

LEEDS.

From Ordnance & Actual Surveys

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Scale of 1/6300

Advice Leeds

Social Security?

The Impact of Welfare Reform in Leeds



Social Security?

The Impact of Welfare Reform in Leeds

“Seeing [Welfare Reform] through is at the heart of ... our social and moral mission in politics today... giving new purpose, new opportunity, new hope and yes, new responsibility to people who had been previously written off with no chance.”

David Cameron, Daily Telegraph, 18 February 2014

“Struggling to afford basic living costs especially food and housing. Amongst other reasons has contributed to depression and anxiety; living in a house with 4 children and not enough bedrooms.”

Advice Leeds Survey Respondent

“Depending on my bills, I have very little left to live on. This is affecting job-hunting as I need a certain amount of money to visit interviews and prepare.”

Advice Leeds Survey Respondent

Advice Leeds

Advice Leeds is a partnership of independent advice providers in Leeds, working together to:

- Improve access to free and independent advice in Leeds
- Influence social and economic policy developments affecting clients at local and national level

By working in partnership, members of Advice Leeds aim to make the most of existing resources and secure new funding to increase the availability and quality of advice services in the area.

The **Advice Leeds Partnership** includes a broad range of affiliate, associate and full members working in and around the city of Leeds.

The partnership currently comprises 33 members and is open to not for profit advice providers, advocacy groups and funding bodies which support Advice Leeds' purpose, objectives and values. There are currently three tiers of membership:

- | | |
|---------------------------|--|
| Full members: | Not for profit advice providers that meet nationally recognised quality standards for Legal Advice (AQS or its equivalent). |
| Associate members: | Not for profit advice providers who currently do not hold nationally recognised quality standards for Legal Advice (Advice Services Alliance - Advice Quality Standard or its equivalent). |
| Affiliate members: | Funding bodies or other organisations that support the purpose, objectives and values of Advice Leeds. |

Executive Summary

Advice Leeds supports the general aims of the government to make the benefits system fairer and simpler, to help people find and stay in work and to tackle poverty. This report captures the lived experience of claimants during a period of unprecedented change and casts serious doubt on the ability of the government to achieve these aims through its current policy. Using the words and responses of 424 individuals and families, the report explains how the process of welfare reform has led to significant numbers of people suffering severe negative effects in the locality.

Welfare Reform initiated by the current Government amounts to “the most substantial series of changes to the structure of welfare provision in the UK since the period of reform following the Second World War”.⁽¹⁾ The Coalition Government has introduced an ambitious programme of reform to welfare benefits over the last two years and broader changes initiated by the Welfare Reform Act 2012 are likely to continue through to the next general election and beyond. They have stated their key aims as making the benefits system fairer and more affordable, helping people back to work and reducing poverty.⁽²⁾

Impacts: Many of the changes have affected those who were already in financial difficulty and who were least likely to be able to meet the additional costs. The report raises considerable concerns about the impact of these changes on the most vulnerable, not just in relation to actual financial loss, but also on living standards, health, family life and housing. The report highlights the need for further detailed studies of individual strands within the programme, as well as a national review of the actual impact of welfare reform on those whom it seeks to help.

Study and Findings: Agencies within the Advice Leeds partnership have been key witnesses to the impacts of welfare reform on individuals and families using their services. In order to gain a better understanding of these impacts, Advice Leeds has gathered information from those affected. Between August 2012 and August 2013, partners asked their service users to complete a short questionnaire to ascertain how aspects of their life were being affected. Responses to the questionnaire highlighted negative impacts upon:

- Long-term health
- The ability to find secure paid work
- The quality of life for disabled people
- The capacity to maintain a balanced diet and avoid hunger
- The ability to maintain and enjoy family life
- The ability to shield children from the worst effects of poverty
- The capacity to heat homes in the face of other priority costs

Recommendations: As one of the most influential advice networks in the UK, Advice Leeds calls for a wider debate about the specific and combined impact of welfare reform on the most vulnerable in society. This should include:

- A reconsideration of the support available for those whose income is most severely affected.
- A consideration of the long-term impact of these reforms, especially on children and people with health issues.
- An acknowledgement of the relationship between welfare reform and the increasing dependence of individuals on third-sector organisations.
- A consideration of how work can be made a realistic and sustainable alternative for those who are struggling through barriers to find it.
- Greater sensitivity to the fact that not everybody can work and a commitment to protect their right to a decent life.

Contents

Acknowledgements	8
Introduction	9
Key changes and their impact in Leeds	10
How are people being affected in Leeds?	14
Case Studies	20
Conclusion	23
References	25

Appendices

Appendix A - Council Tax Support (Leeds City Council)

Appendix B - Summary of Additional Impacts

Appendix C - Responses by benefit and impact

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Introduction

In their Green Budget of January 2014, the Institute for Fiscal Studies (IFS) indicated that, based on planned public spending cuts up to 2018/19, only 46% of planned deficit reduction has so far been enacted. The Treasury has forecast that a further £12bn will need to be cut from the welfare budget in the first two years of the next parliament in order to meet targets for a budget surplus by 2018/19.(3)

Ambitious plans for full fiscal consolidation in the middle of the next parliamentary term imply an acceleration of the process of welfare reform after the next election. Where the axe will fall remains unclear; initiatives touted by the government include the removal of housing benefit for the under 25s, the restriction of child-related benefits for families with more than two children and a lower housing benefit cap.(4)

This report has been compiled in response to a failure on the part of policy-makers to take into account the 'lived' experience of those most affected by welfare reform. Within the report, the effect on individuals and families is presented in their own words and these testimonies are an early attempt to bring some qualitative balance to an area of public debate dominated by macroeconomic priorities.

The report brings together 424 survey responses collected by 18 agencies within the Advice Leeds partnership. These have been combined with 11 telephone interviews undertaken in connection with a joint project with the University of Leeds. Focussing on a 12 month period from August 2012, the report is the first retrospective and qualitative analysis of the impact of welfare reform in the Leeds area and will be the first in a series of impact reports that will be undertaken by Advice Leeds.

Whilst much further research is needed, a clearer picture of the 'lived' experience is slowly emerging; a recent report commissioned by Defra explicitly rejected government claims of a link between heavier use of food banks and increased food aid provision.(5) This paves the way for a greater focus on the connections between welfare reform, benefits administration and increasing dependence on charitable organisations. Consecutive impact reports by Real Life Reform have highlighted the affect of rapidly diminishing food budgets and increasing debt repayments for households in Yorkshire.(6) In Leeds, Dole Animators have exposed some hard truths about life on benefits during this period and the Leeds Poverty Truth Challenge has developed these themes and established a local model for working collaboratively to tackle poverty.(7)

This report adds a further layer of detail to the emerging picture. The evidence collected by Advice Leeds and partners suggests that all benefit recipients (and their dependents) regardless of their employment status or fitness for work are facing severe challenges. This report captures their resilience and seeks to channel their concerns in support of a more compassionate approach to social welfare policy.

Ben Butler

Advice Leeds
March 2014

Key changes and the impact in Leeds

Summary

- **Incapacity Benefit to Employment Support Allowance (ESA):** DWP statistics show that between March 2012 and May 2012, 32% of those who were previously entitled to Incapacity Benefit in the UK were found not to be entitled to ESA. (8)
- **ESA and the Work Capability Assessment (WCA):** Between April and June 2013, 40% of those who appealed against their negative WCA decision were successful. (9)
- **Personal Independence Payments (PIP):** In Leeds it is estimated that 5,000 fewer people who would have been eligible for Disability Living Allowance (DLA) will be eligible for PIP. (10)(11)
- **Under Occupancy:** More than 8000 households in Leeds have been affected by Under Occupancy, leaving them to pay an average of £12 (approx) a week more towards their rent. (12)
- **Council Tax Support:** From April 2013, 33,000 people in Leeds had their Council Tax Support reduced by 19% and their average loss was set to be £129 per year. (13)
- **Benefit Cap:** From April 2013, 424 Leeds families were affected by the benefit cap with an average loss of £64 per week. (14)

The migration of Incapacity Benefit claimants to Employment and Support Allowance

The changes: Since 2010, Incapacity Benefit claimants have been re-assessed and those who qualify have been moved to Employment and Support Allowance (ESA), a benefit for people with limited capability for work. This new benefit involves a tougher medical test (the Work Capability Assessment (WCA)), the re-testing of existing claimants, new requirements to engage in work-related activity and time limiting to 12 months the entitlement to contribution-based ESA.

Who is affected: The migration of claims from Incapacity Benefit to ESA and the application of the WCA had a significant impact on claimants. Initial national estimates were that 51% of claimants would fail to meet the benefit entitlement threshold. (15) In the three months to May 2012, 32% of those who were previously entitled to Incapacity Benefit in the UK were found not to be entitled to ESA. (16)

Employment and Support Allowance and the Work Capability Assessment

The changes: ESA is a benefit for people who are unable to work because of a physical or mental health condition. In order to qualify for ESA, a claimant must pass the WCA which has been continually reviewed since its introduction in 2008 to “...make it a fairer, more effective and more humane process.”(17) Those who are deemed able by this test are required to take part in ‘work-related activity’ and since December 2012 have been prone to have their payments suspended for between one and four weeks for failing to do so.(18)

Who is affected: ESA and the WCA have had a significant impact on claimants and advice services in Leeds. In the year to May 2013, there were 1.21 million new claims for ESA and from December 2012 to February 2013, 42% of claimants were assessed as fit for work.(19) There has also been a significant increase in the number of people challenging WCA decisions and, between April and June 2013, 40% of these challenges led to a new decision in favour of the appellant.(20) As well as the difficulties that this has posed to claimants in Leeds there has also been a dramatic increase of 40% in ESA-related enquiries to Citizens Advice Bureaux across the country(21). This has been reflected in the workload of advisers at Leeds CAB and other partners of Advice Leeds.

Personal Independence Payments

The change: In April 2013, Personal Independence Payments (PIP) replaced Disability Living Allowance (DLA) for new claimants aged 16 to 64. The transition process for existing DLA claimants in Leeds to move to the benefit will begin in October 2015. PIP was introduced for new claimants in Leeds on 10th June 2013.

Who is affected: The Department for Work and Pensions (DWP) own impact assessment predicts that half a million people will lose DLA and fail to qualify for PIP out of a total of 1.9 million working age claimants.(22) There are currently 22,000 working age people in Leeds claiming DLA (23) who will have to apply for the new benefit over the next few years. On the basis of the DWP's impact assessment this is likely to mean more than 5,000 fewer claimants in Leeds.(24)

Housing Benefit and Under Occupancy

The change: New rules have been introduced for the size of accommodation that Housing Benefit (and later Universal Credit) will cover for working age tenants renting in the social sector. From April 2013 eligible rent used for calculating housing benefit was reduced by 14% for those assessed as having one excess bedroom and 25% for those assessed as having two or more excess bedrooms.

Who is affected: The Housing Benefit under-occupation reductions have affected more than 8000 households in Leeds.(25). 65% of social housing tenants have been affected by a 14% reduction and 35% by a 25% reduction in housing benefit.(26) In June 2013, Leeds

City Council estimated the average annual decrease in Housing Benefit will be £537.42 per claim or £12.25 per week.(27) By January 2014, the number of households affected had decreased to 6,959 with an average loss of £12.15 per week, but approximately 1,700 claimants with no history of missing or underpaying Council Tax had developed arrears.(28)

Council Tax Reduction Scheme

The change: The Government abolished Council Tax Benefit from 1 April 2013 and replaced it with a local Council Tax Support scheme that operates at the discretion of each local authority. The transition reduced expenditure on this support by 10% compared to previous spending on Council Tax Benefit. The Local Council Tax Support introduced in Leeds from April 2013 has protected certain groups (see Appendix A) whilst reducing payments to remaining claimants by 19% compared to the previous Council Tax Benefit scheme.(29) This will increase to 26% in April 2014.(30)

Who is affected: The groups set out in Appendix A have been protected and will receive the same level of support as they did under Council Tax Benefit. Claimants outside these groups have seen their benefit reduced by 19%.

- 78,415 people in Leeds claimed Council Tax Support in June 2013.
- Of those, 45,420 continued to receive full support whilst 32,995 people had their benefit reduced by 19%.
- On average claimants will have to pay around an extra £129 per year.
- 28,785 people affected by the 19% reduction in Council Tax Support were sent reminders for their payments in June 2013.(31)

The Benefit Cap

The change: The Benefit Cap limits the amount of benefit a non-working family can receive to £500 per week for couples and lone parents or £350 per week for single adults.(32)

Who is affected: The cap was launched nationally in July and was introduced in Leeds from 19th August 2013, affecting 424 families, who were set to lose £64 per week.(33) Whilst all affected households are expected to meet the first £50 of the cut, Leeds City Council have offered extra assistance to some of those affected through Discretionary Housing Payments (DHP), a fund set up to provide extra help to residents who are already getting Housing Benefit and need further financial assistance with their housing costs. For many though, this presents a significant decrease in their family income. By January 2014, 310 families were still being affected, with an average loss of £59 per week.(34)

Other changes

Alongside key reforms, several other changes relating to benefits administration and amendments to existing legislation have interacted with the above to increase pressure on the most vulnerable. Appendix B sets out changes that have already impacted or which are set to have a significant impact on our clients. These include:

- **Sanctions:** Between October 2012 and June 2013, over half a million JSA claimants and 76,000 ESA claimants were subject to adverse sanctions. (35)
- **Up rating of benefit payments:** This will mean a loss of more than £130 per year for vulnerable means-tested benefit claimants in Leeds by 2015. (36)
- **The freezing of Child Benefit rates:** The TUC estimate that a family with two children will be £400 worse off by April 2014. (37)
- **Up rating of Local Housing Allowance:** This has been restricted and is no longer linked to local rent increases. (38)
- **Changes to Tax Credits:** Various changes have limited entitlement and reduced payments. (39)
- **The abolition of Community Care Grants and Crisis Loans:** These changes reduce the safety net for those in crisis who need money for their essential needs. (40)
- **Universal Credit:** A number of administrative issues have delayed its introduction and issues have been raised about its practical application. (41)

How are people being affected in Leeds?

The study: Advice Leeds gathered information using a short questionnaire that asked clients about the benefits they were receiving and the areas of their lives which had been affected by welfare reform benefit changes. The questionnaire asked people if there had been an impact on their housing, family, living costs, paying bills, heat/fuel, food, health, care or other areas and asked people to give more details about these impacts. They received information from a number of agencies completed by advisers on the clients' behalf and from clients directly. The information below is based on 424 questionnaires received between August 2012 and August 2013.

It was clear that the changes had had a significant impact on people's financial situation; overall:

- 68% indicated that the changes had affected their ability to meet their living costs or pay their bills.
- 44% stated that paying for heat or fuel had been affected.
- Nearly 50% indicated that meeting food costs had been affected.

The results also highlighted the impact on other aspects of their lives:

- 60% told us the changes had affected their housing.
- 42% cited an impact on their health.
- 34% referred to a negative impact on their family life.
- 11% suggested that their care had been affected.

The comments made by respondents show how the changes have affected their lives. Beyond the range of different impacts that respondents reflected on, an overriding theme was the struggle to live a fulfilled, healthy and poverty free life as a result of benefit changes. A full list of responses can be found in Appendix C.

Many respondents linked particular policies to having a direct influence on their finances and further described the impact these changes would have on their lives. The responses below have been grouped into seven main areas to identify the key points people made:

- Families and children
- Living costs and poverty
- Finding work
- Housing
- Getting into debt
- Meeting basic needs / dependence on charities
- Disabled people and health

Families and children

Families with children have been particularly hard hit by welfare reform and wider cuts to public spending. As a recent report by the Office of the Children's Commissioner pointed out:

“While families with children make up around 32 percent of working age families in England, they will bear 51 percent of the costs of fiscal consolidation (benefit and tax credit cuts and increases in personal tax) undertaken over the 2010-15 Parliament.”(42)

This is posing particular challenges in Leeds which, at the outset of this report, had approximately “31,795 children living in poverty, the fifth highest number in the UK”. (43) In an interview with the Guardian, Leeds Council Leader Keith Wakefield outlined the scale of the impact of welfare reform on families in the city:

- ***“More than 36,000 families now have a total of £5m extra to pay in council tax following changes to the benefit scheme, and more than 8,000 families in the area have been affected by the bedroom tax.”(44)***

The Advice Leeds survey reflects the heavy impact borne by families in Leeds, particularly in relation to housing costs and the difficulty of paying bills; 78% of family respondents indicated problems meeting living costs, of whom 73% cited difficulty meeting food costs and 59% reported impacts on their ability to pay for heat and fuel.

One family in Leeds described a typical ‘catch 22’ situation arising from a reduction in Council Tax Support of 19% and under-occupancy (bedroom tax) interacting with older rules:

- ***“Because we have a non dependant son at home we have extra to pay already. He was required to pay this deduction and now we also have our own council tax payment to make from April 2013. However, if we tell him to move out, the bedroom tax will cost about the same.”***

One family reflected on the harsh realities of under-occupancy:

- ***“After the death of my son I fell into the new under occupancy law and even though I am not working due to stress of bereavement I still have to pay £13.50 per week rent.”(45)***

Another family described a typical combination of changes that made it harder to pay bills and meet essential living costs:

- ***“We have now to pay extra towards rent and council tax, which leaves us less to live on. It is putting a lot of stress on us. We are finding it hard to pay bills and feed our family.”***

Living costs and poverty

The negative effects of high levels of poverty in society are generally accepted and reducing poverty has been offered as a primary justification for welfare reform.(46) However, the IFS predicts that:

“Both absolute and relative poverty among children and working-age adults look set to increase, in large part due to cuts in benefits and tax credits being implemented as part of the fiscal consolidation. The supposedly binding target of ‘eradicating’ child poverty by 2020 will not be achieved.”(47)

By far the most significant impact of benefit changes reported by respondents related to their ability to meet their essential living costs, resulting in debt, hardship and poverty.

This accords well with early results from a longitudinal study by Real Life Reform which is tracking the impact welfare reform on 100 families living in social housing across Yorkshire and the North West. An initial survey in July 2013 indicated that families were left with just £12.50 per week to cover additional expenses after paying for their bills and food. A further survey in September 2013 (using the same respondents) indicated this figure had been reduced to just £4.79 per week during the surveyed period. This was in spite of a 36% reduction in spending on food during the period. The reduction in remaining income was largely accounted for by increases in fuel spending (£4.07 per week) and debt repayments (£3.61 per week).(48)

Survey responses indicate that welfare reform has significantly reduced the income of many of the most vulnerable people in Leeds and this has affected their ability to find work, stay out of debt and meet their basic needs including housing, heating and food. In common with the findings of the Real Life Reform report, the survey provided vivid accounts of how financial equilibrium could be affected by successive reductions in income:

- ***“I am a carer for my father, with the new benefit changes I do not know how I will manage with travelling costs via bus and keeping warm and having food to eat.”***
- ***“I am finding it harder to pay bills and get my disabled son to appointments.”***
- ***“I don’t have enough money to fill the gap.”***

Finding work

From the start of the process of welfare reform, the Government set out a clear aim to help people find work (49) but the data and accounts in this report suggest that the difficulties faced by people in Leeds associated with the costs of finding work have been heightened by the reforms, particularly in respect of the 19% contribution to Council Tax for working age people. One respondent reflected on their ability to pay their bills and the impact this was having on looking for work:

- *“Depending on my bills I have very little left to live on. This is affecting job hunting as I need a certain amount of money to visit interviews and prepare.”*

Housing

Over 60% of respondents linked benefit changes to their inability to meet shortfalls in their rent (see Appendix C). The sample indicated that housing costs were generally prioritised over other essential living costs, especially heating and fuel. However, the report also raises some serious concerns that the diversion of income from other areas to cover housing costs may not be enough to avoid a steady accumulation of rent arrears. This provides an early indication of the effect of welfare reform (combined with other factors) on housing and raises some serious questions about the ability of claimants to maintain their tenancies in the long term:

- *“I am being charged £9.61 p/w under the Under Occupancy Rules, I am on £56.80 ESA p/w I cannot possibly afford this. I have been turned down for DHP. What am I going to do?”*

There is significant potential for welfare reform to exacerbate increasing levels of statutory homelessness in Leeds. Indeed, the number of people accepted by the local authority as being homeless (priority and non-priority need) has risen by 8.5% in the last three years.⁽⁵⁰⁾ Whilst it is acknowledged that links between welfare reform and rates of homelessness in the city remain an emerging picture, early indications from the Homelessness Monitor indicate that the impact of under-occupancy is ‘particularly pronounced in the less pressured housing market regions in the North and Midlands’. Between August 2011 and 2013, Yorkshire and Humber also saw the largest percentage reduction in Local Housing Allowance payments to private tenants (6.3%) of any UK region, although the long-term market response from claimants and tenants is still not clear.⁽⁵¹⁾

Despite the unfolding picture, responses underline the growing constraints on claimants’ ability to meet housing costs and make further reference to more ‘hidden’ forms of homelessness including overcrowding. These accord well with national statistics relating to the growth of overcrowding in households, which has increased markedly from 2.4% in 2003 to 2.9% in 2013, with a particularly high frequency in the rental sector.⁽⁵²⁾

- *“2 bedroom flat = overcrowded; 2 adults in 1 bedroom. 2 children, one boy aged 14 and one girl aged 11, are sharing a bedroom.”*

Getting into debt

Debt has become a significant social issue, with the Money Advice Service estimating that there are approximately nine million people facing debt problems in the UK.⁽⁵³⁾ The significant reduction in income experienced by Advice Leeds respondents as a result of welfare reform appears to have made debt a more likely outcome. Several respondents indicated they had got into debt because of Housing Benefit and Council Tax Benefit changes or had increased existing debts:

- *“Since these changes to housing benefit and council tax came in April I have got myself into debt with not being able to keep up with payments.”*

Meeting basic needs / dependence on charities

Respondents included a large number of people who could not meet their basic needs, most notably heating their homes and feeding themselves. The use of food banks has risen dramatically in the last three years. In the financial year 2010/11, the Trussell Trust provided food for 68,000 people in the UK. In 2012/13 this figure was 350,000 and, together with un-registered food-banks, it is estimated that more than half a million people are receiving this help.⁽⁵⁴⁾

It is clear from the responses in the survey that people are faced with making difficult choices resulting from higher living costs and downward pressure on income. One respondent identified the difficulties experienced in feeding him/herself and highlighted the need to seek additional support:

- *“Due to arrears in bills and rent I have had to go to charities and homeless organisations for food and support.”*

Many respondents were also struggling to heat their homes. One reflected on not using heating in order to save money:

- *“Money has dropped considerably and I was also told to pay a top-up for my housing so I barely put the heating on because of the cost.”*

Together with rising fuel bills, the drop in income from benefit changes has left many respondents unable to stay warm. These respondents (amongst others listed in Appendix C) illustrate how welfare reform changes have dramatically and negatively affected people’s ability to find work, to stay out of debt and to meet the basic needs of themselves and their families.

Disabled people and health

Disabled people have also had to deal with a combination of changes to the benefits they receive. Research by Demos and Scope has highlighted how cuts to a host of benefits including Disability Living Allowance (DLA), Employment and Support Allowance (ESA), Housing Benefit and the ‘bedroom tax’ are hitting the same group of disabled people over and over again and they estimate that 3.5 million disabled people will lose over £9.2 billion by 2015.⁽⁵⁵⁾

These cumulative impacts have been evidenced by respondents. Around two thirds of those claiming Disability Living Allowance said they had difficulty paying bills or meeting their living costs, with almost half indicating that this included difficulty buying food and paying for heat or fuel.

A high proportion of respondents (42%) also reported wider impacts on their health. 86% of these respondents located their health issues broadly within the mental health

spectrum using terms such as ‘stress’, ‘depression’, ‘mental health’ or ‘anxiety’ in connection with welfare reform. This was either in the form of the worsening of a pre-existing condition (21%), recurrence of a previous condition (7%) or the onset of a new condition (72%).

One respondent described the effect of combined benefit reductions and having to take part in the Work Capability Assessment (ESA medicals):

- ***“Housing benefit and council tax benefit have been reduced, having to go for medicals for ESA and have to pay for taxis to get there. My health is affected by stress of trying to pay bills when costs are rising and income is falling.”***

Under Occupancy was also referred to by a disabled respondent faced with a choice between an increase in rent and moving to a smaller house that was not adequate for his/her needs:

- ***“I have to pay extra rent because I am in a 3-bedroom property and only assessed as needing a 2-bed. But I require an extra room for a carer on odd days and nights.”***

The likelihood of a suitable house being available is also remote. A Freedom of Information request earlier this year revealed that 96% of those affected by the bedroom tax nationally are unable to be re-housed.⁽⁵⁶⁾ Other disabled respondents referred to difficulties keeping warm and paying for food as well as the impact of changes and insecurity on their health and wellbeing:

- ***“I now have to pay much more than I can afford, leaving me depressed and anxious, I have been on medication due to this.”***

The impact of welfare reform changes have had on disabled people and their carers as well as on the health and wellbeing of respondents can be seen clearly in these responses and in further responses listed in Appendix C.

Case Studies

Paul

- Paul is a working age single person living in a one bedroom house rented from the Local Authority.
- He is looking for work and claiming Job Seekers Allowance.
- He claims Housing Benefit and Council Tax Support.

How have changes affected him?

- Paul has been sanctioned for missing an appointment at the Job Centre and his only income is a hardship payment of £43 per week.
- As somebody of working age and not in any of the protected groups, Paul has been liable for 19% of his Council Tax bill since April 2013. He struggles to pay this and is in arrears of £215.
- He has pawned personal possessions within the last year but this alternative source of income has now dried up.
- Paul has other debts and has received advice on these. He is unable to afford payments.
- He uses local food banks in an attempt to meet his basic needs and has a token electricity meter which he struggles to top up.

James and Elly

- James and Elly have mental health issues and receive joint claim Employment and Support Allowance. Their illness prevents them from working.
- They rent a three bedroom Local Authority house.
- They have two children living with them permanently and receive Child Benefit and Child Tax Credits for both.
- James also has a five year old child from a previous relationship who comes to stay a few nights a week. The residence status of this child is yet to be determined in court and they currently receive no financial support for her.

How have changes affected them?

- Under occupancy rules mean that James and Elly have been assessed as needing only two bedrooms because they only have two permanently resident children under ten.
- As a result of this, their Housing Benefit has been reduced by 14% that amounts to £10.50 per week which they did not previously pay.

- They are also not in a protected group so now pay a 19% contribution to their Council Tax. This amounts to £3.20 per week that they did not previously pay.
- They receive Child Benefit for two of their children and this has been frozen at the same rate since 2011.

John

- John has mental health issues that are affecting his physical health and receives Employment and Support Allowance. His illness prevents him from working.
- He lives alone in a private rented house and receives Local Housing Allowance and Council Tax Support.

How have the changes affected him?

- John now has to make a 19% contribution towards his Council Tax and says that this is money he would otherwise be spending on food.
- On the day that John came for advice he had not eaten for four days and had no electricity. He relies on food banks to eat.
- He has previous debt and £30 is being deducted from his weekly Employment and Support Allowance payments.
- He has a token electricity meter and cannot afford to top this up.

Katie

- Katie is 60 years old. She lives on her own in social housing and has been at her current residence for 3 years.
- She is currently unemployed but undertakes voluntary work and receives incapacity benefit.

How have the changes affected her?

- Her incapacity benefit is being reduced by £10 per week and she will have to find an extra £14 per week due to under-occupancy (bedroom tax).
- Katie has applied to move to a one bedroom house but she does not want to leave her neighbourhood as she will be farther away from family and friends. She is concerned that her life will be uprooted and she may be forced into “less secure” private-rented housing.
- She can only afford to have the heating on for one hour per day.
- Katie requires a special diet due to arthritis; this includes more expensive foods such as fruit and fish. However, the reforms affect her ability to afford this. Her arthritis may be further affected because she will not be able to afford to keep up her current routine of visits to the swimming pool.

- Katie states that she has “sleep deprivation, stress, anxiety and worry” and this situation is putting extra stress and pressure upon Katie’s son who is concerned about her wellbeing.
- Katie will no longer be able to afford to run her car and will not be able to maintain her attendance at church which is important to her.

Other interviews:

- **Charlotte, 55:** Will find it increasingly difficult to pay her bills and will be forced to buy cheap, unhealthy food which will negatively impact on her health. Charlotte is *depressed* and believes this condition will affect more people as the reforms continue to be implemented
- **Josie, 44:** Commented that she would not be able to cope when her benefits change as it will affect all aspects of her life. She says the insecurity is very worrying.
- **Mohammed, 60:** Feels he will have to cut back on everything. However, unlike most he believes the reforms will not affect his health.
- **Caroline, 45:** Will not be able to find the extra money and will no longer be able to live in her house or pay her bills. During an interview Caroline revealed one of the more drastic consequences of the reforms stating that she had considered suicide.
- **Aziza, 52:** Will be affected by under-occupancy (bedroom tax). She currently has a special diet due to heart problems but will be unable to buy the correct foods since they are too expensive. The changes are causing a great deal of worry which has led to depression.

Conclusion

Broad aims of reducing poverty, making the system fairer and making work pay have been supported by Advice Leeds and partners from the outset and have previously formed the basis for representations to the DWP from Citizens Advice and Leeds CAB. (57) While it is important to recognise positive aims, it is also important for our sector to monitor whether these aims are being met in Leeds and to speak out when our most vulnerable service-users are being hit so hard.

By providing a review of the key welfare reform changes and assessing their impact in Leeds through the responses of those affected, the report has highlighted negative impacts upon:

■ Long-term health

Several respondents in Leeds linked the process of welfare reform to lifestyle changes and the deterioration or recurrence of an underlying medical condition. The majority of respondents citing health problems referred to the onset of a new condition, particularly stress, anxiety or depression.

■ Ability to find work

Looking for work incurs costs; this includes the cost of stamps, stationery, travel on public transport and telephone calls; therefore any reduction in income has a corresponding affect on the ability of an individual to seek work. This was an emerging theme in survey responses for the Leeds area, but is in need of further research.

■ Quality of life for disabled people

Due to the additional costs involved in travelling and managing a condition, respondents with disabilities tended to be the group in Leeds most likely to face a stark choice between heating their home, buying food or paying their rent. Responses indicate that they are also disproportionately affected by the cost of under-occupying property.

■ Capacity to maintain a balanced diet and avoid hunger

Survey responses are consistent with national statistics relating to the increased use of food banks. The combination of food price inflation and benefit cuts has led respondents in Leeds to endure periods of hunger (up to 4 days), adjust their diet against medical advice or visit food banks to supplement their diet.

■ Ability to maintain and enjoy family life

Families have been placed under severe pressure by a combination of benefit changes which have affected their ability to meet all necessary household expenditure. 78% of family respondents indicated problems meeting living costs, of whom 73% cited difficulty meeting food costs and 59% reported impacts on their ability to pay for heat

and fuel. Families in Leeds were also highly likely to have been affected by under-occupancy of a property.

■ Ability to shield children from the worst effects of poverty

Child-related benefits have been a particular target for welfare reform and seem likely to form a basis for further reductions in the welfare budget. Evidence from this survey demonstrates that, due to an inability to afford additional rental costs, many children in Leeds are effectively trapped in overcrowded living conditions.

■ Capacity to heat homes in the face of other priority costs

The National Attitude Survey of 2012 identified ‘heating to warm living areas of the home’ as the foremost necessity for adults living in the UK. (58) However, survey respondents in Leeds tended to identify heating as the most dispensable commodity in the household budget, indicating a clear preference for meeting additional food and rental costs as opposed to heating their properties.

Recommendations: The survey paints a bleak picture of life for people in receipt of state benefits in Leeds during the period in question. Taken together with other regional and local studies currently being undertaken, it points towards an increasingly punitive welfare system that targets the most vulnerable.

The report is also a call for action; Advice Leeds calls for a wider debate and further research into the specific and combined impact of welfare reform on the most vulnerable in society. This should include:

- A reconsideration of the support available for those whose income is most severely affected.
- A consideration of the long-term impacts of these reforms, especially on children and people with health issues.
- An acknowledgement of the relationship between welfare reform and the increasing dependence of individuals on third-sector organisations.
- A consideration of how work can be made a realistic and sustainable alternative for those who are struggling through barriers to find it.
- Greater sensitivity to the fact that not everybody can work and a commitment to protect their right to a decent life.

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Appendix A

Council Tax Support (Leeds City Council Text)

People who are not affected - the protected groups:

Pensioners

This means people who are eligible to claim Pension Credit. On 1st April 2013 when the new scheme starts anyone who was born before 5th October 1951 is eligible to claim Pension Credit. If this applies to you, you will not be affected unless you have chosen to claim a working-age benefit instead, such as Income Support, Employment Support Allowance or Jobseekers Allowance.

People entitled to a Severe Disability Premium

To qualify you must

- be in receipt of the high or middle rate care component of Disability Living Allowance and
- not be looked after by someone who receives Carer's Allowance for looking after you and
- have no one living with you aged over 18 years old unless that person is registered blind or in receipt of high or middle rate care component of Disability Living Allowance or Attendance Allowance.

People entitled to an Enhanced Disability Premium

To qualify:

- you, or your partner if you have one, or a child or young person in the family, must receive the highest rate of the care component of Disability Living Allowance, or
- you must receive the support component of Employment Support Allowance.

Carers

To qualify as a carer you, or your partner if you have one,

- must be entitled to Carers Allowance or
- must have made a claim for Carers Allowance and would be entitled, but have chosen not to claim it because the person you care for would lose some of their benefits.
- Are being paid income support as a carer.
- The person receiving care must also receive Attendance Allowance or the middle or highest rate of the care component of Disability Living Allowance.

War Widows / War Pensioners

To qualify you must be in receipt of a War Widows Pension, War Disablement Pension or Armed Forces Compensation Payment.

Lone parents with a dependent child under five years old

To qualify you must be responsible for one or more dependent children under the age of five and not have a partner living with you.

Appendix B

The following have had or are set to have a significant impact on our clients:

- **Sanctions:** Since October 2012 a tougher sanctions regime has been in place for those Job Seekers Allowance claimants who are said to have not met Job Seeking conditions or who have failed to act in a manner expected of them. Sanctions involve a suspension of benefit payments for a period from 4 to 156 weeks depending on the nature and repetition of the person's failure to do what was expected of them. Citizens Advice saw an increase of JSA sanction queries of between 30 and 45% in the three quarters from October 2012 to June 2013, compared with the previous year. (59)

From December 2012, a sanctions regime for those claiming Employment and Support Allowance was introduced with those in the Work Related Activity Group facing a suspension of their benefits of between one and four weeks for failure to comply with benefit conditions. (60) Between October 2012 and June 2013, over half a million JSA claimants and seventy six thousand ESA claimants have been subject to adverse sanctions. (61) This has caused severe hardship, destitution and a reliance on food banks for many people in Leeds as well as neighbouring areas like Manchester. (62) An independent review of JSA sanctions is currently taking place and a report is due after 26th March 2014. (63)

- **Up rating of benefit payments:** Before April 2011, work replacements benefits were up rated or increased every year in line with the Retail Price Index (RPI) measure of inflation. From April 2011, this was switched to the lower Consumer Prices Index (CPI) measure of inflation and is estimated to save £6.2 billion per year by 2014/15. (64) For our clients receiving JSA, Assessment Phase ESA and Income Support this will mean that by 2015/16 they will receive £73.25 rather than £75.80 per week. (65) This means a loss of more than £130 per year for vulnerable claimants in Leeds.
- **Up rating of Local Housing Allowance:** Since April 2013, maximum rates of Local Housing Allowance no longer take account of local rents and instead are up rated in line with the Consumer Prices Index (CPI). Further changes as a result of the 2013 Benefits Up-rating Bill mean that the up rating of Local Housing Allowance will be restricted to 1% in the tax years 2014/15 and 2015/16. (66) These changes are set to make it harder for those on a low income who live in areas with high rent levels.
- **The freezing of Child Benefit rates:** from April 2011, Child Benefit payment rates were frozen for three years at £20.30 for the first child and £13.40 per week for other children in a household. This will mean a loss of family income for

people in Leeds with the TUC estimating that a family with two children will be £400 worse off by April 2014.(67)

- **Changes to Tax Credits:** There have been a number of changes to Tax Credits since April 2011 that have limited the amount of money claimants receive. These include frozen rates, reduced income disregards, higher withdrawal rates, abolition of the baby rate, a reduction in eligible childcare costs, an increase in the number of work hours required for couples to claim WTC and the limiting of backdates to one month (previously three months).(68)(69)

- **The Abolition of Community Care Grants and Crisis Loans:** From April 2013 these were replaced by the local Welfare Support Scheme in Leeds. Community Care Grants were one off payments to help people set up home in the community after time in care or to ease exceptional pressure on families in a time of crisis and were given for essential household items. Crisis Loans were payments for those considered unable to meet their basic needs and were paid back from future benefits. A cashless Local Welfare Support Scheme now provides delivery of a limited number of essential items and food parcels from local supermarkets .(70)

- **Universal Credit:** Universal Credit brings together a range of working-age benefits and Tax Credits into a single payment for those looking for work or on a low income. Despite its introduction in certain pilot areas, this new benefit is not expected to be introduced nationally until at least 2015. Anticipated changes include stricter job search requirements, harsher sanctions, single monthly payments and online access. These changes have raised several questions about how they will impact on those already hit by the changes in this report.(71)

Appendix C

Advice Leeds Responses by welfare reform benefit change and impact.

Under Occupancy

- “I have to pay £9.44 for my extra bedroom which is a lot of money out of my JSA. This is affecting my health and living costs. I am bidding every week for another property but have had no luck so far.”
- “I have one spare bedroom so, due to the over-occupancy rule, I lose 14% of my housing benefit. This will seriously affect my health and well being as well as cause extreme anxiety, stress, and worry. I will not be able to eat properly or have heating to cover the cost of paying the extra £50 rent.”
- “I have under occupation charge of £18 per week and council tax charge. I cannot afford my bills and to buy food which is very stressful. I am bidding for a smaller house.”
- “I am being charged £9.61 p/w under the Under Occupancy Rules, I am on £56.80 ESA p/w I cannot possibly afford this. I have been turned down for DHP. What am I going to do?”
- “East Northeast Homes are landlord and say client is under-occupying the home by 1 bedroom. There has been no attempt to discuss whether this is correct why the 'extra' room might be needed. Until visit to CAB no idea what discretionary housing payments could be applied for.”
- “Under occupancy will result in me having to pay £9.50 more.”
- “I have to pay for extra bedrooms which have a knock on effect on other bills and living costs.”
- “HB reduced due to under occupancy charge.”
- “My daughter had to leave home; we are in a four bedroom house now assessed for 3 bedroom. Had to apply for discretionary fund, which I only get for 6 months.”
- “Benefits have reduced due to under occupation charge”
- “Having to pay for extra bedrooms has knock on effect on other bills and living costs.”

Housing and Council Tax Benefit

- “I am having to make good the short fall in my housing and council tax benefit.”
- “Housing benefit and council tax benefit have been reduced.”
- “Council tax support has been reduced so I have to find the money.”
- “Council tax benefit has been reduced so have to find money to pay it.”

- “Housing benefit and council tax support reduced.”
- “My housing benefit and council tax support reduced by £11.84 per week, previously received full benefits.”
- “HB & CTB reduced and also no longer any help with school uniforms,”
- “Housing benefit reduced by £18.85 per week.”
- “Housing benefit reduced by £8.71 per week.”
- “My benefit has been reduced by £11 per week due to changes in council tax support and housing benefit.”

Employment and Support Allowance

- “I had ESA assessment and gained 0 points but too unwell to work. Also housing benefit is to be reduced. Don't know what to do.”
- “I am due to start triple treatment for hepatitis C I need to be stable in mind and body. I was due to start a drug trial in May but this was cancelled at the last minute. I had geared myself up for this new treatment and then felt very disappointed I couldn't do it. This sent me into another spiral of depression. I was then refused ESA which has affected my life.”
- “My ESA stopped following an appeals tribunal and I am complaining about this because they had not followed procedures as they agreed to. I also now have to contribute to council tax from April 2013 and this will also impact upon my finances.”

Benefit Cap

- “Benefit will be reduced by £72.50 per week due to the benefit cap.”
- “Will no longer receive housing benefit of £66.55 per week and will have to pay full rent due to the benefit cap.”
- “Council tax support has been reduced and housing benefit will be reduced by £31 per week due to the benefit cap.”
- “Council tax support reduced and housing benefit will be reduced by £30 per week due to the benefit cap.”
- “Council tax support reduced and housing benefit will be reduced by £15 per week due to the benefit cap.”
- “Council tax support reduced and housing benefit will be reduced by £30 per week due to the benefit cap.”
- “Council tax support reduced and housing benefit will be reduced by £38 per week due to the benefit cap.”

Health

- “The doctors stated the money I receive (£76 fortnightly) is not enough money for a balanced diet therefore my blood levels are not correct.”
- “I suffer a great deal of anxiety surrounding (potential) changes to my income because I am disabled (mental health), I cannot work and cannot make up any financial shortfall. This in turns impacts upon my health condition negatively.”
- “It affects my whole household with the constant rise of living costs. I find it a struggle to heat my house and it affects my mental wellbeing.”
- “Because my benefits have stopped I can't pay bills, food or housing and my mental health has been affected.”
- “Proposed change from ESA to JSA caused the return/worsening of my depression.”
- “Stress and worry about how I will manage to pay for everything.”
- “It took 2 months to clear a sanction on my ESA, even after evidence provided 3 times. The stress didn't help my mental health problems and there were obvious effects on my ability to pay bills and feed myself.”
- “I can't see my family now and go to places, very stressful to go anywhere.”
- “Changing from ESA to JSA caused my depression to return.”
- “My health has gone down hill as I suffer a lot with depression and stress and some arthritis in my shoulders.”
- “Left my employment due to work related stress, I am finding it hard to manage.”

Living Costs

- “Affording to live and getting around sometimes can be limited. I am not able to get out as often and have had changes of diet and lifestyle.”
- “Higher fuel and food costs have meant buying second hand furniture and clothes to economise.”
- “Struggling to afford basic living costs especially food and housing. Amongst other reasons has contributed to depression and anxiety; living in a house with 4 children and not enough bedrooms.”
- “The rising cost in living, including the basic necessities cannot be met without difficulty and the future continues to look bleak.”
- “It has escalated our living cost putting us in poor house where the cost of living is more than income.”

- “We used to get income support, now we are getting ESA and we have been refused DLA. I am expecting living costs to get higher and earnings to get lower.”
- “I am a carer for my father, with the new benefit changes I do not know how I will manage with travelling costs via bus and keeping warm and having food to eat.”
- “My housing benefit went down and food prices have gone up so I have to try and budget very carefully.”
- “The cost of bills is too much and they are freezing at the address they are living in and it is making them ill. They also have no food because they do not get paid for another few of days.”
- “Topping up rent from own income. Fuel costs have become so high that it is difficult to meet costs from income.”

Housing

- “I can’t afford my mortgage, may be losing house.”
- “Housing has gone up.”
- “High private rent causes problems.”
- “Housing are not giving our family enough money for our rent and council tax, struggling to pay bills.”
- “My tax credits are being cut and this helped them to pay bills. My housing benefit is not enough to cover rent.”

Paying Bills and Debt

- “This has affected my household income hence paying bills has become a major problem.”
- “I am finding it harder to pay bills and get my disabled son to appointments.”
- “I am struggling to pay bills.”
- “Not enough money to pay bills monthly.”
- “I can't pay bills and buy food or pay rent etc. 6 Weeks without any benefits.”
- “Has made budgeting difficult.”
- “Benefit has been reduced and this has made budgeting difficult.”
- “I am in debt and relying on mother for food. Also can't afford to visit dentist or GP.”
- “Extra bedroom charge has increased my debt; I am struggling to pay my bills.”
- “I was already on a high budget and had arrears for priority debts such as gas, electric, rent and council tax. I now have to contribute towards council tax each

week. This means the only place I take it from is my food and living expenses money.”

- “I don't have enough money to fill the gap.”
- “They have ever tightening finances.”
- “Haven't got enough money to live on.”

Finding Work

- “The £13 levy that I have to pay out of my JSA for council tax has made it more difficult for me to manage. I am earnestly seeking work as a job seeker.”
- “Due to my age, my housing benefit has been reduced by £100 or more. I have to use my working tax credit to cover rent leaving me with barely enough to live off.”

Other Responses

- “Words cannot describe the turmoil and upset it has caused me, it is affecting my family and friends.”
- “We are struggling at times.”
- “My housing benefit has decreased and partner now has less hours at work so they have less money to live on.”
- “I have been waiting for my claim for income support since 8th January 2013, so with 4 children I am really struggling to make ends meet and am unable to pay my bills.”
- “Since the changes to ESA/JSA and council tax contribution I have really little money to live on.”
- “I look after my 3 children for 4 days - Thursday, Friday, Saturday, Sunday and I only get my ESA for myself to look after them.”
- “They say I have been overpaid and the repayments are too high for me.”
- “I have to put £15 towards rent.”
- “Lack of income, no work, moving house, illness.”
- “At this moment in time I am managing okay but this may change in the next 3-6 months.”
- “Housing benefit and council tax benefit have been reduced, ESA was stopped then reduced then reinstated on appeal but this caused overpayments of HB and CTB”
- “2 bedroom flat = overcrowded; 2 adults in 1 bedroom. 2 children, one boy aged 14 and one girl aged 11, are sharing a bedroom.”
- “Loss of income, annoyed, frustrated.”
- “Benefits reduced by £20.52/week.”

Advice Leeds

Access, Quality and Capacity Building

