

Unintended Consequences of the Welfare Reform Act Task Group



March 2013

Contents

Recommendations	2
Introduction	4
Intended Consequences of Welfare Reform	5
Consequences in Devon	13
Passported Benefits	16
Unintended Consequences of Welfare Reform	19
Conclusion	25
Questions	25
Evidence	26
Task Group Membership	27
Contact	27
Appendix 1: list of Passported Benefits	28

1. Recommendations

The task group ask the Corporate Services Scrutiny Committee and Cabinet to endorse and action the recommendations below:

Recommendation 1: Government	
Aim: Central Government to recognise and articulate the role of Councils in the introduction, implementation and adequate funding of welfare benefit reforms	
Activity:	Timeframe
I. Lobby activity on behalf of The County Council and the Devon Strategic Partnership	Once agreed by Cabinet
II. Task Group report to be sent to all Devon MPs, The Local Government Association, The County Councils Network and District Councils	
III. Department for Work and Pensions to recognise the value and importance of local community groups and the third sector	

Recommendation 2: Partners	
Aim: Cabinet recognise that the only way a meaningful response can be mounted to support the introduction of welfare reforms is through partnership working	
Activity:	Timeframe
I. Share the learning of this task group/raise the profile including the questions about the introduction of Universal Credit and concerns over the impact of reforms	Once agreed by Cabinet
II. Endorse the work of the Devon Strategic Partnership (DSP) in developing a local approach to support the implementation of welfare reform	
III. Ask that the DSP welfare advisory group consider and respond to the LGA's local support services framework document	
IV. Develop the role of this group to support the implementation of proposals in the local support services framework	

Recommendation 3: Devon County Council

Aim: Devon County Council to be fully prepared for the introduction of Universal Credit and other aspects of welfare reform

Activity:	Timeframe
I. As part of member induction, all to receive training on understanding the changes to Welfare Benefit and facilities to enable signposting of people in need	July 2013
II. The County Council to internally set up a group to identify what is the most appropriate and useful support and how this can be implemented to enable successful outcomes for people and communities in Devon	Immediately
III. To commend the positive work being carried out in libraries across Devon and for Cabinet to make provision to ensure that this continues in some mitigation of the 'Digital by Default' policy	
IV. To support the Children's Society campaign to provide free school meals to all families on Universal Credit	
V. The County Council to closely monitor the anticipated increase in demand for adult and children's services	
VI. The Health and Wellbeing Board to take account of the impact of reforms in their strategic planning because of the impact of reforms on physical and mental health	
VII. Scrutiny to undertake further work on welfare reform after the elections, using the questions posed at the end of this report as a starting point	

2. Introduction

- 2.1. The Corporate Services Scrutiny Committee established this task group on the 16th November 2012. The task group first met on the 4th December and since this time have held five meetings and gathered evidence from witnesses from across the voluntary sector, health, within the County Council and from the Department for Work and Pensions.
- 2.2. With reference to the short timescale available the scope of this task group recognised the need to be extremely focused. Passported Benefits were identified as the main area of work because there was a complete lack of guidance from government as to how they would be administered with the introduction of Universal Credit. The task group are concerned that the administration of some of these benefits would fall to the local authority.
- 2.3. A 'passported benefit' is the term used to describe a benefit that someone is automatically entitled to if they are already in receipt of another benefit. They tend to offer targeted support to achieve a specific outcome. An example of this type of benefit is free school meals.
- 2.4. The terms of reference of the task group are as follows:
 - ❖ To compile/review a complete list of Passported benefits provided in Devon and the impact that the benefits have. Ascertain the numbers of people who are supported by Passported benefits.
 - ❖ To understand the impact that the up take of passported benefits has on the wider complexion of welfare (e.g. pupil premium and how schools would be affected by any reduction or change)
 - ❖ To consider the impact of Digital by Default
- 2.5. Figures estimate that somewhere in the region of 157,500 people in Devon will be affected by the introduction of Universal Credit. The majority of these individuals will be in receipt of passported benefits. This review aimed to investigate further and try to extrapolate more specific data and map potential consequences.
- 2.6. There are three main themes that form the conclusion of the task group's work:
 - ❖ Recognition of the raft of changes to the welfare benefits system that have already come into effect, or are scheduled, are underpinned by the ideological value that work is the best option for everyone who is able.
 - ❖ Awareness that major reform of this kind has not happened to the welfare system since its inception and this is likely to have substantial unanticipated consequences.
 - ❖ An ambition of ensuring that agencies in Devon are prepared to support individuals and families as these changes come into full effect.
- 2.7. The main changes to welfare are summarised throughout the report as information bubbles, these are the boxes labelled 'changes'. Appendix 1 also provides an easy read guide to passported benefits that are currently provided in Devon.
- 2.8. For the purpose of clarity the task group's definition of passported benefits does not include the blue badge scheme. In addition the task group has not included benefits for older people within the terms of reference as this group is largely exempt from these reforms.

3. Intended Consequences of Welfare Reform

- 3.1. There have been significant criticisms levelled at the current system of benefits. There are distinct disincentives built into the system and these undermine people finding work or changing their circumstances in a positive direction.
- 3.2. The origins of the government's policy can be found in a report by the Centre for Social Justice, published in 2007: 'Economic Dependence and worklessness'¹. This report argues that the link between working and a route out of poverty is not reflected in the benefits system. It claims that dependency is created in the system which in turn traps people in worklessness and poverty: 'Work is the key route out of poverty for virtually all working-age households'.²
- 3.3. In Devon the document; 'No door is the Wrong Door: A local way out of poverty'³, was published in September 2010 by the Devon Strategic Partnership. The report explores the causes of poverty and looks at local strategies to address worklessness. In particular, the report looks at the body of research that points to the complexity of the benefits system as providing a barrier.
- 3.4. In addition the document clearly analyses the specific challenges in Devon around low average wages, high part time work and a large proportion of people being self employed. It also identifies that 25,000 children in Devon live in households that are dependent on Income Support. The picture in Devon is therefore of a low wage economy, with a significant degree of rurality.
- 3.5. The white paper 'Universal Credit: welfare that works' was published by the government in November 2010⁴ and in general there is cross party support for changing fundamental aspects of the current system, in particular its complexity and resolving the disincentives to work⁵.
- 3.6. The Welfare Reform Act received Royal Assent on the 8th March 2012. The Act is driven by the ambition of trying to inspire individuals to take more responsibility and have a more active role in the management of their lives. However this is also coupled with a need to reduce the cost of welfare. The wide ranging changes offer opportunities for individuals and families but the success of realising these opportunities may well lie with public and third sector organisations to support people through the change.

***'Universal Credit will mean that people will be consistently and transparently better off for each hour they work and every pound they earn.'*¹**

¹ Centre for Social Justice: 'Breakthrough Britain *Ending the costs of social breakdown* Volume 2: Economic Dependency and Worklessness'.

² Centre for Social Justice: 'Breakthrough Britain *Ending the costs of social breakdown* Volume 2: Economic Dependency and Worklessness'.

³ Devon Strategic Partnership, 'No Door is the Wrong Door, a local route out of poverty' Sept 2010

⁴ White paper 'Universal Credit: welfare that works' <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>

⁵ Labour Party: *Labour's compulsory jobs guarantee for the long-term unemployed*, 4th Jan 2013 <http://www.labour.org.uk/labours-compulsory-jobs-guarantee,2013-01-04>

- 3.7. The biggest change will be the introduction of Universal Credit in October 2013 brings radical changes to the benefits system. It is a new single system of means tested support for working-age people in and out of work. Support for housing costs, children and childcare costs will be integrated and it will provide additions for disabled people and carers

Changes: Localised Support for Council Tax

What does this mean?

Some people were in receipt of Council Tax Benefit, meaning that their Council Tax was paid for them. This benefit is now abolished and 10% less funding passed to local authorities to operate local support schemes.

Each Billing Authority (in Devon this will be Districts) is required to have provision to give local support. Across Devon 5 district councils will be introducing schemes that will limit the maximum support people can receive to between 75 - 80%. This means that most working age people will have to pay a percentage of their Council Tax.

When does this start?

April 2013

- 3.8. To more fully understand the effects that these changes may have, the task group has undertaken work in conjunction with Devon Welfare Rights Unit to model case studies. Whilst any resemblance to real people is entirely coincidental, they do represent realities that are being experienced. Drawing on evidence from the voluntary and community sector, there are similar lessons to be learnt across the introduction of the new welfare benefit structure. The information contained within the case studies is based on the most up to date local data, however there is a large degree of extrapolating and projecting scenarios as some of these developments have yet to be implemented.

Changes: Personal Independence Payment

What does this mean?

Disability Living Allowance is currently paid to people who are disabled, whether they are in or out of work. This is being replaced by PIP, which will apply to all new claimants aged 16 to 64 and existing DLA claimants who are aged 16 to 64 on 8 April 2013. It will be made up of two components, daily living and mobility.

There will not be an automatic transfer from DLA to PIP and all claimants will have to be medically assessed.

When does this start?

April – June 2013 for new claims

October 2013 for those with a change in their condition or the end of an award.

From 2015 –everyone else currently receiving DLA

Case study 1: Dave

(A fictional model based on real cases to model the impact of the bedroom tax and medical reassessment)

Scenario

Dave lives in Exeter; he is a single man aged 31 and has Autism. He lives in a one bedroomed Housing Association flat that costs **£114.23** per week and attracts a Council Tax liability of **£15.00** per week. As he receives means tested benefits these liabilities are met in full and paid direct to the landlord and Exeter City Council.

Dave used to receive Incapacity Benefit with a top-up of Income Support and, following a medical reassessment, he was moved to Employment Support Allowance (Work Related Activity Group). He gets a combination of contribution based and income-related Employment and Support Allowance of **£157.35** per week. He also receives a middle rate care component of Disability Living Allowance (DLA) to help him meet his care needs and receives **£51.85** per week.

As Dave is in the Work Related Activity Group for Employment Support Allowance, he must comply with new conditions for this award, such as attending regular meetings/interviews with a DWP adviser at the Jobcentre to try and get him into work. If he does not attend the interviews he could lose his Employment Support Allowance.

Dave has just come to the end of his fixed award for Disability Allowance and has been told that he will need to attend a medical assessment to see if he qualifies for Personal Independence Payment. If he does not qualify for Personal Independence Payment he will lose **£51.85** towards his care needs.

If Dave does not qualify for Personal Independence payment, under the changes to Housing Benefit Local Housing Allowance, he will only be entitled to a Shared Accommodation/Single Room Rate of **£70.77**. This leaves a shortfall of **£43.46** that Dave must find from his current income if he wants to remain in the flat or he will need to move to a shared house. Dave is very worried about this as he does not want to share a home with other people. If he does not meet this shortfall or move he could be evicted. In addition, with no Personal Independence Payment, Dave's Employment and Support Allowance* will be reduced by the amount of the Severe Disability Premium which is worth **£58.20** per week.

Dave has also been told by Exeter City Council that it will only be able to pay 80% of his Council Tax liability and he will need to find **£3.00 per week** towards his Council Tax. If he does not pay this liability he could be subject to Court proceedings.

Current entitlement	£weekly	Projected entitlement	£weekly
Disability Living Allowance	51.85		
Employment Support Allowance*	157.35	ESA*	99.15
Housing Benefit	114.23	Shared room rate	70.70
Council Tax	15.00	Council Tax	12.00
Total	338.43	Total	181.92

Difference of - £156.51 per week

There are three possible outcomes for Dave:

Worst case outcome	Better case outcome?	Best case outcome?
<ul style="list-style-type: none">•Dave doesn't request any help•He becomes very stressed and his physical and mental wellbeing suffer•He does not respond to letters regarding eviction proceedings, court action and failure to attend Jobcentre•FINANCIAL LOSS £156.51 per week	<ul style="list-style-type: none">•Dave receives support to review his financial situation• He is helped to successfully appeal the loss of Personal Independence Payment•He does not have to move out of his flat as he will now qualify for full housing benefit•NO FINANCIAL LOSS	<ul style="list-style-type: none">•Dave receives support to review his financial situation and get a job•He earns £150 pw and qualifies for Working Tax Credit•He continues to receive Disability Living Allowance•FINANCIAL GAIN £45.00 per week

Conclusion:

Dave cannot continue as he is, this point represents a clear opportunity to improve his life, if he is able to get there. If Dave can access support and is successful in finding, getting and maintaining a job he may experience other positive benefits such as increased self esteem as well as an increased income. With some support he may be able to challenge the decision and maintain the status quo. However if Dave is not supported through the transition it is likely that he will sink into a very negative place and get into debt, be evicted and suffer mentally and physically.

***Employment Support Allowance and Working Tax Credit are both used in the case study above. However ESA (time limited to 1 year) and Working Tax Credit will be replaced with Universal Credit. This will mean in turn that Dave's circumstances and benefits will change further.**

Changes: Social Housing Size Criteria

What does this mean?

Also referred to as the 'bedroom tax', size criteria will be applied to social housing. One bedroom will be accommodation for the following: A couple, a person, two children of the same sex, two children under ten, a non-resident carer.

For those deemed to be under occupying there will be a reduction in housing benefit by 14% for one bedroom and 25% for two or more bedrooms. For single people under 35, the presumption will be that people can live in a room in a shared house and their benefit will be reduced accordingly.

When does this start?

Oct 2012

Case Study 2: Julia and Ethel

(A fictional model based on real cases to model the impact of a change of medical reassessment on a carer)

Scenario

Julia lives near Crediton. She is a single woman aged 30 years old and lives in a one bed Council flat with a rent of **£92.31 per week**. The property attracts a Council Tax liability of **£15.00 per week**. Julia gave up work to provide care for her mother, Ethel, who lives nearby. She receives Carers Allowance of £58.45 topped up by Income Support of **£45.15**. As she is in receipt of Income Support, her rent and Council Tax are covered by benefit which is paid direct to Mid Devon District Council.

Julia's mother, Ethel lives in a two bedroomed Council bungalow nearby with a rent of **£121.15 per week**. The property attracts a Council Tax liability of **£20.00 per week**. As she receives means-tested benefits her rent and Council Tax are paid direct to the landlord.

Ethel receives Employment Support Allowance (Support Group) of **£105.05 per week** and, due to her medical condition, has been in receipt of higher rate mobility component (DLA) of **£54.05 per week** and middle rate care component (DLA) of **£51.85 per week**. As Ethel and Julia live in a very rural area with little access to public transport the Disability Living Allowance allows Ethel and Julia to run a vehicle to do shopping or attend appointments.

Ethel's condition has recently improved and she notified the DWP of her change of circumstances and was put forward for a medical reassessment for the new Personal Independence Payment, which replaces, Disability Living Allowance. As a result of that reassessment she has been told that she isn't able to claim Personal Independence Payment.

This means that Ethel will lose **£105.90 per week** and will have to give up the car. Julia's Income Support and Carers Allowance will also stop as the eligibility for these was based on Ethel's receipt of Disability Living Allowance. Julia has now been told that she will now receive Jobseekers Allowance of **£71.00 per week** and must look for work.

Julia has also been told that she only qualifies for the shared room rate for Housing Benefit and must therefore find **£21.54 per week** towards her rent or move to shared accommodation.

The District Council has also informed Ethel and Julia that they can only claim a maximum of 80% of Council Tax Support. This means that Ethel and Julia must find **£4.00** and **£3.00** per week respectively as their contribution to Council Tax. Ethel will also be subject to the 'bedroom tax' on the basis that, as a single person, she does not need two bedrooms. This will reduce her Housing Benefit by 14%.

Julia:

Current entitlement	£weekly	Projected entitlement	£weekly
Carers Allowance	58.45		
Income Support	45.15	Job Seekers Allowance	71.00
Housing	92.31	Housing	62.35
Council Tax	15.00	Council Tax	12.00
Total	210.91	Total	145.35

Difference of - £65.56 per week

Ethel:

Current entitlement	£weekly	Projected entitlement	£weekly
Employment Support Allowance (Support Group)	105.05	Employment Support Allowance (Support Group)	105.05
Housing	121.15	Housing	104.62
Higher Mobility component (DLA)	54.02		
Middle rate care component (DLA)	51.85		
CT Benefit	20.00	CT Benefit	16.00
Total	352.10	Total	225.67

Difference of - £126.43 per week

There are three possible outcomes for Julia and Ethel:

Worst case outcome

- **Ethel doesn't appeal against the PIP decision**
- She struggles to cope with the limited care her daughter can provide and her condition worsens and they have to call in Social Services
- Julia moves into shared accommodation, after being threatened with eviction but she finds it difficult to get to see her mum
- **JOINT FINANCIAL LOSS £191.99 per week**

Better case outcome?

- **Julia and Ethel receive financial advice and return to work support**
- Julia gets a job earning £150 per week and Ethel is advised that she is entitled to an income-related top up of ESA of £14.80
- Julie moves in with her Mum pays the non-dependent deduction for rent in the sum of £26.25 per week
- **JOINT FINANCIAL GAIN £7.82 per week**

Best case outcome?

- **Julia and Ethel receive support to challenge the PIP decision**
- Julia gets a full-time job and can afford to stay in her flat
- Ethel's PIP appeal is successful and she is awarded standard rate of living component and Enhanced Rate mobility in the sum of £108.25pw
- Ethel uses this money to employ a carer and retain her car
- **JOINT FINANCIAL GAIN £139.32**

Conclusion:

Once again there is no option to remain static; Julia and Ethel need to take action. We see again the principle of work, if possible, being the best option. If Julia gets a full time job she is significantly better off. However to achieve this outcome it is highly likely that Julia will need support, not only to find and apply for a job but travel will also be an issue in rural Devon. Ethel meanwhile may lose her disability living allowance as a result of a change in her health prompting a reassessment and application for PIP. This is an aspect of the changes that the task group have heard anecdotal evidence to suggest that many people are concerned about.

In addition to the personal circumstances sketched here, the 'worst case scenario' would also entail a duty on the local authority to provide care to Ethel. Many of the changes to benefit may put additional financial pressure on social care provided by the local authority.

Changes: Universal Credit

What does this mean?

Universal Credit is a new, single, monthly payment for people who are on a low income. Universal Credit is a major feature of the Welfare Reform Act. It aims to encourage independence and simplify the benefits system by bringing together a range of working-age benefits into a single streamlined payment. It will replace:

- Income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

When does this start?

Pathfinders in April 2013 then phased transition completed by 2017.

Case study 3: Angela, Ryan and Josh

A fictional model based on real cases to model the impact of welfare reforms and the introduction of Universal Credit on a single parent family with two children

In this scenario we are working on the assumption that Angela is moved over to Universal Credit during October 2013. Although we believe that people in Angela's position will not be moved over to Universal Credit until much later, possibly 2015.

Scenario

Angela is a single parent aged 34. She has two sons, Ryan (aged 8) and Josh (aged 4) and she does not work. The family live in a 3 bedroom Housing Association house in East Devon and this costs £150 per week to rent. The property has a liability for Council Tax of £30 per week. Due to her circumstances these liabilities are currently met by full housing and council tax benefit.

Angela has been notified of a number of changes to her current entitlement. From April 2013, the local authority will reduce her Council Tax support to a maximum of 75%. When Josh reaches age 5, in October 2013, Angela will have to be available for work. In addition, the 'bedroom tax' will apply as same sex siblings are expected to share a room up until the age of 16. Under these arrangements Angela will be advised that she is 'under-occupying' her house, meaning her Housing Benefit will be cut by 14%. Whilst she can stay in her home she will have to make up the shortfall.

Under Universal Credit Angela will move from receiving money on a weekly basis to a monthly payment in arrears. The projected entitlement is therefore a monthly rather than weekly amount. From this Angela will have the new responsibility of paying her landlord for her rent and her local council for her council tax and will need to manage her money on a monthly rather than weekly basis.

Current entitlement	£weekly	Projected entitlement	£monthly/weekly
Income support	71.00	UC Standard Allowance	311.55 pm
Child Tax Credit	113.68	Child (eldest)	272.08 pm
Housing Benefit	150.00	Child	226.67 pm
Council Tax Benefit	30.00	Housing element	559.00 pm
Child Benefit	33.70	Total UC monthly amount	1369.30 pm
		Weekly amount	315.99 pw
		Child benefit	33.70 pw
		Council Tax Support	22.50 pw
Total	£398.38pw	Total weekly amount	£372.19

Difference of -£26.19 per week

There are three possible outcomes for Angela and her family:

Worst case outcome	Better case outcome?	Best case outcome?
<ul style="list-style-type: none"> •Angela continues to stay at home with the children •She must now report to the DWP about efforts to find work •If DWP do not feel that she is making sufficient efforts to find work they can reduce or stop UC payments •Angela is in rent and council tax arrears as she didn't realise she had to pay this from her UC <p>• FINANCIAL LOSS £26.19 pw</p>	<ul style="list-style-type: none"> •Angela receives support to review her financial situation and find work • She gets a job for 16 hrs pw and it pays £6.19 per hour •A relative looks after the children when she is at work • FINANCIAL GAIN £59.29 pw 	<ul style="list-style-type: none"> •Angela receives support to review her financial situation and find work •She gets a job for 35 hrs pw paying £6.19 per hour •A relative looks after the children when she is at work • FINANCIAL GAIN £85.53 per week

Conclusion:

Angela's is a more complex case than the previous two case studies, albeit one that many families are likely to experience. Here we see the impact of a significant number of welfare changes which are likely to affect her and her family.

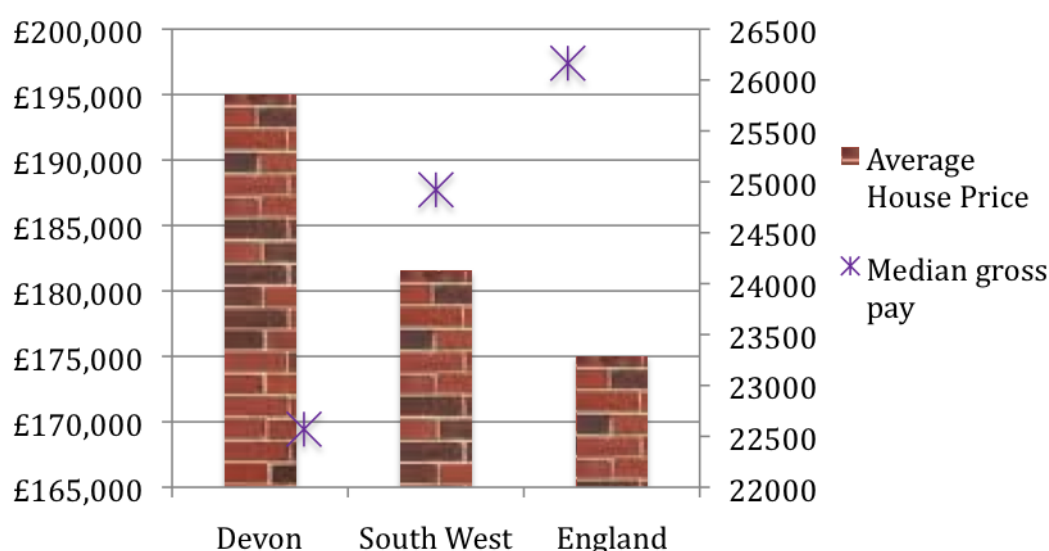
Angela is likely to need help to prepare before she transfers to UC, in particular she will need to understand what her money is for and how she pays things like rent, as her landlord will no longer be directly paid on her behalf. For her to understand what the changes will mean for her and her family is likely to require a significant degree of support. Particularly since she will now receive a monthly payment, rather than her current weekly one. Angela is also dependant upon receiving free childcare from a relative, if something changes this situation her living costs will significantly increase.

Once again we see the benefits of working. However Angela will need to explore the best options for her against a complex web of changes, she will need support to do this. Again the worst case scenario is likely to place additional pressure on the local authority.

4. Consequences in Devon

- 4.1. There are common themes emerging from the case studies:
- ❖ Work pays – in each scenario people are better off if they are in paid employment, and the more paid employment they can find, the better off they are.
 - ❖ There is the opportunity to move away from welfare dependency but the right sort of support at the right time is absolutely essential.
 - ❖ If people do not receive support into employment or to continue to claim benefits there is a real possibility of falling into financial hardship.
- 4.2. The message for local authorities is that the local landscape has to provide adequate opportunities for individuals to make the most of the incentives built into the welfare system. Incentivising people to move into employment will only succeed if there are an adequate number of jobs. Likewise reducing financial support for people living in larger dwellings can only work if there are enough smaller, cheaper properties for people to occupy. The media have been particularly vocal about the difficulties associated with lack of suitable housing.⁶
- 4.3. Devon is a large, rural County with a low average wage and high housing costs. The ratio between house prices to earnings was 9.2 compared with 6.7 across England (this means the average house is 9.2 times the average salary in Devon)⁷. This differential between housing costs by region and salary is demonstrated on the graph below. The left Y-axis shows house price and the average for Devon is significantly higher than either the South West as a whole, or the average for England, including London. The right Y-axis demonstrates the average gross pay, which is clearly lower for Devon.

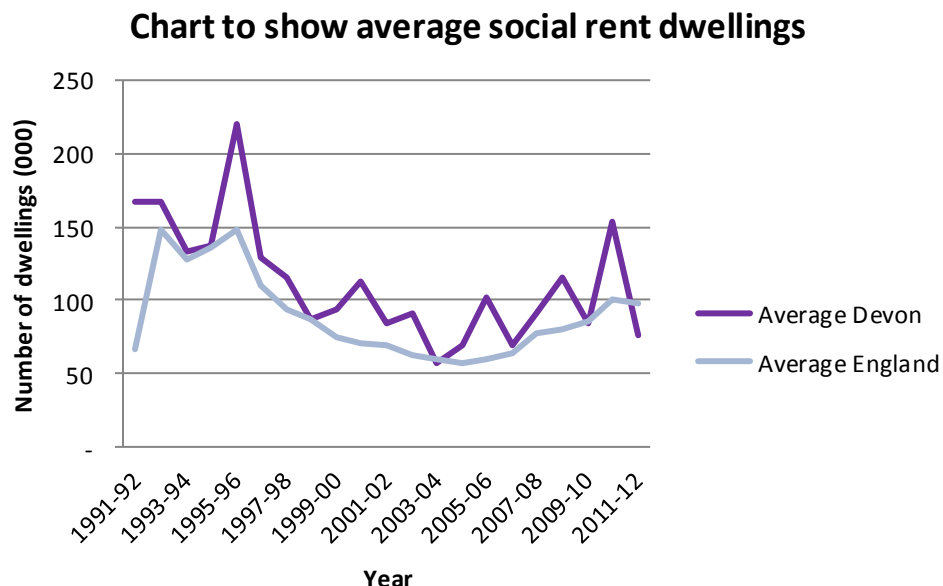
Chart to show relationship between house prices and salary 2012



⁶ Guardian, 'welfare reform bedroom tax policy that has no logic' <http://www.guardian.co.uk/society/patrick-butler-cuts-blog/2013/jan/16/welfare-reform-bedroom-tax-policy-that-has-no-logic> accessed on 5th March 2013

⁷ South West Observatory, Devon, local profiles 2012, <http://www.swo.org.uk/local-profiles/devon/?locale=en> accessed on 5th March 2013

- 4.4. Currently there are somewhere in the region of 340,000 households in social rented accommodation throughout Devon, and of course others in private rental. The chart below shows the average number of social rental dwellings per district/local authority area. When Devon is compared with the rest of the country it generally has a slightly higher number than the average, this might be because of this high costs of housing in Devon. However the figure falls going into 2012/13 and the most recent figures are not yet available.



8

- 4.5. Based on the data above it is likely that people on benefits in Devon are likely to have significant challenges facing them, even if they are successful in securing employment. The Joseph Rowntree Foundation has proved the link between poverty and high accommodation costs.⁹ Unemployment figures are marginally lower in Devon when compared with the rest of the South West; this is unlikely to be statistically significant.
- 4.6. There can be a successful route for people to navigate the changes in welfare with adequate, timely support and access to opportunities. The role of local organisations is going to be crucial to support this to happen. There are a number of large, national organisations that will be instrumental in providing support. Citizen's Advice Bureaux are well placed in communities and already offer significant advice and support; their role cannot be underestimated. The task group have heard that these organisations are already facing significant challenges, yet they are the experts who will have to navigate the three phases of welfare reform: the current system, the on-going transition; and the full implementation of Universal Credit.
- 4.7. Small community organisations such as St Sidwell's Community Centre in Exeter are also likely to have a vital part to play. The task group has heard that many of the vulnerable people who come to the community centre receive advice and support from the peers they meet there. Potentially leading to Chinese whispers which may provide misinformation. The job centre is literally across the road but many won't go there because it is perceived is a world away. Reaching the most vulnerable

⁸ ONS data set updated Nov 2012

⁹ Joseph Rowntree Foundation, 'The links between housing and poverty' February 2013
<http://www.jrf.org.uk/sites/files/jrf/poverty-housing-options-summary.pdf>

people may well become harder, and the involvement of small groups within communities is vital.

Recommendation 2: Partners

- I. Share the learning of this task group/raise the profile including the questions about the introduction of Universal Credit and concerns over the impact of reforms.
- II. Endorse the work of the Devon Strategic Partnership (DSP) in developing a local approach to support the implementation of welfare reform
- III. Ask that the DSP welfare advisory group consider and respond to the LGA's local support services framework document.
- IV. Develop the role of this group to support the implementation of proposals in the local support services framework.

Recommendation 1: Government

- III DWP to recognise the value and importance of local community groups and the third sector

- 4.8. As a last resort, Local Authorities will have some funding available to help people who are in crisis, see box below. However this funding is limited and only available as a safety net.

Changes: Localised Welfare support

What does this mean?

The County Council and other upper tier local authorities will receive limited funding to develop local welfare support schemes. In Devon this funding will be administered by the District Councils to achieve three outcomes:

- Improve self reliance and resilience
- Support those experiencing a short term crisis
- Support vulnerable people to remain or establish themselves in the community.

When does this start?

April 2013

- 4.9. The task group believe that this fund of £30 million to be spread across all authorities will simply not offer sufficient support in light of the many changes.
- 4.10. The task group feel strongly that while it is the Department for Work and Pensions who is mainly responsible for the introduction of these changes, it will be local authorities, voluntary organisations that will feel the impact. The government therefore must ensure that local authorities and voluntary organisations have the necessary support to prepare communities and guide individuals through the changes.

Recommendation 1: Government

Aim: Central Government to recognise and articulate the role of Councils in the introduction, implementation and adequate funding of welfare benefit reforms

- I. Lobby activity on behalf of DCC and the DSP
- II. Task Group report to be sent to all Devon MPs, The Local Government Association, The County Councils Network and District Councils

5. Passported benefits

- 5.1. Against the backdrop of all of the changes in welfare benefits, the task group have particularly looked at Passported benefits. A 'passported benefit' is the term used to describe a benefit that someone is automatically entitled to if they are already in receipt of another benefit. They tend to offer targeted support to achieve a specific outcome. An example of this type of benefit is free school meals. If a family is in receipt of Income Support, or other benefits, they are entitled to receive free schools meals with no additional application or forms to fill in.
- 5.2. Under the current system a person is entitled to a particular passported benefit if they are already entitled to a means-tested benefit or tax credit. This is not straightforward. Some benefits confer some passported benefits, whilst others do not. In some cases the number of Passported benefits claimants enable organisations to claim different passported benefits (for example the number of free school meals at a school attracts pupil premium funding).
- 5.3. The task group had struggled to find a comprehensive list of passported benefits, so they have made their own (Appendix 1). However ascertaining the numbers of people enjoying each passported benefit has proven a task beyond this paper; despite seeking figures from a number of agencies there is little data on the numbers that claim each benefit. The figures are available for the number of people who claim the entitlement benefit, such as Income Support. However it is known that many people claim more than one benefit so there is no way to avoid double counting.
- 5.4. For an individual to currently access a passported benefit an organisation simply needs to check that an individual or family is entitled by looking at their benefit. For example an individual can apply for an exemption form for prescription costs if he is on Income support. Although the current system is complicated, once entitled, it is straightforward to claim.
- 5.5. With the introduction of Universal Credit the situation may not be so clear. Universal Credit is an in and out of work benefit. The task group understands that there will be no breakdown of the amount received in Universal credit (e.g. how much for housing etc), it will only be a lump sum paid monthly. So the question arises – who will be entitled to passported benefits? And how will they prove their eligibility?
- 5.6. The task group has heard that to maintain coverage for all the people who are currently entitled to particular passported benefits and only them is practically impossible.

In May 2011, the Department for Work and Pensions commissioned the Social Security Advisory Committee (SSAC) to undertake an independent review of

passported benefits and how they link with Universal Credit¹⁰. The Department asked the SSAC to review the evidence on passported benefits, consider how recipients and the extent to which they impact on the incentive to work and to provide advice on how they should be considered in future value them. The various passported schemes are likely to continue because of their value:

'The overwhelming message from our review is that the provision of school meals as a benefit in kind is critically important, highly valued by educationalists and families alike and a key element within the benefits system which respondents said should be protected...'

DWP; The SSAC review: passporting to the future, March 2012 pg71

- 5.7. To date the government has not issued guidelines or legislation on how passported benefits will be administered, or who will be entitled. The report only gives guiding principles. This is of particular concern to local authorities and other agencies who cannot budget or put adequate provision in place.

'Any option for the future should:

- Promote simplicity
- Avoid limiting eligibility in order to retain cost neutrality
- Avoid cliff edges
- Keep administrative costs to a minimum
- Make it as easy as possible to identify potential entitlement, make and process applications, and demonstrate and verify eligibility
- Consider how rapidly advancing technology might reduce administration costs and streamline process for claimants and delivery agents'

- 5.8. One of the principles of the guidance is that there should not be 'cliff edges' where up to a specific point support is available and then crossing a line means that it is not. However this is a difficult concept with Passported benefits. With the introduction of Universal Credit some people may be brought into a system that previously they were not entitled to, whilst others may be taken out.
- 5.9. At face value individual Passported benefits look like small amounts of money, the cost of a free prescription is £7.65, however combined with other Passported benefits, these add up quickly. The task group has spoken to a number of individuals and agencies, many of whom are unsure about how the system may work in the future as there will be no breakdown in Universal Credit about how the total sum is arrived at.
- 5.10. There are some agencies that are working on proposals, the current WaterSure programme is offered by water utilities companies to householders who are on benefits; DEFRA has consulted on whether to include all Universal Credit claimants

¹⁰ DWP: Report by the Social Security Advisory Committee and response by the Secretary of State for Work and Pensions Universal Credit: the impact on passported benefits, Published March 2012: <http://www.dwp.gov.uk/docs/ssac-rev-of-pass-bens.pdf>

within the scheme. This is interesting as at first glance it would appear that many more household would then be entitled. For this particular scheme other limitations apply, needing to have a water meter and three children limits the potential claimants so demand is unlikely to become overwhelming.

- 5.11. Very interestingly the pathfinder areas for Universal Credit are including free health related Passported benefits for all claimants. Meaning that all people on Universal Credit will be entitled to free prescriptions, free dental treatment, free wigs and fabric supports, free sight tests and help to travel to receive healthcare: <http://www.nhs.uk/NHSEngland/Healthcosts/Pages/universal-credit.aspx>. The task group believes that it is highly unlikely that when implementation of Universal Credit is rolled out across the Country that these passported benefits will be available to all claimants.
- 5.12. The fact that the government will not be testing the passported arrangements for health benefits in the pathfinder areas at this time is a cause for concern. This will mean that there is less time to ensure that passported arrangements are fit for purpose before organisations will be required to provide them.

6. Unintended Consequences of Welfare Reform

- 6.1. The legislation and wide scale reform introduces a fundamental ideological shift in thinking about welfare. The presumption is that people of working age should be aspiring to find paid employment. The moribund state of the current system with its multifaceted web of interrelated benefits is overly complex; it is the tangled nature of the current system that makes unintended consequences of change more likely.
- 6.2. The principles of the reform, as already outlined are simple; reduce complexity and to make work pay. More than any other aspect of change these principles are expounded in the introduction of Universal Credit. However the task group have heard that people are beginning to get anxious about what the changes might mean for them. Citizen's Advice anticipates significant increase in demand, compounded with changes to the Legal Aid arrangements and a subsequent reduction in funding.
- 6.3. The definition of who is vulnerable is not fixed, it could include young professionals who have been made redundant and those in work as detailed above. There are also anticipated problems in the transition to monthly payments from those who have been used to receiving weekly payments. Some support is available in the form of budgeting loans but this is only an interim support measure. The task group believes it is highly likely that the changes to the welfare system and some additional barriers such as 'digital by default' will mean more people will be vulnerable and require some assistance.

Recommendation 3: Devon County Council

- II The County Council to internally set up a group to identify what is the most appropriate and useful support and how this can be implemented to enable successful outcomes for people and communities in Devon.
- VI The Health and Wellbeing Board to take account of the impact of reforms in their strategic planning because of the impact of reforms on physical and mental health.

- 6.4. The task group also has concerns about greater potential for financial abuse with the move to one payment to each household. This means that for a family of four with two children, one person will receive the total benefit. This sum will also be paid monthly, not weekly as most currently are. The thinking behind this move is to replicate the situation where people receive a monthly paycheck.
- 6.5. These policies may be positive developments for those who are already managing their budget successfully; however for many this is likely to be difficult. The task group has heard from the Citizens Advice Bureaux about individuals, some with families, who suffer with addiction and the temptation of a significant sum in their bank account, may prove too much. The task group has no way of estimating the numbers who will successfully jump the initial hurdle of a monthly payment when they are used to a weekly one, or for the potential of financial abuse within relationships. Whilst the government has already recognised the danger of financial

abuse, the task group would like to see further measures to help prevent women and children being at greater risk of abuse¹¹.

Additional Administrative burden

- 6.6. Many of the changes to the welfare system have been designed to simplify the system and to enable navigation through the tangled web of who is entitled to what. However the task group have concerns that whilst making the system appear simpler to those who are administering it centrally, the outcome may be that local authorities and partners face significant technical and therefore financial burdens. This is particularly evident for passported benefits, where the current system clearly shows if an individual is entitled or not. Under Universal Credit it remains unclear how eligibility will be established and proven.
- 6.7. Changes to Passported benefit eligibility criteria will have much wider ramifications than only the loss of the benefit felt by the family. Local Authorities are particularly going to feel this effect when they have to develop and administer a new process. It is unclear whether the Government will make the 'New Burdens' funding available to cover the cost of additional administration.

Digital by Default

- 6.8. Large parts of Devon are not served by a comprehensive broadband network at this point in time; many others do not have a home computer. Approximately 25% of those who do have access have very poor broadband speeds. To gain access to apply for benefits people will need to find a computer that they can use to complete the application process.

Changes: Digital by Default

What does this mean?

The government has the expectation that 80% of all new claimants will complete the process of application online. If claims are made erroneously or contain mistakes there may be a financial penalty of £50.

When does this start?

With the introduction of Universal Credit

- 6.9. One way that people will be able to get online is at their local library. There are 50 libraries in Devon with around 500 computers available for the public to use. 16 of the larger libraries also now offer a free Wi-Fi service. Last year, there were over 450,000 computer sessions in libraries and over 35,000 Wi-Fi sessions. Wi-Fi usage in libraries is experiencing significant growth with an increase of 57% in the past year.
- 6.10. Currently library computers are used to search for work; apply for jobs; apply for social housing via the Devon Home Choice initiative and search for a whole range of other government information. The task group has heard that in the past 2-3 years, the service has noted a significant increase in the numbers of more vulnerable people, who not only lack access to the Internet at home, but who also lack basic literacy skills to enable them to use the Internet effectively. In addition library staff

¹¹ BBC, Minister's domestic abuse warning about welfare reforms <http://www.bbc.co.uk/news/uk-wales-politics-19994916>

are assisting a younger profile of people to get online for the first time, typically these are people who have to look for work after redundancy.

- 6.11. Access to a computer alone is not enough. Estimates are suggesting that it is taking in the region of 90 minutes to apply for benefits online. People who are unfamiliar with technology are likely to take significantly longer and need dedicated support. The role of the library as a gateway to government digital engagement is increasing at the same time as council budgets are being cut.
- 6.12. The task group commends the proactive approach the library service in Devon has taken to prepare people for work and for changes to the benefits system. In particular the network of 12 Work Clubs in conjunction with partners to provide free support for job seekers. The task group particularly welcomes the 'Free Fridays' initiative currently being piloted in Ivybridge, Ilfracombe and Tiverton, where people can access the library service for free for a specific amount of time.
- 6.13. Libraries are places for information, access to learning and for self-development. They are places where people feel safe, welcome and which are not 'institutionalised' in the way that a Job Centre or Benefits Office may be. In a recent survey, librarians were second only to doctors in terms of the trust with which they are held by members of the public. One of the unintended consequences of 'digital by default' could be that library staff may be seen to be, by default, the face of the Government in local communities. If individuals have a negative experience of having a benefit payment withdrawn or reduced, for example, there is a potential risk that library staff will find themselves in difficult situations, having to carefully manage the behaviour of people who may be aggravated or depressed. This is already happening to some extent and the acceleration of welfare reform changes significantly increases the risk of staff having to manage anti-social behaviour. There will need to be appropriate support and training for staff in managing this changing demand.

Recommendation 3: Devon County Council

- III To commend the positive work being carried out in libraries across Devon and for Cabinet to make provision to ensure that this continues in some mitigation of the 'Digital by Default' policy.

Children's Services

- 6.14. Lambeth children's services have produced a report that estimates the total cost of the reforms to children's services provided by the council alone to be somewhere in the region of £1.2 - £2million. This is an estimate considering more families moving into poverty, an increase in debt and housing insecurity, disruption to education, and a contraction in entitlements¹².
- 6.15. The task group also has concerns about future pressures on the local authority. The task group has heard that to design a system to capture the entitlements that would theoretically include all children in Devon who currently receive school meals would be impossible. The children currently in the system will be unaffected; if they have

¹² Lambeth Council, Children and Young People's Service Scrutiny Sub-Committee Welfare Reform – Impact on children, young people and families
[http://www.lambeth.gov.uk/moderngov/\(S/vl3kfq45ghjispz45h4fzjjes\)\)/documents/s49886/05%20-%20Welfare%20Reform%20Report.pdf](http://www.lambeth.gov.uk/moderngov/(S/vl3kfq45ghjispz45h4fzjjes))/documents/s49886/05%20-%20Welfare%20Reform%20Report.pdf) 17 October 2012

already been assessed as eligible they will maintain the entitlement. It is the new entrants to the system who will claim Universal Credit who will encounter a different system.

- 6.16. In some schools in Devon the percentage that are entitled to free school meals can be as high as 35%. For each child in receipt of free school meals the school will receive, as of September 2013, £900. If there is a change to the number of children who receive free school meals in the future there is likely to be a resulting shift in funding for the school.
- 6.17. The Children's Society is currently mounting a campaign to develop provision for all children whose families will be in receipt of Universal Credit to be entitled to free school meals. This would cover a greater number of families than are currently entitled. However it would make administration very straightforward¹³.

Recommendation 3: Devon County Council

- IV To support the Children's Society campaign to provide free school meals to all families on Universal Credit.
- V The County Council to closely monitor the anticipated increase in demand for adult and children's services

Housing

- 6.18. There are a number of changes that are likely to affect housing security; Landlords will no longer be directly paid. Instead this money will be paid to the individual as part of the sum paid monthly. The concurrent moves to a monthly payment and paying individuals directly will in some cases lead to non-payment of rent and rent arrears. This in turn may increase stigma on those who are on benefits and would like to rent in the private sector. There are already many properties available for rent that will not accept tenants who are on DSS. If there is a significant rise in rent arrears the stigma is likely to increase. In turn this may put even more pressure on an already stretched social housing supply.
- 6.19. The task group are aware that a disproportional amount of disabled people will be affected by the bedroom tax: '...almost two thirds of the households affected will contain someone that has a disability'¹⁴. Some of these houses have special adaptations to enable the individuals to live there. If they are forced to move different properties will have to have these adaptations at additional cost. This cost may well fall to the local authority.
- 6.20. For single people under 35, without dependents, the maximum amount of housing benefit will be based on renting a room in a shared house. This is likely to be much less than the amount needed to rent a flat. This may well change the complexion of the private rental sector with demand in specific areas increasing.
- 6.21. Challenges are not limited to the rental sector. Under the current system some people get the interest on their mortgage paid because they are entitled to certain benefits. Under Universal Credit this amount will be included in the lump sum

¹³ Children's Society report: Fair and Square policy briefing
http://www.childrenssociety.org.uk/sites/default/files/tcs/fair_and_square_policy_report_final.pdf

¹⁴ New Statesman, 'Five Stories', the harsh realities of the government's bedroom tax'
<http://www.newstatesman.com/politics/2013/02/harsh-realities-governments-bedroom-tax> 11th March 2013

payment. If an individual also works at all this element is lost. The higher earnings disregard means that people will have to earn at least as much or more than their mortgage interest to be better off working. This seems to go directly against government policy which is to 'Make work Pay' by ensuring that people are better off by working.

Debt

- 6.22. With the myriad of changes explored so far there is an increased risk of people getting into debt. There are two types of credit that are of concern, illegal lending, and the legal practice of high cost 'payday' lending. Unlicensed credit or loan sharks— individuals/organisation that are not registered with the office for fair trading, and may be conducted through door-to-door lending. This is often accompanied by threats and violence as well as extortionate credit rates. This type of lending is illegal but is often difficult to identify.
- 6.23. The Illegal Money Lending Team is a national organisation set up to tackle this crime. In the past year the team has visited Devon but has not found conclusive evidence of illegal money lending. This type of evidence is typically very difficult to find, as victims are unlikely to come forward because of the threats of violence.
- 6.24. The other type of concern is payday loans. These are high cost loans typically for small amounts of money. They are advertised extensively on television, usually during the day and have extortionate interest rates – sometimes up to 3,000%. This is justified by the loans being designed for short periods (a month) and for small amounts of money (up to £1,000). The individuals taking out these loans will generally have poor credit ratings. The calculated risk to the lender is therefore used to justify the staggeringly high interest.
- 6.25. There are 240 organisations that offer this type of credit none are based in Devon. The Office for Fair Trading undertook research into the people who had taken out such loans, 50% couldn't repay the loan in the required time and 70% regretted taking it out. It is relatively easy for this type of lending to spiral out of control.
- 6.26. By their very definition these types of credit are taken up by people who are desperate and do not have other options. It is expected that the changes to the Welfare Benefits system will lead to more people becoming reliant on pay day lenders or other forms of short term credit. Credit Unions may be a solution, where they are available. There are also other local initiatives to increase awareness and educate consumers including weekly slots on radio Devon.
- 6.27. At the time of writing this report the Office for Fair Trading has published a report on pay day lending:

'OFT is giving the leading 50 payday lenders, accounting for 90 per cent of the payday market, 12 weeks to change their business practices or risk losing their licences, after it uncovered evidence of widespread irresponsible lending and failure to comply with the standards required of them.'

The OFT has also today announced that, subject to consultation, it proposes to refer the payday lending market to the Competition Commission after it found evidence of deep-rooted problems in how lenders compete with each other.¹⁵

¹⁵ Office of Fair Trading, Press Release 6th March 2013 'OFT acts against leading payday lenders and proposes to refer the sector to Competition Commission' <http://www.oft.gov.uk/news-and-updates/press/2013/20-13>

Trading Standards

- 6.28. Access to credit is one issue emerging from the Welfare Reform Act, however the Trading Standards Team expects that there will be significant other ramifications relating to the rise in activity of the informal economy including increases in the following:
- ❖ Semi-legal buying door to door of smuggled goods, entertainment, alcohol,
 - ❖ Illegal imports
 - ❖ Counterfeit products (e.g. recent case of methanol being sold in vodka?)
 - ❖ Fronting for criminals
- 6.29. There may be an increase in buying substandard products. If benefits reduce cheaper alternatives are likely to become more attractive. Cheaper, less nutritionally beneficial food may be even more attractive. There has already been an unprecedented rise in food banks. Product safety may be compromised if people are seeking cheaper alternatives on the Internet.

Recommendation 3: Devon County Council

- I As part of member induction, all to receive training on understanding the changes to Welfare Benefit and facilities to enable signposting of people in need.
- VII Scrutiny to undertake further work on welfare reform after the elections, using the questions posed at the end of this report as a starting point.

7. Conclusion

- 7.1. The scrutiny task group have conducted a very short task and finish group to look at the unintended consequences of the raft of changes being made to the welfare benefits system. This report summarises the main changes and the task group has considered how they might affect the people of Devon and the organisations that support them. It is important to include the caveat that the consequences in this report in no way offer an exhaustive discussion of all possibilities.
- 7.2. The principles of making the system simpler to understand and ensuring that if people work they will be better off are accepted across the political spectrum. However it is the precise detail of how these changes will be implemented that concerns the task group. The legislation represents ideological policy; this is not rooted in a developed evidence-based examination.
- 7.3. The task group have taken an evidence-based approach whilst navigating a politically neutral course. The conclusion is that local authorities and other local organisations are going to be called upon by vulnerable people for help. To prepare for this will require using every possible avenue to enable the landscape of the Devon economy to provide opportunities. Fundamentally though people's success will rely upon the support agencies.
- 7.4. Local Authorities and voluntary organisations have been operating for some time in a climate of severe budget reductions. To undertake additional work to add to or develop support for those that will need it will require careful planning and significant resources. The potential consequences of failing to meet the challenge to help those who are vulnerable are both social and financial. It is likely to cost the welfare state and whichever tier of government more in the long term if this support is not available.

8. Questions

- Who will be entitled to passported benefits?
- How will they be administered after the introduction of Universal Credit?
- How will Universal Credit change eligibility criteria?
- How will claimants prove their eligibility, particularly if everything is carried out online?
- How will local authorities know who is entitled to passported benefits?
- In Devon what specific issues will there be over rural access to the internet?
- In Devon what will be the impact and cost of the 'Digital by Default' agenda?
- Where Pathfinder areas have included Universal Credit as a qualifying benefit for Passported benefits (such as free prescriptions) have the numbers significantly increased?
- What role can the Local Economic Partnership play in stimulating conditions conducive to supporting people into employment?
- How much will the welfare reforms cost the people of Devon?

9. Evidence

The task group would like to place on record their particular thanks to **Sue Rook**, Services for Communities, DCC who has made a significant contribution to the task group understanding and knowledge of the subject matter.

The task group would like to individually thank the following expert witnesses for contributing to the work:

Witness	Representing
Jenny McNeil	Assistant Director of Strategic Development, NHS Devon
Councillor Roger Croad	Cabinet Member for Environmental and Community, DCC
Vince Willson	Devon Welfare Rights Unit, Citizen's Advice Bureaux
Sally Kittle	DWP/Job Centre +
Ciara Eastell	Head of Library Services, DCC
Rose Doran	Senior Adviser, Local Government Association
Peter Greene	Trading Standards DCC
Dave Wright	Trustee, St Sidwells community centre

In addition a number of individuals gave information and assistance behind the scenes, the task group would like to thank the following:

Witness	Representing
Sue Clarke,	Head of Education and Learning
Pip Tucker	Insight and Intelligence
Shaun Carter	Insight and Intelligence

Bibliography

- Children's Society report: Fair and Square policy briefing
http://www.childrenssociety.org.uk/sites/default/files/tcs/fair_and_square_policy_report_final.pdf
- Devon Strategic Partnership: No Door is the Wrong Door, a local route out of poverty, 2010
- DWP: Consultation response to 21st century welfare:
<http://www.dwp.gov.uk/docs/21st-century-welfare-response.pdf> Published November 2010
- DWP: Report by the Social Security Advisory Committee and response by the Secretary of State for Work and Pensions Universal Credit: the impact on passported benefits, Published March 2012: <http://www.dwp.gov.uk/docs/ssac-rev-of-pass-bens.pdf>

- Guardian, 'welfare reform bedroom tax policy that has no logic'
<http://www.guardian.co.uk/society/patrick-butler-cuts-blog/2013/jan/16/welfare-reform-bedroom-tax-policy-that-has-no-logic> accessed on 5th March 2013
- Joseph Rowntree Foundation, 'The links between housing and poverty' February 2013 <http://www.jrf.org.uk/sites/files/jrf/poverty-housing-options-summary.pdf>
- Labour Party: *Labour's compulsory jobs guarantee for the long-term unemployed*, 4th Jan 2013 <http://www.labour.org.uk/labours-compulsory-jobs-guarantee,2013-01-04>
- Lambeth Council, Children and Young People's Service Scrutiny Sub-Committee Welfare Reform – Impact on children, young people and families
[http://www.lambeth.gov.uk/moderngov/\(S/vl3kfq45ghjzp45h4fzjjes\)\)/documents/s49886/05%20-%20Welfare%20Reform%20Report.pdf](http://www.lambeth.gov.uk/moderngov/(S/vl3kfq45ghjzp45h4fzjjes))/documents/s49886/05%20-%20Welfare%20Reform%20Report.pdf) 17 October 2012
- Office of Fair Trading, Press Release 6th March 2013 '*OFT acts against leading payday lenders and proposes to refer the sector to Competition Commission*'
<http://www.oft.gov.uk/news-and-updates/press/2013/20-13>
- Social Justice Policy Group, Centre for social justice: report on economic dependency and worklessness, 2007
http://www.centreforsocialjustice.org.uk/UserStorage/pdf/Pdf%20reports/BB_economic.pdf
- South West Observatory, Devon, local profiles 2012, <http://www.swo.org.uk/local-profiles/devon/?locale=en> accessed on 15th March 2013
- The Welfare Reform Bill
<http://www.publications.parliament.uk/pa/cm201011/cmpublic/welfare/memo/wr68.htm>
- Welfare reform regulations and policy briefing notes
<http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-act-2012/welfare-reform-regulations/>
- White paper 'Universal Credit: welfare that works'
<http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/universal-credit/>
- New Statesman, '*Five Stories*', *the harsh realities of the government's bedroom tax*'
<http://www.newstatesman.com/politics/2013/02/harsh-realities-governments-bedroom-tax> 11th March 2013

10. Task Group Membership

Membership of the Task Group was as follows:

Councillors Andrew Moulding (Chair), James McInnes, Richard Westlake, Sam Robinson, Saxon Spence and Vanessa Newcombe.

11. Contact

For all enquiries about this document or its contents please contact

Camilla de Bernhardt, Camilla.de.bernhardt@devon.gov.uk 01392 383143

Corporate Services Scrutiny Committee

Appendix 1: List of Passported Benefits

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
<ul style="list-style-type: none"> Income support Income-based Jobseeker's Allowance Income-related Employment and Support Allowance Child Tax Credit with annual income < £16,190 Support under part VI of the Immigration and Asylum Act 1999 The Guarantee element of State Pension Credit 	Pupil Premium	DfE	£900	DfE
<ul style="list-style-type: none"> Income support Income-based Jobseeker's Allowance Income-related Employment and Support Allowance Child Tax Credit with annual income < £16,190 Support under part VI of the Immigration and Asylum Act 1999 	Free early education for disadvantaged 2 year olds	provider	£60 a week (guestimate)	DfE
<ul style="list-style-type: none"> Income support Income-based Jobseeker's Allowance Income-related Employment and Support Allowance Child Tax Credit with annual income < £16,190 Support under part VI of the Immigration and Asylum Act 1999 The Guarantee element of State Pension Credit 	Free school meals	Eligibility administered by LA, school makes provision for meals	£367	DfE
<ul style="list-style-type: none"> Income support Income-based Jobseeker's Allowance Income-related Employment and Support Allowance Child Tax Credit with annual income < £16,190 	Cost of residential school visits	Local Authority	varies	DfE

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
<ul style="list-style-type: none"> • Pupils in Reciept of Free School Meals • Parents in reciept of maximum working tax credit 	provision of free school transport where attending of of the 3 nearest schools between 3 and 6 miles of the home address	Local Authority	£250	DfE
<ul style="list-style-type: none"> • Pupils in Reciept of Free School Meals • Parents in reciept of maximum working tax credit 	Free school transport to nearest faith school where it is between 3 and 15 miles of home address	Local Authority	varies	DfE
Schools and colleges set their own criteria	Educational Grants, e.g. Adult discretionary learner support funds	School/college	varies	

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
<ul style="list-style-type: none"> • Income support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • The Guarantee element of State Pension Credit <p>People and their partner receiving the following Tax credits are eligible if their income is below a threshold amount – currently £15,276 gross taxable</p> <ul style="list-style-type: none"> • Working tax credit with a disability or severe disability element • Child Tax Credit with Working Tax Credit • Child Tax Credit <ul style="list-style-type: none"> • Income support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • The Guarantee element of State Pension Credit <p>People and their partner receiving the following Tax credits are eligible if their income is below a threshold amount – currently £15,276 gross taxable</p> <ul style="list-style-type: none"> • Working tax credit with a disability or severe disability element • Child Tax Credit with Working Tax Credit • Child Tax Credit 	Health costs: free prescriptions/eye tests/ dental care/wigs	provider		DH

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
<ul style="list-style-type: none"> • Income support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • The Guarantee element of State Pension Credit <p>People and their partner receiving the following Tax credits are eligible if their income is below a threshold amount – currently £15,276 gross taxable</p> <ul style="list-style-type: none"> • Working tax credit with a disability or severe disability element • Child Tax Credit with Working Tax Credit • Child Tax Credit 	Healthcare Travel Costs	DH		DH
<p>Supports pregnant women, new mothers, and children under four whose families are in receipt of:</p> <ul style="list-style-type: none"> • Income support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • The Guarantee element of State Pension Credit <p>People and their partner receiving the following Tax credits are eligible if their income is below a threshold amount – currently £15,276 gross taxable</p> <ul style="list-style-type: none"> • Working tax credit with a disability or severe disability element • Child Tax Credit with Working Tax Credit • Child Tax Credit <p>Income support</p> <ul style="list-style-type: none"> • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • The Guarantee element of State Pension Credit <p>People and their partner receiving the following Tax credits are eligible if their income is below a threshold amount – currently £15,276 gross taxable</p> <ul style="list-style-type: none"> • Working tax credit with a disability or severe disability element • Child Tax Credit with Working Tax Credit 	Healthy start vouchers and vitamins	DH	£161.2 - £322.4	DH

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
<ul style="list-style-type: none"> • Child Tax Credit 				
<ul style="list-style-type: none"> • Income support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • Child Tax Credit at a rate higher than the family element • Working Tax credit where a disability or severe disability element is included in the award 	Sure Start Maternity Grant	DWP	£500	DWP
<ul style="list-style-type: none"> • Pension Credit • Income Support • Jobseeker's Allowance (Income-based) • Employment and Support Allowance (Income related) 	Legal Aid	MoJ	advice from legal advisor	MoJ
<ul style="list-style-type: none"> • Income Support • Employment and Support Allowance (income related) • Income-based Job-Seeker's Allowance • Pension Guarantee Credit element of State Pension Credit • A combination of Working Tax Credit and either Child Tax Credit, Disability Element Working Tax Credit or Severe Disability Element (within the Working Tax Credit). This does not include Disability Living Allowance or Invalidity Benefit; • Housing Benefit • Council Tax Benefit • Local Housing Allowance. 	Remission from Court fees	MoJ		MoJ

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
<ul style="list-style-type: none"> • Income support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • Working Tax Credit • Child Tax Credit • the disability element in Working Tax Credit • Working Tax Credit with Child Tax Credit (gross household income < £17,474) • Health Certificate 	Prison visiting costs	MoJ		
<ul style="list-style-type: none"> • Income support • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • Child Tax Credit at a higher rate than the family element • Working Tax Credit where a disability or severe disability element is included in the award • Housing Benefit • Council Tax Benefit 	Funeral Payments	DWP	funeral + £700 expenses	DWP
<ul style="list-style-type: none"> • JSA 18 to 24 year old claimants from 6 to 9 months unemployed • JSA 25 year old and over from 6 to 12 months unemployed • IB/ESA/IS claimants actively engaged with an adviser in returning to employment 	Jobcentre Plus travel discount card	Job Centre +	50% discount on public transport	DWP
<p>Varies between local authorities</p> <ul style="list-style-type: none"> • Income Support • Jobseeker's Allowance (Income-based) • Employment and Support Allowance (Income related) 	Leisure	Local Authority	discount on services	NA

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
<ul style="list-style-type: none"> •Pension Credit •Income Support •Jobseeker's Allowance (Income-based) •Employment and Support Allowance (Income related) 	Cold Weather Payments		£25	
<ul style="list-style-type: none"> •Income Support •Jobseeker's Allowance (Income-based) •Employment and Support Allowance (Income related) other conditions apply	BT Basic	BT	Customers pay £4.95 a month for a basic phone package - this may be a saving of around £10	NA
Eligibility set by individual energy companies	Warm Home Discount	Energy Companies	discount on services	NA
Eligibility set by individual companies	Voluntary Social Tariffs from utility companies	Utility companies	discount on services	

Qualifying Benefit	Passported Benefit	Administered by?	worth?	Gov dept
1. Your supply is metered 2. The person who pays the water bill or someone else in your household receives benefit or tax credit 3. There are either: <ul style="list-style-type: none"> •three or more children under the age of 19 living in the household for whom the person receiving the above benefit also claims Child Benefit; or •you or someone living in your household has a medical condition which causes extra water to be used. 	Water Sure	South West Water	cap water charges in line with the average household bill in the South West, currently £543 per year'.	

