

One day at a time

Examining the cumulative impact of welfare reform on benefit claimants in Wales

Summary report



About Citizens Advice Cymru

Citizens Advice is an independent charity covering England and Wales operating as Citizens Advice Cymru in Wales with offices in Cardiff and Rhyl. There are 20 member Citizen Advice Bureaux in Wales, all of whom are members of Citizens Advice Cymru, delivering services from over 250 locations.

The twin aims of the Citizens Advice service are:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people's lives.

The advice provided by the Citizens Advice service is free, independent, confidential and impartial, and available to everyone regardless of race, gender, disability, sexual orientation, religion, age or nationality.

The majority of Citizens Advice services staff are trained volunteers. All advice staff, whether paid or volunteer, are trained in advice giving skills and have regular updates on topic-specific training and access to topic-based specialist support.

Local bureaux, under the terms of membership of Citizens Advice provide core advice based on a certificate of quality standards on welfare benefits/ tax credits, debt, housing, financial products and services, consumer issues, employment, health, immigration and asylum, legal issues, and relationships and family matters.

The Citizens Advice service now has responsibilities for consumer advice, representation and education as a result of the UK Government's changes to the consumer landscape. From 1 April 2014 this includes taking on statutory functions and responsibilities to represent post and energy consumers from Consumer Futures.

Summary

This report summarises the findings of a new in-depth study into the cumulative impact of welfare reform on benefit claimants in Wales. The report 'One day at a time' (published alongside this summary) is based on evidence from across the Citizens Advice Bureaux network in Wales as well as bespoke qualitative research commissioned by Citizens Advice Cymru to explore the 'lived experience' of the recent benefit changes¹.

The latter research looks in detail at how the changes are affecting important areas of claimants' lives including their physical and mental health, living arrangements, work and job seeking behaviour, and personal relationships. It also investigates what coping mechanisms people have adopted to help them manage the changes; their knowledge and understanding of future changes, including the introduction of universal credit (UC), and their perceived capacity to cope in the future.

The Welfare Reform Act 2012 set out a whole series of reforms to the UK benefits system the like of which has not been seen for decades. Many of these reforms have already been implemented with substantial changes taking effect over the last 15 months (since April 2013), such as the introduction of the under occupancy penalty for housing benefit claimants (referred to by some commentators as 'the bedroom tax'); the introduction of personal independence payments (PIP), which will eventually replace disability living allowance (DLA); and the abolition of council tax benefit and the discretionary social fund (namely crisis loans and community care grants). Universal credit (UC), undoubtedly one of the biggest changes, is being introduced gradually over the next three years, and will bring six existing in and out of work benefits into one single payment.

1. The research was undertaken by Shelter Cymru. A total of 49 in-depth interviews were conducted with benefit claimants across Wales between February and March 2014.

Bureaux evidence 2013/14

The evidence from Citizens Advice Bureaux shows the extent to which the benefit changes are already impacting on many of our clients. Over the last couple of years the number of benefits and tax credit related problems dealt with by bureaux across Wales has increased dramatically. It is now the biggest problem area for which clients seek our help, accounting for over two-fifths (42 per cent) of all problems in Wales during 2013/14 (over 141,500 problems).

Issues relating to employment and support allowance (ESA) continue to be the most commonly presented benefits-related problem with many clients seeking help with benefit appeals or issues relating to work capability assessments.

However during the last 12 months we have also seen notable increases in people coming to us for advice on PIP problems (with many clients waiting months to receive a decision on their PIP claim); problems associated with the under-occupancy penalty, and people seeking help on jobseeker's allowance (JSA) sanctions.

Our qualitative research builds on this evidence and confirms the detrimental impact welfare reform is having on the lives of many benefit claimants in Wales, particularly those who are living with a disability or long-term health condition. The overwhelming impression is that participants are merely surviving as opposed to living any kind of fulfilling life.



Posed by model © Citizens Advice

Impact on day-to-day lives

For the majority of people who took part in our research, the benefit changes have resulted in a reduction in their household income. Consequently many are struggling to maintain a minimum standard of living and are frequently going without basic essentials including food, adequate heating in their home and clothes so that they can keep up with rent payments and afford other essential household bills. Parents are often sacrificing themselves to feed and try to maintain some sense of normality for their children. Most participants have been affected by the under-occupancy penalty and are living in fear of losing their homes or having to move away from family and friends. The pressure this is all putting on their personal relationships is clear.

“Our heating is put on for only a few hours a day, even through the winter. We have cut back as much as possible but we are not like other families, our son (with severe autism) doesn’t understand things so we have tried to maintain his lifestyle by allowing ours to get worse.”

Constant financial difficulties mean many people have had no option but to go into debt, while others are struggling to maintain arrangements put in place to tackle previous financial problems. A tougher sanctions regime and delays in decision making processes mean some people have had no income at all for a period of time which has only added to the hardship they are facing.

“My money simply stopped. It was impossible to meet the cost of essentials with no money coming in. I have always been good at living on a tight budget but this is the worse it has ever been. I was trying to feed my two teenage children on child tax credits and child benefit. Things didn’t get paid on time and I was worried about facing homelessness again as I quickly got into arrears on my rent account.”

Of real concern is the impact a combination of living on a reduced income and the constant worry for what the future holds is having on people’s mental and physical health. Nearly all participants report that their mental health has deteriorated since they’ve been affected by the benefit changes, whether or not they had a pre-existing mental health problem. Many people who took part, especially those living with a disability or long-term health condition, feel ashamed and depressed by their situation but powerless to do anything about it. Such feelings have only been compounded by negative media portrayals of people on benefits. In addition eating poorly, living in insufficiently heated homes, a lack of socialising and being less active may all have long-term health implications, both physically and mentally, for many participants.

“I am 50 years old not five, yet I need help with dressing and showering. I have no money now because of PIP and because of that my friends have to help me; they shouldn’t have to do that. So you ask me what has changed? I have lost my dignity and pride.”

Those who are able to work want to find a job or work longer hours but their job searching is being hindered by costly childcare and an inability to afford transport and clothes for job interviews, or by not having the internet at home to search and apply for jobs.

Awareness of benefit changes

The majority of the people we spoke to did not have any comprehensive understanding of the benefit changes and how they would be affected until they were being implemented. The distribution of incorrect or inaccessible information and a perceived lack of communication between key agencies, including the DWP, Jobcentre Plus, local authorities, housing associations and GPs, only served to exacerbate this situation leading to feelings of confusion and helplessness for many.

“We had an awareness that the bedroom tax was coming in because a lady from the housing association rang us up to inform us. She told us that we wouldn’t be affected by the bedroom tax because we were living in an adapted house so we left it and didn’t worry. It wasn’t until May or June when we rang Housing Benefit about another issue that we were advised that we had had our benefit reduced by 25% for two spare bedrooms. We complained to the housing association about the bad advice that we had received but they denied all knowledge of this.”

The DWP in particular came in for significant criticism in the manner they communicated with claimants, especially by some participants living with a disability or long-term health condition. A perceived lack of empathy from frontline staff and generic letters were amongst the issues raised. Many believed more could be done to ensure frontline staff have a better understanding of some of the issues people are facing.

“There seems to be no understanding of mental health issues and how these confusing things can make people feel. I have found the attitude of DWP staff to be awful; they don’t deal with issues sensitively. When I have been at my lowest I was absolutely terrified of what was happening and tried to explain this to the member of staff who had phoned me about my money stopping due to failing the medical. I asked him what I was supposed to do next and he replied ‘Not my problem.’ I can’t even tell you how that made me feel.”

Participants who are already linked in to existing support services generally felt their awareness of the benefit changes was good. They also tended to feel more confident about their capacity to manage changes in the future. Although very few had any real knowledge of universal credit and how it may affect them.

The overwhelming need for more information on how they will be affected as future changes are introduced and implemented was clear. Although for a few people we spoke to the thought of additional changes only made them worry more, particularly some of those living with a long term illness or disability who believed their financial situation is unlikely to improve.

We did hear about examples of positive intervention by social landlords to help their tenants manage the benefit changes however this was by no means consistent across Wales.

Current and future support

While a number of participants have benefited from the support available from their landlord and other agencies (including Citizens Advice and Shelter Cymru), many have received no support in helping them to manage the transition.

The method of engagement and the identity of the organisation delivering support and advice is important. People value independent, face-to-face advice – including options for home visits where necessary. While the option of telephone or online resources is desirable, a number of people who took part in our research expressed concern about the over-reliance of the internet and putting information on-line as for many people with particular conditions or disabilities this is not an accessible option.

Both this research and the wider evidence from bureaux across Wales highlights that to date the benefit changes are having a predominantly negative impact on claimants' lives.

"The future is bleak and I just try to live one day at a time and shut it out."

The level of change we are currently seeing within the UK welfare system is unprecedented in modern times. This makes it even more important that lessons are learnt by the DWP and across other agencies, whose residents, tenants and patients are already affected by the changes, in order that support can be improved in the future. This will be especially critical ahead of two of the biggest reforms still to be rolled out on any great scale – universal credit and the continued replacement of disability living allowance with personal independence payments.



Citizens Advice Cymru believe that targeted interventions are required by DWP and others to ensure claimants and potential claimants receive accurate and timely information on the changes, as well as access to the right support if and when they need it. Our findings also emphasise the importance of providing holistic support to claimants – linking information on benefit changes with advice to address financial capability needs/budgeting support; debt advice; income maximisation; housing advice and mental and physical health support.

The role of local authorities and housing associations in particular are vital in helping people to manage the changes. In such challenging financial times, learning from each other and sharing good practice will be beneficial for both those affected by the reforms and the appropriate authorities, particularly in cases of rent arrears.

Noting the major impact the reforms are having on people's health, health and social services also have an increasingly important role to play. A failure to better co-ordinate available support may only lead to increased costs to the NHS in Wales as people's health and well-being deteriorates.

Effectively managing and coordinating how different agencies in Wales and key UK agencies (including DWP and Jobcentre Plus) can work better together to help people affected by welfare reform in Wales will be fundamental if people's future support needs are going to be met. We believe the Welsh Government is well placed to provide the necessary strategic direction to achieve this as part of its Tackling Poverty Action Plan.

We acknowledge the work that has been done across Wales by Welsh Government and other agencies in helping the tens of thousands of people who have been affected by the welfare changes to date. In addition to benefit claimants, welfare reform will continue to have major implications for a range of organisations and services over the coming years, including advice providers, local government, social housing providers, and health and social care services.

With even bigger reforms around the corner the need for a multi-agency approach has never been greater. Working together to ensure claimants are informed and equipped to manage changes in the future should help to prevent people who depend on the security of benefit income from facing increasing poverty and hardship.



Recommendations

In light of our research we have made a series of recommendations.

Promotion of good practice

Welsh Government should:

- identify and share good practice by local authorities and housing associations across Wales in their work to help people affected by recent and future benefit changes. This should also include taking steps to address poor practice if applicable.

Local authorities and other social landlords in Wales should:

- focus more strongly on adopting best practice in this area including:
 - » adopting a proactive approach to information-sharing, talking to people in their homes and holding open meetings
 - » directing people to independent welfare benefits advice where appropriate to help them understand the changes and if necessary provide assistance in appealing benefit decisions
 - » ensuring when needed people are referred to independent debt and money advice to ensure impartiality, as well as other forms of support including help with energy bills (for example Warm Home Discount; advice on switching suppliers)
 - » taking every opportunity to promote DHPs
 - » ensuring that information is delivered face-to-face with other channels such as telephone and online resources available to those who need them
 - » ensuring that all staff receive training so that information is timely and accurate
 - » ensuring that information is written clearly and in accessible formats suitable for people's different needs.

Local authorities in Wales should:

- disregard disability benefits such as disability living allowance and personal independence payments when assessing a claimants income during the application process for a discretionary housing payment (DHP), as is already the case for housing benefit and other means-tested benefits.

Role of health services

Welsh Government and Local Health Boards should:

- work together to improve the integration of independent advice services within both primary and secondary healthcare settings to ensure benefit claimants and potential claimants using these services are able to access the range of support that may be available to them at the earliest opportunity.

Local Health Boards and the NHS Confederation in Wales should:

- work together to help raise awareness amongst health and social care professionals, particularly frontline staff, of the reforms and the impact they may be having on patients so that their condition can be managed accordingly.

GPs and other health service providers in Wales should:

- improve systems for sharing information with the company(ies) undertaking Work Capability Assessments for ESA and PIP.

Health service providers in Wales should:

- support Citizens Advice's 'Fit for work' campaign which includes a call to the UK Government for all medical evidence required to progress ESA claims/appeals to be provided free of charge.

Addressing digital exclusion

As part of its Rural Development Plan 2014-20, the Welsh Government should ensure:

- digital access is a high priority for local interventions
- local development strategies explore innovative ways to achieve access such as using shops, community groups or mobile services, including mobile advice provision
- identify and facilitate learning channels for developing people's IT skills
- Local Action Groups should engage with the Superfast Cymru partnership and the Access Broadband Cymru scheme to maximise access to fibre broadband and play a role in ensuring that rural communities are made aware of the availability and potential of improved access at the earliest opportunity.

Foodbank provision

Foodbank providers should, where possible:

- provide food to cater for different needs including people with specific dietary requirements
- provide more food that can be eaten cold
- ask for donations of basic cooking equipment and utensils.

Financial capability needs of young people

Welsh Government should:

- re-establish a dedicated co-ordinating unit (similar to the Welsh Financial Education Unit) to provide the necessary strategic direction for implementing the delivery of financial education across Wales, both in schools and within the wider community
- identify ways to ensure appropriate financial education opportunities are available to adults in community settings, particularly those who are more likely to face disadvantage such as young benefit claimants.

Future of the Discretionary Assistance Fund

Welsh Government should:

- continue to fund the Discretionary Assistance Fund in Wales beyond March 2015 in order that people in Wales who find themselves in crisis situations or suffering particular hardship have a financial support system to turn to when they have nowhere else to go.

Communication with the Department for Work and Pensions/Jobcentre Plus

The Department for Work and Pensions (DWP) and Jobcentre Plus should:

- ensure that all advice provided to claimants is accurate, timely, accessible and personalised for those with additional support needs, avoiding generic letters where possible
- improve communication between themselves and other organisations such as local authorities and housing associations in order that information is more joined up to prevent conflicting and confusing advice being given to claimants
- provide better training for frontline staff dealing with claims to improve understanding of claimant needs and circumstances
- undertake a review of existing schemes set-up to help people afford essential costs when attending job interviews to assess what more can be done to promote or extend such schemes.

Improving Work Capability Assessments

The DWP should:

- listen to the evidence from the health and social care professionals who know claimants best
- ensure the medical evidence required to make a claimants case is provided free of charge
- continue to pay people ESA while a second opinion is given on their application
- ensure the new company providing ESA work capability assessments is held accountable for poor reports and bad customer service.

Rollout of universal credit

The DWP should:

- ensure the Local Support Services Framework (LSSF) provides adequate funding to local partnerships to make sure claimants receive holistic support to manage the change to the way their benefits are paid and claimed under UC
- ensure under UC that severely disabled people who don't have a carer are entitled to a 'self-care element' as a partial replacement for the severe disability premium in the current system.

Case study

Sandra has been affected by the under-occupancy penalty and also changes to PIP (she has an application currently pending). She has two children with autism.

Two years ago the local authority extended her home downstairs to include a room for her daughter to stay in and a downstairs bathroom. This meant that she had a spare bedroom upstairs and, following the introduction of the under-occupancy penalty Sandra took in a lodger who was a family friend to act as a carer to her during periods when she was bed-bound.

On declaring the arrangement to the DWP at a face-to-face interview, she faced additional issues:

"I had my disabled daughter in a wheelchair, my friend for support and they kept asking us the same questions as the form. I left there and a few weeks later I had a letter through saying my benefits had stopped because I was co-habiting! I found a lawyer who helped me out pro bono and persuaded me to lodge an appeal. The appeal was very lengthy and I had to go through it all again. This appeal lasted over four weeks until a decision was made. Basically they tell you to take a lodger, you do and then they accuse you of co-habiting!"

This has affected Sandra both physically and mentally:

"This affected my mental health significantly and added to my physical illness. I pretty much live in fear every day that they are going to come knocking. My mental health has degenerated significantly. Last week I was diagnosed with post-traumatic stress disorder, I have been suicidal on three occasions and I am on medication for depression. All this has come about since this nonsense started."

The impact of welfare reform has been cumulative for Sandra. She was without money for the nine weeks in total. Following a decision on co-habitation all her means-tested benefits were stopped. Sandra has become more housebound and dependent on friends as she is now using her DLA for utilities and rent.

Her current situation has also been devastating for her children:

"Both my children suffered as well. They couldn't go anywhere or do anything, they barely existed. How can you tell a disabled, autistic child no when it is part of their structure and their coping mechanism."

Our aims

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

Our principles

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We value diversity, promote equality and challenge discrimination.



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Citizens Advice is an operating name of the
National Association of Citizens Advice Bureaux.
Registered charity number: 279057

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Produced by: Citizens Advice Cymru
Published: July 2014
Cover: © www.imagesource.com