

Leicester Advice Sector

A Report outlining the risks and demands faced in the City

July 2015



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1. Report introduction:

This is the first report of the Social Welfare Advice Partnership (SWAP) to the Assistant City Mayor responsible for Advice and Welfare Reform at Leicester City Council. The aim is to provide information about the advice sector and the risks that could threaten advice provision in the city. The Advice sector in the City has worked collaboratively since 2010 and met on a monthly basis to discuss and debate new reforms and issues in the city. The value of having a lot of people in the same room who are 'close to the ground' is that they can provide an invaluable 'reality check' on strategy and assist with implementation plans.

The principles of the partnership:

- Share information about advice provision issues in the city and expected future changes and issues relating to social welfare advice provision and its objectives
- Share best practice in providing advice services and solutions
- Collaborate in providing solutions to advice need and provision in Leicester through effective and supportive joint working between organisations
- Raise issues, identify risks and make suggestions to decision makers to inform the implementation of the Social Welfare Advice Strategy 2014-17 and the provision of advice services and projects in the city
- Raise awareness of advice issues in the city and the work of SWAP.

2. Report from Welfare Rights Service

The Impact of disability benefit changes

2.1 Employment Support Allowance (ESA)

From April 2015 Maximus have taken over the contract for medicals and promises to reassess at least 1 million claimants nationally this year by employing additional health professionals. This means approximately 16,000 people on ESA in Leicester could be reassessed. This will lead to a number of people losing benefit and needing to challenge the decision where it is incorrect. This is important because from April 2015 if they do not challenge the decision when they are assessed as 'fit to work' they will not be able to make a future claim for ESA unless they can provide medical evidence that their condition has deteriorated or they get a new condition.

2.2 Personal Independence Payment (PIP)

From July 2015 to 2018 reassessments have started on existing Disability Living Allowance claimants, to see if they are entitled to the new Personal Independence Payment. There are approximately 10,000 existing working age DLA claimants in Leicester to be reassessed. It is anticipated by the government that around 20% will

lose all their benefit due to the tougher rules, especially on mobility. This means approximately 2,500 disabled city residents will lose substantial benefit income and will want to challenge their decision.

2.3 New rules for European Nationals

From February 2015 all existing European nationals who receive income based Jobseekers Allowance (ibJSA) are subject to the new The Genuine Prospect of Work (GPOW) test. If they do not have compelling evidence such as an offer of employment their Jobseekers Allowance will stop and this will trigger Housing Benefit to stop, leaving them without disposable income and facing eviction UNLESS they have an alternative or permanent right to reside (for example worker status or dependent family member). The onus will be on individuals to provide evidence of any alternative right to reside which may be difficult if they do not know what they are. It is IMPORTANT that they seek advice as the alternative routes are complex. (Not sure this is clear)

Check the factsheet on www.leicester.gov.uk/welfarerights for more information or email welfare.rights@leicester.gov.uk for advice on an individual case.

2.4 Welfare Rights Service Sanction Case Study

Claimants are often sanctioned incorrectly when they are taking at least 2 steps or more each week to find work.

Case Study

Mr W approached the Welfare Rights Service because he had nil income due to a three year sanction on his Jobseekers Allowance. In fact he had 6 separate sanctions spanning over an 11 month period for not 'actively seeking work'. None of the sanctions had been challenged or appealed despite the fact that sanctions are often applied incorrectly. Welfare Rights Service submitted late appeals for each of the sanctions and these were accepted. All the appeals were heard at the same time and all six appeals succeeded because the judge accepted Mr W had been taking at least '2 steps each week and often considerably more to actively seek work'. Mr W was finally paid £3764.80 Jobseekers arrears and his Jobseekers Allowance reinstatement prevented loss of an additional £7529.60 for the remaining period of the sanction.

2.5 Welfare Benefits Sanctions Monitoring Project

Members of the SWAP Forum have been monitoring the impact of the DWP's sanctions regime over the past 2 years. We have devised a standard monitoring form which is completed by advisers and collated by the Community Advice and Law Service, with reports being presented to the SWAP forum on a quarterly basis. Our data shows that:

- 75% of sanctions relate to claims for Jobseeker's Allowance and 23% for Employment and Support Allowance
- In 30% of cases, the loss of income to the person sanctioned is more than £500
- In 22% of cases, the person sanctioned has dependent children
- 33% of those sanctioned have a mental or physical disability or a learning disability
- Only 50% of those sanctioned stated that they were advised by the DWP that they could apply for a hardship payment.

From the information we have been able to gather, it seems clear that the sanctions regime is having a detrimental impact on the families of those affected, including children and other dependents, driving them deeper into poverty and debt and jeopardising their ability to retain accommodation. For example, 71% of claimants sanctioned said that they could no longer meet essential costs such as housing, food and heating and 65% had been referred to a food bank as a direct consequence of the sanction. Case studies for individuals who have experienced a sanction are included at the end of this report.

2.6 Appeals Monitoring Project

The changes to the legal aid system, effective from April 2013, have removed welfare benefits work from the scope of public funding. This has reduced the supply of specialist-level advisers in this area at the same time as welfare reform has created an increased demand for assistance with reconsideration requests and appeals. Darren Moore from the City Council's Welfare Rights Service collates data on appeals conducted by members of the Forum, and these reports are presented at the monthly SWAP meetings. Appeals monitoring started from April 2015 and gains will be higher when other agencies complete their monitoring forms. However, information gathered to date shows that:

- 62% of appeals are for benefits related to ill health or disability (PIP, ESA)
- 23% of appeals concern "right to reside"
- The success rate for appeals and reconsiderations is 87%
- Income generated as a result of successful appeals and considerations amounts to approx. £1.6 million in the course of a year – a large proportion of which is likely to be spent locally

The ability to challenge decisions on entitlement to welfare benefits by access to free and expert advice and representation is a crucial factor in combatting poverty and injustice. The high success rate indicates that decision-making is often poor; clients' stories illustrate the consequences for individuals and families of the refusal or termination of a claim. For example, one client with mental health problems had no

income for 9 months since his ESA stopped. He had no means of buying food or heating and was scavenging from bins. He was represented at his appeal and as a result ESA was reinstated and arrears of £5,000 awarded.

Further examples of successful appeal cases are given at the end of this report on page 11.

3. Advice Leicester

3.1 Advice Leicester is a partnership of 10 not-for-profit advice agencies in the city, which provide advice on a range of social welfare law matters, principally welfare benefits, debt, housing, immigration and community care. Between us, not including AgeUK and Citizens Advice, as they use an alternative database, we have assisted over 5,000 people a year, from advice and form-filling to representation at Court and tribunals. The partnership is led by the Community Advice and Law Service (CALs) and includes both community-based and city-centre organisations.

In 2013 the partnership was successful in obtaining a 2-year grant from the Big Lottery's Advice Services Transition Fund for the "Advice Leicester" project. With this funding, we have been able to employ a full-time specialist and part-time generalist welfare benefits adviser. We have developed a common, web-based referral system, and CALs offers specialist support and consultancy services to other members. We have established an ILM- accredited training programme for volunteers, equipping them to assist advisers with tasks such as form-filling, thus enhancing the capacity of advice services. The project also delivers advice sessions in schools and GPs' surgeries, further details of which are given below. For more information about Advice Leicester, visit our website: <http://adviceleicester.com/>.

3.2 Advice Conference

On 11 March 2015, ALP organised a conference: "Breaking Leicester's Poverty Cycle: can advice help?" A report from the conference can be found on our website. Over 80 people attended from the voluntary and statutory sectors. Workshops explored the effects of poverty and the impact of advice services on children and families; health and well-being; prospects of gainful employment. Resolutions from the conference identified 3 principal strategies in order to integrate social welfare advice with a range of interventions in order to meet the needs of people living in poverty:

- (1) A whole systems approach to meeting the needs of vulnerable clients**
requiring commitment from public services, VCS groups and others to identify where systems are failing local people and to look at how we join up to remedy this.
- (2) Advice services linked in with learning and life skills for children and adults based around schools** and taking a holistic approach to enabling people to help themselves out of poverty, and integrating social welfare law

services with life skills such as money management, healthy eating, training and skills for employment etc.

- (3) Advice in healthcare settings including GPs surgeries is expanded** and further work is undertaken to engage healthcare professionals in the discussion about poverty and its impact on physical and mental health.

Following the conference, Advice Leicester is pursuing these strategies through negotiations with potential partners and commissioners of advice services.

3.3 The Schools Advice Project

Since early 2014, Advice Leicester has been delivering advice sessions in 2 Leicester primary schools local schools - Sparkenhoe in Highfields and Barley Croft in Beaumont Leys. The sessions are popular and well-received by parents. We work closely with teaching and support staff at both schools to ensure that the service is accessible to families in the greatest need. We have been able to assist many parents to claim benefits to which they are entitled, to resolve debts and to secure and retain suitable housing: parents needing casework or legal representation are referred to us at CALS.

Many families have been able to increase their income and to address problems which often lead to stress and poor mental health. In some cases, we have been able to identify entitlement to free school meals – which helps both the children and the school since the school is then able to claim the Pupil Premium. In general, parents who use the schools advice service do so as they are unable, because of language or other factors, to use city-centre-based advice services.

The funding for the schools advice project has been provided through the Big Lottery's Advice Services Transition Fund (ASTF) which ends on 31 July. We are currently seeking funding from the wards in which the schools are situated, from Children in Need and other trusts and charities to enable us to continue this much-needed service. We would like to expand the project to offer a similar advice service to other schools, particularly those serving communities that suffer high levels of deprivation.

3.4 Advice in GPs' Surgeries

The funding from the ASTF has also enabled us to provide weekly advice sessions at the Saffron Group Practice and at the Al-Waqas Surgery in Highfields. There is much evidence to demonstrate the link between poverty and poor mental and physical health and we have devised a simple questionnaire to gauge the impact of the advice and assistance received. As with the schools project, welfare benefits, debt and housing matters are the most common areas of enquiry. As the ASTF funding is coming to an end, we have submitted a proposal to the City Clinical Commissioning Group to continue this service and our proposal is currently making its way through the decision-making process.

4. SWAP involvement with the Ethical Trading Initiative

Following the publication of the University of Leicester (UofL) report into labour conditions in the Leicester garment sector, the Ethical Trading Initiative (ETI) working group has met to consider a detailed response and activity plan. One of the immediate actions called for by its members is to produce an Employee Rights Handbook that could contain general employment rights information but also additional guidance on benefits and welfare rights, useful contacts including trade unions.

The problem of exploited labour is not just illegal low wages, it is associated with workplace health and safety breaches and management bullying particularly affecting women workers. The scandal not only persists in 2015 it may be increasing as the industry grows. This is despite national publicity exposing the practice in Leicester in the 2010 Channel 4 Dispatches and recent report by ETI and the University of Leicester on working conditions in the garment sector.

Similar illegal exploitation of Leicester's workforce in the catering, care and other sectors may find similar poor conditions to that in parts of the textile industry.

One of the findings of the UofL report was that for many exploited workers in Leicester on wages of £3 per hour or less an early port of call for advice and support is the local community centre. It is important that Leicester City Council continue to: _

- (1) facilitate the actions of the ETI working group with the Deputy City Mayor, and,
- (2) provide support for community centres that include access to social welfare law advice.

4. Universal Credit: Citizens Advice LeicesterShire

Leicester City will take its first Universal Credit claims from January 2016. Universal Credit (UC) will be rolled-out gradually by the Department of Work and Pensions and it replaces six benefits. New claimants to Universal Credit may be in work on low pay or out of work.

Benefits that UC will replace:

- Housing Benefit
- Child Tax Credit
- income-related Employment and Support Allowance
- Income-based Jobseekers Allowance
- Income Support
- Working Tax Credit

Initially, Universal Credit applications will only be taken from new claimants who are single and aged 18 to 60 and 6 months. The full eligibility criteria for new claimants to UC can be found here:

https://about.universalcredit.service.gov.uk/kms/Pages/Eligibility_for_Universal_Credit.htm

The positive impact for working claimants, particularly those in part-time work with irregular hours should will that they are financially 'better off'.

The perceived negative impacts are that the claim has to be made online and may create a problem for those who do not have access to a computer or are unable to use one. Universal Credit will be paid monthly and this will raise budgeting issues for some claimants.

Research conducted by Citizens Advice where 950 clients were interviewed about Universal Credit highlights the following:

Capability Area	Comments on capability	% clients not ready
Monthly Payments: - keeping track of your money on a monthly basis	<ul style="list-style-type: none"> I do not budget I do some budgeting, but not on a monthly basis 	83% are not ready for UC
Budgeting: - managing changes to the money you receive	<ul style="list-style-type: none"> I find it difficult to manage changes to my money I have difficulty keeping up with priority payments 	81% are not ready for UC
Banking: - Using a bank account to pay priority bills on time	<ul style="list-style-type: none"> I do not have bank account that can be used to make direct payments 	22% are not ready for UC
Staying Informed: - getting the help needed and keeping up to date	<ul style="list-style-type: none"> I am not aware of the incoming changes to the benefits system I do not know what the changes are and how the changes will affect me 	86% are not ready for UC
Getting online: - I can get online to manage a Universal Credit account	<ul style="list-style-type: none"> I do not have access to the internet I cannot fill out a form online 	49% are not equipped for UC

Citizens Advice has identified the barriers that exist around successful transition to Universal Credit.

These barriers are a combination of:

- external factors (e.g. internet access);
- client capacity(e.g. literacy);
- client knowledge (e.g. financial capability); and,
- client behaviour (e.g. knowing about, and responding to the changes).

Key findings on the barriers around the transition to Universal Credit include:

- 95 per cent agree they would benefit from having would benefit from having a choice to be paid fortnightly;
- 80 per cent agree they would benefit from having rent paid directly to their landlord;
- 21 per cent would struggle having their benefit paid to one bank account in the household.

A further challenge is that some clients may disengage with the process, as they may feel that Universal Credit is not for them. Behaviour change is a long term process, and provision needs to be put in place to support individuals across the entire transition period. Claimants need to know when and how to prepare for changes, and require help that suits individual's personal needs.

9 out of 10 clients will need support to manage the transition in one or more of the following capability areas: monthly payments, budgeting, and banking, staying informed and getting online.

Advice and support, combined with a new tailored service, will help to empower the majority of people who need support to become more independent by improving their skills and abilities to manage the change.

Report Editors:

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October 2015.

Appendix A. Case Studies

Sanctions Monitoring

- “R has been sanctioned for months at a time. Given food parcel and low on gas/electricity. Waiting for response to hardship payment. Been given conflicting advice on the phone and at the Job Centre. Client is depressed and has dyslexia.”
- “Unable to pay outgoings. Client has 2 small children, fled domestic violence, no income except child-related benefits...”
- “Client has no other source of income, will rely on hardship payments for 13 weeks. Sanctioned because he was told to apply for 2 jobs online. He relies on the library computer but they were closed for Easter. When he returned to the library, one job had closed.”
- “Client lives with son (31 years) who is deaf and dumb; has applied for PIP but no decision as yet. Client and son survive on JSA of £72 per week. They had no money for 4 weeks and had to borrow from a friend for electricity and food.”
- “Service user is struggling to pay utility bills and buy food. This is having a severe impact on her health and she feels suicidal. She receives £52 per fortnight...”
- “Needed to get a food parcel and borrow from a friend. Only got one hardship payment but took 2 weeks to come through...”
- “Rent arrears accrued. Fell behind with payment plans on utilities. Not enough funds to buy usual amount of food. Children are unable to go to usual after-school activities. Client was stressed and depressed”.

Appeals Monitoring

- ‘Using children’s benefit money on own health needs because DLA stopped’
- ‘Struggling to pay bills due to long appeals process dating back to 2013’
- ‘Needed to put in complaint to progress case and get benefit back in payment’
- ‘Assessed as fit for work but scored 42 points on appeal including unable to learn a simple task’
- ‘Long delay in getting mandatory reconsideration decision for client with schizophrenia’

- ‘Complaints from neighbours about garden – PIP award means can get it done’
- ‘Failed Habitual Residence Test – had no income and 4 dependent children until decision overturned’
- ‘Right to reside case causing hardship, client using foodbanks, plus appeals process was fiasco with DWP dealing with it clerically, paperwork failing to turn up causing further delays’
- “Right to reside “genuine prospect of work” (GPOW) case – had to make a complaint because should not have been called for GPOW test, client already had permanent right of residence & documentation to show this”.
- “Right to reside” - refused ESA incorrectly because had permanent right of residence as dependent of father.
- Children’s Centre referral – Child DLA appeal successful and awarded arrears of Carer’s Allowance and Child Tax Credit – as a result total arrears over £17K and £175 extra income per week paid lifting family out of poverty.
- ESA work capability assessment appeal refused initially but successful after Upper Tribunal appeal – arrears over £10k paid.
- STAR: PIP case: delay caused “financial impact on ability to budget, pay bills and prevent further debt”.
- Home care referral – Attendance Allowance - client with vascular dementia - claim refused but won on mandatory reconsideration.
- 3 successful PIP appeals for daily living also led to severe disability premium being added to other benefits resulting in benefit increases of over £100 per week for all 3 clients.

Appendix B.

Membership of Social Welfare Advice Partnership. Leicester.

Organisation	Representatives Job title
Citizens Advice Leicestershire	Branch Manager
Age UK Leicestershire and Rutland	Head of Information & Advice
Somali Development Services	Founder & Chief Executive Officer
Asra	Bids & Fundraising Manager and also Moneywise manager
DWP	DWP Relationship Manager
The Race Equality Centre	Senior Race Equality Officer
Zinhiya Trust	Founding Trustee
ALP at Highfields Centre	Advice Leicester Development Worker
Community Advice and Law Service(CALS)	Advice Services Manager
Community Advice Law Service	Advice Services Development Deputy Chair (1)
Leicester City Council (LCC)	Head of Revenues & Customer Support
LCC Revenues & Customer Support	Revenues & Benefits Manager
CYPS	CYPS Cluster Manager
LCC Welfare Rights service	Team Leader Deputy Chair (2)
LCC Estate management and tenancy Support	STAR Senior Manager
LCC Homelessness Prevention & Support	STAR Private Sector Team Leader
LCC Housing services	Income Collection Manager