



Welfare Rights and welfare wrongs

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Citizens Advice



Outline

1. About the CAB Service
2. Key welfare reforms
3. Impact on clients and the service
4. Working with Devon local authorities



About the CAB service

We aim:

- To provide the advice people need for the problems they face
- To improve the policies and practises that affect people's lives

CABx provide free, independent, confidential and impartial advice to everyone on their rights and responsibilities.

We value diversity, promote equality and challenge discrimination.



Client profile

- 90% of working age
- 34% disabled or with long term health condition
- 65% in employment
- 52% female
- 11% non-white British



Advice trends 2012

- 11% increase in welfare benefits and tax credit enquiries
- 8% increase in debt advice
- 4% increase in housing advice
- 2% overall increase in enquiries
- £4.10m of financial gains
- £4.39m of debts managed



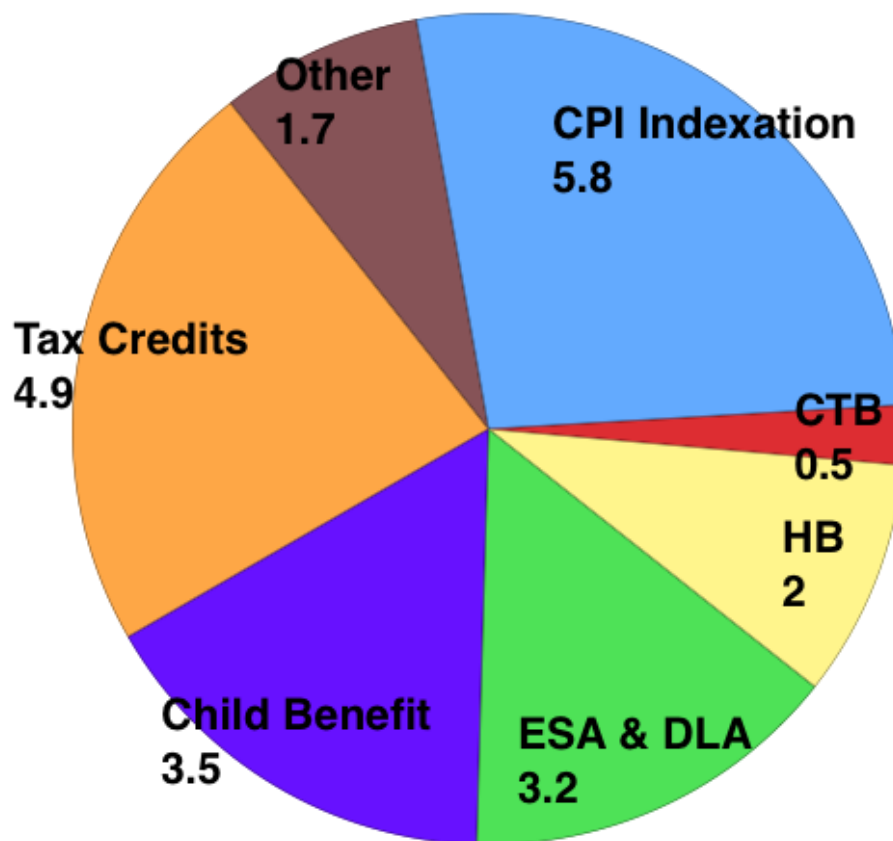
Key Government aims

“...the biggest change since Beveridge introduced the welfare system”

- Incentives – ‘making work pay’
- Reduce ‘welfare dependency’
- Reduce complexity – ‘simplification’
- Reduce the benefits bill



Where the cuts will hit – p.a. by 2014



Key changes

- 2010 budget & spending reviews
- Time limiting of contribution-based ESA
- Universal Credit
- Personal Independence Payment
- Localisation of Council Tax support
- Reform of the social fund
- Benefit cap



Housing Benefit

- 5 million households claiming HB
- LHA rates uprated by CPI, not by actual rents
- Single room rent applies to < 35s
- 'Bedroom tax' – under occupancy penalties from April 2013
- Non-dependent deductions 'updated'
- Consultation on future of SMI



Universal Credit

- Replacing all working age means-tested benefits
- 7.5 million households affected
- ‘Making work pay’
- Integrates all allowances, childcare, housing costs
- Tough sanctions regime
- Online claims and ‘real-time’ adjustment via PAYE



UC timetable

- Final Regulations laid 25.02.13
- April 2013 - Pathfinder areas
- Oct 2013 – New claims nationally
- All existing claimants transferred in phased 4 year programme to Oct 2017



Personal Independence Payment (PIP)

- 3.2m people affected (16 -64)
- Reform led by 20% budget cut
- All claims medically assessed
- Tougher, points based criteria
- 2 components – ‘mobility’ and ‘daily living’
- 2 rates – ‘standard’ or ‘enhanced’
- Special rules for terminal illness



PIP timetable

- April 2013 - new claimants in North of England
- June 2013 – all new claimants
- Oct 2013 - current DLA claimants ‘invited to claim’
- Jan 14 -Mar 16 – all reassessed
- Children and older claimants not migrated (yet?)



Localisation - support for Council tax

- 6 million claimants, average £16 per week
- LAs given CTB budget (less 10%)
- Schemes in place by 31 Jan 2013
- CTB abolished from April 2013
- No change to current scheme for pensioners
- 20% cut for working age claimants?
- Challenges to Valuation Tribunal



Localisation – Social Fund

- Community Care Grants and Crisis Loans abolished
- Budgeting Loans replaced by ‘budgeting advances’ in UC
- SF budgets given to local authorities
- Local arrangements (food banks, CUs, furniture schemes, etc.)
- Provision for crisis situations unclear
- Independent Review Service abolished



Benefit cap

- “...so that no person can receive more in welfare than median after-tax earnings for working households”
- 67000 households affected
- Introduced from April 2013
- Applies to ‘out-of-work’ and part-time workers
- £500 pw for couples and lone parents
- £350 pw for single people
- No consideration of personal circumstances



Overpayments, penalties and sanctions

- UC, JSA, ESA overpayments all recoverable
- No right of appeal
- Recovery by earnings deductions
- 6 year limitation rule does not apply to recovery from benefit
- Extension of admin penalties
- £50 penalty for 'misrepresentation' or 'failure to provide information'



Delivery changes

- ‘Digital by default’
 - JSA can be claimed online but less than 1/3 do
 - risks & challenges
- Monthly payment to household
 - budgeting challenges
 - rent no longer paid to landlords
 - child payments no longer to main carer
- Exceptions will be available
 - but to what extent?



Financial impacts on all claimants

- UC: 400,000 will lose over £50 a week
- Housing: affordable housing harder to find
- Council tax: less support = hardship and debt
- Sanctions: risks for most vulnerable
- Social Fund: no guarantees of help
- Benefit cap: 67,000 households lose £83 pw



Financial impacts on disabled & pensioners

- PIP: 0.5m fewer entitled, thousands with lower awards
- ESA: up to 300,000 will lose over £95 a week
- UC: Less support for disabled adults and disabled children
- Pensioners: with working age partners lose £100 a week



Impact on bureaux

- Potential for huge increase in demand for advice
 - 90% of clients are working age
 - Changes in delivery and entitlement (ESA enquiries up by 91%)
 - Benefits now largest enquiry area (39%)
 - Face to face is preferred channel
 - Increased complexity - 3 systems in operation during transition period
 - Increased demand for debt, housing advice and financial capability work

Context of Legal Aid cuts and challenging funding environment



Influencing change nationally

- Briefings & lobbying – significant concessions
 - Halving of PIP waiting period for entitlement
 - Extra £300,000 for childcare
 - 9 month grace after job loss before benefit cap applies
- Chaired consortium of 30 organisations
- Project to challenge support for disabled adults & children in Universal Credit
- Working with DWP on delivery design
 - need for face to face advice
 - budgeting support
 - direct payment to money to landlord
 - system design



Influencing change locally

- Awareness raising – through partnership forums and networks
- Devon Strategic Partnership Welfare Reform Advisory Group
- Digital Inclusion Partnership
- Training Delivery





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