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<b>Report To:</b>	<b>Health &amp; Social Care Committee</b>	<b>Date:</b>	<b>25 April 2019</b>
<b>Report By:</b>	<b>Louise Long Corporate Director, (Chief Officer) Inverclyde HSCP</b>	<b>Report No:</b>	<b>SW/29/2019/HW</b>
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<b>Subject:</b>	<b>Impact of Welfare Reform on Mental Health</b>		

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## 1.0 PURPOSE

The purpose of this report is:

- 1.1 To inform the Committee of the impacts of welfare reform and social security change on people with mental health problems.
- 1.2 To outline specific concerns as to the effects of conditionality rules on clients with mental health problems.
- 1.3 To consider possible HSCP workload implications as a result of points 1.1 and 1.2.

## 2.0 SUMMARY

- 2.1 Many people claiming social security entitlements experience mental health problems, which can make navigating the social security system difficult. Problems such as limited concentration, memory problems and reduced planning and problem solving skills can make it more challenging to claim and maintain social security entitlements. Difficulties occur at all stages from making the initial claim through to formally disputing decision making if necessary. Although we do not have fully reliable data capturing the number of people claiming benefits and who have mental health problems, some of the survey work outlined at 4.1.1 helps us to understand the impacts that are being experienced.
- 2.2 Evidence such as that from Scotland's Chief Medical Officer's Annual Report 2016-17, (Practicing Realistic Medicine – <https://www.gov.scot/publications/practicing-realistic-medicine/pages/10/>), indicates that mental health has worsened in recent years amongst those most affected by economic and labour market insecurity, and by welfare reform.
- 2.3 Support provided by HSCP services such as the Community Mental Health Team can result in positive changes in the behaviour and circumstances of clients with mental health problems. There is a risk, however, that gains achieved can be subsequently undermined by conditionality rules and the threat of sanction that underpins Universal Credit.
- 2.4 Significant workload implications may result from the enhanced support HSCP workers are required to give vulnerable claimants with mental health problems to deal with Universal Credit. This might relate to a range of services, including Advice Services; Mental Health Services; Learning Disability Services and possibly Addictions, Homelessness and Community Justice services.

### **3.0 RECOMMENDATIONS**

3.1 That the Committee notes the contents of the report.

**Louise Long**  
**Corporate Director (Chief Officer)**  
**Inverclyde HSCP**

## 4.0 BACKGROUND

### 4.1 IMPACTS OF WELFARE REFORM

4.1.1 Many people claiming social security entitlements experience mental health problems, which can make navigating the social security system difficult. Problems such as limited concentration, memory problems and reduced planning and problem-solving skills can make it more challenging to claim and maintain social security entitlements. Difficulties occur at all stages from making the initial claim through to formally disputing decision-making if necessary. No complete data as to the prevalence on mental health is available for the UK as a whole, however:

- The Adult Psychiatric Morbidity Survey in England (Adult Psychiatric Morbidity Survey: Survey of Mental Health and Wellbeing, England, 2014, NHS Digital) found that 33% of economically inactive people and 29% of unemployed people reported a common mental health disorder, compared with 14% of full-time workers.
- Employment and Support Allowance (ESA) is the main income-replacement benefit for people with health conditions and disability. At May 2018, of the 2.25 million claimants of ESA, 1.15 million (51%) were recorded as having a mental or behavioural disorder as their main disabling condition.
- Personal Independence Payment (PIP), replacing Disability Living Allowance for working age claimants, helps claimants with the extra costs associated with disability. As of October 2018, of the total 1.99 million PIP claimants, 690,000 (35%) were recorded as having a mental or behavioural disorder as their main disabling condition.

As DWP do not publish statistics as to how many claimants have a mental or behavioural disorder in addition to another main disabling condition the total numbers with a mental or behavioural disorder will be greater than those given.

Analysis of the impact of the tax and welfare reforms introduced between May 2010 and January 2018, conducted by the Equality and Human Rights Commission, found that the cumulative impact on disabled people by the tax year 2020/21 will be significantly regressive in nature. Findings include:

- Adults with behavioural difficulties will lose around £2,350 a year;
- Adults with learning difficulties will lose around £1,750;
- Adults with mental health conditions will lose just over £1,799.

(The Cumulative Impact of Tax and Welfare Reforms – Equality and Human Rights Commission, April 2018). <https://equalityhumanrights.com/en/publication-download/cumulative-impact-tax-and-welfare-reforms>

In Inverclyde, at 31 March 2019:

- Psychological services were supporting 219 adults with behavioural difficulties
- Our Learning Disabilities services were supporting 517 adults
- Our mental health services were supporting 4754 adults

Not all of these people were claiming benefits, however a significant proportion were either dependent on benefits or at risk of requiring benefits if their conditions worsen.

4.1.2 In March 2019 a report from the Money and Mental Health Policy Institute, 'The Benefits Assault Course', was published. The findings of the report were informed by the evidence provided in a survey of 455 disability benefit claimants with mental health problems. The findings flagged difficulties encountered in all dealings with the social security system from application to assessment to claim maintenance to challenging DWP decision-making:

All reported the application process difficult:

- 82% had difficulty finding the right information to send;
- 93% reported deterioration in condition as a result of assessment;
- 75% required help to attend assessment;
- 81% were unhappy with the decision made by DWP but did not feel able to challenge the system;
- 94% exhibit some level of anxiety in dealing with the benefits system.

<https://www.moneyandmentalhealth.org/wp-content/uploads/2019/MMH-The-Benefits-Assault-Course-Updated.pdf>

- 4.1.3 Behavioural, cognitive and psychological changes associated with mental ill-health can make navigating the social security system challenging and difficult. Comprehending and processing information, memory impairment, restricted planning and problem-solving capabilities, reduced concentration, social anxiety and communication difficulties, increased impulsiveness, low levels of energy and motivation are all factors making meaningful engagement with the social security system problematic. For clients with severe and enduring mental health issues the problematic becomes an almost impossible task without the appropriate support. The consequences of these difficulties can be that people with mental ill-health are not able to engage with the required processes, and are therefore likely to be subject to sanctions and loss of benefits, as a direct result of their illness.
- 4.1.4 Survey results from NHS Mental Health Trust leaders in England, 'Mental Health Services: Addressing the Care Deficit', were released in March 2019. The survey identified widespread concerns as to benefit cuts in general and the impact of Universal Credit in particular. The key finding is that demand for service is outstripping the supply, with demand driven by socio-economic factors such as increased deprivation:
- 98% cited financial hardship;
  - 92% identified changes in benefit including Universal Credit as increasing demand for mental health services, with 63% indicating the impact as high, making social security change as the most significant factor driving demand.

<https://nhsproviders.org/media/606029/mental-health-services-addressing-the-care-deficit.pdf>

Although we do not have comparative data for Inverclyde, it is reasonable to presume that these issues will be present locally.

- 4.1.5 The impact of the rollout of Universal Credit on claimants' mental health was further considered in a report from the Scottish Association for Mental Health, 'Universal Credit and Mental Health', published in March 2019.

[https://www.samh.org.uk/documents/ItWasAConfusionReport\\_online\\_version.pdf](https://www.samh.org.uk/documents/ItWasAConfusionReport_online_version.pdf) Again, the conclusion encapsulates the concerns that have accompanied the roll out of Universal Credit:

"The reliance on a rigid digital by default system is a significant barrier to people with mental health problems when claiming then managing their Universal Credit entitlement. There are also structural issues with Universal Credit that are direct obstacles to people with mental health problems accessing essential support and financial security. These include the initial five week wait for payment; the reliance on face-to-face assessments to establish eligibility for the disability component of the award; the time-limited nature of Universal Support; and the removal of implicit consent for welfare rights advisors. The central feature of Universal Credit – conditionality – has left claimants lacking control and is not tailored to support people with mental health problems. The conditionality regime relies largely on the discretion of Work Coaches, who are not specialists in mental health or disability. This is compounded by a regime of sanctioning and the threat of sanctions where claimants do not comply with job searching and work related conditions. It is essential that the levels of uncertainty and reliance on discretion is reduced in the system, while Work Coaches should be trained and empowered to make genuinely supportive adjustments to claimants' conditions to support their mental health and well-being."

## 4.2 CONDITIONALITY

- 4.2.1 Conditionality and threat of sanction is central to much of the social security system in general and Universal Credit in particular. To receive Universal Credit the claimant has to agree to undertake specific requirements by way of a claimant commitment. If the claimant fails to meet these requirements the claimant may be sanctioned. Claimants found 'fit for work' must undertake all work related activity including intensive job search. Claimants found to have limited capability for work must take steps to prepare for work. Claimants found to have limited capability for work and work related activity are exempt from conditionality.

- 4.2.2 In 2017, Mind, the mental health charity, surveyed 3,000 people with mental health problems and experience of the social security system. Nine in ten of those who were sanctioned, or threatened with a sanction, said it had led to a deterioration in their mental health. The Scottish Government report, 'The Impact of UK Welfare Policy on Disabled People', found nearly half of those sanctioned under Employment and Support Allowance (ESA) in the 12 months to March 2017 were recorded as having mental and behavioural disorders. DWP data from, 'Equality Analysis: The Universal Credit (Amendment) Regulations 2016, shows that 6 out of 10 ESA claimants who were sanctioned were people with a mental health condition or learning disability. The November 2018 briefing on, 'Benefit Sanction Statistics', by Dr David Webster, Honorary Senior Research Fellow, Urban Studies, University of Glasgow, found the average Universal Credit sanction rate over the previous 12 months averaged at 6.4% per month, far in excess of the rates for legacy benefits such as ESA. The clear evidence is that sanction rates are rising as more claimants are migrated to Universal Credit.
- 4.2.3 Research conducted by the Equality and Human Rights Commission in 2018, 'The Cumulative Impact of Tax and Welfare Reforms and Welfare to Work Programmes: An Evidence Review', highlighted concerns that sanctioning has negative impacts on mental health, including depression and anxiety. Evidence also indicated that sanctions could undermine the process of recovery for people with addiction or mental health problems. The British Psychological Society, the UK Council for Psychotherapy, the British Association for Counselling and Psychotherapy, the British Psychoanalytic Council, and the British Association of Behavioural and Cognitive Psychotherapies have all called for the current sanction regime to be suspended and reviewed, blaming sanctions for causing destitution, disempowerment and increased rates of mental health problems. ('Scrap Benefits Sanctions Or Risk Mental Health Crisis, Psychologists Warn – open letter to the Independent 26/2/17). NHS Scotland have concluded that the current sanctions regime is costly and wasteful in terms of human health and public money and that consideration should be given to undoing, preventing and mitigating more effectively against its adverse health impacts.
- 4.2.4 Advocates of conditionality perhaps assume that all claimants are able to make decisions and respond to the threat of sanctions in a rational manner. This may not necessarily be the case for claimants with mental health problems who may have a limited comprehension of the conditionality requirements placed upon them and the consequences of sanction. If claimants with mental health problems agree to inappropriate conditionality they will in all probability be unable to comply with that conditionality. The exact conditionality requirements placed on a claimant are set at the discretion of the claimant's Work Coach. This should take cognisance of the claimant's particular set of circumstances or vulnerabilities including any mental health problems. The onus, however, is on the claimant at the initial meeting with the Work Coach to disclose factors such as mental health problems that should be a relevant consideration in the setting of conditionality requirements. The need for disclosure can create a significant barrier and source of distress to the claimant in terms of the need to discuss their mental health with a Work Coach. Many claimants with mental health problems will perhaps lack the necessary insight as to their mental health problems and how it affects them to allow them to discuss the matter with a Work Coach in the first instance. The situation is compounded by the findings from DWP's own research, 'Universal Credit Full Service Survey 2018', that found Work Coaches felt overwhelmed by the number of claimants with health conditions, lacked the time or means to identify vulnerable claimants, and did not have the confidence to apply reasonable adjustments to conditionality requirements. Further research from DWP, 'A Synthesis of Qualitative Research with Work Coaches', published in 2017 focused on ESA but with a view to inform DWP as to the needs of Work Coaches under Universal Credit, found that Work Coaches often lack experience of working with claimants with mental health problems and find conversations about mental health, 'difficult, personal and uncomfortable to handle'.
- 4.2.5 One solution would be to impose a legal duty on DWP to advise claimants as to how to make a request for a reasonable adjustment and easement of any conditionality requirements before any claimant commitment is imposed on the claimant.

### 4.3 WORKLOAD IMPLICATIONS FROM INCREASING CLIENT NEED

- 4.3.1 The weight of evidence demonstrating that welfare reform, conditionality in particular, results in hardship and ill health will have a direct correlation to increasing pressures on HSCP services

such as the Community Mental Health Team and Advice Services. The stress experienced by claimants in dealing with the social security system can have such a serious impact on a client's mental health to the extent that it distracts from clinical care. The link between poverty and ill health is well documented. A recent report from NHS Scotland, 'Health Inequalities, Impact of Economic Downturn and Social Security Change', outlined the adverse impacts of welfare reform that include negative impact on both physical and mental health, most notably in terms of stress illness resulting in increased treatment costs to the NHS.

- 4.3.2 Universal Credit creates a constant cycle of demand for workers who support Universal Credit claimants resulting in significant workload pressures. There is the initial strain to ensure vulnerable claimants are not left destitute without money, food and other basic essentials whilst the claim for Universal Credit is processed:

"Once the claim was submitted, advice workers supporting UC claimants described inconsistent and contradictory advice from DWP staff, difficulties correcting mistakes and failure to secure backdated UC payments, even when claimants had health issues or disabilities. The apparently arbitrary nature of UC decision making and lack of transparency, led to frustrations for advice workers."

(Qualitative Study, Universal Credit Roll Out, Health and Social Care Institute Teesside University and Institute of Health and Society Newcastle University)

- 4.3.3 The study from Teesside and Newcastle Universities finds Universal Credit is not working for vulnerable claimants and significantly adds to the workload of staff supporting claimants. In summarising the authors conclude:

"These findings suggest that the roll out of Universal Credit is contributing to the pressure on a health and social care system which is already under severe strain given the high levels of mental health conditions which exist. Staff who participated in this study anticipated increases in survival crime, theft and shoplifting with associated costs to the criminal justice system. They expressed concerns about the impacts on UC claimant's welfare, but also described the adverse effects on their own health, wellbeing and stress levels. The start of the managed migration will see many more people with complex claims and multiple disadvantages moving to UC and needing additional support to adapt to it."

## **5.0 PROPOSALS**

- 5.1 That the Committee notes the contents of the report.

## **6.0 IMPLICATIONS**

### **Finance**

- 6.1

Financial Implications:

There are no financial implications.

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

**Legal**

6.2 No implications

**Human Resources**

6.3 No implications

**Equalities**

6.4 Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO -

**Repopulation**

6.5 No implications

**7.0 CONSULTATIONS**

7.1 None

**8.0 LIST OF BACKGROUND PAPERS**

8.1 Chief Medical Officer's Annual Report 2016-17, Practising Realistic Medicine, April 2018;  
The Cumulative Impact of Tax and Welfare Reforms, Equality and Human Rights Commission, April 2018;  
Benefits Assault Course, Money and Mental Health Policy Institute, March 2019 (includes links to DWP research cited at 4.2.4);  
Mental Health Services: Addressing The Care Deficit, NHS Providers, March 2019;  
Universal Credit and Mental Health, SAMH, March 2019;  
Equality and Human Rights Commission, Written Submission to House of Commons Work and Pensions Committee, May 2018(includes links to evidence cited at 4.2.2 and 4.2.3)  
Health Inequalities, Impact of Economic Downturn and Social Security Change, NHS Scotland, September 2018;

