

# Welfare Reform: The Big Debate

## Debate Report

January 2013



**Pan  
Disability  
Forum**

## Content Guide

In this report we cover what was said in the presentations, links towards useful websites and also the key issues concerns and questions you asked.

Below is list of the topics with links to the appropriate page!

1. [Welcome and Introductions](#)
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## Welcome and Introductions

Sonia Roberts, VCS Assembly Chair

Sonia welcomed everyone to the Big Debate and introduced herself, explaining her involvement in the Shropshire Disability Network, Pan Disability Forum and her role as VCS Assembly Chair. Sonia provided the background to the event, detailing how the partner groups and organisations had come together to respond to concerns about Welfare Reform. Sonia also spoke about the support provided by the Department of Work and Pensions. As part of the welcome, Sonia explained how the Big Debate would work and the agenda for the afternoon. Sonia then invited Jackie Jeffrey to take the floor and provide an important introduction to, and overview of, Welfare Reform.

All the presentations from the day are available by downloading them from our webpages by clicking the link [here](#).

## Jackie Jeffrey

CEO, Citizens Advice Shropshire

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Jackie explained that the welfare changes due to be introduced from April 2013 will form the most significant change in the last 60 years. Welfare Reform will see every part of the benefit system change. It will involve a £18 billion budget cut from the welfare bill by 2014 and a further £10 billion cut is expected at a later date.

It is anticipated that 47% of individuals will see cuts in the benefit they receive. Individuals affected will include those on low incomes and renting a house, carers, those who are sick, those who are disabled, lone parents, those who are under employed and those who are unemployed. Only older people will be protected.

Jackie referred to the national report 'Holes in the Safety Net'; joint report with The Children's Society and Disability Rights UK on the findings of an inquiry led by Baroness Tanni Grey-Thompson. Follow the link below for a copy and more information. <http://www.citizensadvice.org.uk/universalcredit>

Delegates heard how, over the last decade, those who are under employed and classed as being in work poverty have increased. At the same time the public perception of this group has been damaging with people increasingly being labelled 'scroungers' and other hurtful names.

Jackie explained that changes have already taken place including:

- Transfer from Incapacity Benefit to ESA (Employment and Support Allowance)
- Changes to working tax credits
- Reforms to housing benefits and changes to rates of Local Housing Allowance

From April this year more change will take place and this will include:

- Disability Living Allowance starts to be replaced by Personal Independence Payment (PIP) for over 16 year olds to 64 year olds
- Council Tax Benefit (CTB) will be abolished
- Changes to the Social Fund
- The introduction of a cap on benefits
- Limiting Housing Benefit to reflect household size and linking Local Housing Allowance (LHA) rates to the Consumer Price Index

Jackie highlighted that a key date will be October 2013. This marks the introduction of Universal Credit for new claims. The transfer will take place from 2013 to 2017. Universal Credit will provide a single scheme for working age people, replacing income support, working tax credit, housing benefit, income related Employment and Support Allowance, income based Job Seekers Allowance and child tax benefits.

## Universal Credit

Kairen Francis  
Job Centre Plus, Department of Work and Pensions  
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Kairen spoke about the Welfare Reform Act 2012 and the fact that it was designed to make the benefits and tax credits systems more efficient, simple and to deliver a fair system. The aims of Welfare Reform are also to protect the most vulnerable and to create incentives to get people into work. [Universal Credit](#) is at the heart of the reforms.

There are currently within the welfare system more than 30 benefits with separate rules and criteria, incentives to work are considered low and claimants do not face obligations to look for work. Currently payments are made to different adults within one households. Universal Credit will work to provide a single, online system of means-tested support for working age people who are both in and out of work.

Kairen explained that child benefit and carer's allowance will remain outside of Universal Credit. Other benefits that will be outside of Universal Credit are Personal Independence Payment, housing support, Council Tax Benefit in the form of Localised Council Tax Schemes and contributory Job Seekers Allowance and Employment and Support Allowance.

Kairen described the timetable for implementation and drew attention to the way individuals will be encouraged to work additional hours or seek promotion until they reach the point that they do not need to receive Universal Credit. The national communication message is "**Making Work Pay**" so getting a job and increasing earnings will mean you are better off than if you remain in the legacy system.

There will be certain disregards as part of Universal Credit. Earnings up to a certain level will be ignored when calculating how much Universal Credit an individual

should receive. Allowances are structured to focus on groups who face the highest barriers to work. Kairen also spoke about the Taper: earnings will reduce Universal Credit awards at a steady rate of 65% once work allowances are exhausted. This means that 35p in every £1 earned will be kept. Kairen spoke more specifically about lone parents as an example of a group where barriers to employment will be most significant.

The role of the Jobcentre will be to look at the claimant commitment and agree a personal commitment against individual circumstances. Some people won't be required to look for work but others will have support to get a job, and once in work continued support from the Jobcentre get a better job or progress within their work. The aim is to get people to a point where their earnings are greater than their Universal Credit entitlement and thus no longer needing to claim Universal Credit.

Kairen then described how Universal Credit would be managed through a web based system with claimants filling information in on-line.

It is "Digital by Default". There is a recognition that not everyone will be able to complete web based forms or access the internet. Shropshire is known for its limited availability of broadband. A Local Claimant Support Network will be established to support people to complete their details and more information is due on this from Government.

Kairen mentioned the 'Agile' approach being used. This means that the system is being built in small sections based on testing from pathfinder areas. Continuous feedback means that problems can be overcome as the system develops. Pathfinders are in the local authority areas of Tameside, Wigan, Oldham and Warrington.

Timescales for introduction in Shropshire are October 2013 onwards ( exact date unconfirmed as yet) new claimants will apply for Universal Credit. From April 2014 those in work will start to be transferred to the new system and Universal Credit roll out should be complete by 2017.

## Key Concerns and Issues You Raised

### Responsibility of Direct Payment method falling on Housing Agencies

- Direct Payment Demonstration has shown that 54% of tenants were confident receiving their Housing Benefit straight into their bank account. Still vast section who are not capable of such budgetary discipline.
- Felt that the direct payment aspect of Universal Credit means that there will be much more stress on housing agencies and local authorities for sharing the responsibilities of both preventing non-payment (budgeting) and ensuring

### Technology:- 'Digital by Default'

- Shropshire is not able to provide quality broadband/internet and telephone services to all its residents.
- Nationally there is an estimate that 20% people will need support to complete details online. In Shropshire this could be considerably higher.
- Shropshire will have a proportion of people with the skills to use the internet but without access to internet facilities.

### Supporting Vulnerable People

- Real issue that vulnerable people will not access support (Local Claimant Support Framework)
- Support needs to be tailored to deal with vulnerable people on their level
- If people are not accessing support they may ignore information provided to them concerning Universal Credit and end up losing out altogether.
- Must develop systems to ensure people are not 'under the radar'.
- Long term impact on health and wellbeing of Shropshire residents if support is not available

## The key questions you asked and the responses



To see more questions on [Universal Credit](#) visit DWP website [here!](#)

# Personal Independence Payment

Colin Smith MBE  
Department for Work and Pensions  
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Colin explained that, from April 2013, Personal Independence Payment (PIP) will replace Disability Living Allowance. It will apply to people aged 16-64. He spoke about the resources available from the Department of Work and Pensions and informed delegates that new toolkits and hand outs were due to be released. The main web link for PIP is: [www.dwp.gov.uk/pip](http://www.dwp.gov.uk/pip)

During the presentation Colin spoke about the Personal Independence Payment toolkit guidance for supporting organisations. It's now available and to read more about the toolkit visit the link here <http://www.dwp.gov.uk/policy/disability/personal-independence-payment/pip-toolkit/>

UK wide consultation, following the Government's initial proposals, has resulted in considerable feedback which, Colin believes, has been listened to and very importantly helped shape this new benefit.

Colin explained that, unlike Disability Living Allowance (DLA), an application for PIP will be made initially by telephone to a national free 0800 telephone number. The claimant, or someone acting on their behalf, can make that phone call and register for PIP. Questions will be asked to confirm the identify of the claimant and the nature of their disability. This phone call will be recorded by the call centre. An advocate or third party may make that initial call on behalf of an individual who has no speech or hearing. In this situation, the caller will be asked to press the hash key # to signify the application is being made on behalf of a sensory impaired person. This stage is not an assessment, it merely records who the claimant is and why they want to claim PIP.

Stage 2 will involve an enquiry form being sent to the claimant or their representative. Questions will cover how the claimant's condition affects their daily life. Colin explained that there are two main components: daily living (e.g. preparing food, washing and bathing, dressing and undressing, communicating ) and mobility

(planning a journey and moving around outdoors). The questions take into account fluctuations over time. Claimants or their representatives are encouraged to send in any materials or information to support their claim.

The next stage involves Capita Services. This company will examine the PIP application of each claimant and then decide if the person needs to be seen face to face to discuss and score their abilities or in the case of very profound disabilities or terminal illness make a recommendation to DWP on the level of award of PIP. Most people will be asked to attend a face to face consultation, either at their home or at an assessment centre. Claimants can take someone to support them. A health professional will be used to carry out the assessment. Capita will try and match the health professional to the claimant base don area of expertise.

Colin explained that the assessment will look at daily living and mobility and take into account whether activities can be carried out reliably, repeatedly, safely and in a timely manner. Scoring against the criteria will result in one of two award levels – standard and enhanced. Scoring 8 -12 points will result in a standard award level and 12 points and above will result in enhanced. Scores below 8 receive nothing.

Colin emphasised that most awards will be for a fixed period and not for life. Periodic reviews will take place during in order to check continuing entitlement. If claimants are not awarded PIP then they receive a letter and a phone call from the DWP case Manager. The purpose of the phone call is to check the claimant's understanding of the decision and that all relevant information has been provided. If new information is offered, the decision may be looked at again. Irrespective of this phone call, each PIP claimant will have appeal rights.

The start date for PIP in Shropshire will be 10<sup>th</sup> June 2013 for new claimants (the North East and North West will see roll out from 8 April).

All existing DLA recipients aged between 16 and 64 on 8 April 2013 will gradually be invited to apply for PIP. Those whose awards expire after October 2013 will be the first to be contacted and invited to apply for PIP. If people don't take up the invitation their DLA will end. From October 2015, the remaining longer term and indefinite DLA awards will be contacted and invited to apply for PIP.

Those people aged over 65 on 8 April 2013 will continue to receive DLA.

Disability Living Allowance (DLA) will stay for children but as a claimant reaches 16 they will be invited to claim PIP.

Colin ended his presentation by explaining that the system appears to offer consistency in approach and a fair decision making system. Trials should iron out any initial obstacles and support the development of a more robust system of disability benefits.

During the presentation Colin spoke about the Personal Independence Payment toolkit guidance for supporting organisations. It's now available and to read more about the toolkit visit the link here <http://www.dwp.gov.uk/policy/disability/personal-independence-payment/pip-toolkit/>

## Key concerns and issues

Fairness and accuracy of assessment methods (how interviews are conducted, taking into account learning difficulties, training capabilities)

Application process and ensuring those with impairments are treated fairly and accommodated fully

## Key questions you asked and responses

Will the 0800 number to make initial applications for Personal Independence Payment be free?

The 0800 number will be free from house phones but not from mobiles. Be aware that this phone call could take 12 minutes on average

What about those unable to use the phone to make claims?

Third parties are entitled to make claims on behalf of those unable to do so

What medical qualifications will medical assessors from Capita have?

It is required in CAPITA contracts that medical assessors will all have a level of knowledge and experience to make assessments. Not all will be GP's , some will be senior nurses

Does this 'test culture' enhance certain aspects of medical conditions?

Fair point but following through central government programme

What happens if medical assessment comes back to CAPITA and is below 8 points (when likely benefit will not be rewarded)?

Case manager will ring applicant and ask whether there is fundamental medical fact that could change that decision. The applicant will receive notification of at least seven working days that case manager is calling with a decision

## Housing and Council Tax Benefits

Damian Carter

Benefits and Face to Face Manager, Shropshire Council

Email: Damian.Carter@shropshire.gov.uk



Damian introduced himself as the Benefits Manager for Shropshire Council and explained that he covers 17 sites across Shropshire. Damian then highlighted the key areas of Welfare Reform that he would cover in his presentation: under occupation, benefit cap, Social Fund Reform and local support for Council Tax. All are due to be introduced from April 2013.

[Under occupancy](#) means there will be restrictions on the size of property Housing Benefit will pay for and it is calculated on who lives in the property. If someone has more bedrooms than is necessary they will be classed as under-occupying the property. **From April** these benefits claimants will be subject to a percentage reduction to their eligible rent and service charges. More details are included in the presentation attached below. In summary under occupation by 1 bedroom will result in a 14% reduction and by 2 bedrooms a 25% reduction.

[A court appeal judgement](#) means that children with severe disabilities are not expected to share a bedroom and will be able to claim Housing benefit for an extra room. However, it will remain for Local Authorities to assess individual circumstances and decide whether sharing a room is expected or not (to consider severity of disability, care required etc.).

Damian then spoke to the group about a letter that had been sent to Council and Housing Association tenants informing them of changes. The letter had caused considerable confusion and there was widespread recognition that future communication needs to be handled in a very different way. Members of the group were familiar with this and many organisations have been involved in partnership activity in Shropshire to consider the support that can be offered to local people. A Strategic Welfare Board is leading partnership work in this area. Face to face

support is more effective and often individuals would rather speak to someone other than a Council Officer.

Calculations of the number of individuals who will be affected by under occupancy have been carried out and it is thought that this will total 2,126 in Shropshire (1,692 at 14% and 434 at the 25% reduction). Damian, his team and others have been offering support as much as possible and working with Housing Associations and Citizens Advice Shropshire.

Government has recognised the need for assistance and has provided the [Discretionary Housing Payments](#). £220,000 in Shropshire for 2012/13. This is managed at the local level and has increased since 2011/12. How long this will continue for is unknown.

Options available to people are to consider moving, take a lodger/boarder, seek financial contributions from children/other family members or find work/increase working hours. Shropshire has a lack of one bedroom properties so many people will struggle to find smaller accommodation. Discretionary Housing Payments are really a last resort, so the support available in the first instance is focused on money management, job seeking and increasing working hours etc. This support can be time intensive but the more organisations working together in Shropshire, the more support and advice can be provided to Shropshire's residents affected by Welfare Reform.

Damian mentioned the Benefit Cap due to be introduced in April. This cap will be placed on the total amount of benefit that working age people can receive and is designed to prevent households where no one is working from receiving more benefit income than the average weekly income for working families. The list of benefits the cap applies to is shown within the attached presentation and includes jobseekers allowance, income support, housing benefit, child benefit etc. Exemptions from the cap are in place and will include individuals receiving Personal Independence Payment etc. It is thought that 87 people/families will be affected by the cap in Shropshire.

Damian then spoke about local support for Council Tax. From April 2013 [Council Tax Benefit](#) will be replaced with local support and Councils are required to develop a scheme to help people on low incomes pay their Council Tax bills. Shropshire Council has consulted on 3 options – 1) current Council Tax Benefit rules apply; 2) All working age have a 20% cut ; and 3) remove the second adult rebate, increase the value of non-dependent deductions, remove child benefit and earnings disregards and reduce capital upper limit to £10,000. It is likely that the third option will be preferred but the consultation is not yet complete.

Damian finished his presentation by speaking about other initiatives. A Champions scheme is being put in place in Shropshire. Hairdressers, Church leaders and pub landlords are being asked to tell people where they can find support concerning benefit changes.

Work is taking place to establish customer service hubs and the Guildhall is now up and running. This offers a one-stop shop for people to drop in and receive support from multiple agencies and service areas. Another piece of work in place in Shropshire is the Direct Payment Pilot where housing benefit is paid directly to social housing landlords. Damian briefly mentioned this but time did not allow for more detail!

## **Key Issues and Concerns You Raised**

Lack of awareness and response from people who have been identified as at risk from the changes (issues around safeguarding) 2500 people in Shropshire.

Under-occupancy changes:- Not enough one bedroom single properties for single people in Shropshire

Uncertain future of Discretionary Housing Payments

Unseen impact of the changes on separated parents and how family will be affected by under-occupancy payments

## Key Questions you asked and the responses

How long do you take to process Discretionary Housing Payment?

They should take around about two weeks

Will there be any provision for people who cannot manage their own budget?

Yes there will be safeguarding that will go through the Department of Work and Pensions but the Local Authority will have a lot of say in it.

What about people who suffer from Autism who will be forced to live with people despite social communication problems?

Local Authority will be handling those cases individually and centred around the handling it through safeguarding

# The Impact of Welfare Reform on the VCS

Jackie Jeffrey  
Citizens Advice Shropshire

Jackie explained that she aimed to run through the known concerns for voluntary organisations working to support people affected by Welfare Reform, but also to gain a better understanding of any additional concerns and questions from the discussion.

Known issues include:

- Council tax support will vary from local authority to local authority and voluntary organisations offering support across local government boundaries will need to be familiar with different systems.
- The reforms mean that there will be much tougher sanctions in place. This can be a problem and one example is where someone was not able to demonstrate they had looked for work over Christmas (due to wanting to spend time at home, companies being closed, no access to public internet facilities etc.) and then consequently finding they are sanctioned.
- Universal Credit is “Digital by Default”. This is a significant issue in Shropshire where broadband access and mobile phone signals are poor.
- Benefit will be paid monthly and this means that people will need skills in managing their finances.
- The appeals process will mean that when asking for a reconsideration of a decision no benefit will be paid. This may discourage people from making an appeal.
- The 1% cap placed on cost of living is a concern. Citizens Advice has calculated the extent to which people will be worse off as a result.
- Self employed people receiving working tax credit will have to fill in forms themselves and the data they provide can mean that their benefits vary month to month (as their income varies).
- Although employers will input data onto the system, it is not the employer who is responsible for ensuring information is accurate; that is the responsibility of the claimant.
- If you are working age and eligible for Universal Credit you must sign the Work Commitment. There are many people that will find this a concern such as lone parents, mothers who may be breastfeeding etc.

- The reforms will affect families with children who are students. The room of student living away from home in term time will not be considered under occupied if the student is in residential halls of accommodation. If they move into private accommodation (house share) although they will be home in holidays the family will face under-occupancy issues.
- Concerns over PIP include the fact that individuals are invited to apply. If people don't accept the invitation they will lose their benefit. Similarly if individuals do not ensure they are assessed then they will not complete the process and not receive benefits. Without support the very vulnerable could find they 'drop off the system'.
- It will take 4 years for all reforms to be put in place and all claimants transferred into the new systems. During the 4 year period different systems will be in place.

## Top Tweets of the Day!

VCSAssembly@VCSVoice“  
National changes to Welfare Reform #bigdebate. How do we work locally? Need for collaboration between groups. Dis -engagement a problem.”

**SDN** @ShropDisNetwork  
People concerned about what happens when universal credit is stopped? #bigdebate yesterday Especially the vulnerable @VolunteerShrops

**SDN** @ShropDisNetwork  
problems in #shropshire with engagement communication says Damien Carter Shropshire Council #bigdebate @VCSVoice@ShropshireCLASP

**Shropshire CLASP** @ShropshireCLASP  
@ShropDisNetwork @vcsvoice #bigdebate it's fair to say there are a lot of concerned people in the room.

**Shropshire CLASP** @ShropshireCLASP  
1 in 10 of WORKING people are 'under employed' (eg part time). Isn't that a worrying statistic?

**Cit Ad Shropshire** @CABshropshire  
#bigdebate thank you everyone for a great afternoon. Great information exchange ... Working together in Shropshire Yes!