

# Citizens Advice Scotland

Scottish Association of Citizens Advice Bureaux



## Advice in Detail: Benefits

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# The Citizens Advice Network in Scotland

1. Citizens Advice Scotland and its CAB offices form Scotland's largest independent advice network. Citizens Advice Scotland (CAS) is the umbrella organisation for Scotland's network of 80 Citizens Advice Bureau (CAB) offices. These bureaux deliver frontline advice services throughout nearly 200 service points across the country, from the city centres of Glasgow and Edinburgh to the Highlands, Islands and rural Borders communities.
2. Bureaux helped clients deal with 545,715 new issues in 2009/10. Bureaux deal with nearly 1,500 new issues for every day of the year. A third of new issues (nearly 190,000) brought to bureaux related to benefits.
3. There are 2,200 volunteers in the service who provide almost 13,000 hours of their time each and every week. Paid staff provide a further 15,200 hours of work each week in management, support, administration and specialist advice work.
4. There are citizens advice bureaux in 30 of the 32 local authorities in Scotland, making the network the only independent advice body in the country with truly national on the ground coverage.
5. One of the key strengths of the CAB service is the added value that volunteers bring, both in terms of service delivery, and in terms of benefits to the individual themselves. If they were paid the national average wage, the cost of this service for a year would be £7.6 million.
6. In 2009/10, the cost of the core bureau service in Scotland came to £6million. The bureaux raised an additional £6.8 million in project funding for advice work from a variety of statutory, corporate and trust funders. As a result of advice provided by bureaux, clients were better off by nearly £116 million in 2009/10. That's £17 gained for clients for every £1 of core funding received by bureaux.
7. A survey by Ipsos MORI in 2009 found that clients have a highly positive view of the services offered by citizens advice bureaux. The survey found that:
  - 98% felt able to trust the service and were satisfied with the service provided
  - Nine out of ten would use the service again.
  - 85% agreed that the Scottish CAB service was the 'leading advice agency in Scotland'.

## Who needs advice?

8. Citizens Advice Bureaux traditionally help vulnerable people in their communities, although clients come from every section of society. An Ipsos Mori poll in 2009 found that one in five members of the public in Scotland had visited a bureau for advice in the last three years. In 2008/09, nearly 270,000 clients brought new issues to bureaux in Scotland.

### Gender

The majority of bureau clients are female (60%) with 1 in 9 clients being female and between the ages of 45 and 59.

### Age

Just over half of clients are between the ages of 35 and 59. Around 1 in 10 clients are young people under the age of 25.

### Relationship status

Over half of clients seeking advice are single – divorced, widowed, separated or have never been married. Compared with the Scottish population, bureau clients are twice as likely to be either divorced or separated.

### Housing status

Nearly half of clients are owner occupiers, although bureau clients are significantly less likely to be owner occupiers than the adult Scottish population. Clients are more likely than the Scottish population to be in social or private rented accommodation.

### Caring responsibilities

The majority of clients (60%) do not have any caring responsibilities, although a third are looking after children. One in ten clients are looking after a member of their family who has a disability.

### Household type

Compared to the Scottish population, clients are more likely to be single, are almost three times as likely to be a single parent, but only half as likely to be a single pensioner. One in seven clients is from a single parent household.

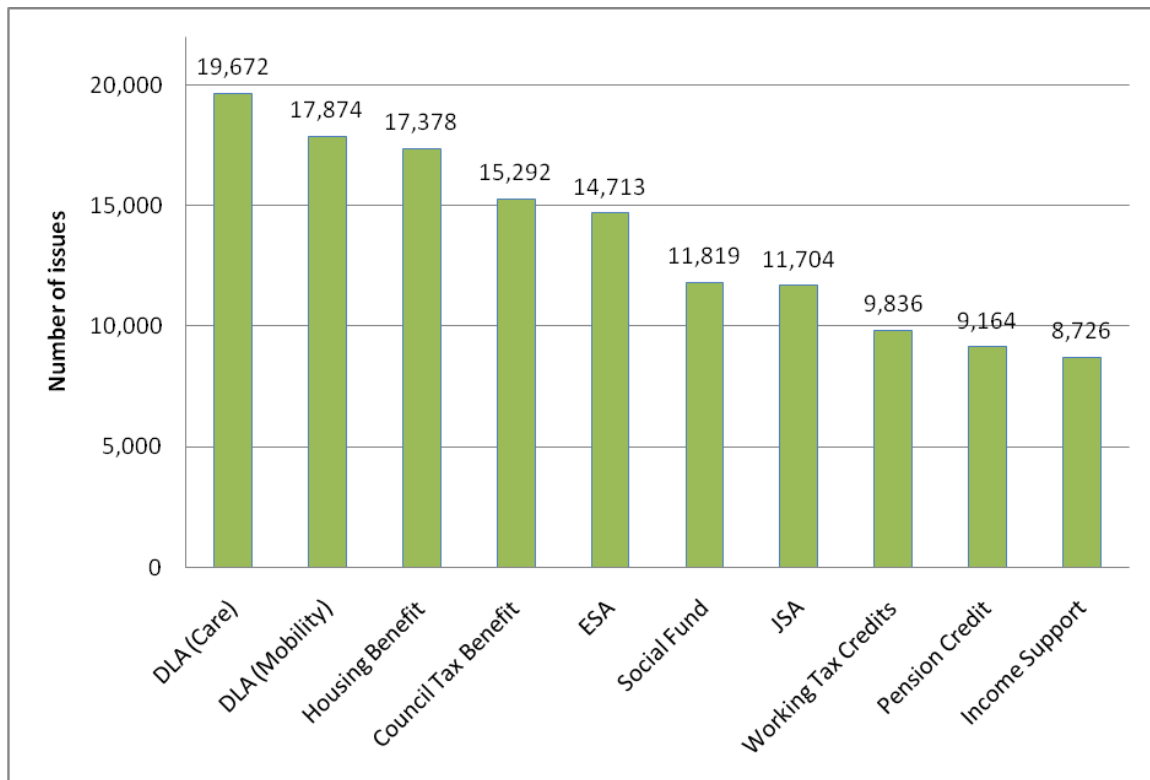
### Employment status

Almost half of bureau clients (47%) are in employment. Compared to the Scottish population, bureau clients are four times as likely to be unable to work due to ill health or disability, five times as likely to be unemployed, but half as likely to be retired or looking after family.

# Benefits in Scotland

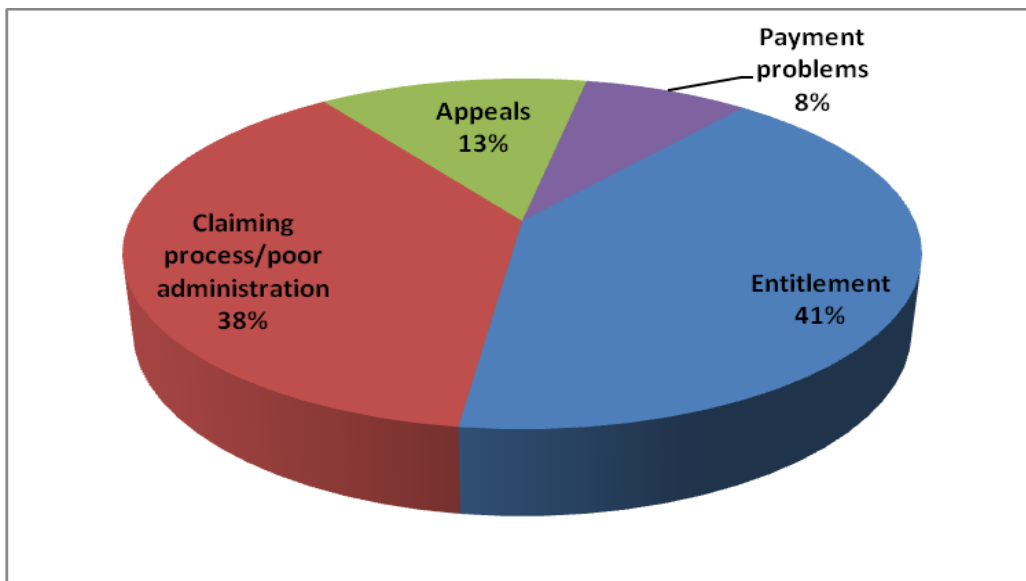
9. During 2009/10, citizens advice bureaux in Scotland dealt with 188,969 new benefit issues for clients – just over a third of all issues brought to bureaux. That's over 500 new benefit issues for every day of the year. Welfare advice makes up a significant proportion of client concerns and adviser workloads. Figure 1 outlines the 10 most common benefits addressed in client concerns:

**Figure 1: Top 10 benefits**



10. Figure 1 shows that more than 37,500 enquiries last year concerned Disability Living Allowance (DLA) – a fifth of benefit issues and nearly 1 in 15 of all issues brought to bureaux. Employment and Support Allowance (ESA) was introduced in October 2008 to replace Incapacity Benefit (IB) and has quickly become a significant issue for bureaux clients. Bureaux dealt with over 14,700 issues regarding ESA last year.
11. Bureaux provide advice on many areas of the benefit process, including advising on entitlement, helping with the claiming process, advising and providing representation in appeals, and dealing with payment and administration problems. Figure 2 shows the main areas of benefit advice:

**Figure 2: Main areas of benefit advice**



12. Another way to look at the overall benefit picture seen by bureaux is to compare the number of issues brought to bureaux on a specific benefit to the overall number of people claiming that particular benefit in Scotland. Using this method, we can see that bureaux deal with 12 issues on average for every 100 people claiming benefits in Scotland. This can be seen in Table 1:

**Table 1: Issues brought to bureaux by numbers of claimants**

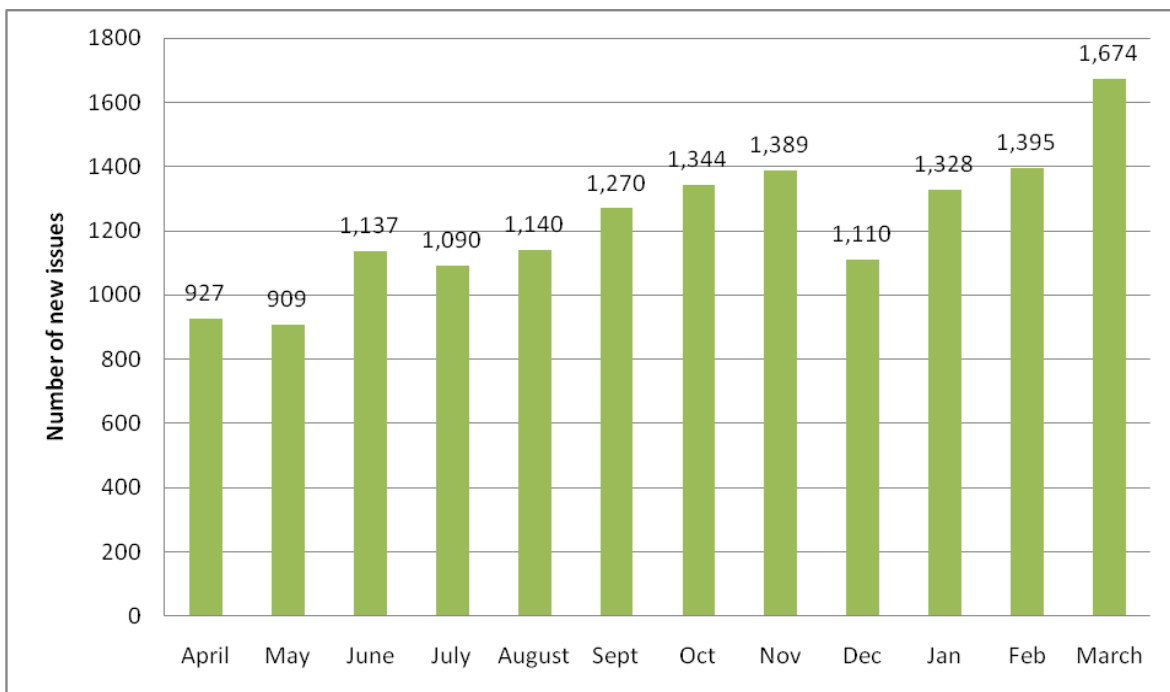
Benefit	Claimants in Scotland (Feb. 2010)	New issues brought to bureaux	Number of issues per 100 claimants in Scotland
ESA	49,470	14,713	<b>30</b>
DLA	343,300	37,546	<b>11</b>
Carers Allowance	47,960	4,926	<b>10</b>
JSA	141,840	11,704	<b>8</b>
Income Support	185,990	8,726	<b>5</b>
Attendance Allowance	147,030	5,563	<b>4</b>
Housing Benefit	467,350	17,378	<b>4</b>
Incapacity Benefit	213,460	7,579	<b>4</b>
Pension Credit	278,480	9,164	<b>3</b>
Council Tax Benefit	561,480	15,292	<b>3</b>
<i>All benefits (excluding CB and CTC)</i>	<i>1,627,370</i>	<i>188,969</i>	<i><b>12</b></i>

13. Table 2 indicates the benefits that effectively caused the most issues per benefit claimant for bureaux in Scotland. It can be seen that ESA easily involved the most issues per claimant with nearly 1 issue brought to bureaux per 3 claimants across all of Scotland. From the table, DLA and Carers Allowance also entail a high workload for bureaux per claimant.
14. For every 100 benefit claimants in Scotland, bureaux help with 12 issues on their behalf each year. On average, five of these issues concern entitlement, four concern issues with the claiming process; one issue concerns an appeal; another issue would be a payment problem; and the final issue would be likely to include an overpayment.
15. The table also acts as a basic predictor on benefits - it may be useful in showing how an increase in claimants for a certain benefit would impact on the number of issues brought to bureaux. For example, bureaux advise on 8 issues on JSA per 100 claimants. Using this table, a 10% increase in JSA claimants (an increase of around 14,000) would mean a 1,120 increase in JSA issues brought to bureaux. It is worth noting, however, that a decrease in eligibility for benefits would not necessarily decrease the issues brought to bureaux. Tighter eligibility rules – such as those in ESA – can actually serve to increase issues brought to bureaux.
16. Given the impending transition of claimants from IB (a relatively low 'issue causing' benefit) to ESA over the coming years (the highest 'issue causing' benefit), bureaux can expect a significant increase in sickness benefit issues.
17. This report will now examine various benefits in detail, showing the number of different issues brought to bureaux and using bureaux evidence to show clients' experience of the benefit. The report will concentrate on:
  - Employment and Support Allowance (ESA)
  - Disability Living Allowance (DLA)
  - The Social Fund
  - Jobseeker's Allowance (JSA)
  - Tax Credits

# Employment and Support Allowance (ESA)

18. Employment and Support Allowance (ESA) replaced Incapacity Benefit in October 2008 for those unable to work due to illness or disability. ESA introduced a tougher assessment which has so far found 66% of claimants fit for work. As a result, ESA has quickly become one of the most common issues brought to bureaux and is arguably the issue that is most concerning for advisers. Figure 3 shows how ESA has exploded as an issue over the last year:

**Figure 3: ESA issues by month 2009/10**



19. ESA issues appear to require more work for advisers and more stress and worry for clients than most other benefits. Table 2 shows the types of issues that clients experienced with ESA, including a significant number of appeal issues.

**Table 2: ESA issues**

Area of advice	% of ESA issues	% of all benefit issues
Claiming process	32%	38%
Appeals	30%	13%
Entitlement	22%	41%
Payment	5%	8%

## Scottish bureaux evidence on ESA

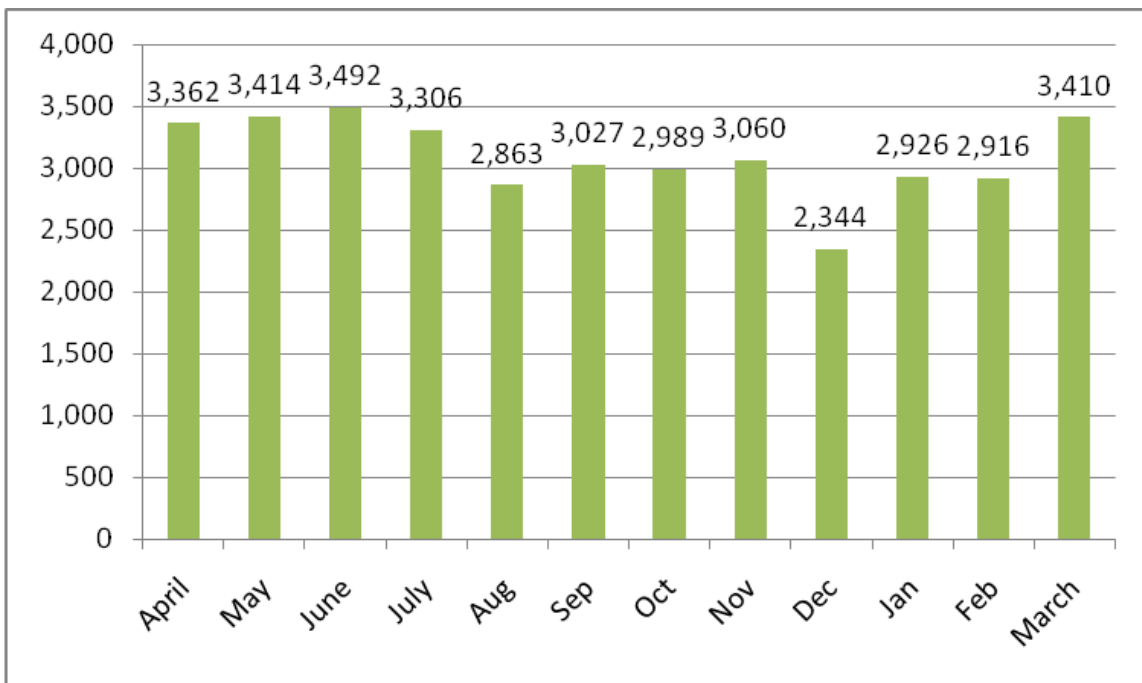
20. A number of bureau clients have reported problems with the **administration** of ESA, including delays, lost documents, and payment problems:
- A 19 year old client had his payments stopped on three occasions due to medical certificates being lost by the DWP.
  - A 17 year old client had to claim three crisis loans while she waited eight weeks for her ESA claim to be processed.
21. Scottish bureaux report that a number of clients are experiencing problems in their **Work Capability Assessment (WCA)** for ESA:
- A client felt that the atmosphere at the assessment was intimidating and his answers and evidence from his GP and consultant were ignored.
  - A client reported that her answers in the assessment were either ignored or distorted after receiving the medical report.
22. Scottish bureaux have advised a number of clients who have been **found fit for work** in their work capability assessments despite having severe health problems.
- A client with severe mental health problems, including manic depression and bi-polar disorder, was found fit for work after a letter from the client's doctor was apparently ignored in the assessment.
  - A client was found fit for work despite suffering from heart failure and being told not to work for six months by his consultant.
  - A client with Parkinson's Disease, heart disease, and diabetes was found fit for work and had his ESA payments stopped.
  - A client with terminal lung cancer was found fit for work, although this was reversed on appeal.
  - A client was found fit for work despite suffering memory and speech problems as a result of a recent stroke.
23. Scottish bureaux are providing representation for clients at a rapidly increasing number of **ESA appeals**. Bureaux helped clients with over 600 appeal issues in March 2010 – compared with only 70 in April 2009. Welfare advisers report that the majority of their time is now taken up by ESA appeals, while they report that around 70% of the appeals in which they provide representation are won by clients.



# Disability Living Allowance (DLA)

24. Over 37,500 issues brought to bureaux related to Disability Living Allowance (DLA) in 2009/10. This equates to over 100 issues for every day of the year. One in every five benefit issues (and 1 in 15 of all issues) brought by clients relate to DLA. The number of DLA issues brought to bureaux each month stayed relatively constant throughout 2009/10, peaking between March and July.

**Figure 4: DLA issues**



25. DLA issues are more likely to concern claiming process and appeal issues than the average benefit query, suggesting that DLA involves more ongoing work for bureaux.

**Table 3: DLA issues**

Area of advice	% of DLA issues	% of all benefit issues
Claiming process	43%	38%
Entitlement	24%	41%
Appeals	20%	13%
Renewals/reviews	9%	<1%
Payment	4%	8%

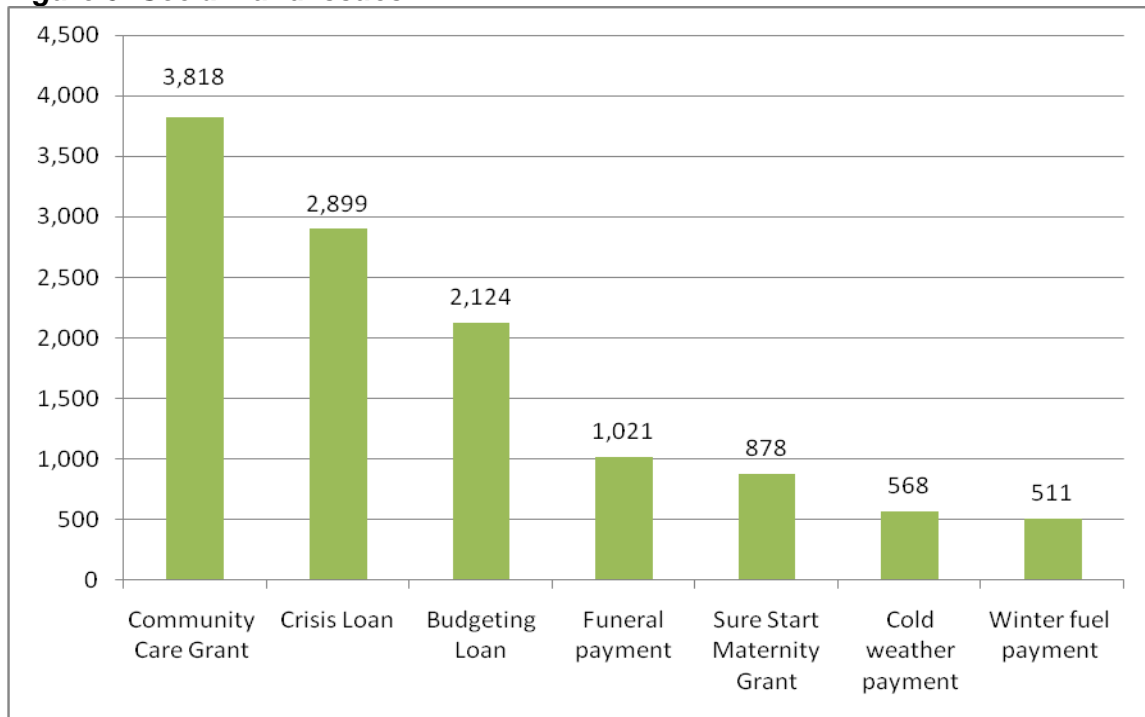
## Scottish bureaux evidence on Disability Living Allowance (DLA)

26. A significant number of clients approach a bureau for help after their DLA renewal or review had a different outcome than expected:
- A client was refused an upgrade to high-rate care DLA despite having significant health issues and care needs. The client had suffered a heart attack and brain haemorrhage causing a need for increased care.
  - A client lost her DLA entitlement upon review despite suffering from muscular/skeletal problems that caused mobility difficulties, as well as asthma, depression and diabetes. The client won the appeal, but was immediately told that she must go through another review.
  - A client had his high rate Care and Mobility DLA payments cancelled in a renewal despite the client not going through a medical. The client reports that this was the second occasion this had happened.
27. A number of clients required representation in **appeals** after their initial application was turned down:
- A client approached a bureau for advice after being told that he was not entitled to any DLA payments. The bureau represented the client at appeal which awarded High Rate Mobility and Low Rate Care payments to the client. The client is over £7,000 better off as a result of the help of the bureau.
28. Clients have reported problems in the administration of DLA, including **overpayments** caused by DWP error:
- A client in receipt of DLA has received a letter from the DWP requesting repayment of an overpayment of £620 which was paid to her as a result of an administrative error. The letter states clearly that the error is one caused by the DWP. The client was advised that in these circumstances there is no statutory right to recover the debt.

# The Social Fund

29. Bureaux in Scotland helped clients with over 11,800 issues concerning the Social Fund in 2009/10. The majority of these issues concerned Community Care Grants or Crisis Loans, as is shown in Figure 5:

**Figure 5: Social Fund Issues**



30. Almost half of Social Fund issues related to the claiming process. Evidence from bureaux suggests that advisers regularly help clients to apply for Social Fund grants and loans – often because Job Centre Plus offices send applicants to bureaux for help.

**Table 4: Social Fund Issues**

Area of advice	% of SF issues	% of all benefit issues
Claiming process	48%	38%
Entitlement	27%	41%
Appeals	7%	13%
Payment	7%	} 8%
Repayment	3%	

31. The number of Social Fund issues brought to bureaux per month increased from 863 in May 2009 to 1,020 in March 2010 – an 18% increase in only a ten month period. This suggests that either more clients are in a situation where they need a Social Fund loan and/or that additional workload is increasing the number of problems in administering the Social Fund.

## Scottish bureaux evidence on the Social Fund

32. The Social Fund is intended to offer financial support to people on low incomes who often find it impossible to budget for 'out of the ordinary' expenses, such as funeral costs, having a new baby, and one off payments for large items such as a replacement cooker. The fund comprises a number of different types of help, some of which are grants and some loans. CAB clients frequently experience problems in relation to the social fund, including poor administration, delayed payments, poor quality advice, and applications being rejected.

- A client tried to apply for a Crisis Loan over the phone on a Friday morning, but could not get through until later in the afternoon. The client was then told that it was too late in the day to process a claim and that she would have to call back on Monday.
- A bureau adviser called the Crisis Loan number on behalf of a client after he had failed to get through for two hours. The representative refused to give any information to the adviser despite the client signing a mandate allowing the bureau to act on his behalf.
- A client paid off their social fund budgeting loan only to see deductions being made by the DWP six months later. After numerous phone calls and letters this was found to be an administrative error, and that although Job Centre Plus had received the money the Social Fund department had not been informed of the payment.

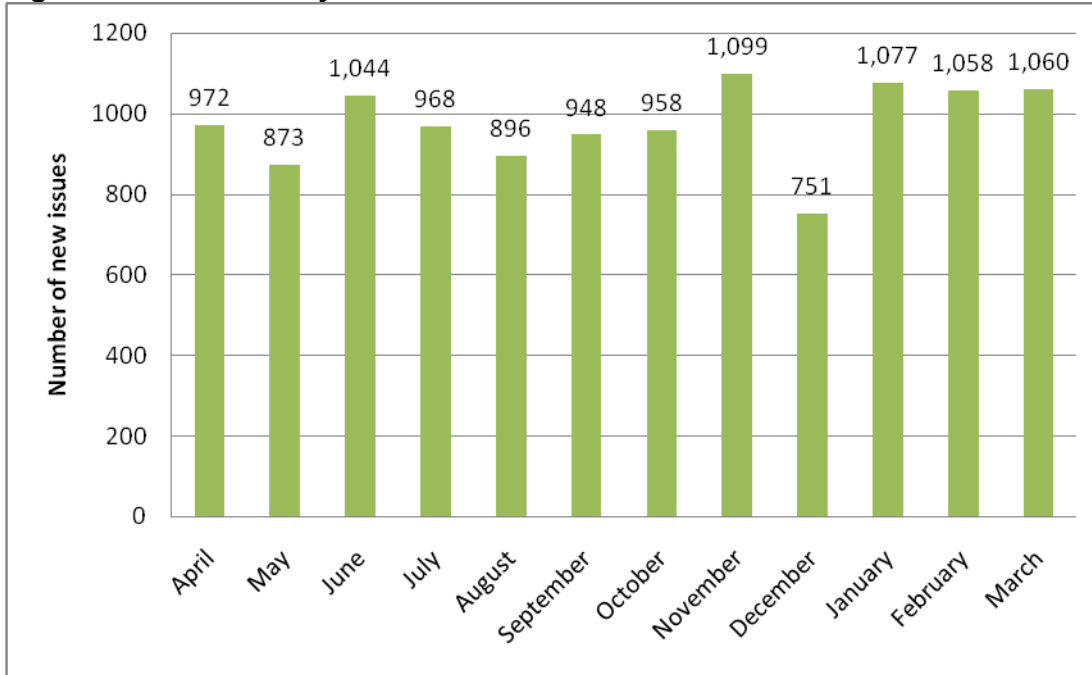
33. A number of clients were left severely disadvantaged by problems with access to funds – including refusals or delays in the **Community Care Grant** – when moving into unfurnished tenancies:

- A client was housed in local authority accommodation after living in a homeless unit for four months. He has since experienced significant delays in receiving a Community Care Grant. In the meantime, the client is living with no furniture or cooking facilities.
- A single father of three was refused a Community Care Grant after moving into an unfurnished local authority tenancy. The client and his children do not have any furniture in the property.
- Two clients reported that they had no access to funds from the local authority or the Social Fund to cover moving costs and the cost of furnishings. One client has been homeless for two years, while the other is being moved as a matter of urgency due to violence from neighbours.
- A pregnant mother was told that she could not get a Community Care Grant for four weeks after moving into a new council house with no carpets, cooker, fridge, or bed.

# Jobseeker's Allowance (JSA)

34. Citizens Advice Bureaux in Scotland helped clients with 11,704 JSA issues in 2009/10. The number of JSA issues brought to bureaux per month rose steadily throughout the year, rising from 873 issues in May 2009 to 1,060 issues in March 2010 – a 21% increase.

**Figure 6: JSA issues by month**



35. Over a third of JSA issues relate to entitlement, suggesting that a number of clients were newly unemployed and enquiring about their eligibility for benefits. It is worth noting that there were a significant number of problems with JSA payments, which implies that there were a number of occasions in which payments did not reach claimants as expected.

**Table 5: JSA Issues**

Area of advice	% of JSA issues	% of all benefit issues
Entitlement	35%	41%
Claiming process	31%	38%
Payment	8%	8%
Sanctions	7%	<1%
Appeals	6%	13%

## **Scottish bureaux evidence on Jobseeker's Allowance (JSA)**

### ***Problems with sanctions and conditionality:***

- A client had his JSA claim suspended because he could not prove he was searching for work. The client had informed the DWP of his literacy problems and explained at the Jobcentre that he could not show written proof of his search for work because he could not read or write. The Jobcentre adviser told the client that he didn't believe him and his benefit was suspended.
- A client who had his JSA payments sanctioned found that his Social Fund repayments were coming off at the same rate. The client was left out of pocket and has incurred a series of overdraft charges as a result.

### ***Administration problems:***

- A 17 year old client has been waiting for five weeks for his JSA application to be processed. The client has been relying on Crisis Loans and a Community Care Grant just to get by.
- A young client was turned away from the local Jobcentre by a security guard. The guard told him that as he was homeless he could not claim JSA. The bureau has helped the client to successfully apply for JSA, but he has been refused a backdated amount as there is 'no valid reason or good cause.'

### ***Eligibility problems:***

- A client was told that he was ineligible for JSA as he had not made enough contributions despite being in full time employment for a number of years. It transpires that the client's former employer had not been paying the client's national insurance contributions.
- A client used his redundancy money to pay off his mortgage after being told by a Jobcentre Plus adviser that this would not affect his benefit claim. However, the client has since been told that he is ineligible for JSA and the Social Fund.
- A client decided to retrain as a teacher after a number of years of full-time work. However, upon graduating, the client has been struggling to find work as a teacher and applied for JSA. The client has been told that she hasn't made enough contributions to be eligible for JSA, while her husband's income is not enough for both of them to live on.

# Tax Credits

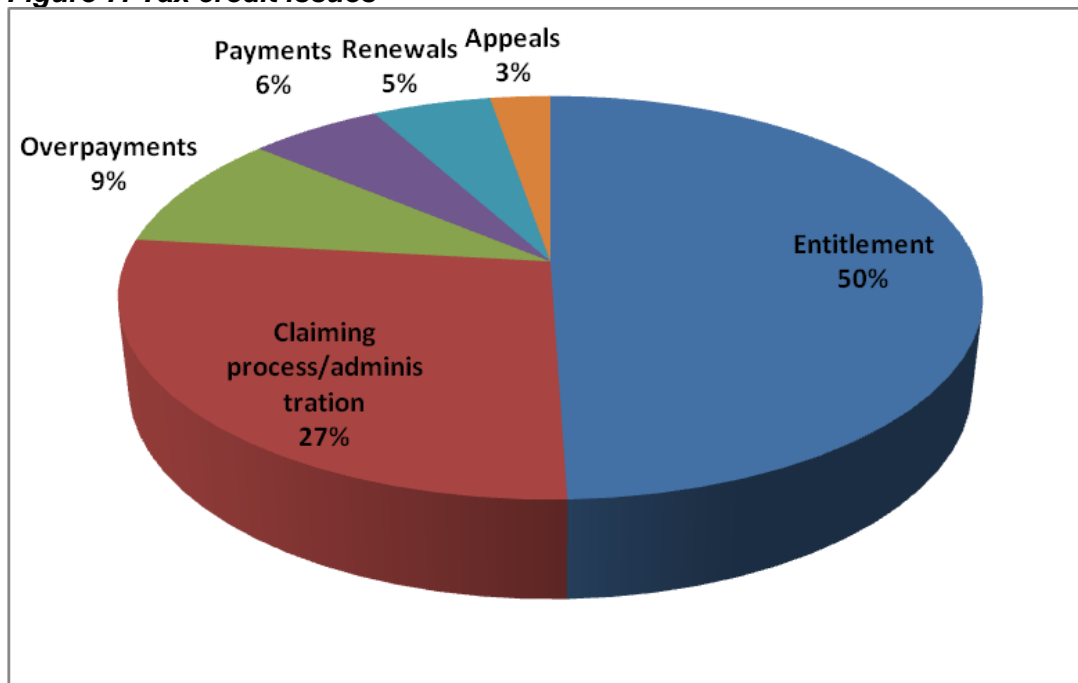
36. Scottish bureaux helped clients with over 18,000 tax credit issues in 2009/10 – 50 issues for every day of the year. About 1 in 30 issues brought to bureaux concern tax credits. Table 6 shows a breakdown of the tax credit issues brought to bureaux:

**Table 6: Breakdown of Tax Credit issues**

Benefit	Number of issues
Working Tax Credits	9,836
Child Tax Credits	8,204

37. Around half of tax credit issues concerned entitlement to the benefit, while a significant number of other issues involved helping clients through the claiming process. However, it is worth noting that tax credits cause a number of ‘unnecessary’ issues for bureaux in terms of payment problems, overpayments, and poor administration. Figure 7 outlines the types of issues for tax credits:

**Figure 7: Tax credit issues**



## **Scottish bureaux evidence on Tax Credits**

### ***Administration problems***

- A client experienced great difficulty in getting her Working Tax Credit form processed by HMRC. Two applications had been made and lost in the previous three months, the last of which had been sent by recorded delivery.
- A Polish client has been waiting for over 17 months for a decision on her application for Child Tax Credits. The client has contacted the office ten times to chase the claim but has not received a decision. The bureau phoned HMRC for an explanation, who admitted that there had been an unusual delay in answering the claim due to the client's eldest son not being resident in the UK.

### ***Overpayments***

- A client received notice of an overpayment of £8,046 of Working Tax Credit payments upon retirement. The client had been claiming tax credits for a number of years and had received no indication that he was being overpaid. The client called the HMRC to query the notice, but was told that the notice was correct and that he has only 48 hours to arrange payment.
- A client was given 12 months to repay a four year old Working Tax Credit overpayment of £3,600. The client gave up work because of ill health in 2006, and has been struggling to repay debts incurred before then. He had kept HMRC informed of his situation as necessary. HMRC stated that they would normally get the money back by withholding future payments, but as the client does not receive the benefit anymore they were requesting that he repay the full amount. This would require repayments of £75 per week despite the client's only income being Incapacity Benefit.
- A client reported trying, unsuccessfully, to stop overpayments for tax credits being paid into his account. The client currently owes £140, but by the end of the year this will be over £1,000. The client wishes to have the overpayments stopped and to pay back what he already owes, but this seems impossible in the current system.



## Conclusion

38. In 2009/10, citizens advice bureaux in Scotland helped clients with 190,000 new benefit issues – more than 500 for every day of the year. These issues are caused in part by continuing poverty and the impact of the recession, but they are also caused by problems and mistakes inherent in the welfare system.
39. The new Government has put in place a number of reforms to the welfare system which will have a significant impact on citizens advice bureau clients across Scotland. These reforms have the potential to impact severely on the most vulnerable in society.
40. The Scottish Local Government Forum Against Poverty released an assessment of the impact of the proposed changes to the welfare system in September 2010. Their analysis showed that the proposed changes will take up to £614 million out of the Scottish economy – hitting the spending power of every Scottish woman, man and child by up to £119 each year. On its own, Glasgow stands to lose up to £89 million a year in the proposals. These estimates were made prior to the publication of the Welfare Reform Bill, which contained further cuts in benefit payments.
41. Changes to the welfare system are likely to impact severely on citizens advice bureau clients, many of whom suffer from illness and disability. In turn, this will inevitably increase the demand for advice from bureaux. The migration of Incapacity Benefit (IB) claimants to Employment and Support Allowance (ESA) is likely to bring many thousands of clients to bureaux for advice, while the impact of changes to Housing Benefit, Jobseekers Allowance, Disability Living Allowance, and other changes to the welfare system, will bring many more.
42. It is at the front line that the effects of these changes will be seen, where advisers in citizens advice bureaux across the country will see the human face of cuts in support. It is vital that advice and support remains available to those who will be most severely affected by the changes to the benefit system.



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