



**Advice NI**

**AGM Report**

**‘Crunch Times at the Frontline’**

**February 2009**

## **Table of Contents**

		<b>Page</b>
<b>Section 1</b>	<b>Executive Summary</b>	<b>3-5</b>
<b>Section 2</b>	<b>Background</b>	<b>6-7</b>
<b>Section 3</b>	<b>‘Crunch Times at the Frontline’ Issues and Problems</b>	<b>8-17</b>
<b>Section 4</b>	<b>Recommendations</b>	<b>18-19</b>

## **1.0 Executive Summary**

**1.1** At a time of increasing uncertainty facing many households across Northern Ireland; with unemployment levels rising; with increasing numbers of people accessing services of the Social Security Agency (SSA) and increasing numbers of people accessing services of advice agencies (particularly debt and money advice services), Advice NI members are reporting major issues on two fronts: (1) social security agency-related workload (2) difficulties responding to increased demand.

**1.2** Clients are presenting with a range of social security-related problems including difficulties coping on benefit income levels, people not receiving their full benefit entitlement, delays in the processing of claims, requiring assistance in disputing poor quality decisions (particularly requiring assistance with appeal hearings) and coping with welfare reform including the introduction of the Employment & Support Allowance.

**1.3** Advice NI members strive to provide a vital lifeline for people who find themselves in difficulty. The latest Advice NI Membership Profile Report highlights that advice agencies are finding it increasingly difficult to cope with client demand.

**1.4** Advice NI would make the following recommendations in order that both clients and advice agencies cope with the challenges ahead:

**1.4.1 Recommendation 1:** Benefits, tax credits and the National Minimum Wage need to be uprated to take account of the increasing pressures on household incomes.

**1.4.2 Recommendation 2:** Clients who present with social security-related queries often require help with other issues, particularly debt and money advice. Additional funding needs to be made available to enable advisers to cope with this demand.

**1.4.3 Recommendation 3:** The Warm Homes Scheme is the Department's main vehicle for addressing the fuel poverty issue. Adequate provision for face to face advice provision needs to be built into the Warm Homes process, to ensure that people in fuel poverty can maximise their incomes.

1.4.4 **Recommendation 4:** There should be an extension to the current provisions of benefit take up activity in Northern Ireland. Innovative and new methodologies in targeting those most vulnerable, hard to reach and in need should be implemented. Remuneration needs to reflect the full costs of service delivery.

1.4.5 **Recommendation 5:** Given the extent to which benefit payments are now made into some form of bank or Post Office account, more needs to be done to help people understand what benefits they receive.

1.4.6 **Recommendation 6:** At a time when more people may need to access the benefits system, more should be done to ensure that benefit applications are processed in a timely fashion.

1.4.7 **Recommendation 7:** Standards of decision making need to be reviewed particularly for the disability and incapacity benefits. An independent 'DWP Standards Committee' has expressed a series of concerns about decision making carried out, For example the committee states “... not just to improving the standard of decision making for the sake of paying the right benefits and avoiding errors, but also to what is fair, and 'customer focused ...”. The committee also feels that improvements could be made in relation to mental health issues and weighing medical evidence, staff attitudes and abilities and 'getting it right' at the reconsideration stage (DWP Standards Committee Annual Report 2007/2008).

1.4.8 **Recommendation 8:** Advice NI believes that the communication/ information flow between SSA/HMRC and the independent advice sector could be improved. In particular would recommend a local liaison point in respect of HMRC.

1.4.9 **Recommendation 9:** Additional funding needs to be injected into the independent advice sector to help address the need for additional advice services, including the downstream consequences of welfare reform. A funding stream similar to the 2003/06 Welfare Reform and Modernisation Project could be used.

1.4.10 **Recommendation 10:** The Social Security Agency/HMRC should recognise that telephony may not suit everyone, and every effort should be made to provide a face-to-face service which is timely and responsive to the needs of vulnerable claimants.

## **2.0 Background**

**2.1** In the current economic crisis many lower income families in Northern Ireland are struggling to pay bills and make ends meet. Over the last year there has been an unprecedented increase in electricity, heating oil and gas with the average grocery bill rising by 30%. This coupled with the fact that the uprating of benefits and the national minimum wage is minimal in comparison means that people are set to find themselves in even greater hardship. On top of this it is forecasted that unemployment is set to rise, inevitably meaning even more people falling into debt. Advice NI notes with concern that the number of people claiming unemployment benefits has increased by 2,200 to 38,400 in January 2009. This increase was similar to that recorded in the previous monthly period to December 2008. We also note that the increase over the year to January was 14,700, a higher percentage increase than the UK as a whole. The annual percentage increase in Northern Ireland 62%, was the highest since the claimant count began in January 1971. Nearly 80% of the annual increase occurred in the last six months. The district council areas which showed the highest percentage increase over the year were Magherafelt (an increase of 536, or 189.4%), Dungannon (727, or 161.9%) and Cookstown (471, or 149.5%).

**2.2** Independent Advice Centres provide a vital lifeline for people who find themselves in difficulty. They provide a range of services to people living in disadvantaged urban or rural areas as well as particular social groups such as lone parents, people with disabilities, older people or members of BME communities. Advice NI members deal with over 200,000 enquiries a year the majority (57%) being benefits related (Advice NI, Membership Profile Report (MPR) 2008).

**2.3** Due to the difficult funding environment, advice agencies are under considerable pressure to maintain their current level of services. This is illustrated by the fact that the level of staffing has decreased by 4% over the past year (Advice NI, MPR 2008).

**2.4** Inadequacies in the administration of benefits by government departments has only exacerbated this pressure. Advice NI members are indicating that due to poor decision making, particularly in relation to disability and incapacity benefits, clients are being faced with undue stress and hardships as well as increasing the workload of

advisers. This view is reinforced by a recent Advice UK report ‘it’s the system, stupid?’ which highlights that much of the demand for advice services is ‘failure demand’ – work that should not need doing caused by failings further back in the system of public service administration.

**2.5** Evidenced by case studies, panel discussions at Advice NI’s AGM and post AGM e-Consultation posts this briefing paper sets out some of the key issues and problems clients and advisers are facing on a daily basis and makes some important recommendations on how the system can be improved for the betterment of people living in Northern Ireland.

### **3.0 ‘Crunch Times at the Frontline’ - Issues and Problems**

#### **3.1 Income Inadequacy**

3.1.1 Low income families and clients are experiencing increased levels of hardship due to welfare benefits and wages not uprating in line with essential living costs. The average grocery bill has increased by 30% whilst benefits such as Income Support personal allowance for persons aged 25 or over only increasing by 2.28% (Family Resources Survey, DSD NI).

#### **3.2 Debt**

3.2.1 Advisers and statistics are indicating that clients are experiencing an increase in levels of debt and mortgage repossessions. A total of 3,628 mortgage arrears were issued to people struggling with repayments in Northern Ireland in 2008, a rise of 64% on the previous year. Figures from the court service show the number of writs and summonses issued rose from 2,213 in 2007. Advice NI member, Housing Rights Service, has reported a 300% increase in demand for their specialist debt service.

3.2.2 Advice agencies are dealing with increasing number of clients, who have lost their jobs, are in debt and are unable to pay their mortgages. Debt queries are up 6% this year (Advice NI membership profile 2008).

3.2.3 **Case Study** - Client was in receipt of Income Support and Disability Living Allowance. Income was maximised by virtue of securing a Severe Disability Premium, a Community Care Grant and support from St Vincent de Paul. Client’s financial situation was tackled: included Debt (1) £3,113.46; Debt (2) £7,833.24; Debt (3) £3,098.48; Debt (4) £2,100.00; Debt (5) £7,518.24.

Total additional weekly income generated: £68.45

Support with Bankruptcy Application (Debt Written Off): £23, 663.42

3.2.4 **Advice NI e-Consultation post** - “The demand for locally accessible quality frontline advice services has dramatically increased with significant additional debt related work which is time consuming and yet there are no additional resources to

meet demand. There are reports all across N.I. from independent advice agencies about the increased demand and many offices are struggling to meet current demand or even remain open, with some having to restrict service delivery due to current case load management issues. ” ([www.adviceni.net/econsultation/default.asp](http://www.adviceni.net/econsultation/default.asp), Peter McMahon, Housing Rights Service)

### **3.3 Fuel Poverty**

3.3.1 Advice agencies have indicated that there has been a significant increase in low income and vulnerable clients experiencing fuel poverty which is defined as “when a household spends more than ten per cent on energy”. It is estimated that 50% of families with children in Northern Ireland could be living in fuel poverty (The impact of fuel poverty on children, Save the Children 2008). With the current economic climate set to continue many more people are going to face hardship and despair.

### **3.4 Benefit Take Up**

3.4.1 There is a low level of awareness and take up of welfare benefits in Northern Ireland. For example the total amount of Pension Credit left unclaimed annually is between £57 million and £134 million. The average number of pensioners entitled to Pension Credit and yet not claiming is between 39,000 and 74,000 (Family Resources Survey, DSD NI).

3.4.2 Research has indicated that one of the major issues of why take up of benefits is so low is that clients feel that claim forms for a range of benefits are very complex and can put them off applying (Advice NI, Benefit Take Up Project Evaluation, 2007).

3.4.3 Clients are continually approaching advice centres as they are confused about their entitlements due to poor communication between government departments. Each benefit department tends to operate in its own silo and has specialised knowledge on their particular benefits, whereas in reality many benefits interact with each other and need a holistic approach to service delivery.

**3.4.4 Case Study** - Client was a carer for his elderly mother. As a result of benefit take up work he contacted our adviser on behalf of his Mother. His mother was not aware of Attendance Allowance and did not think she was entitled as both she and her son had savings. An Information Officer advised her that AA was not affected by savings or income and assisted with the application. The application was successful and low rate care AA was awarded.

Total additional weekly income generated: £43.15

### **3.5 Method of Payment**

3.5.1 Due to the introduction of Direct Payment into claimants Post Office Card Accounts or Bank Accounts many clients do not know what benefits they are in receipt of. Advisers often find it very difficult to retrieve this information from the various agencies and therefore is extra stress/workload for clients and advisers when they are assessing benefit entitlements.

### **3.6 Delays**

3.6.1 Clients are facing delays in the processing of claims. Advice NI has evidence of numerous examples of delays including huge delays in the processing of Child Benefit claims and more recently delays in the processing of Community Care Grants. A verified case has come to light where a Pension Credit claimant was told incorrectly that their claim would take 12 months to be processed.

3.6.2 Advisers have highlighted that many clients are receiving inconsistent and inaccurate information from benefit and Tax Credit departments with unacceptable waiting times to see customer representatives. Additionally adviser feedback consistently shows that clients would not have the confidence in agency staff completing forms such as Disability Living Allowance and Attendance Allowance. This is substantially increasing the pressure on advice centres.

3.6.3 **Case study** - My client was told on number of occasions by different incapacity benefit (IB) staff that he wasn't entitled to IB, when actually he was. It was only when he mentioned about it in passing that I offered to check his entitlements.

Advisers in that department don't seem to be applying the formula for occupational pensions correctly... Additionally there is poor communication between IB and carers allowance (CA) for (overlapping benefit rules) and the actual rates of benefit that customers are receiving. IB told CA that the client (same as before) got full rate of IB and so they disallowed him CA. However due to occupational pension rules, he actually only got £36 IB p/w despite being on long term IB and could therefore qualify for some CA up to reach max of £50.55 p/w. I had to contact CA and explain this and customer had to await reconsideration.

### **3.7 Quality of Decision Making**

3.7.1 Advice NI are receiving constant feedback from advisers who are stating that poor decision making particularly in relation to disability and incapacity benefits is causing undue stress and hardships for many clients. This is further evidenced by the increase in numbers of clients coming to advice centres looking representation at appeals (Advice NI membership profile report 2008).

3.7.2 **Case Study** - Client was admitted to hospital following a severe depressive episode. When adviser saw client in hospital she had been found fit for work, her Incapacity Benefit had stopped and she had nil income. Adviser assisted client to appeal this decision, made claims for Income Support and Disability Living Allowance. The appeal was successful, Incapacity Benefit was re-instated, arrears paid; plus DLA and IS claims were awarded.

Total additional weekly income generated: £219.40

3.7.3 **Case Study** - Thirty seven year old man came to centre requiring help to complete his DLA renewal form. He had mental health difficulties for a number of years which included severe paranoia. His mental health was managed by the community mental health team and he had a very well established relationship with his community mental health nurse. His only contact with his GP was for repeat prescriptions. This was detailed on his renewal form. His DLA renewal was turned down based on evidence from GP report.

Request lodged for the decision to be looked at again and it remained unchanged. Decision appealed to a tribunal which client found to be extremely distressing. Supporting evidence secured from the Community Mental Team and he was given an indefinite award. Client has since moved into private rented accommodation and was awarded SDP on his IS claim.

Total additional weekly income generated: £108.70

### **3.8 Partnership Working**

3.8.1 Advice NI has evidence that some benefit and Tax Credit departments are still refusing to talk to advisers on behalf of clients even though this authority has already been established.

3.8.2 Advice agencies are stating that referrals received from the SSA are substantially adding to adviser's workloads.

3.8.3 There is evidence that there is a lack of prior consultation on proposed changes to policy or methods of working by the SSA with the independent advice sector. For example there has been no pre-consultation engagement with Advice NI or members on the SSA Strategic Business Review.

3.8.4 **Advice NI e-Consultation post** - “‘Crunch times at the frontline' is real and it is also having a ripple effect across the advice sector and the ripples are fast becoming waves. Never has there been a better time to consider if we can deliver our services better with the limited resources we have and for me that means strategic and collaborative partnership working.” ([www.adviceni.net/econsultation/default.asp](http://www.adviceni.net/econsultation/default.asp), Peter McMahan, Housing Rights Service)

### **3.9 Access to Information and Advice**

3.9.1 A difficult funding environment and diminishing resources is impacting on advice agencies service delivery. The demand for advice is increasing but infrastructure and capacity is decreasing. This is illustrated by the fact that the level

of staffing has decreased by 4% over the past year (Advice NI, membership profile report 2008).

3.9.2 Advice NI is currently undertaking research on the current funding climate within the Advice NI membership. Early findings indicate that a significant number of organisations within our membership have had to issue staff protective redundancy notices as funding contracts are coming to an end without any indication that they will be renewed. Considering the services provided by members and with the current economic climate forecasted to further deteriorate, Advice NI strongly believes that advice services should receive additional support rather than face cutbacks, particularly within the framework of the DSD advice and information strategy.

3.9.3 There is a significant increase in the workload for advisers and advice agencies with the constant change in government welfare reform policy. For example the DWP expect there to be an increase of 26,500 appeals a year with the introduction of employment and support allowance ([www.dwp.gov.uk](http://www.dwp.gov.uk)). This represents an increase of around one third on current incapacity appeal numbers.

3.9.4 Poor communication between the different government benefit agencies is also increasing the workload for advisers as advisers may have to make several contacts before beginning to assess a client's situation.

3.9.5 **Case Study** - Adviser conducted a home visit and conducted a benefits check for a carer, her husband and her daughter who suffered from Down's syndrome. Both parents had severe health problems, were assisted with Attendance Allowance forms which were both awarded. This also brought in entitlement to a Severe Disability Premium for the daughter.

Total additional weekly income generated: £134.75

3.9.6 **Case Study** - As a direct result of calling an advice centre a couple received backdated Pension Credit of £6,676 and an increase in their weekly income by way of

accessing two Severe Disability Premiums and claiming Housing Benefit as they were entitled to have their rent paid. Total additional weekly income generated: £152.41

**3.9.7 Advice NI e-Consultation post** – “It is certainly a case of rising demand vs. decreasing funding. Advice Centres have never been busier as we struggle to cope with the fallout of the current financial crisis and if that’s not bad enough the government go and introduce ESA. The demand for advice in respect to debt issues, employment (redundancy), fuel poverty and benefits has never been greater yet we continuously seem to be fighting a losing battle with funders. It is so frustrating and soul destroying having to constantly go cap in hand to funders to try and prove your worth, particularly when it is quite clear that Advice Services are vital and represent great value for money.” ([www.adviceni.net/econsultation/default.asp](http://www.adviceni.net/econsultation/default.asp), Michael Roddy, Omagh Independent Advice Services)

**3.9.8 Advice NI e-Consultation post** – “We at EBIAC saw our staffing levels drop from 7 to 2 between 2006 and 2007. We now have 3 staff. We still have similar amounts of people presenting for advice. The number of people needing advice is rising due to the recent changes to the social security system and current economic climate. We also see quite a lot of work generated by poor decision making in relation to disability and incapacity benefits. This does cause much undue stress for clients. Staff are under continuous pressure in our centre as to provide our services each staff member has to juggle different roles. It is very stressful and a situation I thought would only be temporary has become long term. Our services depend greatly on the goodwill of paid staff and volunteers who are very committed to the people in the community in which we work. We like other advice centres offer incredible value for money. We would like more funding in order to meet all the need being presented by our clients. Advice services are a very basic service to the community; they do not provide additionally, they meet people's basic needs. It is hard to accept that the government is committed to helping those most in need when we are so underfunded in one of the most deprived areas of Northern Ireland.” ([www.adviceni.net/econsultation/default.asp](http://www.adviceni.net/econsultation/default.asp), Mary McManus, East Belfast Independent Advice Centre)

### **3.10 Telephony**

3.10.1 Telephony plays a significant role in terms of SSA's service delivery. This role is set to increase given the proposals set out in the SSA's Strategic Business Review.

3.10.2 Whilst this method of contact may suit some SSA claimants, Advice NI is mindful of the Social Security Advisory Committee report published in July 2007: 'Telephony in DWP and its agencies: Call costs and equality of customer access' – in which the Committee stated that whilst the modernisation of the Department's services has undoubtedly worked well for many, there was evidence that in moving to telephony-based services the Department effectively transferred some of its costs to the claimant, and that in terms of access, the poorer and more disadvantaged the claimant, the greater the potential barriers. The Committee also reported on a number of other barriers to access presented by telephony - such as language and cultural issues, mental health and other problems linked to a range of disabilities - to which reliable, alternative access solutions have yet to be established.

3.10.3 The Social Security Agency should recognise that telephony may not suit everyone, and every effort should be made to provide a face-to-face service which is timely and responsive to the needs of claimants.

### **3.11 Welfare Reform**

3.11.1 Welfare reforms to date including the introduction of the Employment & Support Allowance have had a direct impact on claimants and on advice agencies. This trend will not abate, particularly with the publication today of the Government's latest welfare reform white paper.

3.11.2 In previous Welfare Reform Briefings, Advice NI has made the points that: *“Government should consider the economic situation. The economy is currently strong and arguably supports active labour market policies; should an economic downturn occur Government will need to revisit any reforms implemented with a view to rebalancing the approach to conditionality”*;

*“There needs to adequate accessible, independent advice provision to allow people on benefits to make informed decisions about moving from benefits to work”;*

*“The ‘hardest to help’ very often represent the most vulnerable within our society – in terms of ill health (physical and mental), educational status, housing status, employment readiness, language barriers, income and so on. These same people are the least able to take risks to work. As long as the reform agenda appears to be only interested in removing people as a benefit statistic – not meaningfully supporting people to make the transition into employment – the ‘hardest to help’ may remain reluctant recipients of welfare reform, rather than eager participants”;*

*“There should be a system of much improved ‘run-on’ support (from benefits into work) to incentivise and reduce any perceived risk of moving into paid employment”;*

*“It is the view of Advice NI that there is always a balance to be struck between encouraging families in receipt of social security benefits to move into paid employment and providing adequate support for families while they are in receipt of benefits. In our view the government has taken a predominantly ‘work focused’ approach, concentrating primarily on ‘making work pay’ and using employment as the principal means of tackling child poverty. However, in taking this approach, there is a concern that families on benefits are being left behind and marginalised. In general terms, just as government would urge those on benefits not to have a phobia about working, Advice NI believes that Government itself should not have a phobia about seeking to improve the quality of life for those people and children reliant on benefits”;*

*“Welfare reform was successful because the US economy was good and because in-work supports – child care and health insurance – helped make work pay. With the downturn in the economy, problems with the US approach were highlighted as being the difficulty for welfare recipients to secure continuous employment (often a focus on ‘take the first job’ and not the ‘best job match’). There was also a very significant issue related to ‘floundering families’ – with a significant increase in single mother households without work and without access to welfare (number has almost doubled since 1990)”;*

*“In terms of people with disabilities, Advice NI notes the analysis of the impact of Pathways<sup>1</sup> as highlighted in the report ‘The impact of Pathways to Work’ which*

---

<sup>1</sup> <http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep435.pdf>

*focuses on the overall impact of Pathways on employment, earnings, receipt of incapacity benefits, and a potential indicator of the extent to which individuals' health affects their everyday activities. Whilst generally positive about the impact of Pathways it should be noted that the report highlights that Pathways had little effect on the employment or self-reported health condition of people suffering from mental illness. Given that people with mental illness account for over 40% of the Incapacity Benefit caseload, Advice NI remains concerned that a suitable form of support has not been developed to meet the needs of this particular client group”;*

3.11.3 Advice centres will undoubtedly see their workload increase with the implementation of welfare reform proposals. Government and its Departments must be mindful of the impact of welfare reform and equip advice agencies to deal with the down-stream consequences.

## 4.0 Recommendations

4.1.1 **Recommendation 1:** Benefits, tax credits and the National Minimum Wage need to be updated to take account of the increasing pressures on household incomes.

4.1.2 **Recommendation 2:** Clients who present with social security-related queries often require help with other issues, particularly debt and money advice. Additional funding needs to be made available to enable advisers to cope with this demand.

4.1.3 **Recommendation 3:** The Warm Homes Scheme is the Department's main vehicle for addressing the fuel poverty issue. Adequate provision for face to face advice provision needs to be built into the Warm Homes process, to ensure that people in fuel poverty can maximise their incomes.

4.1.4 **Recommendation 4:** There should be an extension to the current provisions of benefit take up activity in Northern Ireland. Innovative and new methodologies in targeting those most vulnerable, hard to reach and in need should be implemented. Remuneration needs to reflect the full costs of service delivery.

4.1.5 **Recommendation 5:** Given the extent to which benefit payments are now made into some form of bank or Post Office account, more needs to be done to help people understand what benefits they receive.

4.1.6 **Recommendation 6:** At a time when more people may need to access the benefits system, more should be done to ensure that benefit applications are processed in a timely fashion.

4.1.7 **Recommendation 7:** Standards of decision making need to be reviewed particularly for the disability and incapacity benefits. An independent 'DWP Standards Committee' has expressed a series of concerns about decision making carried out, For example the committee states "... not just to improving the standard of decision making for the sake of paying the right benefits and avoiding errors, but also to what is fair, and 'customer focused ...". The committee also feels that improvements could be made in relation to mental health issues and weighing medical

evidence, staff attitudes and abilities and 'getting it right' at the reconsideration stage (DWP Standards Committee Annual Report 2007/2008).

**4.1.8 Recommendation 8:** Advice NI believes that the communication/ information flow between SSA/HMRC and the independent advice sector could be improved. In particular would recommend a local liaison point in respect of HMRC.

**4.1.9 Recommendation 9:** Additional funding needs to be injected into the independent advice sector to help address the need for additional advice services, including the downstream consequences of welfare reform. A funding stream similar to the 2003/06 Welfare Reform and Modernisation Project could be used.

**4.1.10 Recommendation 10:** The Social Security Agency/HMRC should recognise that telephony may not suit everyone, and every effort should be made to provide a face-to-face service which is timely and responsive to the needs of claimants.

**Contact information for this AGM report:**

Bob Stronge (Director)

Kevin Higgins (Deputy Director)

Arfawn Yasin (Head of Policy and Research)

Advice NI

1 Rushfield Avenue

Belfast

BT7 3FP

Tel: 028 9064 5919

Fax: 028 9049 2313

Email: [bob@adviceni.net](mailto:bob@adviceni.net)

[kevin@adviceni.net](mailto:kevin@adviceni.net)

[arfawn@adviceni.net](mailto:arfawn@adviceni.net)

Website: [www.adviceni.net](http://www.adviceni.net)