

Welfare Reform

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Present Issues

- Sanctions
 - JSA– 4 weeks to 3 years
 - ESA/IS
- Hardship payments
 - £43 p.w. single person 25 or over
- Housing Benefit
 - Bedroom Tax
 - Local Housing Allowance

Present Issues

- Council Tax Support
 - £78 bill can become £202.50 with court and bailiff cost
 - Everybody to pay at least 15% in future years?
- ESA
 - Assessment problems
- Welfare Assistance Scheme
 - Online only
 - Collection points
- Benefit increases of 1% for next 3 years

Manchester City Council Economy Scrutiny September 2013

Advice Service Model

Design objective:

- The withdrawal of £1.3m funding per annum from the Legal Services Commission means that advice services need to be redesigned and be based solely on Council funding (also £1.3m), removing specialist legal advice.
- A safety net has to be in place for the most vulnerable residents but limited funding needs to be targeted and prioritised for those most in need of advice.
- There is a need to capture evidence, we don't know whether current services are making an impact and to be more proactive rather than reactive.
- In addition, the Council has allocated non recurring additional funding of £1m for 2014-2016 to respond to welfare reform. This is to be spent on a New Delivery Model for advice that supports public service reform projects e.g. Troubled Families.

Advice Outcomes

- Improve self sufficiency and resilience, so that residents are better able to deal with problems themselves in the future.
- Support the progression of residents into sustained employment, accessing the employment and skills support they need.
- Improve revenue for the Council through council tax, as services improve the financial literacy of residents previously unable to prioritise Council debt.
- Reduce demand on public services, by intervening earlier at a point which will reduce the cost and complexity of future interventions.
- Reduce operating cost through efficiency, by decommissioning duplication of provision

Design Principles

- Coherent advice offer, addressing current duplication and a confusing offer
- City wide coverage with flexible approach to meet local demand and needs e.g. BME communities
- Investment in staff not buildings
- Balance of universal/general and targeted/specialist
- Mix of channels – web, telephone and face to face
- Greater investment in outreach provision, with greater specificity & targeting of outreach activity
- Greater investment in interventions to build financial literacy/capability
- Increased targeting of services in particular communities and with particular cohorts that are at risk
- Strike balance between specifying the what and the how

Design approach

We have identified a two model approach to the future commissioning of advice services which will be the subject of competitive tendering:

- A City wide advice offer, building on the previous Community Legal Advice Services model. This will be a generalist advice service taking direct referrals in addition to statutory referrals. There will be an emphasis on promoting self help, focus on triage to determine priority cases with strengthened evaluation criteria.
- A new model of commissioning interventions with specific targeted specialist advice. This will be a statutory referral service only from the four primary public service reform projects and will concentrate on residents with the highest level of priority need.

Targeted cohorts for advice

We will focus not on particular categories of advice but on particular cohorts of residents based on four broad categories in order to prioritise highest levels of need and to prevent escalation issues:

Cohort 1 – “people helping themselves” Using self help advice provision as appropriate from a wide range of predominantly online sources.

Cohort 2 – residents at moderate risk of escalating need, currently likely to access generalist advice provision. May present one presenting need, not complex.

Cohort 3 - residents at high risk of escalating need, may be accessing a range of different public services, including specialist advice provision.

Cohort 4 – residents at very high risk of escalating need, facing multiple, complex and overlapping needs. Likely to be accessing multiple interventions across a range of services. High cost, complex cases.

An explanation - The referral source

(1) Troubled Families:

- Delivered by the Council to prioritise help and support for families.
- Involving the Council and partners
- Helping improve the lives of whole families with multiple or complex problems working closely together.

(2) Early Years:

- A key to the future success of Manchester and prosperity of individuals.
- Re-designing public services to increase the numbers of children arriving at school ready to learn.
- Prevention/intervention programmes for children to age four and their families to reduce future demand and dependency on expensive, acute public services.

An explanation - The referral source

(3) Criminal Justice:

- Transforming services at the point of arrest, sentence and release.
- Particular focus on women, youth, priority and prolific offenders will enable significant inroads to be made into reducing levels of crime and victimisation in Manchester

(4) Health and Social Care:

- Projections show a crisis point for health/social care spend.
- Health provides a pivotal role in successful delivery of our other community budget themes through work on drug and alcohol/mental health services for example.

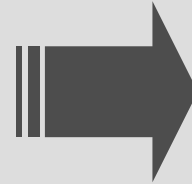
Referral process- City wide model

Pre front door

- Promote websites
- Accessible literature
- Sign post to alternative national provision via web

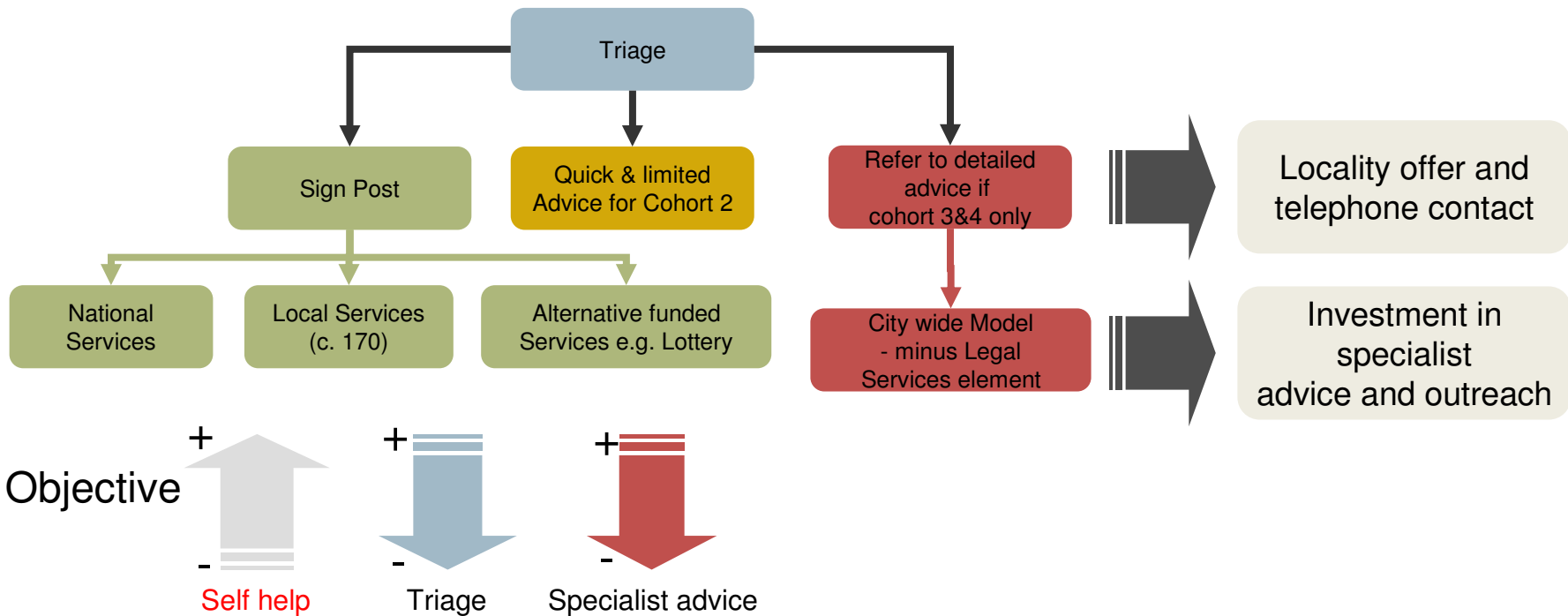
Front door triage

- Filter Cohorts 1 & 2 (where possible)



Promotion & Publicity

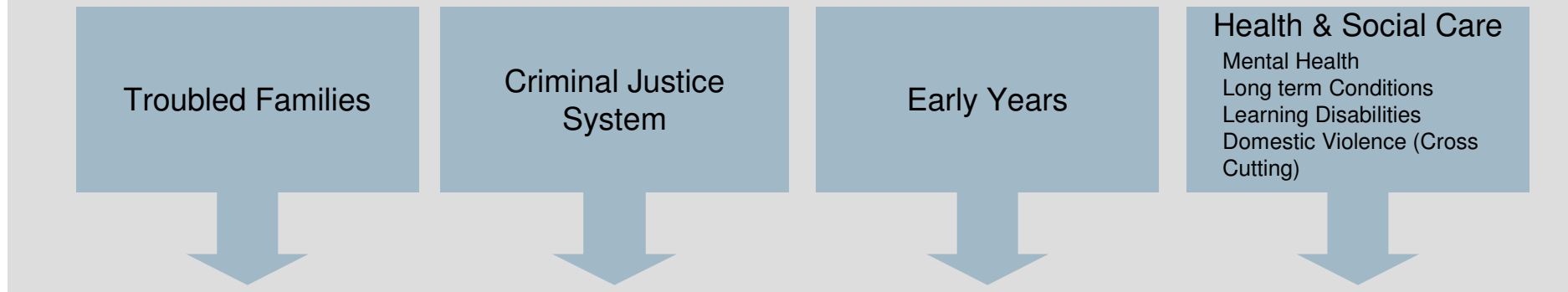
Self help



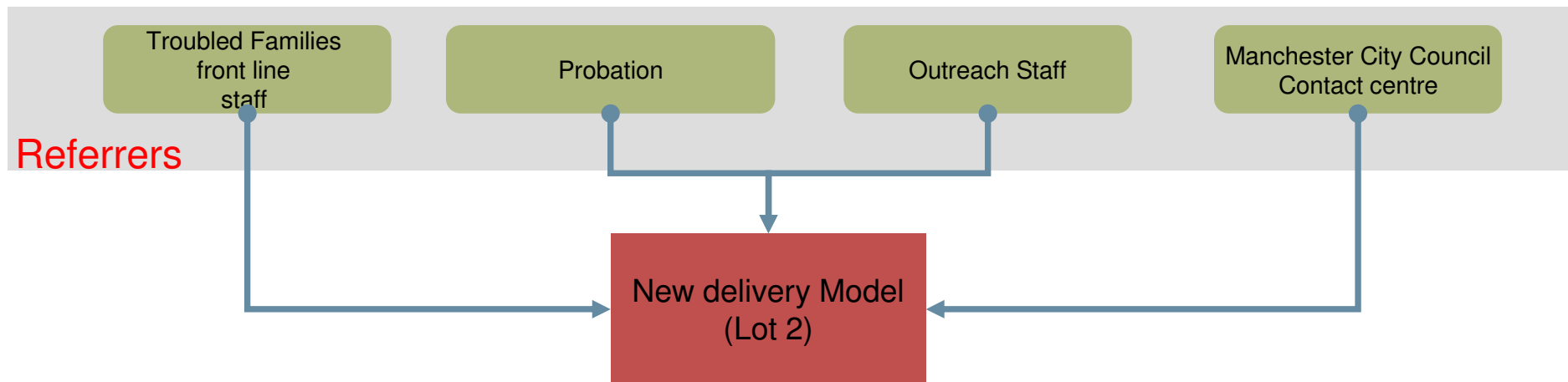
Directorate for Children & Commissioning Services

Advice New Delivery Model

Referral route

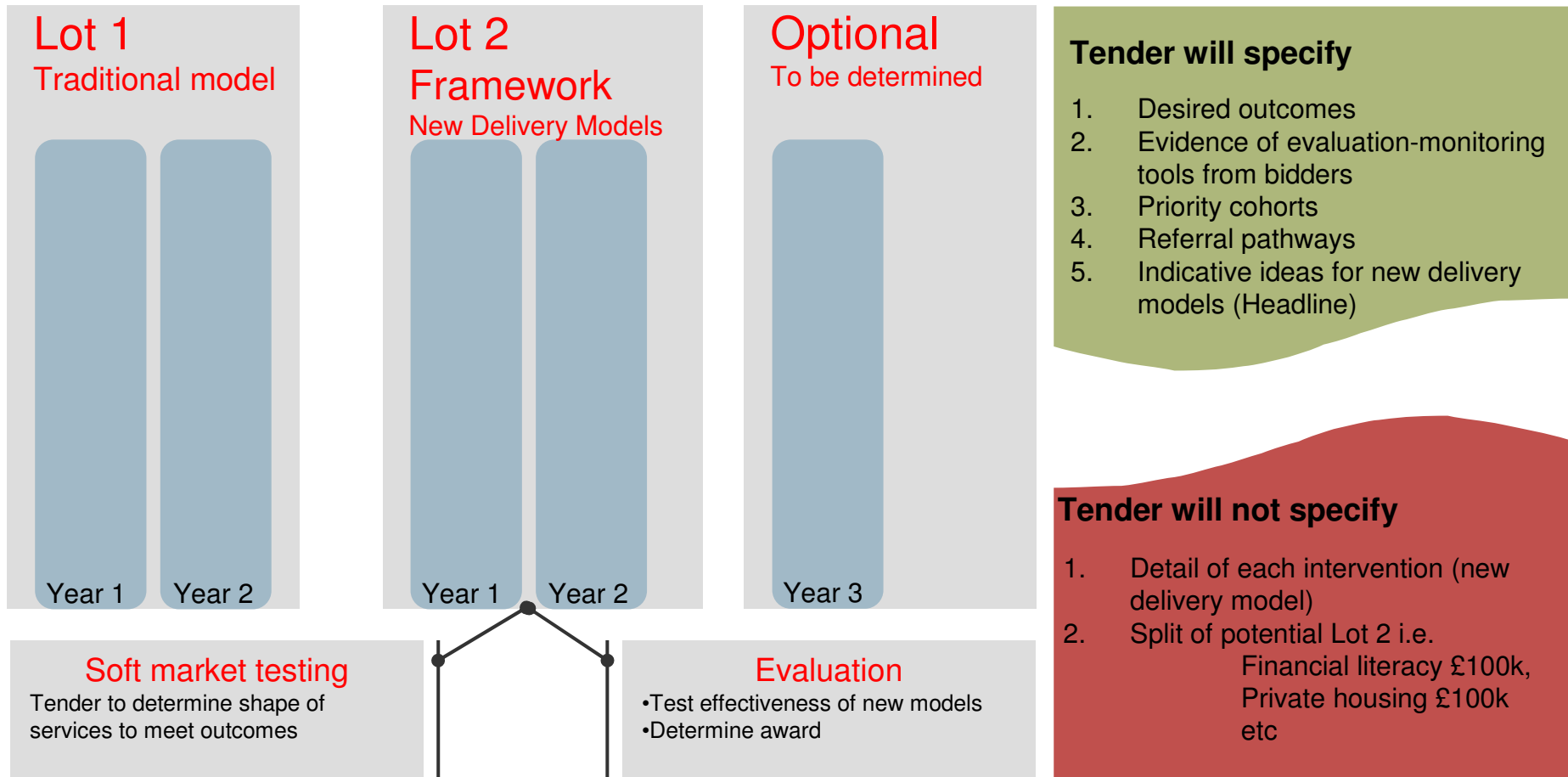


Referrers



Directorate for Children & Commissioning Services

2 year contract model



Directorate for Children & Commissioning Services

Anticipated Benefits

- Value for money services in place to support residents most in need.
- Support self sufficiency for residents where possible by providing good quality materials and toolkits.
- Evidence base to demonstrate what works and best delivers required outcomes.
- Focus on a flexible, agile service to respond to local demand rather than predicated on fixed locations and office bases.
- Enable future investment to be targeted and remove duplication.
- Empower front line staff to determine specialist advice interventions.



Manchester Citizens Advice Bureau Service Impacts of Welfare Reform

Welfare benefits is one of the main topics on which clients seek advice from us. Last financial year it accounted for around 40% of our work load. This year, despite the loss of legal aid and the reduction in the number of specialist benefits advisers we have, it still accounts for around 34% of our work.

Our clients are, in general, poor. 95% of households have income below the Manchester median for individual earning and 83% of households have income less than that of an individual working 40 hours a week on minimum wage. 26% of our clients describe themselves as having a long term limiting illness or disability (compared with 14% of the general population in the 2001 census) rising to 34% for people enquiring about benefits issues.

It therefore follows that a very high proportion of our clients are in receipt of welfare benefits and tax credits and are being hugely affected by welfare reform.

The main changes which clients are coming to us about are:

Cuts to legal aid. Around 80% of the cases that Citizens Advice Bureaux across the country previously dealt with under legal aid are no longer eligible under the new criteria. Very few benefits cases are now eligible, and in the case of both debt and housing, clients have to be at immediate risk of losing their property, therefore removing the 'preventative' element of the advice. Employment cases no longer qualify, and for most family cases to be eligible for legal aid there has to be a proven element of domestic violence. Manchester lost legal aid funding for around 6,000 cases per annum.

Cuts to housing benefit. Housing benefit restrictions have been happening for a long time, with the introduction of shared accommodation rate for under those aged under 25, the introduction of Local Housing Allowance, restricting private sector benefit to the average for a property of that type in that area, rather than the actual rent payable, and the 30th percentile rule meaning that claimants should only be able to afford the cheapest 30% of properties in the open rental market. Under the latest round of reforms, shared accommodation rent has been extended to those aged under 35, but the change that has attracted the most attention is 'bedroom tax' where those deemed to have one spare bedroom lose 14% of their housing benefit, and those with two, 25%.

Personal Independence Payment (PIP): PIP is replacing Disability Living Allowance which make payments to people who have additional costs because of their care and/or mobility needs. There will be new criteria, and clients will be assessed by Atos, the company which has been doing

assessments for Employment and Support Allowance. There has been criticism that the benefit is inadequate for people with mental illness and learning disability as it concentrates on the physical aspects of disability. There is also no equivalent of the lower rate care component of DLA, meaning people will have to be more severely disabled to qualify for any benefit at all.

Details on other changes are included in the main report.

Impacts of the reforms

The impacts can be summarised as follows: **thousands of families who were already on extremely low incomes are now struggling to find strategies to cope on even less.** People who are willing but not able to move because of a shortage of suitable smaller housing, are losing up to 25% of their housing benefit, or if aged under 35, only receiving the shared accommodation rate. They are having to pay 8.5% of their council tax, and may also have an overall benefits cap. They may face losing disability benefits and have no means of appealing poor decision making because they cannot get legal aid. Those without internet access in particular will struggle to claim benefits, report changes in circumstances and comply with job seekers' agreements, and we are already seeing increases in sanctions. We are referring more and more families for food parcels and emergency help from charities or social services. Fuel poverty is also increasing as people choose between heating, eating and paying their rent. Recent figures from the Child Poverty Action Group and Joseph Rowntree Foundation show 1 in 4 families have borrowed to pay for school uniform, and Manchester CAB's pay day loans caseload has increased by 900% in the last year. Families are reporting impacts on their family relationships and their mental health and wellbeing. And for the first time this year, there are more working families in poverty than out-of-work families, showing that low wages, zero hours contracts and insecure employment are all having an impact too.

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