Welfare Reform
Impacts and Implications

BASE Conference
September 2014
Welfare Reform

• What is welfare reform?

• The main changes

• The effect on your service users
Welfare Reform Act

- Received royal assent March 2012
- Radical reform and “simplification” of welfare system
- A number of controversial changes
- Expected to make £18 billion savings
The main measures

- Single working age benefit - Universal Credit
- Claimant commitment
- Disability Living allowance replaced with Personal Independence Payment
- Increased conditionality for ESA claimants
- Mandatory Reconsideration
A host of other changes

- Limit of Employment Support Allowance (ESA)
- Under-occupation penalty for HB – bedroom tax
- Increased sanctions for non-compliance

Altogether better
Universal Credit: October 2013

• Over two Parliaments to replace means-tested working-age benefits and tax credits
• Aims to improve work incentives
• Based on a single taper on post-tax income to withdraw a combined credit
• Changes to disregards
• Streamlined administration
UC: six benefits affected

- Income Support
- Employment and Support Allowance (Income Based)
- Jobseekers Allowance
- Child Tax Credit
- Working Tax Credit
- Housing Benefit

Altogether better
• Being tested in pilot areas
• Single claimants
• Extended to couples in September
• Problems with IT
• Increased number of sanctions
• Pilot area extended to North West from 15th September 2014
Claimant commitment

• Introduced prior to UC across the country to JSA claimants
• Applies for 35 hours a week job search activity
• Applies to both members of a couple
• Under UC also applies to those in work under 35 hours
What is likely to be included

- What your work-related requirements are.
- Details of what specific things that must be done, and by when.
- How much benefit will be reduced by, and how long for, if requirements are not met.
- What kind of changes of circumstances must be reported and what happens if this is not done.
- Information on rights to challenge for non-compliance
Personal Independence payments

- Personal Independence Payment (PIP) replaces DLA
- New criteria for working age claims – “point-scoring” system similar to ESA
- New process – less self-assessment and more medical examinations
- DWP estimate a 20% reduction in expenditure and caseload
- Total saving – £360m in 2013/14 and £1,075m in 2014/15
• PIP will be made up of two parts
  • Mobility
  • Daily Living

• Each part will be have 2 rates
  • Standard  8 points
  • Enhanced  12 points
Main Differences

- No lower rate care component
- Points based assessment
- Aids an appliances taken into account
- Don’t need to show to show day and night time needs
- 20 meter walking limit for enhanced mobility
Claims Process

- Initial telephone call to register claim
- PIP 2 sent out to complete and return (one month time limit)
- Assessment – Atos/Capita
Moving onto PIP

• From 28 October 2013 Wales, East Midlands, West Midlands and East Anglia to claim PIP if:
  • information received about a change in care or mobility needs
  • their fixed term award is due to expire
  • children turn 16 years old (unless they have been awarded DLA under the Special Rules for terminally ill people) or
  • an individual chooses to claim PIP instead of their DLA
• From 13 January 2014 – extended to the areas postcodes beginning:
  • DG (Dumfries and Galloway)
  • EH (Edinburgh)
  • TD (Galashiels)
  • ML (Motherwell)
• From 3 February, extended to postcode areas beginning:
  • CA (Carlisle)
  • DL (Darlington)
  • HG (Harrogate)
  • LA (Lancaster)
  • YO (York)
Implications of losing DLA/PIP

• Loss of income
• Effect on direct payments
• Loss of other benefits – Housing benefit?
• Effects on carers
• Effect on charges for services
Housing Benefit

April 2013

• Under occupation rules
• Working age
• Social Housing
• U/occ one room =£13 per week less HB

• Private member bill success to scrap bedroom tax

Altogether better
Employment & Support Allowance

• Continuing migration from Incap Ben/SDA/Income Support (now suspended)

• Sanctions for “failing to co-operate”

• Contributory based ESA 12 months limit

Altogether better
Mandatory Reconsideration

• 28th October 2013 – introduction
• Giving the DWP opportunity to ‘get it right’
• No time limit on length of MR
• No entitlement to ESA during MR
• Another hurdle for people to overcome
Sanctions

• JSA - 4 week, 13 weeks
• ESA – 1 week for each full 7 days a clt in no compliant, plus punishment of 1, 2 or 4 weeks (depending on number of failures)
• Hardship payment whilst sanctioned
Conclusion

• Welfare Reform continues to roll out
• Has huge implications for claimants and advisors
• Keep up to date with changes – rightsnet

WATCH THIS SPACE