

Mitigating the impacts of welfare reform at a local level

Phil Cole



In this workshop we will:

- Focus on likely impacts from Welfare Reform on claimants and their families
- Consider the measures that can be put in place by local services to mitigate against the negative impacts of Welfare Reform

Welfare Reform – a quick ‘recap’

- The introduction of Universal Credit is only a part of much wider and ongoing Welfare Reform – e.g. Housing Benefit changes, ESA changes already implemented
- Universal Credit will replace a range of benefits
- Benefit entitlement will be capped
- Introducing tougher sanctions and penalties
- Contribution Based ESA will be limited to 1 year for those in the ‘Work Related Activity’ group
- Disability Living Allowance to be replaced by a new ‘Personal Independence Payment’ (PIP)
- ‘Localising’ the Social Fund
- Reforming Child Maintenance (charging to use CSA)

Winners and losers

- DWP modelling estimates 200,000 households in Scotland will have higher entitlements (£25 more per week on average) under Universal Credit, while around 170,000 households would receive less (£19 less per week on average)

Source: <http://www.scotland.gov.uk/Topics/People/welfarereform/Overview#top>

Negative Effects of Welfare Reform

- Available housing may be unaffordable
- Reduction in income for many people with long term conditions and their families
- Knock on effect of loss of DLA/PIP to Carers
- Health impacts – e.g. less money for heating, food etc.
- Increase in numbers who feel unable to work but who will be expected to satisfy conditionality
- Risk of disabled and other vulnerable people facing sanctions
- Impact on other services (debt, housing, social work...)
- Gradual erosion of income in real terms

Mitigation

- Housing Options Advice – eg through HUBS
- Welfare Rights Advice and Representation
- Money Advice
- Employment Rights
- Employability
- Financial Capability
- Education
- Access to IT
- Affordable Credit (Credit Unions)
- Local Authorities – statutory responsibilities
- Discretionary Housing Payments – the ‘loaves and fishes’ of Housing Benefit Reform

Mitigation - infrastructure

“...We must get things right quickly and ensure that they do not end up with no financial support week in, week out, over a period of time, which would create longer term costs for support services, local authorities and others. We try to prevent that by ensuring that, from the beginning, people are aware of what they are entitled to and how they can challenge decisions that go against them.”

Scottish Parliament Health and Sport Committee, *Official Report*, 15 November 2011, Col 555.

Example 1- People with long term disabling conditions

- Face ever tougher tests to establish a 'limited capability for work'
- May have their ESA limited to 1 year if 'Contribution-based'
- The new 'PIP' aims to cut 20% from DLA

Triggers for crisis –

- Renewal of existing claim
- loss of job through ill-health
- worsening or improvement of health
- assessment for ESA/PIP by ATOS
- 1 year – claimants on ESA(C) will lose benefit
- moving between entitlements (UC)

Examples of Mitigation could include

- Raising awareness of rights and help available through trade unions, health services (GP surgeries etc)
- Effective referral processes for advice/representation at appeals
- Effective processes for evidence gathering

Example 2- Single People under 35

- Most under 35s renting in the private sector now only receive Housing Benefit at the shared accommodation rate (exemptions some ex-offenders, some ex homeless hostel)
- From 2013 (on proposed timeline if the WR Bill is passed) this will also apply to RSL tenants

Triggers for crisis –

- Separation
- Leaving home
- Housing/Re-housing

Examples of Mitigation could include:

- Relevant agencies aware of changes and impacts
- Tenants made aware of changes in time to plan ahead
- Access to advice before taking tenancy
- Financial Capability – sustaining a tenancy
- Short term – Discretionary Housing Payments
- Good communication between advice services, hostels, criminal justice social work staff etc...

Scottish Government Mitigation

“Although reform of welfare benefits is a reserved matter for UK Parliament, some measures impact on devolved services such as health and social care as well as housing” (Scottish Government, 2011)

£100,000 so far for:

- Training for social landlords to understand and prepare for the changes
- An additional focus on the housing benefit changes for local authorities' Housing Options Hubs

Joint work with COSLA to understand, influence and communicate the UK Government's plans

Online Scottish Government discussion forum where you can exchange views on how housing benefit reforms interact with the other benefit changes that are being considered by the UK Parliament.

As a result of Welfare Reform

- What do you think will be the main challenges facing people in your area?
- Are there any 'trigger points' for potential crisis?
- What services will people come into contact with at those points?
- Are staff in those services aware of the changes?
- What are the referral processes between those services and your own?
- What else could be done in your area to mitigate the worse effects of Welfare Reform?

Note your ideas to feed back to the group

References

- Welfare Reform

<http://www.dwp.gov.uk/policy/welfare-reform/>

- Scottish Government

<http://www.scotland.gov.uk/Topics/People/welfarereform/Overview#top> <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/43319.aspx>

- Rights Advice Scotland

<http://www.rascot.co.uk/news/index.html>

- Shelter

http://scotland.shelter.org.uk/media/press_releases/press_release_folder/2011/shelter_scotland_response_to_welfare_reform_bill