

Crisis
Welfare
Network



European Union
European Social Fund
Investing in jobs and skills

UNDERSTAND

WELFARE REFORM

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WELFARE REFORM

'THE WORK PROGRAMME'

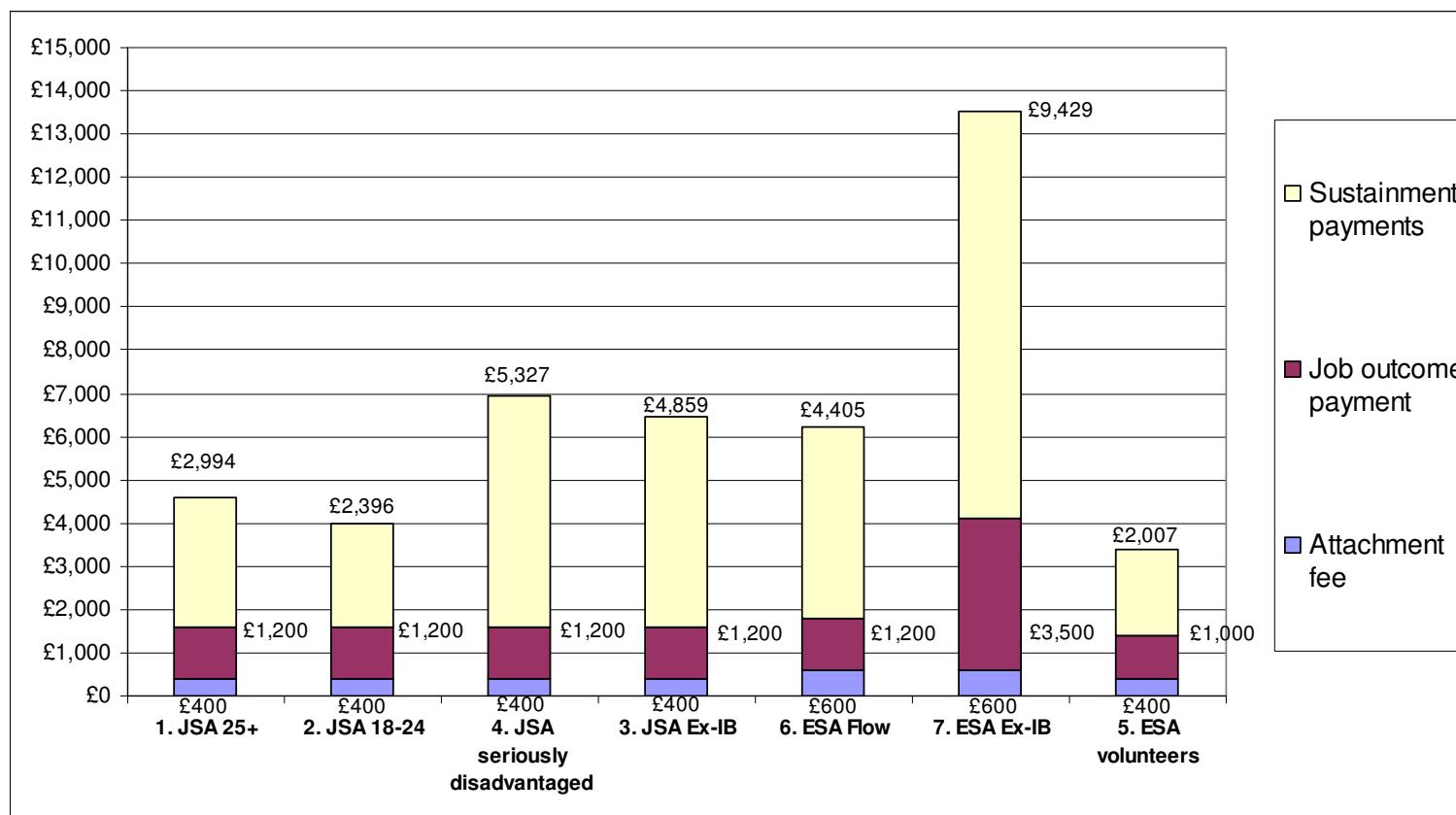
- Ⓢ Work Programme will be introduced in June 2011
- Ⓢ Delivered by a Framework of 40 contract providers – two 'Lots' for London with six Contract Package Areas – split into east and west
- Ⓢ Framework decision announced 25 November 2010 – Employment Related Support Services – 141 delivery bodies, 34 (now 30) organisations including 16 for London (minus 2?)
- Ⓢ Contract decisions announced early April 2011 – east London A4E, CDG, Seetec – west London Ingeus, Maximus, Reed in Partnership – average sub-contracts to the voluntary sector 18.49%
- Ⓢ DWP Framework – divided into 11 LOTs, each Framework Agreement will be worth between £0.3 to £3 billion per year, with individual contracts worth £10 to £50 million per year
- Ⓢ The Framework can include consortia bids, ESF contracts, and any other employment related support service contracts ~ *Support for Families with Multiple Problems - £200m / IB & IS single adults £66m*
- Ⓢ Benefit forecast - £190 billion by 2011/12

The logo for Crisis, featuring the word "Crisis" in a bold, white, sans-serif font on a red background.

WELFARE REFORM

'THE WORK PROGRAMME'

Ⓢ Attachment fee / job outcome fee / sustainment fee – maximum £13529, minimum £3996



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WELFARE BENEFITS PROPOSALS

@ Incapacity Benefit

- @ Migration trials started in Oct 2010 – Burnley and Aberdeen – 22% not required to attend WCA, 31% fit for work, 10% DNA
- @ Linking rules for IB/IS will be abolished in January 2011
- @ All existing IS/IB/SDA claims will be reviewed through the WCA from 28 Feb 2011, and by March 2014 – 2.6m

• Employment and Support Allowance

- @ Introduced October 2008 with the Work Capability Assessment
- @ Currently following WCA – Support Group 6%, WRAG 14%, fit for work 39%, claim closed 37%, in progress 4%
- @ Appeals – 60% won by DWP, 50,000 appeals outstanding, there will be more appeals under ESA
- @ Average cost of an appeal = £279.00 ~ 2009/10 – 106,904 ESA appeals – cost = £29,862,216
- @ 56% increase in IB/ESA appeals for the second quarter in 2010/11
- @ Limiting contribution based ESA to 12 months
- @ ATOS Healthcare – medical assessors
- @ WCA issues – GP medical evidence, quality of assessments, changes from Feb 2011
- @ Chris Grayling – $\frac{3}{4}$ fit for work

@ Jobseekers Allowance

- @ Treatment Allowance abolished – to be replaced by a cross Government initiative
- @ Lone Parents – JSA youngest child aged 7 – aim for 5
- @ Work for Dole – 4 Pilots November 2010 – Cambridge, Manchester (2), Norfolk - abandoned
- @ Current back to work programmes will continue until June 2011 (not Pathways to Work and NDDP)
- @ Mandatory work activity – contracts let in London from June – Seetec – 10,000 annually nationally

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WELFARE BENEFITS PROPOSALS

- ② **The White Paper 11 November 2010 – Welfare Reform Bill February 2011**
 - ② **LHA rates will be subject to caps ranging from £250 per week for a 1 bedroom property to £400 per week for a 4 bedroom property – new claims April 2011, existing claims January 2012**
 - ② **Shared Accommodation Rate extended to 35 year olds**
 - ② **HB on a property that is deemed bigger than their needs – already applies to the PRS**
 - ② **HB award reduced to 90% after 12 months for claimants of JSA (*removed*)**
 - ② **Excess payments of up to £15 to claimants of Local Housing Allowance (LHA) where contractual rent is lower than the rate of LHA will be scrapped**
 - ② **Discretionary housing payment (DHP) budget to rise (*From 2012, Estimated additional expenditure: £10 million in 2011 and £40 million thereafter*)**
 - ② **Social housing rents will increase for new tenants to 80% of the market rental value – 150,000 new homes over 4 years/ limiting social tenancies depending on financial capacity (2 year review)**
 - ② **LHA Transition Fund**

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WELFARE BENEFITS PROPOSALS

The White Paper 11 November 2010 – Welfare Reform Bill February 2011

- Ⓢ The Social Fund to be abolished in April 2013 – Crisis Loans and Community Care Grants budgets to be administered by local authorities (social services)
- Ⓢ Budgeting Loans budget will stay with DWP and form part of the Universal Credit
- Ⓢ Cap of £500 per week on benefits for families - £26,000 per year
- Ⓢ Cap of £350 per week on benefits for single people - £18,200 per year
- Ⓢ Conditionality – refusal to take up job offer – 1st up to 3 months, 2nd up to 6 months, 3rd up to 3 years (housing costs will not be sanctioned)
- Ⓢ DLA to Personal Independence Payment (PIP) – 2013/14 – 6 month not 3 month waiting time / PIP assessments to be tested on DLA customers summer 2011 by Atos and G4S
- Ⓢ Joint conditionality for couples without children
- Ⓢ Introduction of the ‘claimant commitment’

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- Ⓜ Higher earnings disregards for people with children and people with disabilities – not single people = Couple £3000 + £2700 per child, lone parent £5000 and £2700 per child, disabled people £7000
- Ⓜ Universal Credit will not replace non-means tested benefits – JSA, ESA, DLA, CHB, SSP, SMP, MA and IIDB
- Ⓜ The Enterprise Allowance
- Ⓜ Monthly payments of the Universal credit?
- Ⓜ Universal Credit will be implemented by Oct 2013, with migration of old cases taking place between April 2014 to October 2017
- Ⓜ All administered by DWP
- Ⓜ Passported benefits
- Ⓜ Legal Aid (debt, employment, benefits – not homelessness, mental health, asylum seekers)
- Ⓜ Official error overpayments

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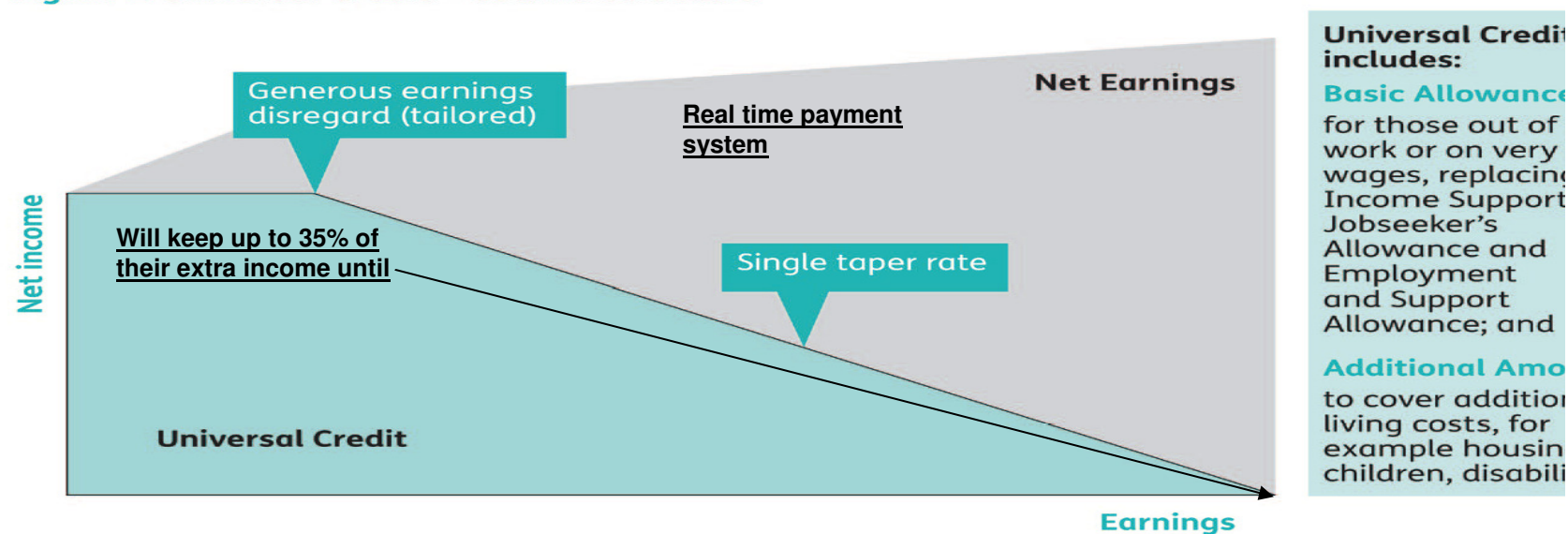
WELFARE REFORM

WELFARE BENEFITS PROPOSALS ~ 21st Century Welfare

A Universal Credit:

this combines elements of the current income-related benefits and Tax Credits systems (thus subsuming the tax credit system). There would be additional payments, reflecting circumstances (including children, housing and disability). Universal Credit would be delivered through a new system which would use up-to-date earnings information from employers to calculate Universal Credit on a household basis – 31 benefits into one ! To be implemented over the next two terms of Parliament by October 2013

Figure 2 Universal Credit – outline structure



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