

THE HUMAN COST OF WELFARE REFORM

PRACTICAL RECOMMENDATIONS FOR CHURCH-BASED RESPONSES

Since coming to power, the Coalition Government has made several significant changes to our national welfare system¹. Much has been written about the financial impact of these changes², yet the purpose of this study is to look at the broader impact reforms are having on people's everyday lives and to consider how churches can best support those affected.

Our research is based on interviews with staff and project beneficiaries from ten church or faith-based community organisations. This note summarises the key findings from those interviews and suggests some potential activities that churches might undertake to support three groups affected by particular reforms.

METHODOLOGY

Between March and May 2013, semi-structured interviews were conducted with staff members and project beneficiaries at ten church or faith-based community organisations. In all, 19 people were interviewed. These ten organisations were chosen because of their work with either of two groups likely to be affected by recent reforms - families with young children and disabled people. Six of these projects were based in London (where certain reforms, such as the benefit cap, are expected to have a particular impact on families), two in rural Lancashire, one in Birmingham and one in Coventry. For a list of organisations visited please see the full report.³

THE IMPACT OF WELFARE REFORM

Whilst largely sympathetic to the overall aims of the reforms, interviewees felt that they were having a disproportionate impact on the poorest and most vulnerable in our society. Their reflections reveal the significant human costs of welfare reform, in terms of people's anxiety about the future, their struggles to adjust to a sudden loss of income, the difficulty of moving back into employment or the breakdown of social networks as a result of moving home. Many people are in need of increased support to help them cope with these changes.

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Changes to disability-related benefits:

Between 2011 and 2014, all existing claimants of incapacity benefits will be reassessed for the new Employment and Support Allowance (ESA). Claimants judged fit for work will be expected to apply for Jobseeker's Allowance (JSA) and move into employment.

"The biggest change is the move from ESA onto JSA. Now I would say personally that in many cases it is a good thing... Some of them have said it is the best thing that has ever happened to them. So bear that in mind because it is not all bad. But some of them that are being forced onto Jobseeker's aren't well and they can't cope and those are the ones that we help."

For those capable of work, the move from ESA to JSA can be beneficial. However, even when people are willing and able to work, significant barriers exist that make securing a job extremely difficult, including the fierce competition for jobs, the cost of public transport and childcare, and the lack of jobs that can fit around school hours. After several years out of the job market, many people lack the self-esteem, qualifications or skills to successfully move into employment.

For those wrongly assessed as fit for work, the process of appealing the assessment can be extremely stressful, often leading to deterioration in mental or physical health. Interviewees felt that many people in this situation are struggling to negotiate the requirements of JSA and so are more at risk of having their benefits sanctioned.

Changes to Housing Benefit:

In London, the cap on Local Housing Allowance introduced in 2011 means that some families are being moved to cheaper areas:

"Some of our families from the school have been completely moved out of the area... because of the housing benefit changes... They've gone all over the place, but miles away. One's gone to Walthamstow. One's gone out to Barnet. And of course they're still travelling into school because their whole network is here. It's just ridiculous."

Moving to another area might reduce a household's rent, but it also destroys valuable support networks built up over many years, leading to isolation and increased vulnerability. The fact that some families are willing to travel for several hours a day to keep their children in the same school shows the value people attach to those networks.

Interviewees were also nervous about the potential impact of the 'bedroom tax'. The lack of one-bedroom properties means that people who are willing to move, but unable to find a suitable property in their area, will still be penalised.

Debt:

As a result of cuts, benefit delays and the reduction of crisis funds, many people are more likely to fall into debt:

"I think the critical thing is that most of our clients don't have reserves put aside to deal with the crises that happen. Little things will then tip them over the edge and put them into debt, because they don't have the back up of savings or family support to be able to help them over those crisis points, like paying [for] a washing machine or an unexpected bill."

Emotional impact:

The recent programme of reforms is having a significant emotional impact on people around the country. One interviewee commented: *"People are getting very anxious about money, about their benefits... I think there's a lot of fear."*

The anxiety is so great for some people that it leads to periods of depression or even hospital admission. Interviewees felt that this anxiety is often rooted in a sense of powerlessness, a feeling that you have to fight with the system to get something done. This can be perpetuated by the experience of Jobcentres: *"One of the things we find is that people who have come from the Jobcentre are frustrated and angry, as they have to shout to be heard."*

Many interviewees, even those sympathetic to the objectives of the reforms, felt that the changes were disproportionately affecting those at the bottom; the poorest and the most vulnerable in our society:

"For me, the biggest issue is the lack of compassion in the changes that are taking effect. Amongst the people making the decisions, there is either a refusal or an inability to understand that when you change something at the top, it is down at the bottom that it has its biggest impact. It is the people at the bottom of the food chain that it hits the hardest, and it hits quickest."

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CHURCH-BASED RESPONSES TO THE EFFECTS OF WELFARE REFORM

The Church has a long history of working with the most vulnerable members of our society. Located within communities, churches are ideally placed to offer both the short-term support that is needed by those in crisis and the long term relational networks that help people to build their self-esteem and skills, and to ultimately reduce their reliance on benefits.

Below, we suggest possible activities that churches might undertake to support those affected by welfare reform. It may be that your church is already doing many of the activities mentioned. If not, perhaps one activity mentioned here will be relevant and achievable in your community. In the words of one interviewee:

"You don't have to have 12 staff, you don't have to have lots of projects, just one thing that you can see isn't being done and you feel called to do it. Get involved in whatever way you can."

Underpinning all of these suggestions is the understanding that the most important task of the Church is to be a loving and inclusive community, especially at a time when many are struggling to make ends meet:

"People want someone to listen to them. People who will say, I can't be in it totally with you, but I can walk it with you... Families don't want somebody who gives them all the answers. They just want somebody to say, you're doing all right actually. The bits that you're not, we'll help you with."

THREE GROUPS AFFECTED BY REFORMS

In thinking about how best to support those affected by reforms, it may be helpful to identify three groups of people that have been particularly impacted by recent changes.

1 Former incapacity benefit claimants who need to move into employment.

By 2014, approximately 1.5 million claimants of incapacity benefits will have been reassessed for ESA, under the Work Capability Assessment. Of these, approximately 200,000 are expected to move onto JSA and begin looking for work.

2 Former incapacity benefit claimants wrongly judged as fit for work.

Appeals have been lodged against approximately 40% of Work Capability Assessments and 38% of these have been successful. This means that many tens of thousands of people who are not capable of entering employment, have been wrongly ruled as fit for work.

3 Households affected by Housing Benefit changes.

Hundreds of thousands of households have been affected by recent changes to Housing Benefit. For example, 660,000 are projected to lose an average of £14 per week because of the 'bedroom tax'. Another 21,000 households are expected to lose an average of £74 per week because of the overall cap to Local Housing Allowance.

For each of these three groups, we will identify the particular challenges they may face as a result of recent reforms, categorising these into short-term, transitional and long-term.

We will then list potential activities that churches, depending on their context and assets, might undertake to help individuals and families overcome these challenges.

1 Former incapacity benefit claimants who need to move into employment

Challenges		Possible church-based responses
Short-term	Reduction or delay in benefit payments.	<p>In-kind support – many churches already provide in-kind support through food banks. This work could be expanded to include furniture, clothing, second-hand household goods as well as signposting to longer-term support services.</p> <p>Cash support – funding for crisis loans has been significantly reduced in recent years. Churches could help people access affordable credit by putting them in touch with the nearest Credit Union (www.findyourcreditunion.co.uk).</p>
Transitional	<p>Overcoming barriers to employment:</p> <ul style="list-style-type: none"> ● poor CV or job application writing skills ● access to computers for job searches ● cost or lack of public transport ● childcare costs 	<p>Job clubs – churches could supplement Jobcentre provision by running groups to help people write CVs, complete job applications, practise interview techniques and even lend people clothes for interviews. Alternatively, they could set up a CAP Job Club or a Safe Choices course (see CUF's Ready-to-go Project Directory) to offer more intensive support.</p> <p>Access to computers – churches could make office computers available for job searches at certain times and/or repurpose second-hand computers donated by church members.</p> <p>Car shares – some car share organisations do exist (goCarShare, National CarShare) but, using their knowledge of local employment centres and gaps in public transport provision, churches could organise a more targeted service.</p> <p>Childcare – churches could help to organise local childcare circles or assist people in gaining a childcare qualification, thereby increasing available childcare and providing the possibility of employment.</p>
Long-term	Lack of self-esteem, qualifications or skills.	<p>Confidence building – churches may consider running confidence building courses alongside job clubs. Spear courses, run by the Resurgo Trust, offer a possible template for these courses.</p> <p>Training courses – where training gaps exist, churches could run courses relevant to their community and local employment opportunities such as computer literacy, secretarial skills or basic Maths and English qualifications.</p> <p>Voluntary placements – churches could help people to gain new skills by hosting formal, voluntary placements. Church members could also provide internships in their places of work.</p>
	Lack of flexible jobs that fit around school hours.	<p>Flexible employment – churches could make sure that, wherever possible, their employees are able to work around school hours. They might also talk to local employers to encourage them to be more flexible.</p>

2 Former incapacity benefit claimants wrongly judged as fit for work

Challenges		Possible church-based responses
Short-term	Lack of understanding of benefit changes.	Explaining changes – some claimants of incapacity benefits might not fully understand why their benefits have been changed. In those cases, churches could provide support by taking the time to understand recent welfare reforms and finding simple, accessible ways to explain them.
	Reduction or delay in benefit payments.	In-kind support – many churches already provide in-kind support through food banks. This work could be expanded to include other in-kind goods (see above) and signposting to longer-term support services. Cash support – churches could refer people to Credit Unions (see above). However, getting a loan would only be appropriate when recipients fully understand the terms of the agreement and have the means to make repayments.
Transitional	Process of appealing a Work Capability Assessment.	Support during appeals - church members could provide practical help by filling out appeal forms, setting up appointments, helping to arrange transport or, where possible, attending appeals. This support could be provided within the church community or through charities such as a Disability Advice Centre. Managing stress – for those with mental health problems, the process of appealing a Work Capability Assessment may cause a deterioration of their condition. While not experts in psychiatric care, churches could still help by watching for warning signs and contacting families or support services to help arrange further care.
	Appealing benefit sanctions.	Appealing against sanctions – where benefit sanctions fail to take proper regard of an individual’s circumstances, churches could provide support by acting as advocates; ringing the Jobcentre on their behalf to explain the circumstances that led to the sanction and asking for it to be repealed.
Long-term	Lack of support services, resulting in loneliness and isolation.	Drop-ins – church-based drop-ins, activity groups or lunch clubs for people with mental health problems or disabilities could help to reduce isolation and loneliness. Similar groups run for carers might also prove an invaluable source of support. Volunteer roles – churches could offer voluntary roles for incapacity benefit claimants capable of some form of work. For example, people with learning disabilities might be able to help serve a community meal or volunteer in a food bank.

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3 Households affected by Housing Benefit changes		
Challenges		Possible church-based responses
Short-term	Reduction of Housing Benefit.	Cash support – if a family or individual’s Housing Benefit has been reduced, they might need short-term cash support whilst deciding the best course of action. Churches could offer support by referring them to a Credit Union (see above).
Transitional	Budgeting and debt.	Budgeting support – where the benefit reduction is not too great, families may be able meet additional costs by adjusting spending patterns. Churches could help by either directing people to budgeting courses, such as the CAP money course, or by training members of their congregation to deliver that support themselves. Debt advice – if debt is a significant local issue, churches could provide support by running a Community Money Advice Service or setting up a CAP centre. Alternatively, they could signpost to other local service providers.
	Moving house and losing existing social networks.	Support moving house - for those unable to make up benefit shortfalls, churches could provide support through the difficult process of moving house. Firstly, they could notify other churches that a family is moving into their area; asking that they get in touch with the family, help to meet any immediate needs and let them know about local groups where they can meet others. Churches could also provide physical help with the move itself, providing volunteers to pack and carry boxes as well as transport. This kind of support would help to minimise stress if a house move was unavoidable.
Long-term	Securing better paying jobs.	Training courses – churches could help people secure better paying jobs by enabling them gain to new qualifications or develop soft skills. They could also encourage people to take up opportunities available through schemes like LearnDirect. Wealth accumulation – projects that help families to increase their assets can help to build resilience against crises. Few churches currently run such projects, but much could be learned from organisations such as The Share Foundation. Support local schools – where local schools are struggling to give their pupils a good quality education, churches could provide support by becoming governors, running homework clubs or funding youth workers. In the long run, this could help young people to secure better paying jobs. Support the Living Wage campaign - churches could actively support this campaign, lobbying local organisations and agencies to start paying the Living Wage.

FURTHER INFORMATION

This report was authored by Bethany Eckley at Church Urban Fund. A copy of the report is available to download at www.cuf.org.uk/research.

References

- 1 Please see ‘Guide to Welfare Reforms 2010 – 2017’, Church Urban Fund and the Church of England, for more information about recent reforms.
- 2 Please see ‘It all Adds Up: the cumulative impact of welfare reform’, Church Urban Fund and the Church of England.
- 3 The full report can be downloaded at: www.cuf.org.uk/human-cost-welfare-reform

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