
Queen's Speech 2014

4 June 2014

Summary and key statistics

Responding to Government policies announced in today's Queen's Speech, the Chief Executive of national charity Citizens Advice, Gillian Guy, said:

"The Government has today laid the foundations for more radical changes which need to follow. Extra help announced today for workers, parents and those approaching retirement must be used as building blocks for even more ambitious reforms which should be put in place by the next Government.

"The new Guidance Guarantee on pensions is vital and also highlights how important it is for free, impartial advice to be available to help people overcome problems and make important decisions. Alongside delivering on today's pledges, we want ministers to provide strong protection for shoppers through the Consumer Rights Bill, and tackle the big problems in Employment Support Allowance, which is now the single biggest issue for Citizens Advice clients.

Savings and Pensions

"Access to advice on pensions and savings can make or break someone's retirement. Letting people manage their own pension pot is a positive move, but availability of advice will be vital in making this policy work for people.

"There is no one-size-fits-all approach to advising people on their pension. Ministers need to ensure the delivery of the Guidance Guarantee allows people to access advice in a way that suits them and their circumstances, whether that is online, over the phone or in person.

"The Guidance Guarantee needs to take account of the different factors which affect how people make decisions about their money. The competing pressures of ensuring a decent standard of living, perhaps providing for children and planning for possible social care costs mean decisions on pension spending are complex."

Key statistics

- Last year over 151,000 people sought information and advice from the Citizens Advice service about pensions issues via our Adviceguide website, up 89% on 2012.
- Over two-fifths (42%) of individuals intend to work beyond the age of 65, with most (72%) citing financial necessity as the main reason for staying on¹.
- 46 per cent of pensioners with incomes below 60 % of contemporary median household income are in receipt of an occupational or personal pension compared to three-quarters of all pensioners²
- 42% of adults aged below State Pension Age (SPA) and not yet retired disagreed or strongly disagreed with the statement '*I understand enough about pensions to make decisions about saving for retirement*'³

Support for childcare costs

“Childcare and housing are the biggest financial burdens facing families. Ministers have rightly made incentivising work one of their top priorities, but if parents cannot afford their childcare bills then they won’t be able to afford to work. Access to flexible and affordable childcare is vital if all parents are going to be able to afford to go out to work and contribute to the economic recovery.

“It’s welcome that Government has followed our recommendations and increased childcare help for parents on Universal Credit, but ministers’ failure to align sensible reforms to Free School Meals and welfare will leave many parents unable to make every hour of work pay. Going further and extending Free School Meals to children of every parent receiving Universal Credit in England would ensure that in its final year, the Government can realise its goals of making work pay and helping parents on low incomes.”

Citizens Advice is calling on the Government to

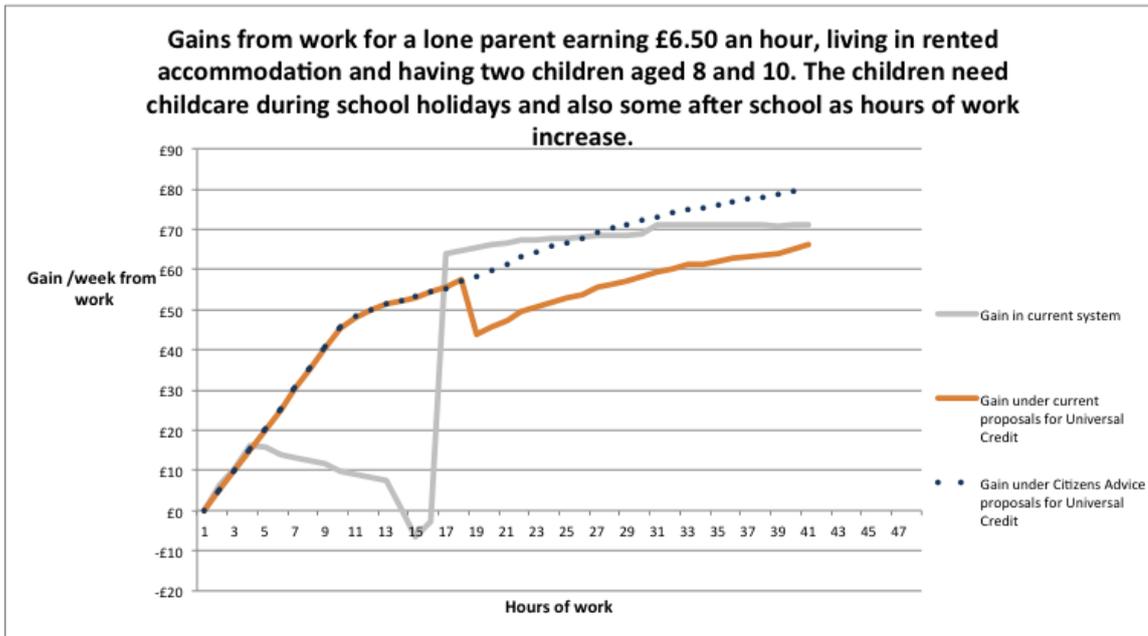
- Extend Free School Meals to children of every parent receiving Universal Credit in England
- Increase the childcare subsidy under Universal Credit to 90 per cent

The chart below from our recent report *Pop Goes the Payslip* demonstrates that under current proposals for Universal Credit (orange line) lone parents on a low income will face a significant disincentive to earn more than the earnings threshold at which free school meals are lost. When their contributions to increasing childcare costs are taken into account they will have to work more than 12 hours before they have made up for the disposable income they have lost as a result of having to pay for school meals. Under the current system (grey line) there is no such disincentive. The blue dotted line represents the gains from each hour worked under our cost-neutral proposals for Universal Credit

¹ Managing an age-diverse workforce: employer and employee views, March 2014, Chartered Institute of Personnel and Development (CIPD)

² This is the figure After Housing Costs are taken into account; Before Housing Costs the proportion is higher at 52%. The [Households Below Average Income: An analysis of the income distribution 1994/95 - 2011/12](#), Source data: Family Resources Survey, 2011/12, Department for Work & Pensions (DWP).

³ Wealth in Great Britain, Main Results from the Wealth and Assets Survey 2006/08, Office for National Statistics (ONS).



The Government’s proposal for support for higher income groups through the Tax Free Childcare scheme introduces additional complexity. The interaction of this scheme with support through Universal Credit is hugely complicated. There are a number of factors that are likely to affect a change in whether claimants will be better off under one scheme than the other. We believe that the Government should look at closer integration between the two schemes – there could be considerable advantages both to the claimant and to the Government in allowing Universal Credit claimants access to ‘childcare accounts’. It is important that the final design of the two systems and their interaction should be based on ensuring that the journeys and processes that *all* claimants of either or both systems have to go through are as simple and quick as possible.

Key statistics

- Last year the Citizens Advice service advised half a million parents with dependent children.
- Childcare costs have risen by 77 per cent in the last 10 years⁴

National Minimum Wage and Zero-Hours Contracts

“Years of high inflation and low wages have left millions of families struggling to stay afloat as their pay packet has failed to cover their bills. It is totally unacceptable for employers to ignore the Minimum Wage and any business found to have fallen foul of their responsibility should face tough penalties.

“Flexibility in our labour market is helpful, but it must not come at the expense of basic rights for workers. Ending the exploitative practice of employers preventing people on a Zero-Hours Contract from working elsewhere is long-overdue. Ministers must use legislation on Zero-Hours

Contracts to enforce stronger protections for employees and ensure that anyone who is employed on a Zero-Hours Contract is clear about their rights and guaranteed protections like redundancy and holiday pay.”

⁴ Family and Childcare Trust, Childcare Costs Survey 2013

Consideration must also be given to the impact of these contracts on parents and what this means for the provision and funding of support for childcare.

Housing and Infrastructure Investment

“Urgent investment in house-building needs to be a top priority to help families make ends meet. The cost of buying a house has gone up 11 per cent in the past year whilst Citizens Advice has seen a 16 per cent rise in social housing arrears problems in 2013. Help to Buy and a new Garden City may help some people get a foot on the housing ladder, but these measures are far from the major increase in supply we need to get costs down.

“Government needs to take into account the cumulative cost to consumers of the many levy-funded infrastructure projects that are underway or being considered. People are picking up the tab for this investment through things like their energy and transport bills, so making sure the total cost is affordable for users is essential.

“Homes that keep the heat in help people reduce their energy bills. Diluting the standard for zero carbon homes does not address the needs of consumers, who will end up paying for measures offsite but will not receive the benefit in terms of reduced energy costs.”

Key statistics

- The cost of buying a house has gone up 11 per cent in the past year
- In 2013 there was a 16 per cent rise in the number of people who sought information and advice from Citizens Advice about social housing arrears problems

About Citizens Advice

In 2012-13 the Citizens Advice service helped 2.5 million clients to solve 6 million problems face to face and on the phone. 16 million people visited our self-help website www.adviceguide.org.uk.

2013/14 at a glance - statistics

Table 1a: Advice delivered by bureaux – England & Wales		2013/14
Total unique clients		2 million
Total client contacts (i.e. Interactions with clients)		4.8 million
Total problem:		5.5 million
Percentage of black and ethnic minority clients		16.4%
Percentage of disabled clients (average of last four quarters, compared to 12/13 average)		25.8%
Problems by category	2013/14 (thousands)	% of total ¹
Benefits and tax credits	1,897	34%
Debt	1,630	29%
Employment	387	7%
Housing	422	8%
Relationships and family	289	5%
Consumer (excl. financial) ²	251	5%
Legal	194	3%
Financial services & capability	101	2%
Immigration and asylum	68	1%
Health and community care	71	1%
Tax	46	1%
Education	21	0%
Other	154	2%

Table 1b: 'Adviceguide' use - U.K.		2013/14
Total number of visitors		16 million
Total number of visits		22 million
Total content page views		35 million
Views by category ³		2013/14 (thousands)
Benefits and Tax Credits		6,064
Consumer goods and services ⁴		9,146
Debt and money (incl. financial		3,904
Discrimination – all		349
Education		355
Employment (excl. discrimination)		5,381
Family		3,247
Health		413
Housing		2,633
Legal		1,855
Tax		849

We provide advice from 3,300 locations including community centres, high streets, doctors surgeries, libraries, courts and prisons, serving every community in England and Wales. Our 22,000 generous and committed volunteers are involved in advising clients, fundraising, administration, PR, campaigning and trusteeship. They work alongside 6,500 paid staff.

Contact

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