Easement.<sup>39</sup>

## Protecting vulnerable people

A key policy aim of the Welfare Reform Act (2012) is to protect the most vulnerable in our society. Participants in this study are concerned that this is not happening in practice. In particular they report that delays in disability benefits and the inflexibility of the conditions attached to welfare benefits are having a negative impact on their vulnerable clients.

## Disability and benefits

After benefit sanctions, the changes in disability benefits were the second most discussed reforms, with over half of all participants providing evidence of their impact.<sup>40</sup>

In some cases charities have had positive experiences with the Personal Independence Payments (PIP). In contrast to its predecessor, Disabled Living Allowance (DLA), PIP gives claimants the opportunity to provide details not just about the frequency and duration of the support they require but also about the form of help that they need. There was also some support among participants for PIP's point system. Under DLA if a claimant had a number of low level needs, they would be awarded low level care, but under the new PIP points system, claimants can accrue enough points to get a meaningful award out of it. Although the points system has been, on the whole, viewed positively, charities were concerned that more weight is given to a claimant's inability to complete a daily living tasks due to physical ability, rather than a cognitive impairment.

Overwhelmingly, participants were concerned that disabled people would be disproportionately affected by the cumulative impact of the welfare reforms. This is echoed by a study of official figures by Demos. They found that 123,000 disabled people would be affected by three of the reforms and see a reduction in income of over £18,000 by 2017/18. 88,000 people would be subjected to two changes and each will lose £15,500 per year.<sup>41</sup> This is supported by figures released by the DWP showing that of those claiming ESA and placed in the Work-Related Activity Group, 50% also claimed DLA or PIP. This figure reached 66% for those people placed in the Support Group of ESA.<sup>42</sup>

*Tenants are facing increased income demands, with disabled people particularly facing the cumulative impact of multiple cuts. Together these are not only creating anxiety, which may itself exacerbate ill-health and impairments, but face disabled people with significant declines in income, potential inability to fund the things that support independent living and potentially unable to afford housing in greater numbers.*

## National housing association

<sup>39</sup> Fawcett Society (2015)

<sup>40</sup> The specific changes discussed here are the migration of claimants from Disability Living Allowance to Personal Independence Payments; the introduction of the Employment Support Allowance; and Work Capability Assessments.

<sup>41</sup> See Demos' disability in austerity study, [www.demos.co.uk/projects/disabilityausterity](http://www.demos.co.uk/projects/disabilityausterity).

<sup>42</sup> Social Security Advisory Committee (2014)

The impacts of the disability-related reforms are not solely monetary in nature. The organisations in this study provided evidence around their impact on disabled claimants' well-being. One of the key areas that was particularly difficult was the migration of claimants from DLA to ESA. Work capability assessments have suffered long delays and for some people have caused significant distress due to the uncertainty over their future ability to work and to maintain a good quality of life.

*There are currently long delays in the decision process for both ESA and PIP which is extremely stressful for our clients.*

#### Local mental health charity

The most recent figures from the DWP show that of the 39% of all initial ESA work capability assessment decisions that have been appealed against nation wide, 49% were overturned and 51% were upheld.<sup>43</sup> Responding to our call for evidence, the Epilepsy Society reported that out of 66 clients that they surveyed, 40% have appealed the outcome of their WCA. 70% of those people had their appeals upheld. Other charities that participated in this study have reported up to a 98% appeal success rate among their beneficiaries. Whilst this demonstrates the efficacy of the appeals system, these claimants, who are already vulnerable, have had their benefits suspended for weeks without any means to support themselves financially.

Some organisations directly link the pressures and difficulties in negotiating the new welfare systems to worsening mental health and even increased distress and suicidal thoughts among some of their most vulnerable clients. For example, a local front line support charity in the East of England reported:

*'I have never known us to have as many suicidal clients as we have in the last 9 months. There has been an increase of people with mental health problems attempting suicide due to delays in the benefit payments.'*

The same charity reported instances of their clients waiting 26 weeks or more for their PIP application to be processed. In some instances their clients were allocated WCA appointments scheduled for 9am in a city 65 miles away. This, the charity reported, is 'impossible for people with no income and mental health problems' to attend.

A youth advice and counselling charity also reported instances of their clients being allocated inappropriate WCA appointments. As one example, a young person in Southampton had been scheduled for an assessment in Salisbury.

This was problematic for her because public transport from Southampton to Salisbury is difficult and unaffordable as she had no income as a result of her disability. She also had significant mental health problems, which included anxiety about going to unfamiliar places. On ringing to change the appointment the young person was told that there were no appointments available locally and if she wanted to change location then she would have to go back on the waiting list.

*'Even when the charity can step into support them, it often has taken so long to sort out that their mental and physical health has already declined.'*

#### Local poverty relief charity

<sup>43</sup> DWP (2015b)

## Conditionality

The principle of conditionality that underpins our welfare system has long been in place. There is concern among participants in this study, however, that some of the most vulnerable in society are disproportionately and inappropriately affected by key elements of conditionality. The DWP does recognise that some people need more support than others. For example, JCP advisers now have the discretionary power to exempt homeless people from benefit sanctions. This policy change followed a Homeless Link report which found that homeless people were more likely to be sanctioned than the rest of the claimant population. However, participants in our study were concerned that not all vulnerable claimants received the support to which they are entitled to. This is reflected in a recent study by the Fawcett Society which found that ‘many claimants who are experiencing domestic or sexual violence do not know about the [Domestic Violence] Easement’.<sup>44</sup> This easement exempts victims of actual or threatened domestic violence from job seeking conditions and requirements to be actively looking for employment for an initial four week period.

Other conditions for receiving benefits include regular meetings with the JCP adviser and participating in government employment schemes such as the Mandatory Work Activity Scheme, or Community Work Placements.<sup>45</sup> Organisations participating in this study found that their beneficiaries often were not able to fulfil all the conditions to receive out of work benefit. For example, a youth drug and alcohol treatment charity explained that young people that suffer from social anxiety often struggle to attend mandated group appointments as they find them distressing. In situations such as this, young people are often seen as difficult and trying to make excuses to avoid adhering to their claimant commitment.

*‘Many of our clients experience more than one of these needs, and require specialist and comprehensive support to overcome these problems. These needs often make it more difficult for people we work with to adapt to changes to their personal circumstances linked to the welfare reforms.’*

## National homeless charity

## Sanctions

The greatest concern for respondents to this study is the stricter system of sanctions, particularly for vulnerable groups. There was considerable concern that sanctions are imposed unfairly. For example, during the focus group discussion in Torbay, participants had numerous examples of claimants being sanctioned for not attending appointments in the aftermath of the 2013 winter storms which caused the JCP building to close. In one instance, a claimant wanted to make sure that they could sign on so that they would not be sanctioned. The person travelled to the next closest JCP to be told that they could not be seen by an adviser and was sanctioned. Participating organisations also reported that their beneficiaries were often unaware that they had been sanctioned until they went to a cash point or were informed they had fallen behind on a payment.

Wider research shows that homeless people are sanctioned disproportionately more than other groups. This finding was echoed in our research. For example, responding to our call for evidence, Crisis reported that homeless people are frequently sanctioned, causing hardship and distress. Research done by the charity demonstrated that their clients are typically not forewarned that their benefits would be suspended. This, they explained, can leave people without access to any finance, ‘with some having to borrow money from friends or family, use foodbanks or even beg to get by’.

<sup>44</sup> Fawcett Society (2015)

<sup>45</sup> For a comprehensive list of such government employment schemes see: [www.citizensadvice.org.uk/wales/work/self-employed-or-looking-for-work/government-employment-schemes/](http://www.citizensadvice.org.uk/wales/work/self-employed-or-looking-for-work/government-employment-schemes/)



Sanctions leave people in what has been described as an ‘acute’ situation in which they are reliant on friends, families and food parcels from charities to help them to survive. A local charity supporting young carers explained that ‘the tightening of the sanction regime’ for both JSA & ESA claimants has affected all sections of their client group and ‘caused acute financial hardship’. This is exacerbated by the introduction of Mandatory Reconsideration, whereby an additional layer of administration delays the reinstatement of benefit payments where the sanction has been erroneously imposed. This is supported by an LSE study into the impact of the welfare reforms on working age housing association tenants. It found that those people who were sanctioned experienced ‘real hardship, which reduced their ability to find work’.<sup>46</sup>

Overall, participants in our research voiced their concern that the system of sanctions places many people in ‘an impossible situation’ as they have no other source of income. As a result people fall into desperate situations and can only make short-term decisions.

*‘More “hand holding” is required, service users have lost confidence in their own abilities to do things for themselves and are frightened of making mistakes due to threatened financial penalties – either real or imagined.’*

### Local disability advice, advocacy and information charity

### Stigma

Charities felt that the conditions attached to the receipt of the welfare reforms contributed to the negative public perceptions of people claiming benefits, specifically those claiming unemployment and disability benefits. Some media coverage has compounded stereotypes.<sup>47</sup> Many of the organisations that participated in this study reported that their clients apologised for seeking support around their benefit claims and wanted to distinguish themselves from other claimants, referring to themselves as being ‘decent people’. In these ways, charities are concerned that people are questioning their self-worth which is in turn impacting negatively on their mental health. One organisation reported in the call for evidence that ‘clients are very quick to stress that they’re not scroungers and quite apologetic about claiming in a way they didn’t used to be in the past.’

*‘People who need the support of the state feel ashamed and try and distinguish themselves from other claimants. They say: “This isn’t me, I’m not one of them”’*

### Local advice charity

<sup>46</sup> Herden et al. (2015)

<sup>47</sup> See, Bell (2013). Also see articles from the national press:

The Daily Mail, ‘Ex-wife of “too fat to work” benefits scrounger tells how she had to help him go to the toilet three times a day while he was having an affair – and paying for hotel trysts on HER credit cards’; The Express, ‘Benefits system is broken! UK’s top scroungers on £300-a-week more than the average family’; the Sun ‘Help us stop £1.5bn benefits scroungers’.

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# VOICES FROM THE FRONTLINE:

## VOLUNTARY ORGANISATIONS

**The introduction of the welfare reforms resulted in two key changes in the nature and degree of demand for voluntary sector services.**

- The number of people accessing welfare-related services has increased
- Each client requires more time because of complex needs

Macmillan Cancer, responding to our call for evidence, reported that a growing number of people were in need of the charity's support. In addition, implementation problems – such as benefit delays – have meant that more time needs to be spent on each case. As a result of the growing demand on their service, Macmillan Cancer believes that there will be some people the charity cannot, on its own, support. There is additional concern that cuts to generic advice services could result in some cancer patients remaining unsupported altogether.

*'All of our [advice] agencies are under strain due to the increase in demand. Some have changed their appointment procedures. All are working to full capacity but are still unable to fully meet local needs.'*

### Local advice service partnership

As a further example, Homeless Link, the national homeless charity, reported via our call for evidence that their services were receiving high levels of demand from people seeking help with welfare issues. Day centres were advising a high number of people – 100 each month on average – on welfare benefits issues. This was mostly a result of benefits being suspended without warning, a change in a person's fit-to-work assessment, or because of benefit sanctions. Echoing these findings, Citizens Advice recorded a shift in demand on their advice services away from debt to benefits at the end of 2012.<sup>48</sup> The charity attributes this to both the reduced levels of consumer credit debt as well as the far reaching changes in the benefit system. This trend was also reflected by local advice services participating in this study.

A minority of organisations have worked with fewer clients as a result of the welfare reforms. This is due to each case requiring more time to be resolved. For example, charities in the North West of England reported that it was not unusual to spend two hours on the phone with the DWP for an individual claimant.

In responding to this increased demand, participants in this study predominately reported that they had to reprioritise their services. For example, staff at a London-based disability charity prioritised accompanying their clients to Work Capability Assessments as their beneficiaries reported 'significant problems' with the process. The organisation also needed to increase the amount of time their advocacy team spent on the process of appealing a benefit or tax credit decision – mandatory reconsiderations – after assessments, as the number of people appealing benefit decisions increased.

*'You see a need and step in don't you?'*

### Local social enterprise

Our study uncovered some successful examples of voluntary organisations creatively adapting their service offer in light of the welfare reforms. There are two key ways in which this has been done: first, by creating new welfare-specific services (with or without additional, or redirected, funding); and second, by working in partnership with other voluntary organisations and public service providers in their area.

<sup>48</sup> [www.citizensadvice.org.uk/index/aboutus/publications/advice\\_trends.htm](http://www.citizensadvice.org.uk/index/aboutus/publications/advice_trends.htm)

## Adapting services

One of the most significant trends over the last five years has been the increasing reliance on foodbanks in the UK. The Trussell Trust alone has recorded over one million instances of people accessing their foodbanks over the 2014/15 financial year, a 12% increase from the previous year.<sup>49</sup>

The graph below demonstrates that foodbank expenditure between 2010 and 2014 has increased from £1.2m to £6.4m.

Throughout our own research we gathered examples of charities creating new services in order to meet the changing demands of their clients. This included a foodbank in the north-west of England, which installed phones in their centres so that their beneficiaries could afford to call government department agencies for support with their benefit claims. Another charity in the north-west has established a drop-in session for those clients who are not in crisis and therefore are not eligible for one-to-one support, in order to deal with the increased demand for benefit advice.

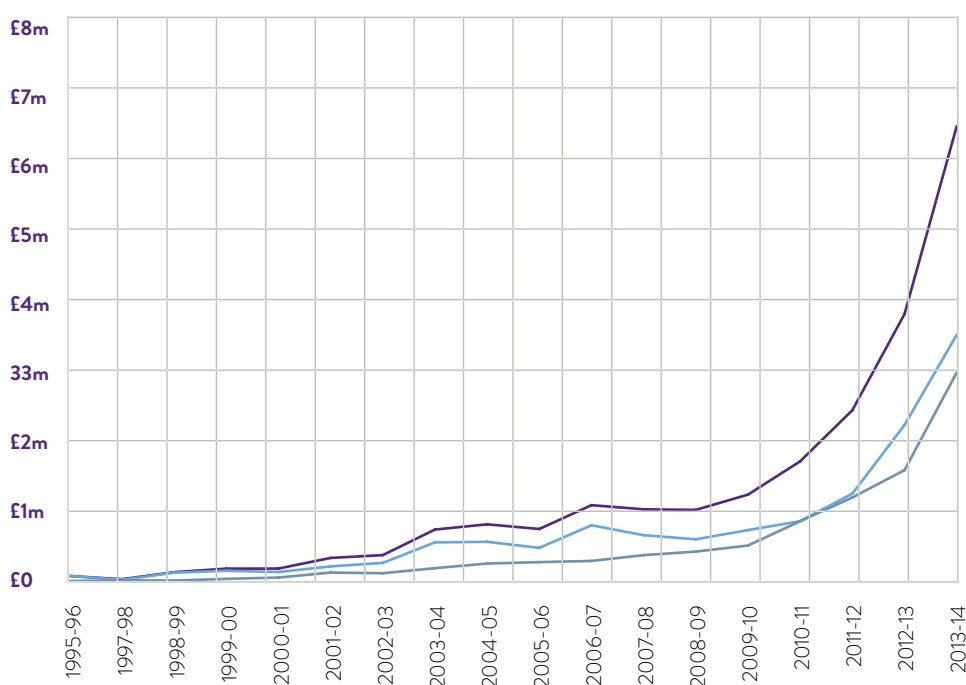
Elsewhere, in anticipation of the removal of the social fund, a local advice charity set up a furniture recycling scheme for their clients, as well as an internal food bank accessible to anyone without an income (whether from losing a job, or from being sanctioned). In another instance, a local mental health charity secured external funding to recruit a dedicated benefits and debt adviser. Furthermore, in response to an increasing number of young people being sanctioned, staff and volunteers at the YMCA introduced a range of preventative measures, including: keeping track of dates their residents are required to sign on, supporting them with job search activity and working more closely with local Jobcentre Plus and other agencies such as the Citizens Advice Bureau.

While there a number of such examples of charities adapting to the reforms, participants in this study reported that they had little time to prepare for the changes they would need to help implement. During the interviews we asked to what extent individual organisations felt prepared for the arrival of the welfare reforms. Most responded that while they were aware that the changes were imminent, and that the organisation would have to adapt to meet the changing demands, they did not know how the changes would 'play out'.

In many instances, the voluntary organisations only became aware of the detail of the reforms when people started to ask for support for specific issues. For example, a local disability charity was 'completely unaware of changes to the appeals process until someone came in with a mandatory reconsideration form.'

### Foodbank expenditure 1995–2014 (£m)

■ Trussell Trust ■ Other foodbanks ■ Grand total



<sup>49</sup> For statistics see [www.trusselltrust.org/stats](http://www.trusselltrust.org/stats)

## Building partnerships

*'We have always worked in partnership with other similar groups across Newham. We have increased our collaboration in response to the increased demand resulting from the recession and welfare reforms, as well as the changed funding climate. We have strengthened our links with local food banks, poverty groups, homeless shelters, churches, Local Authority services and others, to strengthen referral pathways (in both direction) so as to ensure that people are referred as rapidly as possible to the most appropriate service. One way in which we coordinate is through the Newham Poverty Group which meets regularly to discuss how to align our services.'*

## Community Links

Both national and local voluntary organisations recognise the benefits of working in partnership with other voluntary organisations and public sector partners where possible. Several local YMCAs, for example, are working in partnership at the local level with both public and private sector landlords to identify and develop suitable move-on accommodation for young people. Crewe YMCA set up a private sector 'floating support' scheme across the borough. They are looking for more private landlords to enter the scheme and reduce the rent on their properties to the level of the Shared Accommodation Rate. This will help young people caught out by the changes in Local Housing Allowance to find suitable accommodation.

Advice services across the country have sought to establish a common referral system in their local areas to facilitate joint-working and to ensure that increased demand can be better distributed between partners. Advice agencies have also responded to the lack of comprehensive emergency provision by developing closer links with food- and basics- banks. In other instances, voluntary organisations are seeking opportunities to share learning with other organisations. For example, a national health and social care charity reported that their beneficiaries have increasingly faced challenges related to welfare reforms. However, the charity is not commissioned to provide this support. As such, although staff are often trying to support their clients through the benefits system, they lack the specialist information and training to do this well. The charity is therefore looking into ways of working with other expert organisations to help with this.

## Challenges

Charities found it difficult to cope with the increased and changing nature of demands on their services associated with the introduction of the welfare reforms. Changing demand for services had a variety of knock-on effects, the most significant of which were a reduced capacity to fundraise and diminished staff well-being.

## Poor preparation?

Delays in the implementation of some of the individual reforms put increased pressure on voluntary organisations' resources. This is the case for both national and local organisations. For example, the national charity, NDCS, provided training around the introduction of PIP to its staff before the delays to its roll out. The slow introduction of the benefit across the country was a particular problem for the charity as training sessions needed to be run at different times across the country. NDCS has also refreshed information for staff as the formal training took account of the original schedule. In some cases, NDCS reported, staff could 'go the best part of two years from the initial training before they actually see a PIP claim.'

An additional example comes from a local disability charity which, in 2013, teamed up with a national charity to train ten volunteers in providing benefit, budgeting and independent living advice. This was done with a view to using them as the first point of contact for clients when universal credit was fully rolled out. Three of those people trained were volunteering for the charity at the time of the interview, but as Universal Credit had been delayed the remaining volunteers were not needed. A similar story emerged during the focus group discussion in Lancaster where a number of frontline workers had received training on the introduction and processes of Universal Credit back in 2012. The training received is now outdated and as such these charities felt unprepared for the introduction of the new benefit. In addition to this drain on resources, the people working on the front line felt that they had lost their clients trust as the roll out of Universal Credit was delayed in Lancaster after they had been preparing their clients for its arrival.

It is important to note the impacts of the welfare reforms go beyond those charities which are focused upon welfare issues, such as housing. For example, front-line workers in a drug and alcohol treatment charity for young people may not consider their main role to be supporting young people in benefit claims and accessing the welfare system. However, as one interviewee stated, 'it is not possible to work on drug and alcohol issues if clients haven't eaten for two or three days.' In such cases, the core missions of the charity in question may require workers to help support young people to claim benefits, find housing, and address rent arrears or debt in order to enable them to access the more specialised support their organisation can offer. As a result, difficulties in claimants' access to welfare services can have a knock-on effect on the work of apparently unrelated charities in achieving their missions.

### Reduced capacity to fundraise

Increasing demand on their services has restricted small charities' capacity to fundraise. These charities typically have only one or two paid staff who are responsible for the full range of organisational responsibilities as well as frontline service provision. For example, an adult mental health charity recounted that for the 200 people who access the charity's services, there are two members of staff who provide practical and emotional support: the manager and the assistant manager. Over 50% of their time is spent writing letters to the DWP before assessments, providing supporting evidence for appeals, liaising with support workers, and accompanying clients to appointments at all stages of their benefit claims. Prior to the welfare reforms, this was 25% of their time. This has had 'a profound' effect on their ability to fundraise which, given that only 1% of their income comes from statutory bodies, is essential in keeping the charity afloat.

*'Social Services are decommissioning so many day services etc that our phones are continually ringing and we are finding ourselves spending many man hours redirecting clients to suitable other services. These man hours are not being funded but, being a charitable organisation and caring about people with mental health problems, we will never turn anyone away. Harder to keep volunteers as our financial situation doesn't allow for volunteer expenses.'*

### Regional infrastructure charity

### Pressure on staff

A local advice service in the south of England, reported that reductions in their funding have forced the charity to reduce its working hours from five days per week to four. Whilst they continue to deliver the same number of appointments, they are not able to see everyone that asks for their support. Keeping up with the increasing numbers of people needing support, and the complexity of the cases, has resulted in growing stress for front line staff in the voluntary sector. Participants in the study explained that because staff are deeply and personally committed to their work some find the increasing number of clients in crisis 'distressing'. One local advice service manager stated: 'I am worried about my staff...If you are seeing people regularly who are in complete despair you can handle it every now again but not all the time.'

Due to the commitment of the staff and volunteers, many respondents reported that it was not unusual for staff to work long unpaid hours in order to meet the needs of their beneficiaries. In some cases, staff even felt obliged to offer their own money to clients – typically when clients were thought to have been unfairly sanctioned – to ensure the clients were able to continue covering primary costs such as food or utility meters.

*'We do so much for free, when do you stop?'*

### Local social enterprise



# RECOMMENDATIONS

## Policy implications

### Localised delivery model

Efforts to introduce Universal Support Delivered Locally have been welcomed by the voluntary sector for its potential to move welfare reform in the direction of a delivery model that is genuinely tailored to the needs of locally communities. Yet the potential of the voluntary sector to partner with statutory bodies at a local level to design and deliver a more localised approach remains largely untapped at this stage. The examples cited in this report of specialist voluntary organisations co-designing and providing services with local Jobcentres and local authorities resulted in better provision that was tailored tightly to the meeting of local needs. More could be done to share these examples of promised practice and encourage the adoption and funding of similar bespoke partnerships in other areas.

### Co-design and delivery of services

The voluntary sector has potential to support the delivery of welfare reforms not only through frontline service delivery but also through working with commissions and others to map local needs and co-design services to meet them for all groups, including those furthest from the labour market due to the multiple and complex barriers they are facing. Our research suggests that to date this approach has played out most positively in local authorities in which voluntary organisations are involved in the re-design of localised social support.

### Voluntary organisations are a great source of data

Voluntary organisations can also be deployed to monitor and evaluate the impact of the next phase of welfare reforms, and our research indicates that again their potential as partners for government in doing so during this first phase was largely unrealised. The Social Security Advisory Committee has recommended that DWP conducts robust qualitative research to understand the cumulative impact of the welfare reform. We agree with this recommendation and hope that insights from voluntary organisations working directly with vulnerable groups are fully captured in such research.

### Skills and employability

Volunteering can provide a clear way to developing the skills, social networks and self-esteem needed to enter employment. Advisers and other staff handling welfare claims must be better trained to actively support people wishing to take up volunteering opportunities. Since October 2014 NCVO and DWP have been working together with Volunteer Centres to improve relationships with their local JCP and form effective partnerships that support welfare claimants to take up professionally managed volunteering opportunities. Further work is needed to ensure such opportunities are available in all local authority areas in future.

*'Getting people into work is not a magic wand. If it is, the wand is broken.'*

### Advice charity

### Inform through the sector

The roll-out of the next phase of reforms will be more effective if greater attention is paid to realistic planning and management of the roll-out of programmes at local level. Delays in the roll-out of universal credit and some other reforms made it very difficult for voluntary organisations with limited resources to prepare properly to support their beneficiaries through this challenging period.

Inadequate training and information was offered to charities on the substance of the new reforms, especially when they were amended mid-way through being rolled out. Earlier dialogue about the likely effects of the reforms will enable specialist charities to partner more effectively with the government to inform people of their rights and responsibilities, and mitigate the risks involved in future reforms at the local level.

It is important that the DWP provides clear and accessible information about the progress of reforms to ensure transparency and understanding, and that it enables local authorities to do the same, where responsibility has been devolved to them. The National Audit Office recently highlighted this problem in their report on the Personal Independence Payment and recommended that DWP improve communication with claimants.<sup>50</sup>

### Prevention rather than remedy

The added value of voluntary sector organisations in the welfare reform space often lies in their work to prevent rather than remedy crises emerging in the lives of vulnerable people by offering personalised services that help them achieve their potential over a medium-term timeframe. Yet the story of our research was one of resources normally deployed on prevention being consumed by the urgent need to handle significant needs created by the introduction of some of these reforms.

This story, for example, was told by a local youth charity where staff are now spending more time on crisis issues caused by sanctions and the removal of crisis loans pending new benefit applications. This redeployment of charity resources carries a real risk that over time the most vulnerable groups affected by welfare reforms will move further away from the labour market and experience deepening rather than alleviation of their needs. More attention needs to be given to how best to preserve the capacity to engage in early action and preventative work in a context of dwindling public funding for such work and the withdrawal of non-statutory services at local level.

### The Compact between the voluntary sector and government

If voluntary sector organisations are working with government to realise the aspiration of a welfare system that is genuinely fair for all, attention is needed to reducing the pressures on staff and services arising from the increasingly prevalent expectation that charities will compensate for reductions in state provision for vulnerable groups. Without sustainable financing, the voluntary sector will quite simply not be able to pick up the slack in future.

Yet this outcome is not inevitable. Both the voluntary sector and the government have tools available in the form of national and local Compacts and bespoke partnership frameworks to engage in effective joint working that delivers real benefits for all sections of the community affected by welfare reform. Together, we can do more to help all people realise their rights to a standard of living built on dignity not stigma, and opportunity instead of lost potential.

<sup>50</sup> [www.nao.org.uk/report/personal-independence-payments-pip-2](http://www.nao.org.uk/report/personal-independence-payments-pip-2)

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# GLOSSARY

## Claimant Commitment

The Claimant Commitment outlines what job seeking actions a claimant must carry out while receiving Jobseeker's Allowance (JSA). It emphasises the claimants' responsibility to do all they can to look for work in return for the support they receive from the state.

## Community Work Placements

Community Work Placements (CWP) are aimed at those claimants whose primary barrier to work is a lack of work experience or motivation, and who may have spent a great deal of time away from a structured work environment.

CWP aims to equip jobseekers with a valuable period of experience in a work-based environment, enabling them to develop the disciplines and skills associated with sustained employment, as well as to move them into employment.

## Disability Living Allowance

Disability Living Allowance (DLA) was the long-term sickness and disability benefit. This has now been replaced by the Personal Independence Payment (see below).

## Domestic Violence Easement

From 23 April 2012, DWP introduced a specific easement from job seeking conditions for Jobseeker's Allowance (JSA) claimants who are victims of actual or threatened domestic violence. The easement exempts claimants for an initial four-week period providing certain conditions are met. The easement can be extended to a total of 13 weeks if relevant evidence is provided. This period is intended to provide those who have been affected by domestic violence with time to focus on priorities like organising new accommodation or arranging alternative schooling for dependent children without having to also focus on meeting their job seeking conditions.

## Employment Support Allowance

Employment Support Allowance (ESA) is the benefit received by people who are ill or disabled and unable to work. It also offers personalised help to support people into work. ESA replaces Incapacity Benefit, Income Support paid because of an illness or disability, and Severe Disablement Allowance.

## Local Housing Allowance and Housing Benefit

Local Housing Allowance (LHA) was introduced for new claimants living in the deregulated private sector from April 2008. LHA is not a benefit in its own right – it is the way in which the rent element of Housing Benefit (HB) is calculated for tenants living in the deregulated private rented sector. Housing benefit is for people on low incomes or claiming benefits who rent their homes or who part-rent through shared ownership.

## Mandatory Reconsideration

Mandatory reconsideration is the process of reconsidering whether a disputed benefit or tax credit decision is correct. Claimants must first have had a Mandatory Reconsideration completed by the Department for Work and Pensions (DWP) or HM Revenue and Customs (HMRC) before they can appeal against a decision to an independent tribunal.

This requirement was extended to all DWP benefit decisions – except housing benefit decisions, which can be appealed to a tribunal immediately – from 28 October 2013 and to tax credits and child benefit from 6 April 2014.



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## Mandatory Work Activity

Where advisers believe a jobseeker will benefit from experiencing the habits and routines of working life, they will have the power to refer the recipient to Mandatory Work Activity. The placement will be for up to four weeks and aimed at helping the recipient develop the labour-market discipline associated with full-time employment such as attending on time and regularly, carrying out specific tasks and working under supervision.

## Social Fund

The Social Fund offered loans or payments to benefit claimants struggling to meet the costs of unexpected or one-off expenses. As part of the welfare benefit reforms, parts of the Social Fund were abolished in 2013 while others, such as funeral or maternity expenses and budgeting loans, will be paid under Universal Credit. The fund was replaced by local welfare assistance in April 2013.

## Personal Independence Payment

The Personal Independence Payment (PIP) has replaced Disability Living Allowance. This benefit helps people between the ages of 16 and 64 with some of the extra costs caused by long-term ill-health or a disability. Under this new benefit claimants can claim between £21.80 and £139.75 a week depending on how their condition affects them.

## Sanction

A benefit sanction is the suspension of benefit payments to claimant who has failed to meet specific requirements to prepare and look for work as outlined in the individual's claimant commitment, or has committed a benefit related criminal offence.

If sanctioned, benefits can be stopped for between 4 and 156 weeks. The length of the sanction depends on:

- the reason the claimant is unemployed, eg whether they were dismissed for misconduct from their last job, or if they left 'without good reason'
- what the claimant hasn't done to find work
- if the claimant has previously received a sanction in the last year
- if the claim has ended and the reason(s) for this.

# APPENDIX

## Call for Evidence

### Instructions

NCVO's project, Strengthening the Voluntary Sector's Voice in Welfare Reform, will research the cumulative effect of the recent welfare reforms.

Voluntary organisations play a vital role in supporting people and communities and have first-hand knowledge of what impacts the welfare reforms are having. And yet, the sector has not yet spoken with one voice about the combined effects of the reforms.

We want to know:

- How the welfare reforms have affected your beneficiaries?
- What changes have you made to your services as a direct result of the reforms and why?
- What factors have affected your capacity to respond to changing demands?

We want to hear from organisations of all sizes, from across England, whether you provide services or a voice to welfare claimants.

## Questions

1. Have the needs of your beneficiaries changed as a result of the welfare reforms? If so, please provide as much detail as you can about how they have changed and why.
2. What impact have the welfare reforms had on your organisation in terms of the services you are able to provide and how you provide them?
3. Is there anything else about your organisation's experience of the welfare reforms, and the impact they are having on your beneficiaries, that you would like us to know?

## Focus group guiding questions

1. Have the needs of your beneficiaries changed as a result of the welfare reforms? If so, please provide as much detail as you can about how they have changed and why.
2. What impact have the welfare reforms had on your organisation in terms of the services you are able to provide and how you provide them?
3. Is there anything else about your organisation's experience of the welfare reforms, and the impact they are having on your beneficiaries, that you would like us to know?

## Interview questions

1. Can you tell me about how you work with/for people in receipt of state welfare?
2. The key aims of government welfare reform is to support vulnerable people, get people off benefits and simplify the benefits. Do you feel that this has been successful? If so/not, why?
3. Which reforms do you think have had the most positive impact and why?
4. Which reforms do you think have had the most negative impact and why?
5. How do you find out about what reforms are coming in and the possible impact that they will have? (eg news, DWP, mailing list, Local Authority)
6. Has your charity needed to adapt since the introduction of the welfare reforms (eg its services or the way they are delivered)? If so, how and why? If not, why?
7. If you have needed to adapt, have there been any challenges? If so, what have those challenges been? If not, why do you think that is? (eg consistent funding, volunteer-led etc).
8. How do you feel about your organisation's ability to support people in the future?
9. What role do you think charities can and should play in supporting people reliant on state welfare?
10. What policy suggestions would you make to the DWP? (max. of 3)

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**NCVO**

**CHAMPIONING  
VOLUNTARY  
ACTION**

Registered charity number 225922  
Design by Steers McGillan Eves