

# Cumbria Welfare Reform Commission 2014

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## Summary



## Foreword



As a Commission, we were asked to look at the actual impact of Welfare Reform in Cumbria. For all of us, this proved to be a fascinating, moving and illuminating exercise as we interviewed a wide variety of 'providers' and recipients in various locations around the County. Together we spent many hours in the company of over a hundred people and organisations.

Inevitably, our report is a 'snapshot' which records the situation as we found it early in 2014. We are well aware that the reform of an immensely complex and bureaucratic system is a work in progress. Considerable efforts are being made to iron out inconsistencies and improve delivery, and we are grateful for them.

However we also became acutely aware of some of the 'unintended consequences' of reforms such as the so-called 'Bedroom Tax' and monthly Universal Credit payments to claimants, as well as the effect of a sanctions regime on people who live hand to mouth on very low incomes. We concluded that the 'Bedroom Tax' although potentially relevant in other parts of the country has no rationale in Cumbria and we ask for local discretion in implementation.

We saw for ourselves that although a tiny minority of claimants may be fraudulent, the vast majority would much rather not be on benefits. We also began to appreciate how many of these need help with navigating the complicated waters of the world of welfare. We want to pay tribute to the volunteers who work so hard (without reward) to assist and support the most needy and vulnerable members of our society. The role of food banks, credit unions and other third sector groups was shown to be invaluable in enabling people to cope.

This is not intended as a 'party political' report. We hope that our findings and recommendations will be of general use to politicians, civil servants, volunteers and benefit claimants alike. We also believe that, if implemented, those recommendations would ultimately help to save money rather than costing the Exchequer more.

It has been a privilege to share in this considerable and considered piece of work. I would like to thank all the other members of the Commission; Stuart Pate who compiled the report itself; and in particular those who generously gave us their time and reflected on their own experience.

**James Newcome** (Bishop of Carlisle)

# 1 Recommendations

In the light of its findings the Commission makes a series of recommendations to Central Government, DWP, the Cumbria Leadership Board (CLB) and Cumbria Third Sector Network Executive.

**The Commission asks Central Government to review current policy in four areas:**

**1 Universal Credit** - To secure successful implementation of welfare reforms and reduce risks associated with this policy's future implementation the Commission recommends changes to the proposed payment rules including:

- a continuing making payments to individuals rather than one payment per family;
- b continuing weekly/fortnightly rather than monthly payments; and
- c continuing to pay landlords direct.

**2 Sanctions** - The Commission recommends Government instigate a change in rules concerning sanctions to ensure that penalties are never disproportionate and avoid making the vulnerable more vulnerable, and ultimately reliant on foodbanks and other charities to avoid destitution.

**3 Disability benefits** - The Commission asks Government to expedite changes which will reduce delays and complexity in the assessment and interview process for PIP and the Work Capability Assessment (WCA). To increase DWP's capacity the Commission asks Government to consider implementation of PIP over 5 years rather than the shorter period currently proposed.

**4 Housing 'under-occupation'** - To reduce hardships caused by 'under occupation' rules the Commission asks Government to consider the following policy changes:

- allow flexibility locally in the setting of Local Housing Allowance (LHA) rules;
- should Government not be willing to consider local flexibility, to mitigate adverse local impacts the Commission asks Government to retain transitional arrangements for a 3 further years, and exempt 2 bed houses from the LHA policy.

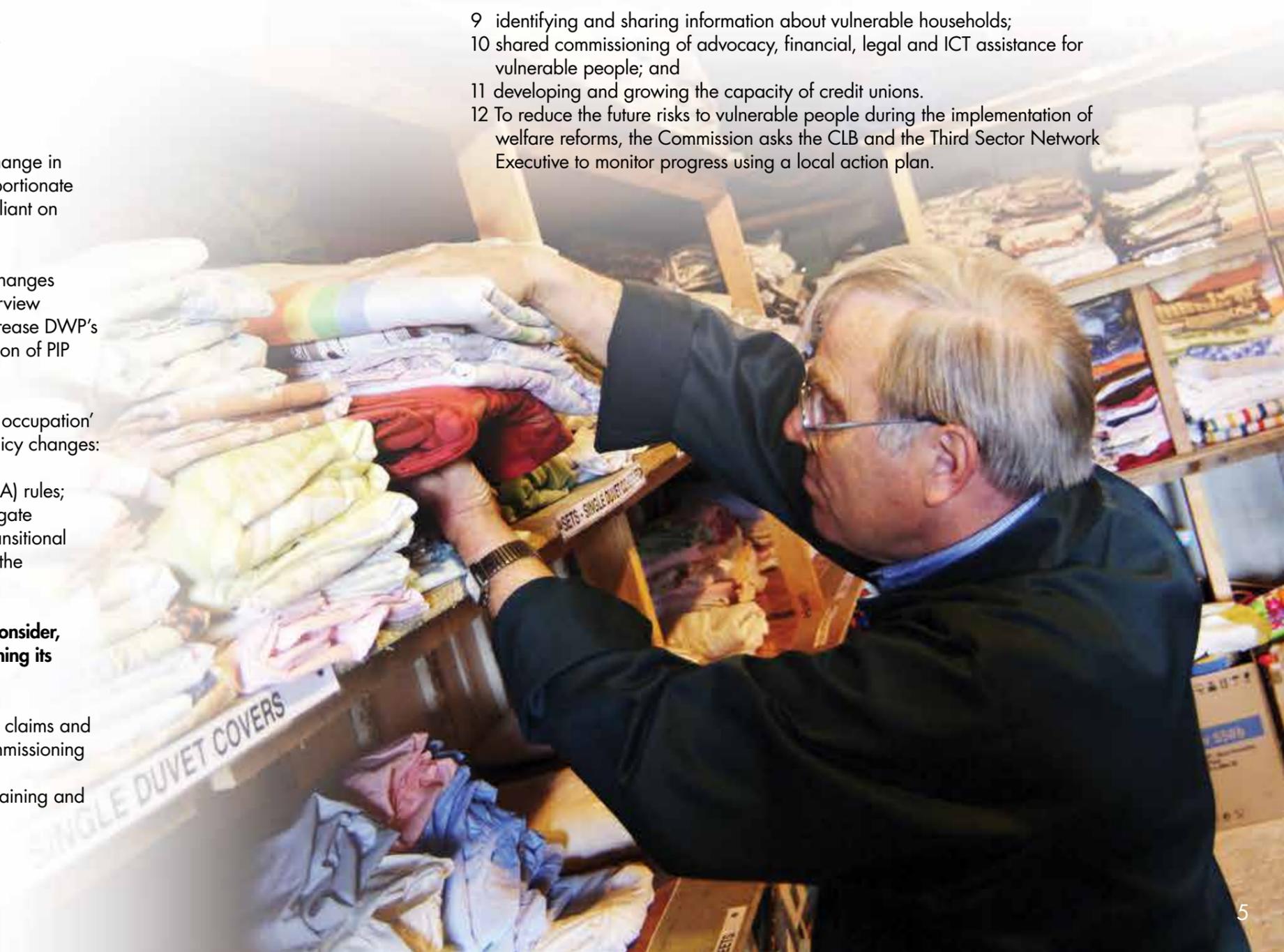
**The Commission asks the Department of Work and Pensions (DWP) to consider, within a local improvement programme, four recommendations concerning its practices, to:**

- 5 expedite reviews currently underway to reduce delays in processing claims and appeals, and make necessary changes both to procedures and commissioning to allow this;
- 6 avoid the disproportionate use of sanctions by making changes to training and procedures at adviser level;

- 7 become more 'user friendly' and as part of this process re-install claimant access to telephones, and publish a manageable local timetable for future benefit changes; and
- 8 liaise more effectively with the Cumbria Leadership Board (CLB) and the third sector to identify vulnerable clients and ensure assistance, advocacy and support services are provided as outlined below.

**To minimise local hardship arising during the implementation of welfare reforms, the Commission asks the CLB and DWP to coordinate and commission assistance, advocacy and support by:**

- 9 identifying and sharing information about vulnerable households;
- 10 shared commissioning of advocacy, financial, legal and ICT assistance for vulnerable people; and
- 11 developing and growing the capacity of credit unions.
- 12 To reduce the future risks to vulnerable people during the implementation of welfare reforms, the Commission asks the CLB and the Third Sector Network Executive to monitor progress using a local action plan.



## 2 Welfare reform

The Welfare Reform Act came into effect in 2012. It's often described as enabling the biggest change in the welfare system for more than 60 years. The main elements will be implemented over a decade and are wide-ranging. They are designed to limit eligibility for a range of benefits, to incentivise employment for those able to work, and to streamline the system to achieve a sustainable long-term reduction in levels of welfare spending.

Welfare reform in Britain did not start with the Welfare Reform Act 2012. However, these more recent measures emphasise a fundamental change in approach, reflecting the Government's intention to simplify the welfare system across the board rather than add to the complexity of decades of piecemeal changes. Also, and perhaps most significantly in terms of impact, some new changes are retrospective in application, affecting existing claimants.

The package of changes to benefits currently being implemented include:

- a Household Benefit Cap of £500 a week for families;
- Housing Benefit under-occupation rules;
- new commitments for jobseekers searching for work and a=changes to the sanctions regime;
- re-assessment of disability benefits and the introduction of new benefits;
- reform of the crisis loan system;
- and the combination of 6 benefits into one single monthly payment under Universal Credit.

Changes of the scale envisaged will inevitably have direct and severe financial impacts on some individuals, their families, and cumulatively on local communities and Cumbria. There could also be associated well-being impacts particularly if changes are not managed effectively.

There are nearly 40,000 people (38,940 DWP, November 2013) claiming benefits in Cumbria, and nearly 30,000 of those (29,990 DWP, November 2013) are out of work. The highest proportion of people claiming benefits in the county are in Barrow-in-Furness (18.7%) Copeland (15.2%), Allerdale (13.6%), and Carlisle (12.8%). The proportions are lower in South Lakeland (7.8%) and Eden (7.7%). All current and future benefit claimants are experiencing or will experience changes to benefits – either in the amount or type of benefit change, or the way it is paid.

The number of people with long-term health problems or disability is higher than the national average in most parts of the county, particularly in Copeland and Carlisle.

## 3 Cumbria Welfare Reform Commission

The Cumbria Welfare Reform Commission was established at the Cumbria Leadership Board (CLB) in July 2013 to gain a better understanding of how welfare reform is affecting people in Cumbria.

The Third Sector Network led the Commission's work through the Deputy Chair Andy Beeforth and supported by staff from Cumbria County Council. The Commission is chaired by the Bishop of Carlisle, James Newcome. The members of the Commission are:

- Bishop of Carlisle, James Newcome (Chair)
- Susie Bagot (Chair, Francis C Scott Charitable Trust)
- Tim Cartmell (former Solicitor, Trustee Cumbria Community Foundation)
- Caroline Hoggarth (Head, Greengate Infant School, Barrow)
- Sue Page (former Chief Executive, NHS Cumbria)
- Frank Peck (Professor, University of Cumbria)
- Willie Slavin (Chair, Howgill Family Centre, Trustee Cumbria Community Foundation)

The Commission's objectives were to:

- 1 Collect evidence to better understand the impact of welfare reform in Cumbria.
- 2 Collect evidence to understand the responses to minimise the impact of welfare reform.
- 3 Make and promote recommendations for ways forward.

In January 2014, the Third Sector Network circulated a call for evidence, inviting written submissions and one-to-one or group interviews. The Commission held evidence gathering sessions across the county in Barrow, Kendal and Penrith, Carlisle and Cleator Moor, Whitehaven, and Workington.

Contributors included foodbanks, housing associations, community associations, children's centres, carers groups, mental health support groups, disability associations, organisations supporting young people and older people, church communities, CABx, groups supporting people with drug and alcohol issues, and the Department for Work and Pensions (DWP).

The Third Sector Network commissioned an independent consultant, Stuart Pate, to collate the Commission's evidence and produce a report.

## 4 Key findings

The Commission's findings based on the evidence the Commissioners heard across the county are:

- The scale and pace of change is challenging:
  - there are a significant number of major changes to benefits being implemented over a short period of 4 to 5 years;
  - there is a lack of detailed information available on many of these changes for claimants and local organisations to prepare properly;
  - housing reforms do not make sense in Cumbria where overcrowding is not an issue and the supply of one and two bed properties is limited;
  - there are significant backlogs in the processing of some benefit claims, particularly Personal Independence Payment, and for the Work Capability Assessment, which could be addressed by a slower pace of change;
  - the move towards single monthly household payments is causing people anxiety and highlighting the need for financial management skills;
  - DWP will need to work closely with local agencies if the reforms are to be successfully implemented.
  - the Household Benefit Cap is affecting a small number of households in Cumbria.
  - the Third Sector is providing the safety net but is facing major funding and capacity challenges.

"Reforms needed to happen, but changes are not thought through, even if they do have good intentions. There is too much reliance on computer systems. There is a lot of fear around claiming benefits: it's too complicated; people are proud, and often because of problems at DWP the choices are between heating and eating." **CAB Manager.**

"[Calling] the DWP Call centre is the most expensive way I know to listen to Vivaldi." **Welfare Benefits Adviser, Whitehaven.**

"Appeals against ESA ruling currently have an 89 per cent success rate. Which suggests DWP criteria for initial decision may be wrong." **Copeland CAB.**



- The cumulative financial impacts of the changes on some households is significant with £138m pa lost across the county (Beatty and Fothergill, 2013):
  - the changes are resulting in a significant loss of income for some households;
  - the affected households are often concentrated in particular communities. Barrow in Furness will be impacted most and people in rural areas suffer greatest access issues;
  - the changes are resulting in making some people who are already vulnerable even more vulnerable;
  - loss of household benefits has knock-on effects for local communities, local services, local services, local business and the local economy.

‘Even small issues like paying a vet bill when the dog was run over or getting the washing machine fixed sent us over the edge and there was nowhere to go apart from the doorstep lender. There is just no chance of getting any support from the Jobcentre [i.e. crisis loans] now’. **Woman 40s Barrow.**

Single parent living in 5 bed property with two children a boy aged 6 and girl of 5. Absent father who was not paying any maintenance. Under occupying by 3 bedrooms. Current income from benefits is £389.35 which includes £154.25 housing benefit and £17.25 Council Tax Benefit. Current expenditure is £381.50 which leaves £7.85 per week to cover all expenses. Is due to lose £38.56 per week in housing benefit due to under occupancy. **Case study from Benefits Adviser.**

- Some changes are having unintended consequences and are being applied without flexibility:
  - Housing Benefit under-occupancy rules are being applied without flexibility;
  - people storing medical or disability aids and households with children where parents are separated are not exempt from re-assessment;
  - benefit sanctions are being applied disproportionately and in some instances are resulting in claimants entering a crisis situation and requiring other support;
  - some of the most vulnerable people are most likely to have difficulty navigating the complex process of benefit changes and experience adverse impacts on their well-being, and are often not receiving the support they need;
  - closure of JobCentres and reliance on call centres and internet based claims and communication.

In Barrow for example over a two year period there was a significant growth from under 100 [foodbank] clients in 2011 to, by December 2013, over 100 issuers of vouchers & 1400 people fed. Cumbria County Council funded a benefits advisor 3 days a week and amongst the large number of voucher issuers the Jobcentre has been very helpful. Over 100 volunteers are involved but most only able to give limited time; and there is some difficulty recruiting individuals willing to undertake specialist roles.

A lady in severe ill health had to move for bedroom tax reasons. Has to wait 6 months for a discretionary housing payment decision. Communication about entitlements not good from DWP. **Support Worker, Carlisle.**

Regarding DWP – Tried to contact them endlessly,....trying to sort out benefits exacerbates mental health problems. It makes you feel helpless. You are unable to navigate issues; you get more and more anxious. Trying to ring a DWP line is a nightmare. Pushed to do everything on line. As advised, you ring one number and referred to another when contacting DWP and Atos people. **Support Worker, Carlisle.**

I had a gentleman contact me last week regarding benefits, he was made redundant in Dec 2013, he was put on JSA but he has now had his benefits stopped for 4 weeks because the Job Centre said he was not doing enough to look for jobs. He was physically going out and around the businesses in Carlisle looking for work. He does not have a computer and was relying on relatives for use of theirs. A lot of these job applications are online now which hampers people that have no computer or IT skills. The Job Centre sanctioned him. **Benefits Adviser Carlisle.**

## 5 Cumbria Third Sector Network

Cumbria Third Sector Network is the mechanism for involving third sector organisations in communication, lobbying and influencing, planning and representation. All Network representatives are openly elected into their positions and together they represent in excess of 6,000 organisations in the county. Cumbria Third Sector Network has membership of the Cumbria Leadership Board and it seeks to bring the knowledge and capacity of Cumbria's Third Sector to address the needs of the county whenever possible.

## 6 Acknowledgements

The production of a report of this scale is a significant undertaking. It would not have been possible without the commitment and involvement of many already hard pressed people and organisations.

It is not possible to thank every person individually, however it is important to thank and recognise the following:

- All of the organisations and people that hosted visits by the Commissioners, presented case studies and reports and supported service users and clients to make testimonies;
- The Commissioners;
- The Support team; Clare Killeen, Rachel McLay, Mark Graham (Cumbria County Council), Helen Boothroyd (Churches Together in Cumbria), Carolyn Otley (Cumbria CVS/Cumbria Third Sector Network), Dave Roberts (Diocese of Carlisle);
- The report's author Stuart Pate (volunteer).

It has been a privilege to work with everyone on this project and I fervently hope our recommendations will lead to positive action.

Andy Beeforth OBE,  
Chief Executive,  
Cumbria Community Foundation and Deputy Chair,  
Cumbria Third Sector Network.

## 7 How to find the reports

This report represents an overview, this document and the full report and findings is available on the Cumbria Third Sector Network website:  
<http://cumbriacvs.org.uk/giving-you-a-voice/cumbria-third-sector-network/>

