

Westminster Hall Debate:

Impact of the Comprehensive Spending Review on the DWP
November 4th, 2010

Summary

Citizens Advice Bureaux in Scotland dealt with close to 189,000 new benefit issues in 2009/10 – 430 new benefit issues for every day of the year. CAS is concerned that the changes announced in the Comprehensive Spending Review (CSR) in October 2010 will be problematic for new and current benefit recipients and will increase the number of benefit issues brought to bureaux in Scotland. With a higher unemployment rate compared to the rest of the UK, Scotland continues to see an increase in the number of people requiring assistance from the Government. The new policies risk isolating a number of people who are vulnerable and in the future would be unable to receive help when they need it most.

Benefit issues in Scotland

In 2009/10 benefit issues accounted for 35% of new issues dealt with by bureaux in Scotland. Sixty percent of the top ten problems seen by bureaux in this period were benefits related – including issues with Disability Living Allowance (DLA), Housing Benefit, Employment and Support Allowance (ESA) and Council Tax Benefit.

Seventy nine percent of the issues were with poor administration, claiming processes and entitlement.

Concerns in Scotland

- **ESA:** Currently **8.6%** of the working age population in Scotland is unemployed, compared to 7.7% in England. From 2012/2013 contribution based ESA claimants who are in the Work Related Activity Group (WRAG) will need to find employment within one year or be moved onto income based ESA or JSA or be moved off benefits entirely. Currently around 40% of contribution based ESA claimants on WRAG don't gain employment in their first year on the benefit and the new policy is expected to affect 1 million claimants in the UK, leaving a significant number of claimants worse off and more vulnerable.¹
- **DLA:** In the June budget the Chancellor announced the introduction of a new assessment for Disability Living Allowance (DLA) claimants – CAS is concerned that if this is assessment is similar to the current work capability assessment it may increase issues for current clients on DLA, particularly those who are most vulnerable.

In the CSR the Chancellor further announced the removal of the DLA Mobility Component from people living in residential care (including hospitals) from October 2012. The mobility component of DLA gives people the income to support themselves if they have walking difficulties. Currently over 300,000 people receive DLA mobility component in Scotland and are consequently likely to be affected by the change in the future. The need for mobility aids would not be eliminated once a client moves into residential care and CAS is concerned that clients who wish to leave residential care will have to go through the process of applying for the mobility component and face issues in accessing the benefit they are entitled to.

- **Housing Benefit:** Currently, single under-25s claiming housing benefit only receive a “shared room” rate – equivalent to the market rent for a room in a house where other facilities are shared. The Chancellor in the CSR announced an extension of this age limit, so that from 2012 housing benefit claimants who are single and under the age of 35 will only be eligible for the

¹ http://www.hm-treasury.gov.uk/spend_sr2010_policycostings.htm

'shared room'- affecting 88,000 single 25 to 34 year olds currently claiming housing benefit in the UK². Currently 8% of the Scottish population claim housing benefit compared to 6% in England. CAS is concerned this could lead to a significant increase in homelessness as single under 35 year olds who are vulnerable are unable to find shared accommodation. The change will affect single working people on low incomes as well as those who are unemployed.

Conclusion

The welfare system is crucial for people who are sick, disabled and for those who find themselves unemployed. A number of benefit clients want to go into employment but are unable to receive the support they need or are just too sick to pursue current employment opportunities. Unfortunately the issues they face in claiming their benefits often adds to their illness and aggravates other problems they may have including housing, debt and relationship breakdown. The UK Government needs to ensure that the welfare system supports people who are vulnerable, unemployed and unable to work.

Citizens Advice Service in Scotland

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 81 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.

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.

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.

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, more than 250,000 clients brought new issues to bureaux in Scotland.

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² http://cdn.hm-treasury.gov.uk/sr2010_pressnotices.pdf