

Advice NI Briefing Paper September 2012

Welfare Reform

Advice NI has been heavily involved in debate and deliberation about welfare reform over the last number of years. The Welfare Reform Act received Royal Assent at Westminster on 8th March 2012 and introduced sweeping reform in the following areas:

The Act introduced Universal Credit; provided for the replacement of Disability Living Allowance with Personal Independence Payment for working age claimants; provided for amendments to Employment and Support Allowance (ESA), including time limiting the payment of contributory ESA (WRAG group) to 12 months; provided that lone parents with a youngest child aged 5 and over to claim Jobseekers Allowance or Employment & Support Allowance (with associated increased conditionality) as opposed to Income Support; introduced reductions to working age claimants under-occupying in the social rented sector; introduced uprating of Housing Benefit in the private rented sector based on the Consumer Price Index; introduced a benefit cap to be set at the GB figure (estimated at £500 per week for a couple and single parent households and £350 per week for single adult households); provided for the transfer of responsibility for Social Fund Crisis Loans and Community Care Grants to the devolved administration in Northern Ireland; and set out the Intention to move to a point where parents are supported to make their own arrangements for child maintenance wherever possible.

In Northern Ireland social security is a devolved matter therefore corresponding welfare reform legislation must be introduced separately. However in reality the benefit system is the same in Northern Ireland as in England, Wales and Scotland; with amounts and conditions of benefit also the same across the UK. Benefit payments come direct from Westminster so no money is taken from the Northern Ireland block grant. Figures released by the Department for Social Development highlighted that in 2009, £4,176,435,887 was claimed in benefit (including State Pension), all coming from Westminster. In summary, although the Benefit system is devolved, a system of parity largely operates with the rest of the UK.

Advice NI acknowledges the arguments in terms of (i) the need to maintain parity; and (ii) the need to do things differently in Northern Ireland. Advice NI believes that every effort should be made to explore the possibility of making substantive changes to welfare reform legislation to take account of Northern Ireland-specific circumstances. Additionally there should be a focus on operational flexibility: the capacity to adapt and deliver welfare reform tailored to local circumstances.

Universal Credit:

- Identify, establish and promote all the channels through which people can apply for Universal Credit;
- Identify how people will be differentiated between those with (i) difficulties accessing online technology; (ii) difficulties using online technology; and / or problems associated with a lack of confidence and trust in online technology to deliver for them;
- Ensure that people do not lose out in terms of their 'date of claim' when submitting their Universal Credit application;
- Ensure that people without bank accounts are assisted in a timely fashion, with a guarantee that they do not lose out financially when claiming Universal Credit;
- Ensure that claimants 'stuck in the system' will be identified in a timely fashion and given urgent assistance to complete their application;
- Ensure that timely alternative provision is put in place for those people unable to provide pre-requisite alternative passwords for example for online bank accounts;
- Identify how independent advisers will be enabled to support claimants with their application given the security risk associated with the necessity for claimants to provide online passwords for example for their online banking accounts;
- Provide for independent advice for people as Universal Credit is rolled out, for example where they are uncertain about what to do;
- Provide timely help and support for people who find their mortgage support terminated after 2 years; and for people with unsustainable shortfalls between their contracted housing costs and the support available;
- Ensure that the frequency of payment (weekly, fortnightly or monthly) is geared towards meeting the needs of the person and not the system;
- Ensure that the person to whom Universal Credit is payable is the appropriate person in terms of managing the household finances;
- Ensure that payment of housing costs direct to the housing provider is considered (i) at the request of the claimant; or (ii) at the discretion of the decision maker where appropriate;
- Explain how claimants are to be proactively 'risk profiled' and supported in terms of their inability to (i) access Universal Credit online; (ii) budget monthly; (iii) cope with benefit and housing payments combined;
- Ensure that the sanctions regime is implemented in a way which is sensitive to (i) the increased numbers of job seekers with significant work-limiting health conditions; (ii) the

lack of affordable childcare; (iii) the lack of employment opportunities in the current economic climate in Northern Ireland;

- Ensure greater transparency between the numbers of job seekers and the number of opportunities available, given the increased conditionality regime;
- Ensure that the increased numbers of people with working limiting health problems receive appropriate help and support through programs such as the Condition Management Programme;

Disability Living Allowance / Personal Independence Payment

- The contract with the medical assessment provider in Northern Ireland should contain the following aspects: (i) annual reviews of performance; (ii) penalties for under-performance (including complaints, number / percentage of decisions based on the medical report that are subsequently overturned at appeal). This approach will ensure that the assessment provider is aware that service delivery is about process **and** outcome;
- Ensure that appropriate cases are 'screened out' so that those claimants with the severest disabilities do not have to go through the trauma of the entire assessment process; thus providing better service and achieving better value for money;
- Ensure that the medical assessment for DLA reassessment is sensitive to the needs of people with disabilities and not seen as a means of cutting expenditure;
- Ensure that the medical assessors have a minimum level of qualifications and experience, with specialist expertise in particular areas such as mental health, learning disability, PTSD, behavioural and personality disorders and addiction;
- Ensure that medical assessors allocate sufficient time for each assessment to allow claimants the opportunity to fully discuss their health problems and the associated impact on their daily living and mobility;
- Ensure that the medical assessment is audio recorded to ensure that any allegations of poor quality service provision can be fully investigated;
- Ensure that there is an effective process in place for collecting medical evidence from all available sources so that the PIP decision maker is fully informed and best placed to make a correct decision;
- Demonstrate how the medical assessors and decision makers have an understanding of the high level of ill health and disability in Northern Ireland, including mental and behavioural disorders (eg in terms of numbers, over 100 people per thousand receive Disability Living Allowance in Northern Ireland in comparison with over 50 people per thousand in Great Britain. Taken together with additional payments included within other benefits due to Disability Living Allowance being in payment (for example Severe Disability Premiums) we

would fear that claimants in Northern Ireland will disproportionately suffer as a result of these proposals);

- Demonstrate how the medical assessment is more than a 'tick box exercise' and takes full account of the evidence provided by claimants;
- Ensure that there is an opportunity for claimants to verify that the medical assessor has fully recorded their evidence during the medical assessment;
- Ensure that there is a process in place to learn from feedback from claimants, advisers, decision makers and in particular appeal tribunals;
- Ensure there is a clear, effective complaints process in place in respect of the medical assessment with systems in place to ensure effective monitoring and corrective action;
- Provide for independent advice for people as DLA reassessment is rolled out, for example with application forms and potentially the appeal process;
- Ensure claimants have adequate time to return PIP application forms: there is widespread concern that a 4 week turnaround for return of Part 2 "Telling your Story" is inappropriate and needs to be extended to 8 weeks;
- Ensure that there is independent advice in place for people who do not move on to PIP and so see their income substantially reduced by the loss of DLA / PIP and moreover by the loss of associated premiums within other social security benefits;
- Ensure that there is a timely, effective system in place to allow people to dispute decisions, ranging from (i) a rapid reconsideration by a different decision maker; to (ii) an appeal hearing;
- Ensure that robust monitoring and evaluation systems are developed and in place prior to DLA reassessment focussing on what happens to people who lose some or all of their DLA (and knock-on impacts on other benefits);

Time limiting the payment of contributory ESA (WRAG group) to 12 months

- Ensure that there is a check in place to ascertain if the claimant should be in the ESA Support Group, and so not subject to the time limit;
- Ensure that claimants affected by the time limit are provided with a benefit assessment to ascertain whether other social security support might be applicable; or whether increases to tax credit awards might be appropriate;
- Ensure that claimants affected by the time limit are referred to independent money and debt advice services where appropriate;

- Ensure that claimants affected by the 12 month time limit understand that they can still be considered as being ‘incapacitated’ in terms of Working Tax Credit entitlement;
- Demonstrate that claimants affected by the time limit are not forgotten about, and indeed are prioritised in terms of accessing appropriate support to help them prepare to (re)-enter the labour market;
- Demonstrate that a timely disputes process is in place for new contributory ESA claimants which will ensure that success at appeal will be within the 12 month payment ‘window’;

Lone parents with a youngest child aged 5 and over

- Demonstrate how decision makers have an understanding that most lone parents are not out of the labour market from choice but often because of the complexity of combining work outside the home with the demands of sole parental responsibility;
- Additional flexibility must be built into the regulations to allow lone parents in these circumstances to restrict their availability for work;
- Ensure that decision makers consider whether appropriate and affordable childcare is available when making determinations about availability for work;
- Ensure that decision makers take cognisance of the current economic climate in Northern Ireland when applying conditionality;
- Ensure that no sanctions are applied to lone parents without senior management sign-off to ensure that the well-being of child(ren) are fully considered;
- Parents should be able to decline a job offer because they believe the childcare available is unsuitable to the needs of their child, without facing the risk of sanction

Under-occupancy in the social rented sector; uprating of Housing Benefit in the private rented sector

- Consider delaying implementation of the under occupancy penalty until suitable appropriate alternative accommodation is available for those affected;
- Where appropriate alternative accommodation is available, provide financial help to assist people with relocation costs;
- In order to mitigate hardship and homelessness for those unable to relocate, that consideration be given to further significantly boosting the Discretionary Housing Payment fund;
- Increase awareness of the existence of the fund amongst claimants;

- Review the criteria for payments from the fund in order to enhance the support available (for example who can be paid, how long they can be paid and how much);
- Defer application of the under-occupancy penalty where the tenant is willing to relocate but no suitable alternative accommodation is available;
- Produce annual report outlining the nature and availability of the social and private rented housing stock in Northern Ireland (regionally and locally);
- Produce annual report outlining: (i) the impact of under-occupancy penalties; (ii) clear information in relation to Housing Benefit payments in both the social and private rented sectors (including to whom benefit is paid – tenant or landlord); (iii) clear information in relation to homelessness statistics in Northern Ireland (regionally and locally);
- Develop and implement a strategy for increasing awareness and providing information to housing providers on the issues associated with welfare reform;

Responsibility for Social Fund Crisis Loan and Community Care Grant replacement scheme

- Ensure the maximum resources are available to the replacement discretionary support scheme;
- Ensure that an effective communications strategy is developed and implemented to maximise awareness about the existence of the scheme;
- Access channels to the scheme should be geared towards meeting the needs of clients and should include face to face and telephony channels;
- Ensure that there is an effective review / appeals mechanism in place;
- Produce annual report which will include outlining (i) the number and value of applications to the scheme; (ii) number and value of payments made; (iii) administration information such as processing times; (iv) information in relation to challenges to decisions; (v) an assessment of the scheme to assess it's effectiveness in serving it's purpose and meeting demand;

Child maintenance

- Rethink proposals to introduce charging for parents with care; with another possible option being to impose charges on whichever parent prevents a family based arrangement being reached;

General Points:

- Annual reports be produced by the Department for Social Development monitoring and evaluating the proposals outlined above;
- Bolster support for independent advice services so that people are assisted with the impact of welfare reform (including the provision of independent tribunal representation services);
- Bolster support for money and debt advice services so that people who find their income reduced are assisted if they find themselves struggling to cope with debt;
- Ensure that statistical modelling of the impact of welfare reform is based upon the most up-to-date information available, and not outdated pre-recession information;
- Ensure that regulations in relation to passported benefits in devolved policy areas such as Free School Meals, help with Health Service Charges and access to civil legal aid are agreed and in place prior to the introduction of Universal Credit;
- Social Security Agency monitor and report on the number and type of Universal Credit cases needing to be administered clerically 'offline' ;
- Ensure that flexibility is built into the IT system at the earliest possible point (for example in relation to frequency of payment, split payments in a household and direct payment of housing costs);
- The new Employment Programme needs to be resourced properly to ensure sufficient, effective support provided to: (i) people with significant working limiting physical and mental health conditions (ii) people furthest from the labour market for example those suffering from addiction; (iii) people suffering from labour activation policies of welfare reform for example those who see their mortgage support withdrawn after 2 years;
- The new Employment Programme needs to have a funding model which front-loads resources in light of the work that needs to be done with the 'hardest to help' clients and with those with potentially the longest working age lifespan ;
- There is a real potential for the proposal to introduce the Personal Independence Payment as a replacement for Disability Living Allowance to have a significant differential impact in Northern Ireland. In terms of numbers, over 100 people per thousand receive Disability Living Allowance in comparison with over 50 people per thousand in Britain. Taken together with additional payments included within other benefits due to Disability Living Allowance being in payment (for example Severe Disability Premiums) we would fear that claimants in Northern Ireland will disproportionately suffer as a result of these proposals.