



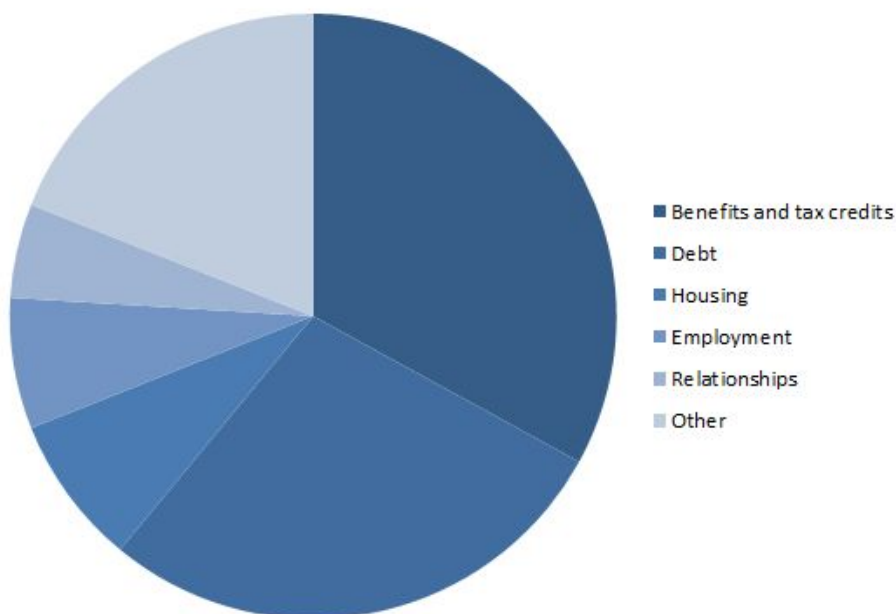
Written evidence submitted by Citizens Advice to the Work and Pensions Select Committee Inquiry on Benefit Delivery

The Government has made significant efforts to address the challenges associated with the implementation of changes to the benefit system. This has included improvements to the accuracy and timeliness of assessments and better services for customers. However, Citizens Advice still helped over 600,000 people with benefit and tax credit issues in the last year. Problems with health-related benefits, including PIP and ESA, are two of our biggest areas of work, with challenges around understanding eligibility and making and managing claims prevalent. In the short term, Citizens Advice wants to see safe and steady implementation of welfare reform, with better support systems for service users. The national rollout of Universal Credit provides an important opportunity to improve this, ideally through a programme of Universal Support to help claimants transition. In the longer term, Citizens Advice wants to see a welfare system that is much more responsive to the needs and circumstances of those who use it.

During the last parliament, benefits and tax credits became the largest category of problems dealt with by Citizens Advice

In 2011, problems with benefits and tax credits overtook debt to become the largest category of advice we deliver. Benefits-related issues accounted for a third of all our visits in 2014-15 and we dealt with over 1.8m problems. For the purposes of this submission, we are focusing on working age benefits.

Citizens Advice main advice areas, 2014-15



Source: Citizens Advice statistics

When looking at the drivers of these benefit-related problems, many of the queries centred on administration and eligibility on the one hand, and appeals against official decisions on the other. Although services are improving, systems and processes for administering benefits within DWP and HMRC are often still too slow to respond to the changing circumstances of claimants, ill-equipped to share information internally and subject to frequent and significant delays.

We run a regular survey involving over 200 frontline advisers at Citizens Advice. Each month, they are asked to identify those issues they feel are becoming increasingly prevalent. Over half are consistently linked to benefits and tax credits, with administration a clear theme. An illustrative sample of key issues identified by our advisers over the last quarter include:

“The length of time taken by DWP to arrange medical assessments for ESA”

“Benefit delays, particularly around changes of circumstances”

“Difficulty of access to services - no alternative to online provision, or very hard to find - and long waits or no response to helplines”

“UC getting the housing element wrong - and the customer service operator not able to give information as they do not have access to all the computers where information about a claim is kept”

“Duration and cost of phone calls to helplines”

“Jobcentre Plus staff not having up-to-date knowledge of changes”

“Universal credit, literature and information changing”

“Pressure to use online applications and information. Many forms are only accessible online. Clients usually cannot access a printer.”

Our advice is required by a significant proportion of benefit claimants, suggesting current support structures in place at the Department for Work and Pensions (DWP) are failing to meet and address the demand adequately.

It is important to emphasise that our clients tend to be those experiencing problems with the benefit system and are therefore not fully representative of the claimant population as a whole. However, comparing our client figures to national claimant statistics suggests that our advice is required by a significant proportion of benefit claimants; by April 2015, for example, the equivalent of nearly a quarter of application and reassessment claimants of Personal Independence Payment (PIP) had come to Citizens Advice for help.¹ This is indicative of the scale of the challenges with certain benefits, and the lack of adequate planning, support and clear communication from the DWP to ensure changes are administered safely and effectively.

Clearly the system is a hugely complicated one to deliver. However, the help and advice available to claimants from the Department remains very limited and has been reduced in some areas. Our advisers report consistent difficulties in getting through to helplines, with claimants calling from mobile phones concerned about the cost of long waits. This has become an increasing issue following the removal of phones available to claimants at many Jobcentres; in some areas, claimants needing access to a phone have been referred by Jobcentre staff to Citizens Advice.

¹ The total number for DWP new claimants and reassessments in April 2015 was 52,000. People coming to help with PIP issues to Citizens Advice in the same month was 11,580. [Here is a link to the DWP data](#)

The shift towards online services and the aspiration to build new services around user needs has the potential to improve the customer experience significantly, but this must also be accompanied by appropriate support for those who do not have access to the internet or are not comfortable in using it. This is particularly important for the ongoing roll-out of Universal Credit; it is vital that a form of Universal Support is available to help them transition to the new system - for example, to manage budgets over longer time periods, to deal with rent money and to make and manage claims online. We have called for the roll-out of Universal Support to keep pace with the roll-out of Universal Credit across the country. Services such as Citizens Advice do not currently have the capacity to support all claimants with difficulties, and those who fail to receive help risk getting into financial trouble or making errors which then need to be rectified.

There are clear links between the implementation of welfare reform, the reform of more complex, health-related benefits and the problems seen by Citizens Advice

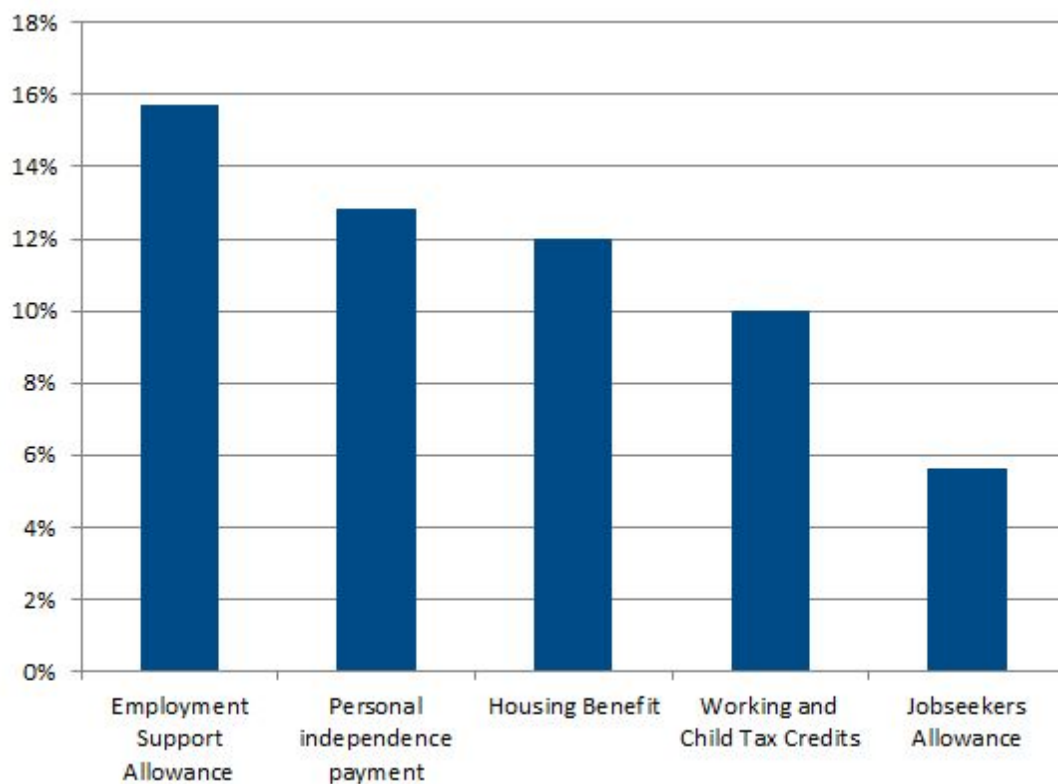
There appear to be two factors driving the problems we see with the administration and delivery of benefits. The first is the implementation of a significant programme of welfare reform during the last parliament. The Department has been attempting to bring in a variety of new benefits and changes - including the introduction and early roll-out of Universal Credit (UC), the replacement of Disability Living Allowance with PIP, and the ongoing migration of Incapacity Benefit claimants onto Employment and Support Allowance (ESA). This is all in the context of a significant squeeze on its spending. As a recent evaluation from the National Audit Office highlighted, this ambitious programme of change often 'relied too heavily on uncertain assumptions, without understanding what it meant for programme risks'.² Amongst other things, this then led to significant delays in the administration of assessments which were often unanticipated.

Alongside the associated risks, welfare reform inevitably places new demands on both staff and claimants as they adjust to new systems and rules. We tend to see a very clear impact in demand for our services; in that sense, our service is a barometer for people's experiences of the benefit system. For example, the changes to conditionality rules in October 2012 triggered a 60% increase in people coming to Citizens Advice for help with the issue. Our concern is that we are rarely in a position to meet the full extent of this demand.

² National Audit Office (2015), *Welfare Reform: Lessons Learned*:
<http://www.nao.org.uk/wp-content/uploads/2015/05/Welfare-reform-executive-summary.pdf>

The second factor is longer-term, and is linked to the changing composition of the population who claim benefits. Rather than people experiencing short, distinct spells out of the labour market and requiring financial support for a period of job search, today the circumstances of clients with benefit-related problems is more complex. Looking at the individual benefits which generated the greatest demand for our advice, health-related benefits feature prominently. Some of this is related to growing numbers claiming these benefits, but it is also linked to their complexity to administer; in 2015, Jobseeker's Allowance (JSA) accounted for around 5% of our benefit-related enquiries, despite over 780,000 claimants, while PIP generated nearly 13% of our benefits work with only around 460,000 claimants.

Biggest areas of benefit-related advice in 2014-15



Source: Citizens Advice statistics

Errors and delays under the current system not only create significant hardship for the individuals affected, but also costs for government.

Errors and delays in benefit administration have an obvious human cost. This is of course in part financial, with those experiencing a temporary crisis or least able to

support themselves through employment pushed towards other forms of emergency assistance or borrowing. However, there are also clear consequences for physical and mental health, with stress and anxiety creating or exacerbating existing health conditions.

These human costs also imply fiscal costs. Errors and delays usually result in increased demand on other local and national services, via rent arrears, evictions, growing use of health services and pressures on third sector organisations. By the time we see clients, these issues are often already entrenched; for example, 22 per cent of clients who came to us for advice with their ESA claim already had a problem with debt. They also frequently result in direct costs to the DWP in the form of appeals, overpayments and additional paperwork.

Example 1:

Joan came to Citizens Advice in Leek for help. She is disabled and had been in receipt of long-term DLA. Her DLA award was due to expire, but she had not received a renewal pack. When she contacted the DWP, they accepted there had been an administrative error, extended her award for a further 12 months and sent her new DLA forms which she was told to complete as soon as possible. At Citizens Advice, an adviser helped her to complete these forms and send them in.

However, within two weeks of posting, Joan was told that she now needed to apply for PIP in order to continue receiving support and that again a new set of forms should be completed and returned as soon as possible. She returned to Citizens Advice upset and anxious about another set of complicated forms and the possible risk to her financial support. These types of problems and inefficiencies also duplicate paperwork to be processed by the DWP.

Example 2:

Michelle lives with her partner and they have a one year old child. She has bipolar disorder and is receiving medication for depression and fibromyalgia/ME, which got worse after the birth of her baby. She came to Citizens Advice in Norfolk for advice on her application for ESA and PIP.

Her initial application for ESA had been denied, but after requesting mandatory reconsideration she was then awarded ESA. However, six months after attending her assessment for PIP, she still had not received a decision. Her partner had been forced to give up work to care for her and their child and without the decision on PIP had been unable to claim Carer's Allowance. The family had fallen into rent arrears and required a voucher for food. The stress of the situation, alongside a new baby, had also been exacerbating Michelle's mental health issues.

Example 3:

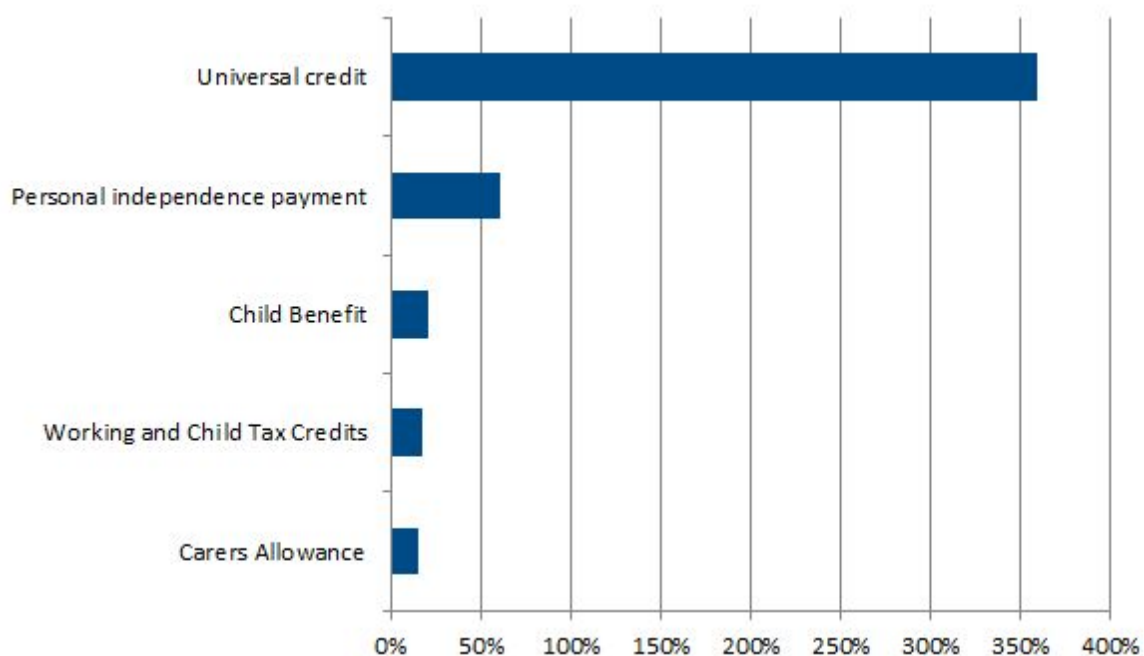
Nathan was a JSA claimant who came to Citizens Advice in Watford. He had previously secured part-time seasonal work, so had been on a reduced rate of JSA. When this ended, he informed his local Jobcentre Plus of his change in circumstances. However, nearly two months later no changes to his benefit had been made. Citizens Advice advisers helped him contact the Jobcentre, who informed him that his JSA would be backdated once approved. Yet this meant that Nathan was struggling to survive on a very low income; he had already fallen into rent arrears. He was trying to reduce all other outgoings, but had been told he could not cancel his mobile phone contract without a penalty. He now risked falling into more serious debt.

These examples all highlight typical issues our clients bring to us following interactions with the DWP and their consequences. Problems relate to unclear communication, errors and duplications, significant delays, and the inability to access adequate support from the Department to resolve difficulties. For claimants, the consequences include stress and anxiety, financial hardship and debt, and the exacerbation of existing health conditions. For the Government, these examples give a sense of the wider costs, including the frequent duplication of paperwork, appeals, and the way in which errors and delays in benefit administration so often generate new spending demands elsewhere, including in the NHS and at the local level.

An ongoing programme of welfare reform, delivered to claimants with increasingly complex barriers and circumstances, will mean that the problems we are seeing persist, unless better support is provided to claimants.

The JSA claimant count is now at its lowest level since 2008. Rather than distinct spells of unemployment, those at the bottom end of the labour market are increasingly likely to be coping with mental or physical health conditions which limit their capacity for work, or cycles of low-paid, insecure employment interspersed with spells out of the labour market. The response to these shifts has been the growth of more complicated benefits, including those where a health condition or disability must be assessed, such as ESA and PIP, or those which must accommodate fluctuating work status and income, such as tax credits and, in their place, Universal Credit.

Largest growth areas in benefit-related advice, 2014-15



Source: Citizens Advice statistics

As the DWP's work moves to reflect this, particularly with the roll-out of UC, we are concerned that the Department's processes adapt. The DWP will in future be taking full responsibility for both sickness and disability benefits as well as the highly complicated tax credit system under Universal Credit. If greater hardship for vulnerable claimants is to be avoided and the costs of reform to taxpayers minimised, a variety of measures should be considered.

In the short-term, implementation of welfare reform should be safer and steadier, with adequate support for claimants. In the longer-term the Department's practices should be designed to better respond to the actual needs and circumstances of claimants.

In the short-term, it is vital that the continuing programme of welfare reform is delivered in a safer and steadier way. This requires a detailed initial understanding of the impact of cuts and changes on those families and households affected, from both Ministers and policymakers. Reforms and their implementation should be designed with the circumstances of claimants in mind and with due consideration to the potential knock-on effects.

Even well-managed programmes of welfare reform inevitably lead to concern and queries from claimants. The Department must therefore also make sure that claimants have the advice, tools and support that they need to manage their financial

needs effectively and move forward with their lives. This may include guidance on their options, support to manage on a tighter budget, or help to use new digital services. At Citizens Advice we understand that this kind of help can lead to improved claimant engagement with the system, more positive outcomes and significant future savings.

In the longer term, we believe that the wider welfare system should be adapted to better respond to the needs of claimants. Frontline advisers, who are now increasingly working with claimants with complex and changing needs, could be offered greater professional discretion and career development opportunities. Recent moves to bring new flexibilities into adviser working practices, such as the Jobcentre Plus Offer, are welcome but could go much further.

A more responsive system would also include an improved digital offer. The Department is already engaged in this process, particularly through the design of Universal Credit, but could make better use of the possibilities and efficiencies offered by digital and collaborative technologies. Again, these systems should be designed with the needs of the user at the centre. At Citizens Advice, we are developing our digital offer largely through user research, enabling the design of content that our clients will understand and are likely to use. An important part of this approach is to open up the design process, asking for suggestions from across and beyond the service as we go.³ The Department could look to the successes of the Government Digital Service in opening up digital development to public scrutiny. While it is important that some aspects of DWP's digital work, particularly around data and payment security, remains private, far more of its work could and should be done in the open.

An ongoing programme of welfare reform which led to significant delays and administration issues in the last parliament, combined with the ambitious project of delivering Universal Credit, creates major challenges for the Department in coming years. In many ways, these reforms reflect a changing labour market and claimant population. However, if the Government is to realise its commitments to protecting vulnerable claimants and realising real savings, it must implement changes in a safer and steadier way. This includes more robust support systems for those affected. In the longer term, changes to the wider welfare system must better reflect the needs of those who use it.

³ You can follow our work in this area here: www.alphablog.citizensadvice.org.uk