# Welfare Reform
# Joining the dots

**Client engagement**

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29 June 2017

Disclaimer: no expert on Universal Credit (UC) - key element of welfare reform.

Citizens Advice **supports** the principles underpinning UC - our evidence suggests **implementation issues** and **policy design challenges**.

Talk about emerging issues: **data** and **impacts** on clients.

**Good practice** examples of **Local Authorities working with their local Citizens Advice** to ensure residents benefit from early, quality-assured advice, information and representation.

**Citizens Advice is a network of independent, local charities supporting 23,000 volunteers**

Last year, they provided support in

**2,700 locations**

across England and Wales

cyngor ar bopeth citizens advice

People sought their help with

**5.7 million issues**

...and helped

**2.2 million people**

face to face, by phone, email or web chat

Overview of Citizens Advice service across England & Wales

# Citizens Advice in Wales

Network of **19 local Citizens Advice** – all **individual charities**, delivering advice from **over 375 community locations**.

Since **1939**, we've given advice, information and support to anyone who needs it.

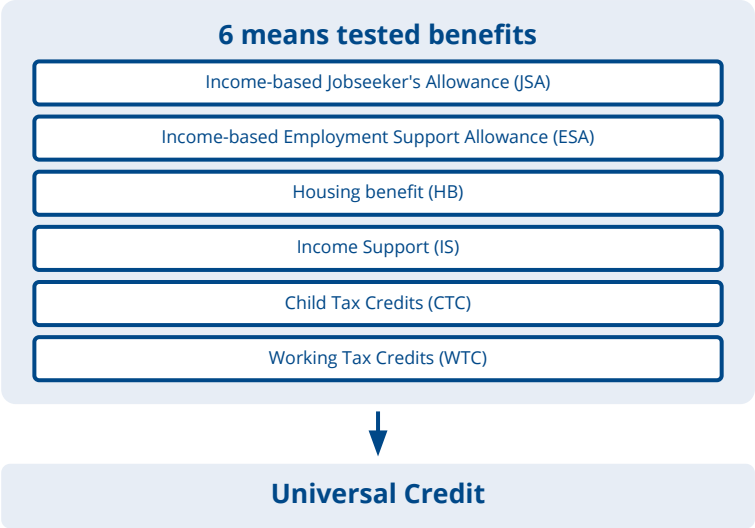
We help people with benefits, debt, housing, employment, discrimination, relationship and consumer issues, right up to **specialist** level help.

Because millions of people turn to us for help, we have a **unique insight** into their needs and concerns.

We're proactive: using insight to **campaign** on big issues, both locally and nationally.

Our service delivery feeds our policy work.**Helping everyone – not just those we advice and support directly.**

# Focus on Universal Credit, key welfare reform



# UC in numbers

## Universal Credit will affect millions of people

By end of roll-out in 2022:

- **7.2 million** families will receive Universal Credit - **28%** of all working age families
- 3.9 million (**54%**) are working families
- **More than half** (52%) of all families with children will receive Universal Credit
- **96%** of single parent families will receive Universal Credit
- **58%** of families with a disabled adult will receive Universal Credit

Huge scale - biggest change to the welfare support system since inception.
Must work together - no one organisation will be able to meet all these needs.
Context: comes on top of public sector austerity, Brexit uncertainty and the rise of insecure work

## Citizens Advice client engagement on UC (England & Wales)

In 2016 - 17 we helped with over **45,600** UC problems

**29,286** people helped with UC in 2016-17

No. of people seeking help up **164%** over last year

Most common UC queries: eligibility making/managing a claim

As largest advice provider in UK Cit A is uniquely placed to monitor implementation of UC (recognise people will generally only come to us when problem)

Benefits/tax credits = biggest advice area, **42% of all issues in Wales (high % of 'UC relevant' clients)**.

Evidence we have coming through our network provides **early warning signs of emerging problems**.

Data for England & Wales (figures for **Wales** still relatively low, **almost 1,500 clients** in 2016-17) … seeing qtr by qtr increases in people seeking help (**up 164%** over last year)

Most clients come to see us about issues that are likely to be at the start of a claim, esp as new benefit - **eligibility, entitlement and calculation.**

Other common issues relate to: **changes of circs; sanctions & hardship loans/payments; challenging a decision (not appeal); poor admin; advance payments.**

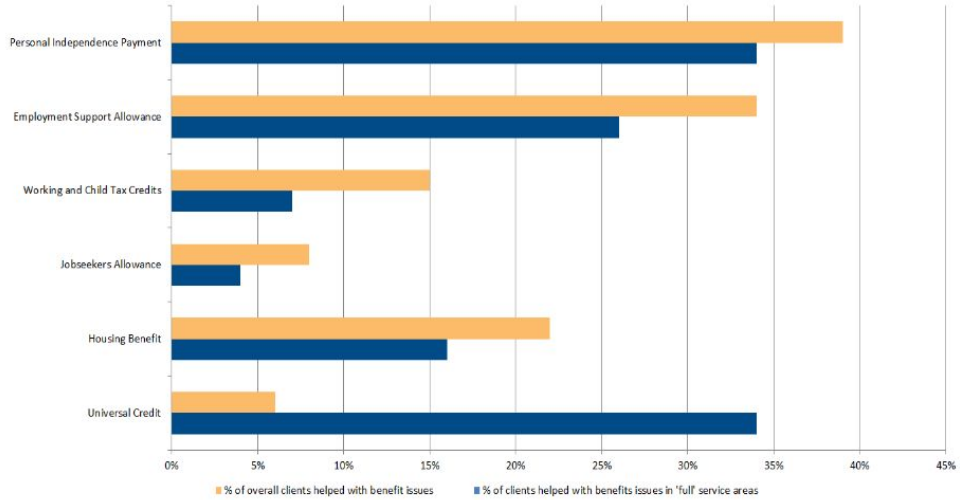
Recently **changed how we capture UC data** so should have **further**

**insight** in future.

We **support principles** underpinning UC (simplifying system; making transition to work easier & making work pay) BUT our evidence suggests a no. of **implementation issues**, as well as **more complex policy design challenges**.

## UC v 'legacy' benefits (Jan 2017 - latest)

Chart 1: Percentage of overall clients helped with benefit issues compared to percentage of clients helped with benefit issues in 'full' service areas




In Jan 2017, **1 in 20** benefit clients needed help with UC **across the Cit A service** (yellow bar at **bottom of chart**).

**BUT** in FS areas, **1 in 3** benefit clients needed help with UC - making it, alongside PIP, the **most common** benefit issue (blue bars at bottom & top of chart)

**Partially reflects rollout** - some clients who previously needed help with legacy benefits now need help with UC instead..

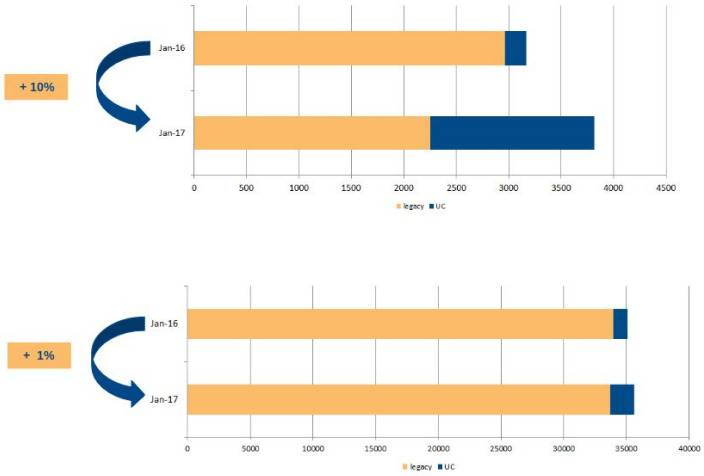
But we wouldn't expect the difference to be **so dramatic**...Analysis shows likelihood of **increasing demand for advice as UC FS is rolled out**

**'Legacy' = benefits being replaced by UC**

**Yellow bars = all benefit clients; blue bars = benefit clients in UC FS areas**

## UC v 'legacy' benefits

Chart 2: Percentage & number of overall clients helped with benefit issues in 'full' service areas (top graph) and 'live' service areas (bottom graph)




**Look** at differences for **all benefit clients** in FS & LS areas

Top graph **in FS areas** % of UC issues compared to legacy benefit issues is increasing (**blue bars**) - as well as overall numbers of clients - **extended blue bar** (yellow = legacy) - **up 10% between Jan 16 & Jan 17** (totals lower as fewer FS areas).

Bottom graph shows for clients who needed help with UC in **live service areas**, there were **more modest % increases** in issues & client numbers.

**Rollout partly explains shift** from legacy benefits to UC in full service areas, but **not increase in client numbers who need help with benefits** .. especially as **overall client issues in live service areas have remained the same** between Jan 16 & Jan 17 (little difference in length of bars in bottom chart).

## We're engaging with more clients because the initial wait for payment is problematic

- **Confusion** around use of multiple benefit systems
  - people being pushed back and for, delays start of claim.
- Delays in more **complex** claims
  - **housing & childcare** elements taking longer to process
- Evidence required to submit a claim
  - difficulties with **verification**

So what's driving the increasing demand for advice?

1. Initial wait for payment:

Confusion - amongst claimants & DWP staff esp in 'live' service areas (multiple systems & complicated gateway conditions), people being pushed back & for between systems delays start of claim

Complex claims - esp with additional elements such as housing & childcare taking longer to process & could result in initial payment not including these elements (following much later but could be too late).

Verification problems - esp re: tenancy agreements, welcome development of landlord portal to smooth process of gathering social housing evidence, but similar options not yet in place for PRS.

Delays in paying housing costs **risk rent arrears** & potentially may result in eviction & homelessness. Developing portal for RSLs but not for PRS. Delays in **childcare payments** risk **undermining work incentives & employment retention**

**Issues referred to in Citizens Advice's Select Committee response,**

**March 2017**

## Some clients are struggling with being paid monthly in arrears

- **Final payments** (from work or 'legacy' benefit) not enough to cover waiting period
- **Timing** of final payments is critical
- Difficulties for people whose income **fluctuates** (eg. self-employed, zero hours contracts, gig economy)
- Financial struggles can lead to **debt 1 in 4 (UC) compared to < 1 in 5(legacy)**

(**Final payments** - many clients used to weekly/fortnightly wages; or probs if go to UC from legacy benefit when change of circs, **no transitional protection available** )

**Timing** - Claiming UC **a couple of days too early** can result in claimants having to wait **an additional month** before first payment of UC

**When income fluctuates** - one big payment during UC assessment period

**Debt - 1 in 4 clients** we help with UC also come for **debt advice** (less than 1 in 5 for legacy) - disincentive to move into work or increase hours; additional wages going to debt repay

## Other issues clients are experiencing

- **APAs** - awareness low & not being regularly offered
- Improvements needed to **'Universal Support'**
  - very variable & overly dependent on local arrangements
  - Lack of PBS referrals & 'Assisted Digital' support
- Introduction of **explicit consent**

Some **payment flexibility** available via APAs - but **awareness low** & claimants **not being offered** these options with any regularity.

**'Universal Support'** - support package (DWP funded), LAs responsible for delivery - **test & learn approach not been extended to this**.

Lack of **PBS referrals** & confusion over **responsibility for delivering AD** support

**Explicit consent** - requires a claimant to make a note in their online UC journal specifying which individuals can speak on their behalf on specific issues, or they must be present on a call - difficult for advice agencies & caseworkers; often have limited time with client & for follow up casework, due to heavy demand for appointments.

Most benefits currently operate **a model of implicit consent** that allows advisers to help claimants **without needing to have written consent**.

**All of these issues will be explored in more detail in the forthcoming Citizens Advice report on UC - due to be published in early July**

# Citizens Advice Flintshire client experience of UC Full service

Launched in Shotton 5 April; Flint and Mold Jobcentres on 12 April.

**51 people** asked for help with UC in May 2017 (21 - April 2017)

*estimate 10% of all new UC claimants in area. (32 female, 19 male)

Citizens Advice Flintshire uses office diaries to quickly record any issues.

Collated weekly, these enable them to spot **trends** quickly to **inform** other agencies during rollout:

**Checking people are receiving the correct amount of UC** (April)

**Conflicting/incorrect information being given by DWP/Jobcentre Plus regarding what benefits to claim** (May)

**Harry's UC experience - Flintshire - incorrect information and difficulties getting through**
Harry had recently been made redundant and was too ill for other work. We advised him that as he has paid enough NI contributions and his doctor had stated he is unfit to work, he can claim Contributions-based Employment and Support Allowance (CBESA).

We called the ESA claim line and after 20+ minutes spoke to an adviser. They took Harry's postcode and said that he had to claim UC. We explained that he is **not entitled to UC** due to wife's income and that he wanted to claim CBESA. The adviser refused to take the claim. They said we should call UC first and if they could not deal with the matter then to call ESA back.

After checking that our information was correct (Harry is entitled to CBESA) we called ESA again and waited for **40 minutes on hold**. We got through to an adviser and gave Harry"s postcode; this time the line went dead.

We had to advise Harry to complete the paper-based ESA claim at home. We gave him the web address for ESA1 pdf which can be filled in on screen and printed.

**Amanda's UC experience - Newport - delays causing rising debt**
Amanda's partner moved in with her. They were told they needed to claim UC as a family, replacing the legacy benefits Amanda had been receiving. Processing delays resulted in **no money** coming into the household for **over 8 weeks.** She has fallen behind with all payments, can no longer manage financially and now needs assistance with her **debts.** With creditors calling her several times a day Amanda has become depressed. She is paying what she can but her debts are **increasing** due to interest and charges.

**Susie's UC experience - Wrexham - harsh sanctions applied late**
Susie was in receipt of UC during 2016 before she got a temporary Christmas job. When this finished she re-claimed UC. Her assessment period was 28 Nov to 27 Dec and she received a wage payment in December. This amount was deducted from her UC, a new claim advance recovery was also taken as well as a sanction of **£104**. This left Susie with a **nil payment** for January.

We contacted the DWP. They told us that the sanction was from **July 2016** for not attending an appointment and could not be taken in instalments. We were told the delay was caused by **workload pressures.**

**Charlotte's UC experience - Flintshire - incorrect information causing long payment delays**
Charlotte's appealing an ESA decision. She applied for JSA by phone on 18 April, after the date of full service roll out 12 April. Her claim for JSA was rejected. She should have been informed when she initially applied for JSA that she needed to claim UC. Charlotte now had to claim UC and will have a **long wait** for her first payment.

**Tony's UC experience - Flintshire - incorrect information causing long payment delays**
Tony'd been advised by UC that he was unable to make a claim for UC as he was in receipt of SSP and had a sick note meaning he wasn't fit for work. Tony has **so far been 3 weeks** trying to resolve the issue and get his UC claim accepted. He will then have to **wait** a **further 5 to 6 weeks** for his first payment due to the UC waiting period

**Lisa's UC experience - Flintshire - incorrect information**
Lisa's claim for ESA was rejected after medical assessment. She made a claim for CBJSA which was also rejected. No reason was given. She phoned the number on the JSA decision letter and was told to claim Income based JSA as she did not have enough NI Contributions. This is **incorrect** – Lisa cannot claim IBJSA and should have been told to claim UC.

Claims need to be processed quickly and accurately so that clients/customers do not fall behind with creditors.
We believe the Government needs to slow down the roll-out of Universal Credit and fix the problems before they continue.
We'll be launching a major report next week.

# You got any good news?

Citizens Advice **Flintshire:**
- helped establish and chair the Flintshire Fair Debt Monitoring and Review Group.
- Jointly developed a new system: Citizens Advice Flintshire (CAF) notify Flintshire County Council (FCC) of any council tenants applying for a Debt Relief Order (DROs) on a weekly basis.
- In response, FCC holds any possession/eviction action.
- Both CAF and FCC ensure on approval of the DRO that the client is aware of their contractual rent so they do not fall back into arrears.

**Positive outcomes of joint working:**

- Stabilises the person's debt situation and can prevent homelessness.
- Saves court costs, time and stress.
- Saves the council time and money in the long run.
- Weekly information sharing promotes better understanding of council's processes and Citizens Advice's services. CAF also shares other anonymised bureau evidence forms to help FCC understand the issues facing its residents.

Citizens Advice **Rhondda Cynon Taff:**

- has a really positive relationship with their local authority's Revenue and Benefits team, which proactively signposts Council Tax debtors to the bureau.
- has their own dedicated line to their local authority's Council Tax Reduction department; they'll put the debt on hold as long as the debtor is working with the bureau.
- involved in the local authority-led Digital Fridays, offering energy-saving and other advice.
- Local authority has part-funded tailored advice to people with mental health and substance misuse problems for over 5 years.

**Positive outcomes of joint working:**

- Raises local residents incomes.
- Resolves (debt) problems before they escalate.
- Avoids enforcement officer action - saves time and money?
- Promotes better understanding of council's processes and Citizens Advice's services
- Regular meetings, open and early communication.
- Local authority is setting up USDL referral arrangements which will involve Citizens Advice Rhondda Cynon Taff.

Citizens Advice **Bridgend:**

- member of both the Bridgend Third Sector Board and the Welfare Reform mitigation group.
- regularly sends performance and trends data (e.g. disability issues, PIP) to relevant heads of sections.
- has presented to full Cabinet on its impact on the local community.
- ran drop-in advice sessions at the local authority's offices for clients facing court action.
- has delivered UC and PIP training to frontline LA staff on site and at the council's offices.
- has an excellent relationship with council tax staff, communicating regularly with an emphasis on **prevention**. Problems that do not need to then be escalated are resolved promptly, resulting in less distress for clients, better outcomes for them and the local Authority.

**Positive outcomes of joint working:**

- Better information-sharing enabled closer relationships which helps our shared customers/clients.
- Referral pathways and communication channels are clear: less delay and hardship for clients.
- Shared commitment to outcomes keeps the relationship positive, even in the face of cuts.
- Building trust and rapport at senior/exec level led to opportunities to submit evidence and representation on relevant Board.

Citizens Advice **Denbighshire** work in partnership with their local Discretionary Housing Payments (DHP) team.

Provide income maximisation and expenditure savings advice to DHP recipients.

**Positive outcomes of joint working:**

- Raises people's income.
- Builds resilience into people's budgeting.
- Provides a long term protective benefit, if the discretionary payment is later withdrawn.
- Acts as a trusted gateway to other support services.

There are other examples, if only we had more time …

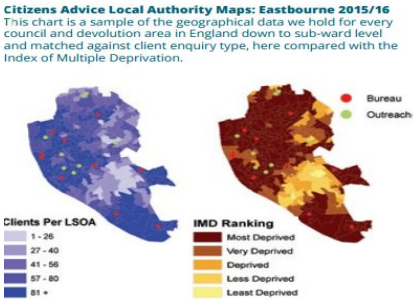
Quality-assured **advice, information and representation** helps to:

- **Stabilise debts** and calculate sustainable repayment offers
- Build **budgeting skills** and **resilience**
- Prevent **costly debt recovery processes**
- Tackle some of the social determinants of poor health: **unfit housing, employment and education discrimination, low/fluctuating income**.

Best delivered:

- **Early** so it prevents problems escalating: UC checking entitlement
- In genuine **partnership** with other agencies
- **Informed** by **local needs** (non/client focus groups)
- Virtuous circle: gives you data to **inform** local plans

cyngor ar bopeth citizens advice



Contact your local Citizens Advice for more information on the Local Authority Maps. Eastbourne is given as an example here.

Click on data to access the latest Advice Trends information.

## How can we work together better to support vulnerable (customers/clients) people?

Quality-assured, FCA regulated, experience of 45,600 UC queries.

Local authorities and Public service boards aware of the data?

Early help = stops escalation, better outcomes

How is Universal Support delivered and accessed locally to support your residents with changes to their benefits?

Our experience shows that the earlier we can help the more options a client/customer has, which can lead to better outcomes. Close with some questions:
How prepared do you feel support organisations and local authorities are to deal with the rollout of Universal Credit?
Are PSB well-being plans informed by all of the relevant local data?
How is Universal Support taking shape in your local area? Do people know how to access it?

# Any questions?

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