



Northumberland

County Council

HEALTH AND WELLBEING OVERVIEW AND SCRUTINY COMMITTEE

Date: 2 July 2019

Welfare Rights annual report

Report of the Executive Director of Adult Social Care and Children's Services

Cabinet Member: Councillor Veronica Jones, Adult Wellbeing and Public Health

Purpose of report

To update Members about the activities of the Welfare Rights Advisory Unit for the year ending 31 March 2019, and on key current issues about supporting people with benefits during a time of ongoing major changes to the benefits system.

Recommendations

The Committee is recommended:

- 1. This report is for Members' information and comment.**

Link to Corporate Plan

This report is relevant to the "Living" and "Connecting" priorities in the Corporate Plan.

Key issues

1. The welfare rights team provides staff in Adult Services, Children's Services, and the voluntary and community sector with training and access to a telephone advice line. In addition, the team provides targeted direct support to people with social care needs in cases involving complex issues, including appeals.
2. During 2018/19, the welfare rights officers and the financial assessment & benefits officers increased the incomes of older and disabled people by more than £2.7 million. This boosted the county's economy by an estimated £4.7 million.
3. Numbers of disability benefit recipients have also historically been an element in the formula for calculating local authority revenue grant and recently-published proposals for assessment of relative spending needs under the revised local government funding arrangements suggest a formula in which assumed annual expenditure needs will increase by around £1,500 for each person claiming Attendance Allowance.
4. In addition to boosting the local economy, increasing the take up of Attendance Allowance means a greater number of older people are able to continue living independently in their own homes. The importance of supporting older, disabled people to claim Attendance Allowance has been acknowledged by making permanent the two additional, temporary posts in the Support Planning team in the care management service.

5. As has been the case for several years, looking forwards, the next few years are expected to see the continuing impact of ongoing fundamental changes to the benefits system. It is crucial, for the well-being of vulnerable and disabled people in the county, and also for the county's wider economy and the Council's own finances, to make sure that Northumberland residents receive the support they need to cope with changes to their income through ongoing implementation of welfare reform. The welfare rights team will continue to provide expert support and training to frontline staff across agencies and work to promote a wider network of benefits advice services. It will also contribute to the wider programme of work needed across the Council and its partners to address the challenges arising from changes to benefits, including the continuing roll-out of Universal Credit in Northumberland, and the impact which these major changes will have on the county's population and on Council services.

Author and contact details

Report Author: Keith Thompson – Rights Team Manager
Phone: (01670) 622624
Email: Keith.Thompson@northumbria.nhs.uk

Welfare Rights annual report 2018/19

BACKGROUND

1. Introduction

- 1.1 The first major aspects of the current Welfare Reform programme began under the Coalition Government in April 2011, building in some areas on changes already taking place as a result of legislation created under the previous Labour Government. Further extensive transformation of the benefits system was introduced by the Conservative Government through the Welfare Reform and Work Act 2016. During 2018-19 we saw continuing implementation of changes that were introduced, but only partially completed, under earlier Governments.
- 1.2 Among the main current issues, highlighted in the annual report are:
 - The ongoing reassessment of working age disabled people receiving Disability Living Allowance
 - The continuing roll-out of Universal Credit
 - Changes to qualifying ages for “mixed age” older couples claiming means tested benefits including Pension Credit and Housing Benefit.
 - Changes to the way some benefits are administered by DWP, for example Universal Credit payments are made calendar monthly and most contact with the DWP is expected to be done via the internet using an on-line “journal”.
- 1.3 With almost every benefit and tax credit being changed and remaining claimants of the main benefit for disabled people being reassessed, welfare rights knowledge and expertise continues to be needed to understand the impact of the changes on people accessing services, and to ensure that vulnerable individuals receive their correct benefit entitlements. Following a National Audit Office report ([Rolling out Universal Credit](#)) that provided evidence that support for vulnerable people who claim Universal Credit is essential to mitigate the impact many people have experienced in other areas, the DWP has funded the Help to Claim service delivered by Citizens Advice. Universal Credit claimants have experienced delays in receiving their correct payments caused by poor administration of Universal Credit as well as in built, systemic, barriers faced by vulnerable people (even when the administration is working well) who are digitally excluded or have difficulty managing their personal finances.
- 1.4 The replacement of DLA by PIP has increased requests for help to advice services and social care services because disabled people below state pension age are being reassessed more frequently and therefore seek help to complete PIP forms more frequently. Many DLA claimants had indefinite awards of benefit because of the nature of their long term health condition or disability, however people claiming PIP are regularly reassessed. Although the Minister for Work and Pensions announced recently that most pensioners and some working age claimants would not be reassessed so frequently, there will continue to be a greater of number of assessments PIP than previously for DLA.
- 1.5 A previous change still to be fully implemented across the country is the rollout of Universal Credit to disabled people and families with children. In Northumberland, this process started in November 2018. Full implementation of Universal Credit is not expected before December 2023 however the Office for Budget Responsibility

has added six months to that date as a contingency. The Council's Universal Credit implementation steering group was set up to coordinate information and support for claimants around the initial rollout of Universal Credit in Northumberland. An action plan was developed to ensure that up to date, accurate information is available to Members, staff, partner organisations and residents. The steering group leads provided a briefing for Members in November 2018.

- 1.6 Further information about the work of the welfare rights team can be found in the attached appendix.

2. **Changes to benefits**

- 2.1 The Coalition Government legislated between 2010 and 2012 for what were expected to be the biggest changes to the benefits system since 1948. Further changes to benefits were introduced by the 2015 Conservative Government through the Welfare Reform and Work Act 2016. Although no further, major, legislative changes have been announced since then, the implementation of previous legislation will continue for several years.
- 2.2 Ongoing changes to Universal Credit continue to be announced by the Government, for example some disabled claimants are excluded from claiming UC and will for the time being remain on legacy benefits, so it remains difficult to assess the potential impact to the county. Nationally, there were 1.5 million households receiving Universal Credit in February 2019. For comparison, the Government estimates that 7 million households will be entitled to Universal Credit once roll out is completed. In Northumberland there were 4,500 households claiming UC in February 2019.
- 2.3 These major changes to the benefits system continue to be rolled out nationally, although not as quickly as originally expected. In addition to the delays to the rollout of Universal Credit, as of November 2018 over 500,000 people receiving Disability Living Allowance were still waiting to be reassessed for Personal Independence Payment.
- 2.4 The replacement of Disability Living Allowance (DLA) by Personal Independence Payment (PIP) continues to be a major change affecting disabled adults. Although this started in April 2013, most of the existing DLA claimants did not start to be reassessed until October 2015. The DWP had expected to finish that process in 2017-18 however that process is still continuing, and currently appears likely to continue until February 2021. In Northumberland around 8,000 people who are, or were, receiving an average of around £85 per week in DLA will be, or have been, reassessed for PIP. Looking only at adult social care clients, of those waiting to be reassessed, around 25% had still not gone through the process by the end of May 2019.
- 2.5 The Government initially expected there would be a 20% reduction in the number of people claiming PIP, with a corresponding reduction in expenditure, compared to the numbers which they were forecasting for DLA. Recent DWP statistics from the reassessment process show that the percentage of reassessed DLA claimants found not to be entitled to Personal Independence Payment remains at 28%. The pattern of winners and losers is complex. The Government's 20% target could approximately have been met if the effect of the changes had simply been the removal from benefit entitlement of people who were receiving, or would have received the "low" rate of DLA care component, which has no equivalent in PIP. But

there were also changes in the way eligibility was defined, which has had two consequences affecting large numbers of disabled people. On the one hand, the new criteria are more generous towards disabled people who are able to live independently without regular assistance from another person but who can only do so by using aids and adaptations. This group would not have been entitled to DLA care component but may be entitled to its replacement, PIP daily living component. On the other hand, the PIP criteria impose tighter criteria for the highest rate of benefit that can be awarded to people with mobility needs, reducing the number of people eligible to receive benefit at this rate. This has led to a reduction in the number of people who are able to access the Motability car scheme.

- 2.6 In the course of this programme of changes to the benefits system, almost all adult social care clients below state pension age will have been or will be required to complete a lengthy and complex form, with many also needing to undergo a face to face assessment for PIP with many being reassessed every few years.
- 2.7 Older people who received DLA and were under 65 on 8 April 2013 are also being reassessed even though they are now above state pension age. If the reassessment process results in changes to the incomes of disabled people who use adult social care services, this is likely to have an impact on the Council's revenue from adult social care charges, as well as affecting the service users individually.
- 2.8 As State Pension Age increases, the age at which people need to claim PIP instead of Attendance Allowance increases. This means increasing numbers of older people will become entitled to support for mobility needs however claims for PIP are generally reassessed more frequently than claims for Attendance Allowance.
- 2.9 So far, from the information available, most Northumberland adult social care service users who have been reassessed for PIP who had been receiving DLA care component are now receiving the same rate, or in some cases a higher rate of PIP daily living component. But, for those who had been receiving DLA high rate mobility component, around 6% have not qualified for PIP mobility at the enhanced rate. The most common outcome from this is the subsequent loss of an adapted vehicle because Motability contracts are terminated. Although transitional support is available for people in this position, that is in the form of a one-off payment between £250 and £2,000 which has little impact on the long term situation.
- 2.10 Although a limited version of Universal Credit (UC) was introduced in Northumberland from February 2016, the full rollout didn't reach Northumberland until November 2018. Currently UC is the only option for most working age claimants making new claims. In addition, some people claiming existing "legacy" benefits may need to switch to UC if their circumstances change. Plans to start moving existing legacy claims over to UC as part of "managed migration" have been delayed until after December 2020 whilst a small scale pilot programme to test the system is carried out. Some severely disabled people will continue to claim "legacy" benefits instead of UC. The Government now expects full roll out including the transfer of all existing "legacy" claims to be completed during 2023/24.
- 2.11 There are also significant changes in the way some benefits are being administered by DWP and this is having a considerable impact on recipients. For example, rather than being paid weekly, Universal Credit payments are paid calendar monthly and most contact with DWP is expected to be carried out through an online journal.

2.12 The most significant change in benefits for older people is a change in the rules on eligibility for couples. Historically, entitlement to benefit was based on the age of the older member of the couple but since 15 May 2019 entitlement is now based on the age of the younger partner. Couples with one person over and one under state pension age are known as “mixed age” couples. Mixed age couples already receiving Housing Benefit with the severe disability premium (SDP) in the calculation before 15 May 2019 will be able to make a claim for Pension Credit, however the number of couples in this position is very small. This change will have a significant impact on older couples as the difference in income for a couple on Pension Credit compared to one on Universal Credit is £7,000 a year. As state pension age rises, then so does the age that someone becomes entitled to Attendance Allowance as well as Pension Credit. This may be positive for some people because people below state pension age will be able to claim Personal Independence Payment which has a mobility component that isn’t available as part of Attendance Allowance.

IMPLICATIONS ARISING OUT OF THE REPORT

Policy	Increasing the income of vulnerable people helps to alleviate pensioner poverty, child poverty and promotes financial inclusion and wellbeing. At a time of major change to the benefits system, the County Council has a crucial role in ensuring that the most vulnerable benefit recipients are able to receive the support which they are entitled to.
Finance and value for money	Welfare rights officers and the financial assessment & benefits officers increased the incomes of older and disabled people by £2.7 million, boosting the county’s economy by an estimated £4.7 million. Increasing the take up of certain disability benefits, including Attendance Allowance, can have a positive impact on the local authority revenue grant.
Legal	None
Procurement	None
Human Resources	None
Property	None
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	This report is for information. The equalities impact of any future proposed changes in arrangements for providing benefits advice will be considered before changes are confirmed.

Risk Assessment	Not required
Crime & Disorder	None
Customer Considerations	When the team carries out direct casework with customers, advice is provided in the format that is most suitable for the service user's situation. This can be by telephone, in writing and/or face to face. Feedback is obtained using anonymous customer evaluation forms.
Carbon reduction	None
Wards	All

BACKGROUND PAPERS

There are no background documents for this report within the meaning of the Local Government (Access to Information) Act 1985.

Report sign off.

Authors must ensure that officers and members have agreed the content of the report.

	Initials
Monitoring Officer/Legal	N/A
Executive Director of Finance & S151 Officer	Suzanne Dent
Executive Director	Cath McEvoy-Carr
Chief Executive	Daljit Lally
Portfolio Holder(s)	Veronica Jones