



Welfare Reform Act

Presentation to Sheffield Green Party

Strivers v Skivers





Is it about Fraud?.....No

- Benefit Fraud cost £1bn
- Unclaimed benefits total £16.7bn
- Tax fraud costs £15bn
- Tax avoidance costs £70bn



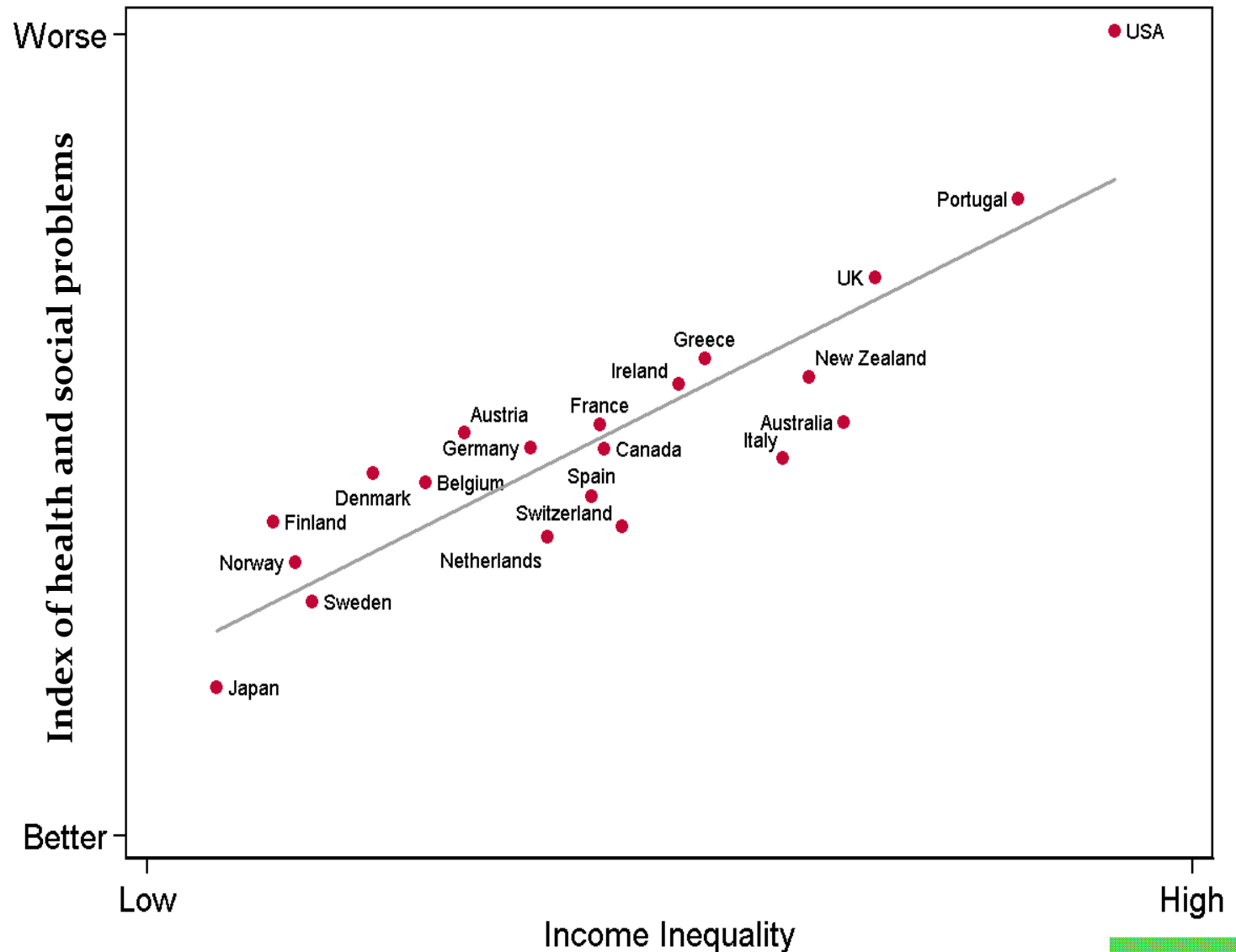
Growing the Gulf

- The UK is 3rd most unequal developed country after the USA and Portugal
- Growth in inequality is now faster than USA
- Spirit Level shows that inequality is correlated to almost every social ill from crime to suicide.

Health and social problems are worse in more unequal countries

Index of:

- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness
– incl. drug & alcohol addiction
- Social mobility





25% of the cuts fall on 2% of the population

- 58% of all cuts target disabled people and people in poverty
- 36% of all cuts target disabled people
- 24% of all cuts target those who need social care - 1.9% of the population

By 2015 a double whammy

- Benefits will be cut by £18billion
- Local government in England-will be cut by £11.3 billion
- 50% of local government spending is on social care for disabled people.

This is not “reform”.

- Merging of several benefits into Universal Credit
- Cuts to Housing Benefit
- Introduction of “Bedroom Tax”
- Benefit Cap on Universal Credit
- Transformation of Disability Benefits
- Cuts and localisation of Council Tax
- New responsibilities for Local Authorities for Social Fund Changes

Universal Credit: What's In/Out

Replaced by Universal Credit

Income based Jobseekers Allowance
Income related Employment & Support Allowance
Income Support
Child Tax Credits
Working Tax Credits
Housing Benefit
Social Fund (Budgeting loan elements)

Not covered by Universal Credit

Disability Living Allowance / Personal Independence Payment
Contributory Benefits (although earnings rules aligned)
Child Benefit
Carers Allowance
Social Fund Crisis Loans & Community Care Grants
Council Tax Benefit
Passported Benefits

Claims made for households

Universal Credit (UC) Impact

- A single payment will be made to a household.
- Issues for those responsible for children
- Places responsibility on the household to budget money for rent and household needs
- Self service will be the primary channel for applying for UC, no face to face service.
- Rent cheque 4 weeks in arrears.



Problems with Universal Credit

- Requires HMRI to hold real time data on a monthly basis
- Has a marginal tax rate of 65p in the £
- Now only covers 6 benefits no longer “universal”
- Cost £2bn to implement
- Cabinet Minister has said “The information technology for the new system is nowhere near ready. It’s a disaster waiting to happen.’



Total Benefit Cap

- “Total benefit income” to be capped at £500 a week from April 2013 for families and £350 for single adults.
- No allowance for family size or composition.
- Administered in UC by capping the payment for rent.



Benefit Cap Impact

- The household benefit cap will cost 50,000 households an average of £93 per week, according to the DWP's impact assessment.
- 30% of those affected will be from black and minority ethnic communities.
- Revised figures now show 170,000 households affected – truth is we simply don't know.
- Talk of 500,000 families being displaced.



Housing Benefit Changes

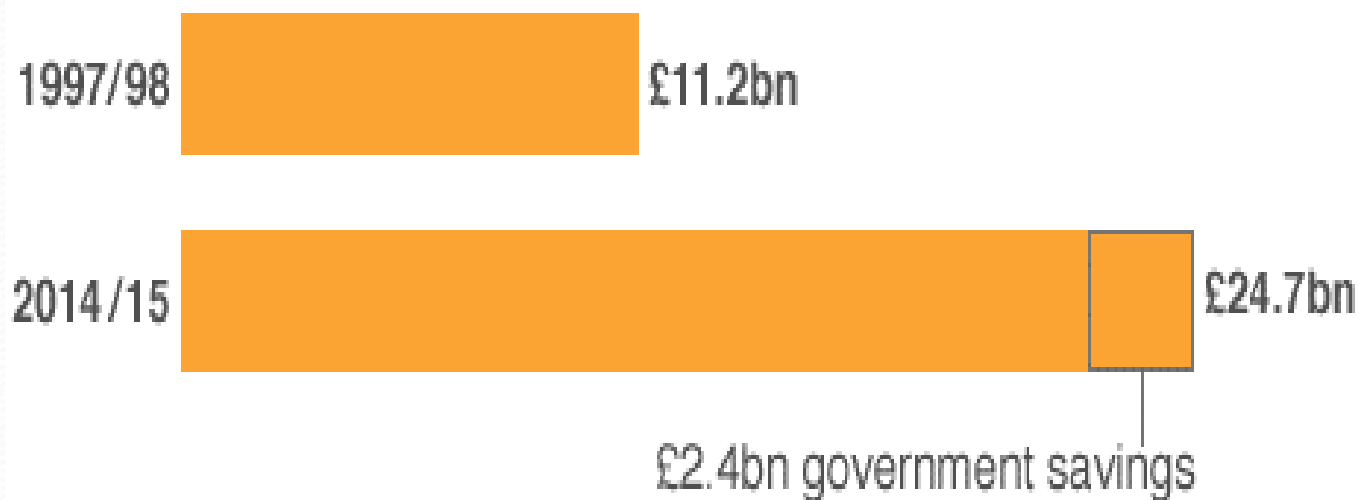
- Removal of the 5 bedroom rate
- Capping of increases to CPI.
- Under 35's forced to share.
- Bedroom tax/under-occupation restrictions.
- Increases in non-dependent deductions
- Exclusion for under 25s if Cameron has his way.

Housing Benefit

- "Only one in eight people drawing [Housing Benefit] is out of work; the rest are low earners." The Guardian, 26 June 2012

These cuts will hurt without actually saving that much.

Rising cost of housing benefit

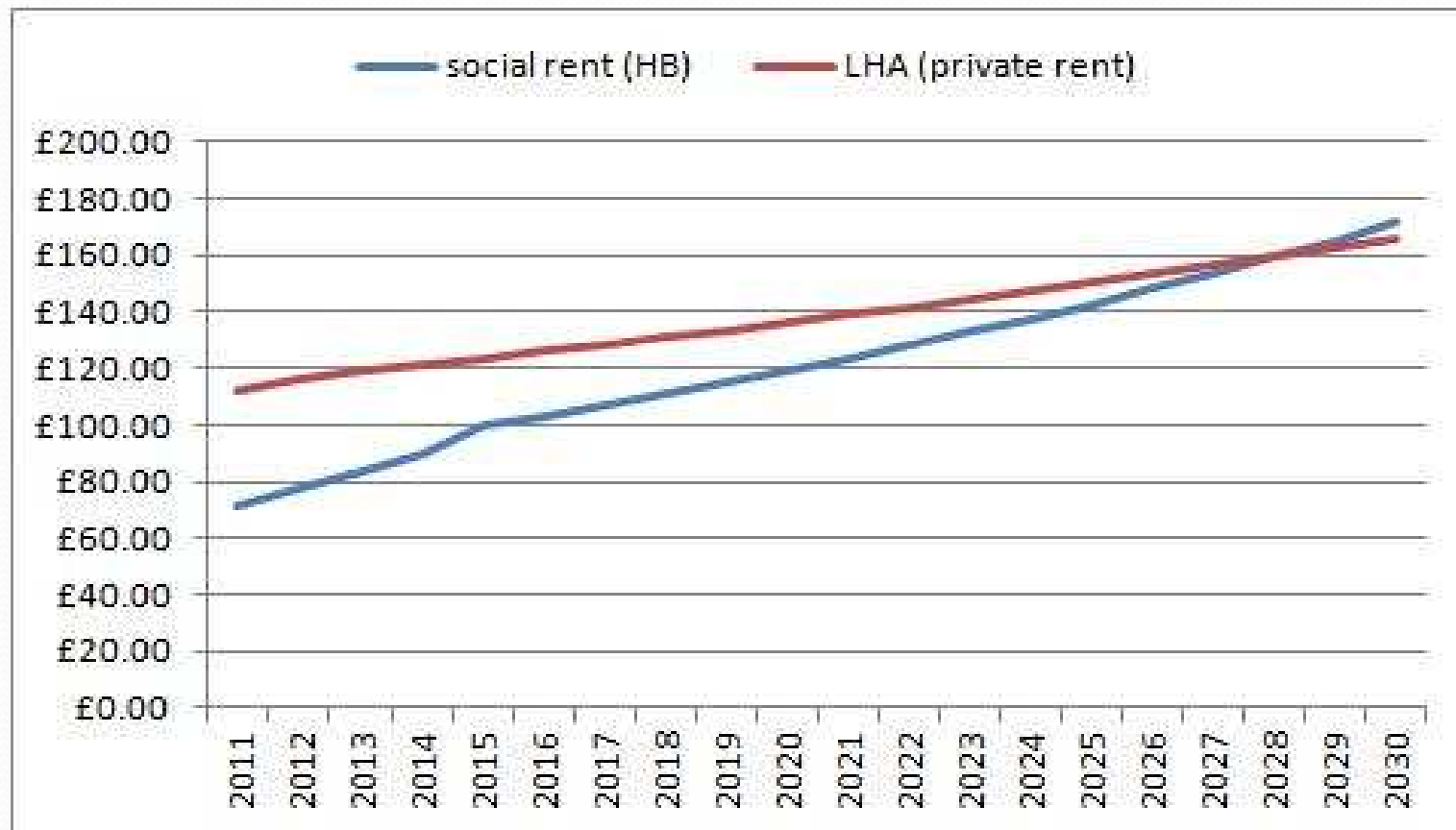


Source: DWP

Housing – what happens when there's not enough to go round.

- Housing Benefit Bill £14M in 1999/2000
- £21M in 2010/11, a 50% increase
- But over the same period house prices doubled.
- Council forced to “converge” Council rents with those of Housing Associations creating massive rent increases and forcing more tenants into dependency on benefits.

A Glimpse of the future



The Community cost of failing to control rents.

- Astonishingly, if average rents in England had risen at the rate of inflation since 2000, rather than well above inflation, then renters would have an extra £8 billion per year of disposable income, or more than £2,000 extra per household per year



Bedroom Tax

One bedroom (of any size) for:

- adult/couple
- Any adult/child aged 16 or over
- Any two children of the same sex (under 16)
- Any two children regardless of sex under age 10
- No allowance for disability, fostering or contacts/access.



Bedroom Tax - Options

- Pay Shortfall.
- Downsizing.
- Taking in a Lodger.
- Employment.



Bedroom Tax

- Affects **working age** households from 1 April 2013
- Reduces max housing benefit entitlement by 14% for 1 bed under occupation and 25% for 2 or more.
- Affects 32% of working age tenants with average loss of £13 p/wk.



The Cruelty of the Bedroom Tax

- **It will lead to overcrowding:** Children of different sex under 10, or the same sex under 16, will have to share a bedroom, even if it only holds a single bed.
- **The rules penalise couples:** A three bed house is deemed to be too big for a couple with two teenage daughters (4 people) but not for a single parent with a teenage son and an eight year old daughter (3 people)!
- **It will force families apart:** Where parents have shared responsibilities for children, only the one that gets the child benefit can count the children towards their bedroom entitlement.
- **It will hurt foster parents:** Foster children cannot share a bedroom but they do not count at all in the assessment of the number of bedrooms needed.



The Cruelty of the Bedroom Tax

- **Downsizing is just not an option:** National figures show there aren't enough smaller homes available for the thousands of families who will need them.
- **It increases the risks to children:** Government advice to families affected is to take a lodger. The review into the death of Baby P told us how dangerous it can be when a person with an unknown past joins the family.
- **The disabled will suffer:** The shortage of adapted properties means that families with disabled members frequently have to take whatever they are offered.



The Cruelty of the Bedroom Tax

- **It will end housing policies aimed at improving community cohesion:** Policies like not placing young children in high rise blocks will have to be abandoned.
- **In some area there will be streets of un-lettable large houses:** The regulations take no account of local housing need in areas of low demand it will be a waste of the housing stock.
- **It will force families to make many moves disrupting schooling:** The accommodation that a family can occupy will change as children are born, when they attain the ages of 10 and 16 and when they leave home.
- **It is not the same for private tenants:** The allowance for private tenants is fixed. If they can get a 3 bed property for a 2 bed rent that's fine. Social tenants aren't allowed to shop around for the best deal.

Employment and Support Allowance

- Replacing Incapacity Benefit and Income Support paid due to ill-health – full ‘migration’ from April 2011 onwards, over 3 year period.
- Limited to one-year on Contributory basis unless in support group – after that will be means-tested.
- Maximum of 1.5million claimants to transfer
- Results from pilot showed 30% failing ATOS assessments

ATOS are losing 1 in 5 appeals





Personal Independence Payment

- Replacing Disability Living Allowance.
- £ 2.24 billion saved as 400,000 struck off.
- 16% of people more reliant on the NHS.
- 2.2 million extra GP appointments
- 3.2 million out of work, 1 million jobs available
- DWP estimate 600,000 disabled people in work within 1 year.



Council Tax Benefit

- Replaces centralised support for Council Tax Benefit with a localised support mechanism from April 2013.
- There will be a 10% reduction in funding.
- Pensioners will be protected (50% of claimants)
- Any expenditure above the grant available must be met by the local authority.

Council Tax Benefit

- Councils devising local schemes now.
- Most requiring claimants to make some contribution
10% would be £100 or so a year on a Band A property.
- Very expensive for Councils to collect these sums.
- A re-run of the Poll tax????



Social Fund

- **From April 2013:**
- Community Care Grants and Crisis Loans for general living expenses will be abolished. Funding will be transferred to local authorities in England and to the Devolved Administrations in Scotland and Wales to establish alternative provision.
- Crisis Loans for alignment to benefit and Interim Payments of benefit will be replaced by Short Term Advances of benefit and will be administered by DWP from April 2013.



Localised Welfare Assistance

Two Main Elements:

1) **Community Care Grants**

- non repayable grant awarded for household equipment etc. and conditional upon receipt of an income-related benefit

2) **Crisis Loans**

- Interest Free, available to anyone (in or out of benefit dependency) in an emergency/disaster situation

Benefits squeeze to 1%

- Labour to vote against 1% cap for the next 3 years on benefits.
- There alternative is a requirement for the long term employed to take jobs or lose benefits. It's hardly a new idea.

Campaign for a Fair Society





Manifesto

- **1. Human Rights -**
- **2. Clear Entitlements**
- **3. Early Support -**
- **4. Equal Access**
- **5. Choice & Control**
- **6. Fair Incomes**
- **7. Fair Taxes.**
- **8. Financial Reform**



The Centre for Welfare Reform.

- Works to redesign the welfare state in order to increase social justice, promote citizenship, strengthen families and enrich our communities
- Established in Sheffield by Dr Simon Duffy



Pat's Petition

- *Stop and review the cuts to benefits and services which are falling disproportionately on disabled people, their carers and families and a demand for a Cumulative Impact Assessment.*
- 62,000 signatures
- HOC debate in January

DCH, DPAC, PCS and Unite



Defend Council Housing

Stop privatisation; improve existing and build a new generation of first class council housing

**Benefit Justice organising meeting
12-2.00 pm Sat 19 Jan at Unite House,
128 Theobald's Road, London WC1X
8TN (nearest tube Holborn).**