

Response to the public  
consultation on the  
Government's intention to  
extend the number of waiting  
days at the start of a claim

Written evidence submitted by  
the National Association of  
Welfare Rights Advisers

June 2014

## **The National Association of Welfare Rights Advisers**

1. The National Association of Welfare Rights Advisers (NAWRA) was established in 1992 and represents advisers from local authorities, the voluntary sector, trade unions, solicitors, and other organisations who provide legal advice on social security and tax credits. NAWRA currently has more than 240 member organisations.
2. We strive to challenge, influence and improve welfare rights policy and legislation, as well as identifying and sharing good practice amongst our members.
3. NAWRA holds a number of conferences throughout the year across the UK, attended by members from all sectors of the industry. An integral part of these events are workshops that help to develop and lead good practice.
4. Our members have much experience in providing both front line legal advice on benefits and in providing training and information as well as policy support and development. As such NAWRA is able to bring much knowledge and insight to this consultation exercise.
5. This response is a collation of responses from the membership of NAWRA collected via email.
6. NAWRA is happy to be contacted to provide clarification on anything contained within this document. NAWRA is happy for details and contents of this response to be made public.

### **Purpose of the proposed changes**

7. The explanatory memorandum (para 3.4) states that the savings generated from the proposal will be invested into several new labour market measures to get people off work and into benefits. However, previous investment into labour market measures have not had been successful. A report from Inclusion in April 2014<sup>1</sup> reported a minimal service and poor employment outcomes for ESA claimants. The most recent work programme statistics from the DWP<sup>2</sup> show that after 12 months on the work programme only 15% of JSA claimants and just 5% of ESA claimants had attained a job outcome. Taking money from claimants at the start of the claim will hamper their ability to look for work – they may not be able to print CVs, pay for internet usage, pay busfares or even

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<sup>1</sup> Making the Work Programme work for ESA claimants, published by Inclusion 25/4/14

<sup>2</sup> Work programme statistical summary March 2014, published by DWP 20/3/14

wash their clothes. NAWRA would suggest that a claimant would have a better chance of getting back into work if they have adequate resources to job seek and this is likely to achieve a more successful outcome than 'further investment in labour market measures'.

8. At para 3.6 of the explanatory memorandum it states the aim of the policy is 'to discourage people from claiming benefit when they only have a short gap between jobs or a short period of sickness' and then in the next sentence states 'the increase in waiting days will encourage them to claim more quickly so that they don't lose out on their entitlement'. These statements contradict each other and the DWP evidently does not have a clear policy intention behind the proposal. NAWRA has concerns that it is more likely that the waiting days will deter people from claiming because they know they will not get paid. If their unemployment or sickness then goes on longer than anticipated and they have to claim, the waiting days still have to be served putting them at yet further hardship.
9. NAWRA members have also highlighted that with the growth of zero hours contracts it is far more likely that people will be having to have short-term claims to JSA during periods of no work. While linking rules provide protection if there are only 13 weeks between claims, any claimants who have short-term spells in work that exceed three months are going to experience hardship as a result of this proposal. Far from incentivising people to work the proposal is likely to act as a disincentive to taking short-term employment.

### **Support for claimants in financial need**

10. At para 3.12 of the explanatory memorandum it states that claimants may 'apply' for a short-term benefit advance (STBA). In the Equality Analysis it states (under conclusion of disability impact) that disabled claimants can 'claim' a STBA. These statements are highly misleading. The DWP are clear that a STBA is not something you can claim. There is no claim form, no decision letters are awarded and there is no right of appeal. No information relating to STBAs is on the gov.uk website. Para 4.5 of the explanatory memorandum states that the claimant will be 'directed' to the STBA process if they 'declare financial need' – this is not a reliable process and claimants are unaware of the existence of STBAs and the requirement to 'declare financial need'. As one NAWRA member put it 'those people who are new to claiming will be less likely to know they are meant to beg in order to be considered for an advance.'
11. NAWRA members consistently report claimants unable to access STBAs. Even when they are aware of their existence (as they have been advised to ask for one by an advice agency) they are frequently inappropriately

referred to the local welfare assistance scheme instead (many of which do not provide crisis payments in any circumstance). Even if one is awarded it is then reclaimed from future benefit payments meaning further hardship in the future.

12. The sum of £40 or £50 lost to a claimant represents a huge sum to those on benefits. Without that income NAWRA has major concerns that claimants will have to resort yet further to foodbanks, and more worryingly, loan sharks and pay day loans. Many will go without food or heating and may well find themselves in rent arrears. None of these situations are supportive in enabling a claimant to find work. They are far more likely to lead to ill-health and an inability to return to the job market.

13. Para 3.9 of the explanatory memorandum estimates that around 15% of new JSA claimants and 7% of new ESA claimants will be 'most at risk of financial hardship'. Yet, as has recently been reported,<sup>3</sup> for the first time there are more people in working families living below the poverty line than in workless and retired families. In fact the largest single group in poverty are working-age adults without dependent children and the proportion of low-paid jobs increased in 2012. In effect, this means the majority of people who face the need to claim benefits will already be in poverty. Increasing waiting days is likely to create further impoverishment and risk.

### **Impact on equality and diversity**

14. Para 4.2 of the explanatory memorandum confirms that the proposal will impact on claimants with defined disabilities due to the increase on waiting days to claim ESA. Yet the DWP state that, despite the adverse impact on disabled people, the change is necessary 'to deter short term claims to benefit'. There is no reason put forward as to why this is necessary and NAWRA can see no reason to deter claims to benefits. The purpose of ESA is to provide financial support to people who are unable to work because of sickness or disability not to deter them from claiming. Loss of the financial support is only like to cause their health to deteriorate further as has been seen by the impact of reduced income and increased stress as claimants go through the ESA appeal process.

### **Impact on other benefits**

15. Means-tested benefits act as a passport to other benefits eg housing benefit and child tax credit. Housing benefit is normally claimed as part of

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<sup>3</sup> Monitoring Poverty and Social Exclusion 2013, Joseph Rowntree Foundation and New Policy Institute

the ESA/JSA claim. If it is not in payment then claimants will have to claim separately to their local authority. They may not realise this which could then lead to rent arrears accruing. Already NAWRA reports benefit claimants finding it difficult to access accommodation in the private sector - this proposed change is likely to further turn landlords against benefit claimants. Claimants of child tax credit may find their child tax credit paid at a lower level during the waiting period because of a lack of passporting. Thus they lose out twice.

## **Conclusion**

16. NAWRA strongly opposes the proposal to increase the number of waiting days from three to seven. Its introduction would impact particularly heavily on disabled people and people who have not been in regular employment. It will be another cut to those who have already been adversely affected by a string of welfare reforms including restrictions to local housing allowance, the bedroom tax, benefit cap, the introduction of PIP, cuts to tax credits and so on. Further, it will make it harder for people to find work as they are left without basic resources.
17. The government's supposed aim is to encourage and support people into work. NAWRA fails to see how taking away the resources necessary for a basic living can in any way support people into work. The proposal as stated will lead to:
  - Increased stress and ill-health for claimants
  - Claimants and their families having to go without food or heating
  - Increased rent arrears
  - Increased reliance on foodbanks which are already stretched
  - Increased use of loan sharks and pay day loans
  - Reduced ability to find work or move back towards work