

Welfare Reform Impacts and Implications

BASE Conference
September 2014

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Welfare Reform

- What is welfare reform?
- The main changes
- The effect on your service users

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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

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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

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A host of other changes

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

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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

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UC: six benefits affected

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

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- 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

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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

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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

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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

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- PIP will be made up of two parts
- Mobility
- Daily Living

- Each part will be have 2 rates
- Standard 8 points
- Enhanced 12 points

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Main Differences

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

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Claims Process

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

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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

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- 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)

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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

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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

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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

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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

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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

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Conclusion

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

WATCH THIS SPACE

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