

# Voices from the frontline...The impact of welfare changes on Scotland's CAB

## Introduction

The Scottish CAB Service forms the country's largest independent advice network. Citizen advice bureaux (CAB) are the key frontline service that hundreds of thousands of people turn to and in doing so they deal with over half a million new issues every year. As welfare changes begin to affect clients, CAS is producing briefings in our series *Voices from the Frontline*. These provide personal experiences of welfare reforms as they take effect in households across Scotland. Through these briefings, citizens advice bureaux show the impact of welfare changes on real people.

## Summary

Citizens advice bureaux advised on 190,000 new benefit issues in 2011/12 – an increase of 39% or 50,000 additional issues compared to five years previously. We believe that welfare changes and benefit cuts are driving an increased demand for benefits advice across the country, with a knock-on effect on the ability of bureaux to be able to help their clients. Bureaux are also reporting an increase in the complexity and urgency of benefit issues, with many clients in a crisis situation. As welfare changes gather pace, we expect thousands of people to be negatively impacted and the demand for advice on benefits to continue to increase.

## Citizens advice bureaux

In 2011/12, citizens advice bureaux in Scotland advised clients on **502,688 new issues** - the equivalent of 275 new issues brought to bureaux for each office hour every working day. Added to this significant figure was an additional 331,576 repeat issues – clients returning for more advice in resolving their problems. As a result of the advice provided by citizens advice bureaux, **clients were better off by £140.3 million** (or £538,000 per working day).

There is evidence to suggest that benefit cuts and welfare changes are creating an increased demand for advice, which is putting pressure on bureaux to meet demand:

- **The demand for benefits advice is increasing:** In the last five years, the number of new issues brought to bureaux by clients has increased by around 9%. However, the number of benefit issues has increased by 39% (an additional 50,000 new issues advised on each year). CAB give advice on 730 new benefit issues on an average working day.
- **ESA is a key driver of demand:** Following the introduction of Employment and Support Allowance (ESA), the number of sickness/disability benefit issues brought to bureaux has significantly increased. Bureaux advised on 62,109 sickness/disability benefit issues in 2011/12 – an increase of 55% since 2007/08.
- **Representation at appeals is increasing:** Bureaux represented clients at 5,504 tribunals/court cases in 2011/12, an increase of 62% since 2009/10. This increase is being fuelled by a significant increase in benefit appeals (particularly ESA appeals).
- **CAB help thousands of people to apply for benefits:** Bureaux helped clients to complete 25,893 forms and applications in 2011/12, an increase of over 200% in the last five years. Almost 19,500 of these forms related to benefits.

# Voices from the frontline...The impact of welfare changes on Scotland's CAB

- **Advice needs are getting more complex:** The complexity of the issues brought by clients is increasing. Clients had an average of 2.69 new issues per visit in 2011/12 compared to 1.79 in 2007/08.
- **Increasing demand:** Assisting clients with forms and tribunals can be complex and time consuming, which is putting additional pressure on bureaux resources and their ability to assist clients.

## Evidence from citizens advice bureaux

There are a number of likely causes for the increase in demand for advice on benefits. Firstly, the economic downturn has led to an increase in the number of people that need to claim benefits which is likely to account for part of the increase in demand.

However, there are a number of other factors that we believe are driving demand for advice on benefits. These include issues related to the delivery of benefits, such as delays in payment and administration problems, and also the impact of welfare reforms, such as the sickness benefit reassessment and changes to Housing Benefit and tax credits. Based on these factors, we expect demand for benefits advice to increase as Universal Credit and Personal Independence Payment are phased in from 2013. This briefing looks at the following factors which drive demand for benefits advice at citizens advice bureaux:

- Benefit changes
- Applying for benefits
- Delays in payment
- Appeals

## Benefit changes

A range of benefit changes have been implemented in recent years that have driven the demand for benefits advice. These include changes to tax credits, local housing allowance and the Social Fund, all of which have increased the number of people requiring advice. However, the most significant change has been the introduction of Employment and Support Allowance (ESA) as the new sickness benefit in 2008. In the last three and half years, bureaux in Scotland have advised on over 80,000 new ESA issues and have represented clients at thousands of ESA tribunals. ESA is now the most common issue that clients seek advice on at bureaux and is a telling example of the impact of significant welfare changes on the demand for advice.

- ▶ A West of Scotland CAB reports of a client whose GP is 'astonished' that she has been declared fit for work in her assessment for ESA. The client had spinal surgery which has led to chronic back pain and irritable bowel syndrome. The client is also asthmatic and has borderline personality disorder involving mood swings and considerable medication. The client is seriously distressed by being subjected to continual assessments.

# Voices from the frontline...The impact of welfare changes on Scotland's CAB

- ▶ An East of Scotland CAB reports of a client and her partner who have both been found fit for work in their assessments for ESA. The client's partner has bipolar disorder while the client was an existing Incapacity Benefit claimant for mental health issues and is a recovering alcoholic. The client has a number of debts and is considering bankruptcy.

A range of welfare reforms will come into place in 2013, including the phasing in of Universal Credit and Personal Independence Payment, and benefit changes such as the Benefit Cap and underoccupancy penalties for those in social rented housing. While these changes are yet to come into force, it is important to note that they are already impacting on the demand for advice. Many claimants who are likely to be affected have received letters informing them of upcoming changes and/or have heard about the changes on the news. Many of these claimants then turn to bureaux for advice which means that forthcoming changes create advice demand far in advance of their implementation.

- ▶ A West of Scotland CAB reports of a client whose sister has received a letter from the local authority stating that she is underoccupying her tenancy and is liable for a significant increase in her weekly rent. The sister claims DLA and is in receipt of full Housing Benefit. The client's sister inherited the tenancy from their parents and has lived in the house all of her life. The client says that there are no suitable one bedroom properties in the area and that her sister is stressed by the situation and has already had a mental breakdown. The client had visited her MP and was told that her sister could be made to leave the property or forced to rent out rooms.
- ▶ An East of Scotland CAB reports of a very distressed client who has received a letter from the local authority stating that £12 will be deducted from her Housing Benefit as she lives in a two bedroom property on her own. The client claims Incapacity Benefit and is finding it difficult to manage her daily life due to having ME and Fibromyalgia..

## Applying for benefits

Thousands of clients approach bureaux each year for assistance in making an application for benefits. As a result, bureaux helped clients to complete almost 19,500 benefit applications or forms in 2011/12 (around 75 every working day). For many clients, completing or managing a claim can be a difficult or daunting task, and bureaux play a vital role in ensuring that clients claim the benefits to which they are entitled and assisting in the delivery of benefits by minimising mistakes in applications. In the first nine months of 2012, bureaux advised on over 47,000 new issues relating to the claiming process of individual benefits.

The number of forms and applications that bureaux assist with has increased dramatically in the last five years. We believe that benefit policy and practices have been significant factors in this increase, including increasing referrals from Jobcentres to bureaux, the inaccessibility of DWP/HMRC phone lines to claimants, and the drive towards moving claims online. The following cases show examples of where demand for advice is being transferred from Jobcentres to citizens advice bureaux.

# Voices from the frontline...The impact of welfare changes on Scotland's CAB

- ▶ A Central Scotland CAB reports of a client who applied for ESA after suffering a stroke the previous year. The client requested help to complete the application from an adviser in the Jobcentre but was told to fill in the form herself. The client described the Jobcentre as difficult to access as security guards are checking client's documentation before allowing them into the Jobcentre while an appointment is required to use the computers to search for jobs. The adviser assisted the client in making the application.
- ▶ A West of Scotland CAB reports of a client who had been advised by Jobcentre Plus to come to the CAB to make a telephone application for a crisis loan. The client has learning difficulties and does not like to use the phone. The client lives with his brother after his mother died last year. The adviser called the crisis loan application line, but was held on the line for an hour without the call being answered. The client could not wait any longer and decided to ask other family members for help instead. The bureau commented that the Jobcentre did not help this client, which put more strain on bureau resources and time.

Bureaux report that the administration of benefits, particularly concerning telephone helplines, is a particular driver of demand for benefits advice. Thousands of clients seek advice on their benefit claims each year after they have failed to either get through on the helpline or have experienced difficulties when they do.

- ▶ An East of Scotland CAB reports of a client who has been trying to get through to HMRC on various occasions to request a claim pack for Working Tax Credit. He is totally exasperated with waits of up to 40 minutes without answer. The adviser called the helpline but was advised that they would be unable to send out a claim form unless requested by the client himself. They also advised that they are unable to make an outgoing phone call to the client and suggested the client should call the helpline number during a quieter time.
- ▶ An East of Scotland CAB reports of a client who is struggling for money after starting a new job. This is because her benefits have stopped, but her wages are paid in arrears. The adviser called the Crisis Loan helpline at 10:45 and received an answer at 12:05. The helpline adviser would not allow the bureau to speak on behalf of the client and, in spite of her answering a number of security questions, he terminated the call without any warning when she was unable to give the house number of a previous address. The client was visibly upset.

Claimants are increasingly being encouraged to make benefit claims online, and from next year all Universal Credit claimants will be initially signposted to the self-service online channel, and other channels will be used as an exception rather than the rule. We are concerned that online applications will not be suitable for all claimants and that this will have a knock-on effect on bureau advice. The move to online applications has already influenced the demand for advice.

# Voices from the frontline...The impact of welfare changes on Scotland's CAB

- ▶ A West of Scotland CAB reports of a client who is struggling to apply for JSA. He was told at the Jobcentre that he had to apply for JSA either over the phone or online and that were no other ways to apply. The client cannot apply by phone as he has hearing difficulties and the client has no access to the internet. The bureau advised that the client has a right to make a claim on a paper application form and arranged for the Jobcentre to provide one.
- ▶ An East of Scotland CAB reports of a client who went to the Job Centre to request a Job Seekers Allowance claim form. The client was handed a card advising her to go online to complete a claim form. The client informed the Job Centre staff member that she did not have a computer or a phone. The Job Centre staff member advised the client that this was the only way to make a claim. The client then went to the local authority to pick up a Housing Form and explained that she did not have a phone or a computer to make her Job Seekers Allowance claim, at which point she was advised to go to CAB and that she could complete the form there.

## Delays in payment

Citizens advice bureaux in Scotland helped clients with around 10,000 benefit payment problems in first nine months of 2012. Delays in payment can have a significant impact on a client who is relying on the payment to get by. Bureaux play an important role in finding out why payments have been delayed or halted and in ensuring that claimants receive the support to which they are entitled.

- ▶ A South of Scotland CAB reports of a client who is experiencing hardship due to a delay in a benefit decision. The client was receiving Income Support as a single parent before making a joint application for JSA with her partner. When they made the application, the client's claims for Child Tax Credit, Housing Benefit, and Council Tax Benefit all stopped. Currently the client's only income is Child Benefit. It is now two weeks since they applied but they have heard nothing. When she asked about the delay she reports that they could give no reason and told her they would have to wait for the decision. The client has no money for food, so the adviser signposted the client to a local food bank. The client and her partner have a six month old baby.
- ▶ A North of Scotland CAB reports of a client who is struggling while she waits for her working tax credit application to be processed. The client is separated from her husband and has three children. She works 22 hours per week and has applied for tax credits. However, when she phoned the HMRC to find out how her application was progressing, she was told it would take at least another three weeks. The bureau signposted the client to a local foodbank.

## Appeals

Bureau represented clients at 4,589 benefit tribunals in 2011/12, an increase of **118%** since 2009/10. This increase is being fuelled by a significant increase in clients appealing against their assessment for Employment and Support Allowance (ESA).

Based upon an estimate that each tribunal takes around five hours of an adviser's time (in terms of making applications, preparing papers and attending the tribunal), this work would have taken 3,280 working days of adviser time. In terms of salary costs, this would have



# Voices from the frontline...The impact of welfare changes on Scotland's CAB

cost around £290,000 at the average hourly wage. The claimant was successful in around 61% of the appeals where bureaux provided representation. The high proportion of clients who win their appeals suggest that many were avoidable and that problems in the benefits system are causing inaccurate assessments and are placing unnecessary stress on claimants and pressure on bureau resources.

- ▶ A North of Scotland CAB reports of an army veteran who suffers from Post Traumatic Stress Disorder. The client was awarded zero points in his assessment for ESA which was overturned prior to appeal. The client was reassessed this year and again found fit for work. The bureau represented the client at appeal where he was awarded 21 points. The adviser pointed out that the client's anxiety at having to attend the tribunal has had an extremely detrimental effect on his mental health. The client was reluctant to attend as he finds all formal situations can bring on bouts of aggression which he cannot control. Each time the client has to go through the assessment process his condition deteriorates and he is unable to cope.

## Conclusion

We believe that welfare changes are driving an increased demand for benefits advice across the country, with a knock-on effect on the ability of bureaux to be able to help their clients. As the welfare reform agenda gathers pace in 2013, we expect demand for benefit advice to increase further.

It is essential to note that the severity of the issues that clients present with is as important as the quantity of issues. In that respect, there is a worrying trend of clients seeking advice in a crisis situation. In many cases, clients have either fallen through cracks in the welfare safety net or have been put in this situation through a loss of entitlement. This puts the client in a stressful situation, but also puts bureaux under pressure and reduces their ability to help the client. The following case outlines a client who is in a crisis situation due to benefits policy and practice.

- ▶ An East of Scotland CAB reports of a client who says that he has not eaten for a week after his JSA payment was sanctioned and his Housing Benefit was reduced. The client received a two week sanction to his JSA claim after he had forgotten to bring his diary to an appointment. The client's ongoing situation was already difficult due to the new local housing allowance rules for people under 35 years old. He has several month's rent arrears and is in fuel poverty as he has been using his JSA award to minimise the rent shortfall. The client has already had three crisis loans this year, so cannot make another application, and he has been told that he does not meet the criteria for a hardship payment. The client stated that he will not receive any money for a further five days and that he was in physical pain from lack of food. The bureau arranged for a food parcel referral for the next day while the client will be able to get some food from his sister to last until tomorrow.

Benefit changes appear to be increasing the number of clients seeking help in a crisis. We are concerned that these circumstances will increase as welfare reform continues. It is essential that citizens advice bureaux are resourced to meet this demand and support those in crisis.