NHS Health Scotland

Mitigating the impact of welfare reform on health and NHS services, service users and employees.

Outcome Focused Plan – March 2018

Published by NHS Health Scotland on behalf of The Scottish Government's Welfare Reform and Health Impact Delivery Group (HIDG).

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Introduction

This outcome focused plan is an update of the one produced in December 2013 by the Scottish Government's Welfare Reform and Health Impact Delivery Group (HIDG). The plan was reviewed in November 2016 and a final consultation with NHS territorial Boards took place in March 2018. Working with representatives from NHS boards and Health and Social Care Partnerships, the HIDG has reviewed the previous plan, taking into account:

- evidence of the impact of the UK Government's welfare reform programme and austerity on health and health services
- evaluations of activities developed to undo, prevent and mitigate the impact of welfare reform on health and health services
- the emerging role of integrated Health and Social Care Partnerships in Scotland with a focus on prevention, anticipatory care and supported self-management
- the Scotland Bill, which gives Scotland new powers over 11 existing disability and caring benefits.

The plan is laid out below. It is not intended to be prescriptive but instead provides NHS Chief Executives and Health and Social Care Chief Officers a set of principles and guidance for their organisations to use to inform their local activities in collaboration with community planning partners.

The Scottish Government will welcome updates from NHS Chief Executives on progress with this plan through their existing reporting mechanisms, for example Annual Review.

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Outcome focused plan

It is well established that income and social security are good for health, and that supporting the working-age population who are able to work to move into, remain in and progress in good quality employment, will have a positive impact on health and in reducing health inequalities.

Since the original plan was published in November 2013, the economy has moved from stagnation to recovery and the Scottish labour market has generated new opportunities and challenges as well as leaving some inequalities (regional, occupational and by protected characteristics) intact. Employment rates have risen,[1] the proportion of workless households has fallen,[2] and the proportion of people claiming key out-of-work benefits has decreased.

The UK Government's Welfare Reform programme has also evolved. The Child Poverty Action Group has published a comprehensive summary of known changes and their likely impact in Scotland to April 2016.[3] It is important to acknowledge that some elements of the current approach to social security are destructive to health and may even be moving some people further away from the labour market.[4, 5, 6] Conditionality attached to claiming state benefits has intensified. Although the proportion of jobseekers being sanctioned has fallen to around the level last seen in 2010, the relative impact on those affected is likely to be greater because of qualitatively more severe financial consequences associated with being sanctioned since 2012.[7] Conditionality has also extended to those claiming Employment and Support Allowance (ESA) and to a larger group of lone parents not in work (in part because benefit reform means more lone parents are now claiming JSA).

Alongside this, increased labour market participation has not fully translated into improved financial security, partly due to rising levels of in-work poverty[8] and underemployment rates remaining high[9]. Unemployment rates in Scotland, which fell steadily between 2012 and 2015, have remained broadly unchanged in 2016.[10] Work (even full-time work) does not guarantee

protection from poverty for everyone and bad work can be just as detrimental to health for some as unemployment.[11]

The NHS is part of a system that implements social policy and has a role to play in responding proactively to changes that may be detrimental to health. As an institution, it should continue to articulate these concerns clearly and challenge its workforce and community planning partners to respond in a humane, effective way.

The observed health impacts of all these changes remain mixed to date. This is likely to be because of a number of factors:

- Time lags involved in seeing some adverse (or positive) effects.
- Improving labour market conditions meaning that some individuals and households are able to avoid or offset any adverse effects on household incomes by increasing their earnings.
- Continuing, welcome reductions in mortality, including from alcohol and suicide.
- Positive population-level health impacts from the recession (e.g. in stabilising rates of obesity, and falls in mortality from road traffic accidents).
- The successful implementation of mitigation measures.
- Some elements of welfare reform, including employment support, achieving their stated aims to help people in sustainable work and out of poverty.
- Those most likely to be affected adversely are least likely to access services or population surveys.

There is a stronger case to say that the current approach to welfare reform contributed to unintended, adverse health outcomes. This includes poorer mental health, poorer nutrition and diet-related health problems[12] and the health effects of increasing stigma and feelings of disempowerment[8, 13] concentrated among low-income working-age adults, which peaked around

2013. It is unclear whether these trends were short-term or whether they represent a long-term risk to the health of the population. In addition, many of the challenges posed to population health and community service provision remain valid, especially given the large number of people affected by destitution in the UK in 2015.[14] As Universal Credit is extended to a much wider group of households, increasing expectations on responsible carers with very young children and introducing in-work conditionality for the first time, this is likely to generate a new set of challenges to those involved in mitigation.

Supporting the working-age population to move into, remain in and progress in good quality employment (where they are both able to and want to work) will help minimise the negative impact of welfare reform and have a positive impact on health. In-work conditionality, if and when it is fully imposed through Universal Credit, together with reductions in the value of in-work state benefits, will require innovative responses to ensure working households are not worse off. The NHS has a role as a service provider, service commissioner and as an employer to support this, particularly in the population groups most likely to be affected. These roles are not currently being used to greatest effect. The NHS also needs to fully engage with other community planning partners to maximise employment and training opportunities.

Following the recommendations of the Smith Commission the main DWP-funded employment support programmes (the Work Programme and Work Choice), together with responsibility for delivering 11 benefits – many paid to people with long-term health problems or disabilities – will be devolved to Scotland. In 2013/14, these benefits accounted for 14.6% of benefits expenditure in Scotland. Most of the devolved expenditure relates to health-related benefits or is not tied directly to labour market participation.[15]

All of this is occurring against a backdrop of further planned reductions in spending on social security for working-age adults and their families. Sheffield Hallam University estimates that by 2021, claimants in Scotland are expected

to lose around £1bn per annum as a result of the post-2015 reforms. The largest reductions will come from the freeze in the real value of benefits, reduction in in-work benefits from Universal Credit and Tax Credits and changes associated with the introduction of Personal Independence Payment. As with previous reports, it is the most deprived parts of Scotland who are likely to see the largest losses.[16]

Although the pace of change and uncertainty generated by the additional devolved powers and external events (including the impact of Brexit) is likely to continue over the life of this plan, the NHS can, and should, contribute to ensuring good work for all and preventing, mitigating and undoing any harmful unintended consequences of social security.

Our vision

A social security system which protects and promotes good health and wellbeing in Scotland as social and economic security and related policies are key determinants of health and wellbeing.

Our assumptions

This vision is supported by the following assumptions:

- NHS and HSCP across Scotland will identify lead officers with responsibility for implementing the outcome focused plan.
- NHS and HSCP work collaboratively with community planning partners to support this outcome focused plan and implement it proactively with adequate resources and this is reflected in Local Outcome Improvement Plans.
- NHS employees at all levels accept their role and are supported to address the impact of welfare reform on the health of their patients and clients.

- Welfare reform will result in some population groups being more adversely affected than others.
- NHS recognises that the stigmatisation of people experiencing poverty and / or in receipt of benefits has a negative impact on health.
- Those in receipt of benefits are people who are in work as well as people who are out of work – some NHS employees will be directly affected by changes to the welfare benefits system.
- The amount of money that most people will receive from the state in terms of working age benefits will decline.
- Marginalisation of those who face challenges with 'digital by default', literacy and financial capability.
- Out of work benefits will continue to expose people to a high risk of poverty.
- The risk of poverty for those claiming in-work benefits is likely to increase.
- Welfare benefits for those both in work[17] and out of work[18] continue to be under claimed.
- Good work is good for health and can aid rehabilitation from illness, disability and long-term conditions.
- Plans to address the impact of welfare reform will form part of NHS Boards' overall health inequalities strategies.
- Scotland's new social security and employability powers will be implemented as expected and may provide opportunities to prevent, mitigate or undo health inequalities.

Target group

The target group for this plan are specific population groups whose health is more likely to be affected by welfare reform, and who have regular contact with the NHS (including A&E). Appendix 1 lists the main welfare reform changes and how they impact on working-age people, families with children and disabled people.

Those targeted by this plan are:

- workless households
- those in low-paid work, including NHS employees and contracted staff who maybe in low paid and/or part-time employment and/or on fixed term contracts
- those with disabilities, including learning disabilities, and those with long-term conditions
- people with mental health conditions in receipt of benefits or in low paid employment
- children in low-income families
- women in low-income households, particularly lone parents, carers and those experiencing gender-based violence
- larger families in receipt of benefits or in low-paid employment
- low-income pensioners
- economic migrants and refugees
- homeless people
- people using or recovering from substance misuse
- gypsy travellers
- young disabled people and those leaving care who are transitioning to adult services.

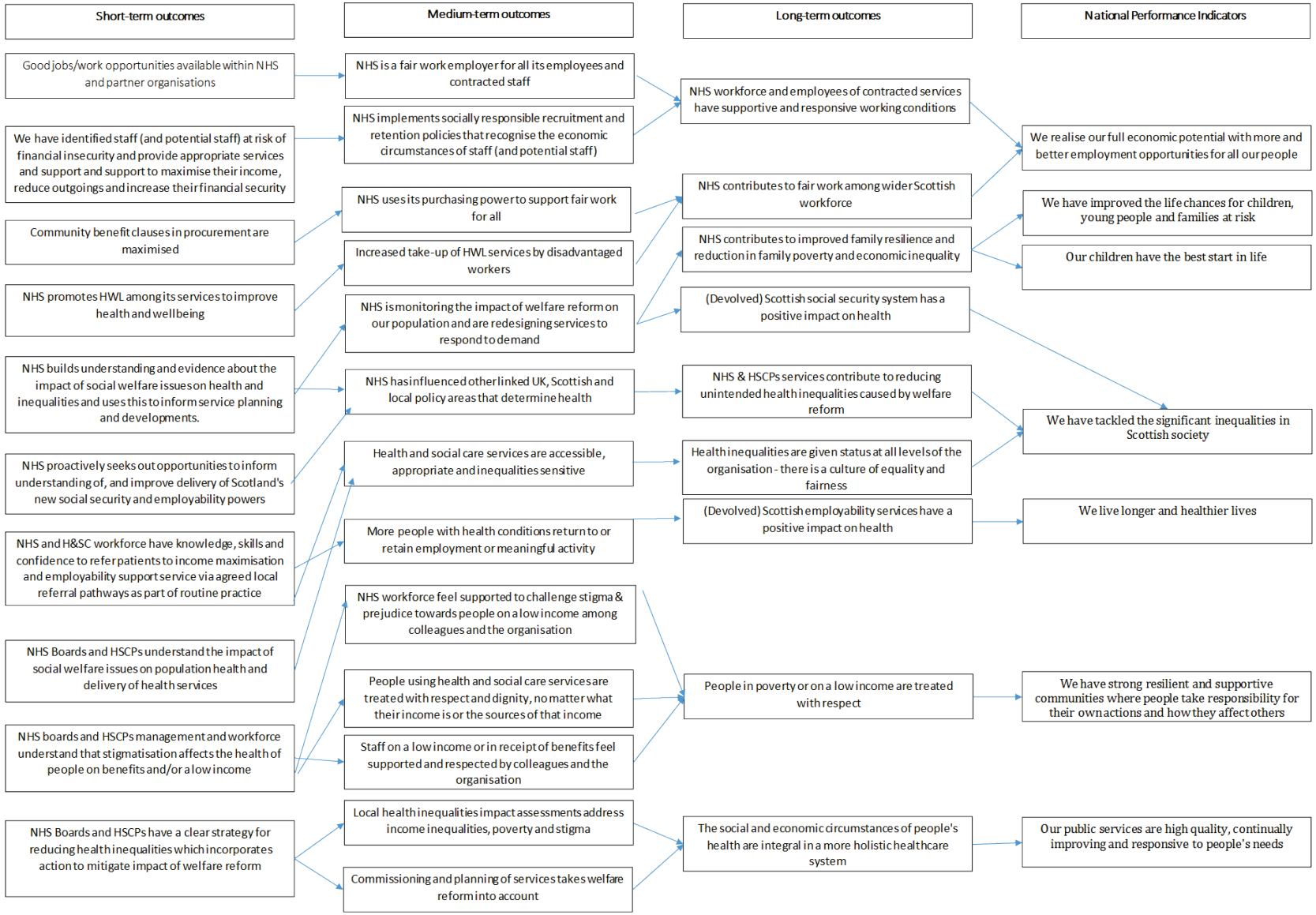
Agents of change

NHS Chief Executives, Directors of Public Health, HSCP Chief Officers, frontline staff and those working in general practice.

Monitoring impact

A monitoring and evaluation framework to assess progress in achieving the outcomes set out in this plan has not been developed. Rather, it is expected that NHS Boards across Scotland will work with HSCPs and community planning partners to develop their own framework with clear indicators for the

activities and outcomes. This will ensure that indicators identified reflect local contexts and priorities. NHS Boards and HSCPs are encouraged to self-report progress as part of their annual reporting mechanisms to the Scottish Government and through Local Outcome Improvement Plans.


Short-term outcomes
Medium-term outcomes
Long-term outcomes
National Performance Indicators
Good jobs/work opportunities available within NHS and partner organisations
We have identified staff (and potential staff) at risk of financial insecurity and provide appropriate services and support and support to maximise their income, reduce outgoings and increase their financial security
Community benefit clauses in procurement are maximised
NHS promotes HWL among its services to improve health and wellbeing
NHS builds understanding and evidence about the impact of social welfare issues on health and inequalities and uses this to inform service planning and developments.
NHS proactively seeks out opportunities to inform understanding of, and improve delivery of Scotland's new social security and employability powers
NHS and H&SC workforce have knowledge, skills and confidence to refer patients to income maximisation and employability support service via agreed local referral pathways as part of routine practice
NHS Boards and HSCPs understand the impact of social welfare issues on population health and delivery of health services
NHS boards and HSCPs management and workforce understand that stigmatisation affects the health of people on benefits and/or a low income
NHS Boards and HSCPs have a clear strategy for reducing health inequalities which incorporates action to mitigate impact of welfare reform
NHS is a fair work employer for all its employees and contracted staff
NHS implements socially responsible recruitment and retention policies that recognise the economic circumstances of staff (and potential staff)
NHS uses its purchasing power to support fair work for all
Increased take-up of HWL services by disadvantaged workers
NHS is monitoring the impact of welfare reform on our population and are redesigning services to respond to demand
NHS has influenced other linked UK, Scottish and local policy areas that determine health
Health and social care services are accessible, appropriate and inequalities sensitive
More people with health conditions return to or retain employment or meaningful activity
NHS workforce feel supported to challenge stigma & prejudice towards people on a low income among colleagues and the organisation
People using health and social care services are treated with respect and dignity, no matter what their income is or the sources of that income
Staff on a low income or in receipt of benefits feel supported and respected by colleagues and the organisation
Local health inequalities impact assessments address income inequalities, poverty and stigma
Commissioning and planning of services takes welfare reform into account
NHS workforce and employees of contracted services have supportive and responsive working conditions
NHS contributes to fair work among wider Scottish workforce
NHS contributes to improved family resilience and reduction in family poverty and economic inequality
(Devolved) Scottish social security system has a positive impact on health
NHS & HSCPs services contribute to reducing unintended health inequalities caused by welfare reform
Health inequalities are given status at all levels of the organisation - there is a culture of equality and fairness
(Devolved) Scottish employability services have a positive impact on health
People in poverty or on a low income are treated with respect
The social and economic circumstances of people's health are integral in a more holistic healthcare system
We realise our full economic potential with more and better employment opportunities for all our people
We have improved the life chances for children, young people and families at risk
Our children have the best start in life
We have tackled the significant inequalities in Scottish society
We live longer and healthier lives
We have strong resilient and supportive communities where people take responsibility for their own actions and how they affect others
Our public services are high quality, continually improving and responsive to people's needs

References

[1] ONS HI11 Regional labour market: Headline indicators for Scotland, Table HI11–1: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforscotlandhi11

[2] From 20.7% in 2012 to 18.3% in 2014 (Annual Population Survey).

[3] See: www.cpag.org.uk/content/welfare-reform-impact-families-scotland

[4] Dwyer P, Bright J, Wright S et al. Overview: Social security in Scotland. ESRC Welfare Conditionality Project, 2016: www.welfareconditionality.ac.uk/wp-content/uploads/2016/06/WelCond-Findings-Scotland-June-16.pdf

[5] Loosptra R, Reeves A, McKee M and Stuckler D. *Do punitive approaches to unemployment benefit recipients increase welfare exit and employment? A cross-area analysis of UK sanctioning reforms.* Sociology Working Papers: Paper Number 2015-01. Department of Sociology, Oxford University, 2015.

[6] Barr B, Taylor-Robinson D, Stuckler D et al. 'First, do no harm': Are disability assessments associated with adverse trends in mental health? A longitudinal ecological study. *Journal of Epidemiology and Community Health* 2015; 0:1–7.

[7] Webster D. The DWP's JSA/ESA Sanctions Statistics Release, 18 May 2016: www.cpag.org.uk/david-webster

[8] The percentage of individuals in poverty in households with at least one adult in employment, after housing costs, increased from 48% in 2010/11 to 53% in 2014/15 (Scottish Government, Poverty and income inequality in Scotland: 2014/15).

[9] www.gov.scot/About/Performance/scotPerforms/indicator/underemployment

[10] ONS Regional labour market statistics in the UK. June 2016: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/june2016

[11] Bailey N. Exclusionary employment in Britain's broken labour market. Critical Social Policy 2016, 36(1), pp. 82–103.

[12] Taulbut M, Hearty W, Myers F et al. *Pulling in different directions? The impact of economic recovery and continued changes to social security on health and health inequalities in Scotland*. Edinburgh: NHS Health Scotland; 2016.

[13] Scottish Government. The Impact of Welfare Reform in Scotland – Tracking Study – Sweep 4 Report. Edinburgh: Scottish Government; 2016.

[14] Fitzpatrick S, Bramley G, Sosenko F et al. *Destitution in the UK*. York: Joseph Rowntree Foundation; 2016.

[15] Wane K, Berry K, Kidner C and Georghiou N. *SPICe Briefing: New Social Security Powers*. Edinburgh: Scottish Parliament; 2016.

[16] Beatty C and Fothergill S. The impact on Scotland of the new welfare reforms. Centre for Regional Economic and Social Research, Sheffield Hallam University: 2016. www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/welfare-reform-2016.pdf

[17] In 2014/15, take-up rates for income–related out of work benefits were estimated at 50% for Job Seeker's Allowance and 82% for IS/ESA. (Source: DWP Income-Related Benefits: Estimates of Take-up Data for financial year 2014/15:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/535362/ir-benefits-take-up-main-report-2014-15.pdf).

[18] In 2013/14 (latest data), 68% of those eligible to claim working tax credits did so. (Source: HM Revenue and Customs, Child Benefit, Child Tax Credit and Working Tax Credits Take-up rates 2013–14 www.gov.uk/government/uploads/system/uploads/attachment_data/file/502695/cwtcchb-take-up2013-14_-_Corrected-1602-V2.pdf).

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