

Welfare benefit changes

A GUIDE FOR PARISHES

This Guide is the work of Miriam McHardy, Archdiocesan Co-ordinator for Justice & Peace and is meant as an overview. If you have specific enquiries about this material as it affects you or someone you know, please contact the relevant agencies of government, or one of the organisations linked to below.

Introduction

As you will no doubt be aware, from April 2013, significant changes will be taking place in the UK as part of the Government's welfare reforms.

This briefing aims to

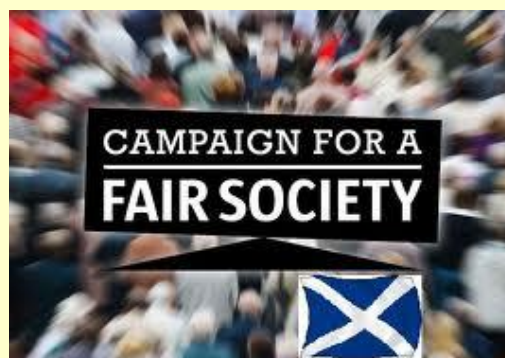
- provide a summary of the main changes that are taking place and some of the concerns being raised regarding the impact of the changes
- Highlight the effect these changes may have on local parishes.
- offer ideas of how individual Catholics, and parish communities may respond to the changes
- reflect through catholic social teaching on a faith response to the welfare changes and their effects

From April this year significant changes will take place in the UK welfare benefit system. These will affect working age people receiving benefits &/or tax credits, as well as people with disabilities aged between 16 and 64, those currently receiving Disability Living Allowance.

[This briefing deals specifically with changes to working age benefits. **Further information on specific changes to disability benefits is available separately from me, or on the Campaign for a Fair Society website <http://www.campaignforafairsociety.com/> As many people with disabilities also receive other benefits¹ e.g. housing benefit, many of the issues highlighted under “potential impact on parishes” would be relevant to these issues also.]**

The UK Coalition Government is implementing these changes because it “Has identified two key problems with the current system: work incentives are poor, and the system is too complex”² The reforms aim to help people move into and progress in work, while supporting the most vulnerable but there are concerns that the changes will, and are already having disastrous consequences for individuals and families.

Main changes



¹ A fair society? How the cuts target disabled people. Dr Simon Duffy on behalf of the Campaign for a Fair Society

² Directgov website

- Universal Credit (UC) will be introduced from April 2013. It will apply to people aged between 16 and 64. This credit will merge six existing benefits: jobseekers allowance, income related employment and support allowance, Income Support, Child Tax Credits, Working Tax Credits, and Housing Benefits.
- Universal Credit will be distributed at household level, rather than to individuals.
- Universal Credit will be paid as a monthly single payment, and administered online.
- Under occupancy. People living in rented property, who receive benefits, and are deemed to have one or more “spare bedrooms”, will have their benefit reduced. This will be 14% for one extra bedroom, and 25% for two extra bedrooms. This has been named the “Bedroom Tax”³.
- For single people under 35, with no dependents who rent from a private landlord the housing benefit component will only allow for the shared accommodation rate. This means that they will only be entitled to enough local housing allowance to cover the average cost of a single room in a shared house in their area. They will receive local housing allowance at this rate even if they rent alone.
- Benefits will be capped, to ensure no one on benefits receives more than can be earned on an average wage. Couples and one parent families cannot receive more than £500 per week; a single person cannot receive more than £350 per week.
- Disability Living Allowance will be replaced by Personal Independence Payment from 2013. . Couples and one parent families cannot receive more than £500 per week; a single person cannot receive more than £350 per week.
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- Council Tax Benefit will be abolished and replaced by a system of localised support. (The Scottish Government and COSLA have agreed to cover the £40 million cost of the cuts in 2013-14 – the Scottish Government will provide £23 million and COSLA will provide £17 million⁴).

³ same sex children under 16 count as sharing; children under 10 regardless of sex count as sharing

⁴ <http://www.scotland.gov.uk/News/Releases/2012/04/counciltax19042012#>

Concerns raised by the changes

- A lot of press coverage and government briefings about the welfare changes have resulted in stigmatisation of the poor and those receiving benefits, with references to “skivers” and “scroungers”. Not only is this inaccurate (60% of welfare benefits are pension related. Of the rest, the majority are paid to people in low paid work⁵, and only 0.7% of benefits are claimed fraudulently⁶) but it is unjust, and discriminates against those already struggling.
- The move to payment at household level rather than individuals has “been criticised for its potential to create an unfair bias against women...Incorporating payments for children into UC means that child-related support will not necessarily be paid to the main carer. This has given rise to concerns that the support may be less likely to reach the children it is meant to help.”⁷



- A shift to monthly payments will be a significant change for low income families used to budgeting on a weekly basis. There is concern that during the changes many people may end up borrowing money from money shops etc. to cover the shortfall, beginning their new claims already in debt.

⁵ Today programme 8th January, interview with Paul Johnston, Director of the Institute for Fiscal Studies

⁶ http://statistics.dwp.gov.uk/asd/asd2/fem/fem_preliminary_1112_revised.pdf

⁷ From “Implementing Universal Credit: Will the reforms improve the service for users?” Joseph Rowntree Foundation, October, 2012.



- The Bedroom tax will have a particular impact on those in a property deemed too large, through no fault of their own, or because they require it due to family circumstances e.g.
 - if a single parent whose child/ren live with their other parent, no allowance will be made for a spare room for a child to stay;
 - people with disabilities needing a room for carers to stay overnight;
 - people who through ill health have to sleep apart from their partner;
 - couples housed by councils in 2 bedroom properties⁸
 - Deductions are made from UC if one or more adults live in the house that are not part of the household – this includes family members who are 16 or over. They are assumed to make a contribution towards rent.
 - Families housed with a room each for their children (same sex children under 16 count as sharing; children under 10 regardless of sex count as sharing)⁹
- Housing benefit will be included in the Universal Credit payment, with very limited opportunity for the tenant to choose to have it paid direct to the landlord. With rent money coming to the claimant, there may be a tendency to use it for other items, and rent arrears may build up.
- Benefits are assumed to be administered online, regardless of a person’s access to a computer. There will be limited face to face access, an issue that could cause particular issues for the elderly and those on low incomes.

⁸ A local council homelessness officer explained that previously councils housed young couples in 2 bed properties due to the shortage of one bed properties and the assumption that many would be starting a family. This policy would now result in the couple having their UC docked.

⁹ No note is made of the limit to the number of same sex children who should sleep in the same room so reference must be made to the UK Housing Act 1985, section on Overcrowding. This states children under 10 be counted as half a unit, (babies under 1 are not counted). The Act allows for 2 people sleeping in one room (4 under 10). “a room is available as sleeping accommodation if it is of a type normally used in the locality as a bedroom or as a living room”.

What does this have to do with parishes?



- This is not a devolved matter so is happening across the UK, including Scotland.
- It will have a significant impact for many individuals and families reliant on benefits, including many in the communities in which our parishes sit, while they adjust to the changes.
- It is likely that there will be an impact on some parishioners currently receiving benefits.
- It is likely that there will be increased requests for financial and other practical help from parishes and church organisations.
- It is predicted that there will be an increase in homelessness, particularly younger homeless.
- As Catholic Christians we have a responsibility to help those in need and challenge injustice.



A Faith response and Catholic Social Teaching

- One of the difficulties with the welfare changes is the stigmatisation and stereotyping of people receiving benefits as “skivers or shirkers”. This was highlighted in the 2011 statement to The Scottish Campaign for a Fair Society (<http://www.campaignforafairsociety.com/2011/10/press-release-from-the-scottish-campaign/>)

“...The role of the Catholic Church in this situation is not to take political sides or support particular policies. It is however, to draw attention to our commitment to the Common Good which encourages us to give particular attention to the needs of those who are most vulnerable. This commitment has at its heart the understanding that how we organise society directly affects human dignity and the ability of individuals to grow in community.

If there is a possibility that government policy will be to the detriment of the Common Good then it is the role of the Church to speak out for, as Pope Benedict points out, the Church "cannot and must not remain on the sidelines in the fight for justice. She has to play her part through rational argument and she has to reawaken the spiritual energy without

which justice, which always demands sacrifice, cannot prevail and prosper." Deus Caritas Est, 28

Catholic Social Teaching urges us to act for the Common Good, to make the Dignity of the Human Person central to all our actions and considerations, and to be in solidarity with those who are struggling.

Whatever our individual feelings about changes to welfare policy, if it has a detrimental impact on the lives of individuals and families (even in the short term) we have a responsibility as Catholics to offer help and support.

Scottish Churches Housing Action



no room for homelessness!

Ideas for parish and individual responses

- Pray for those who are struggling, those becoming homeless, in increasing debt, experiencing stress and anxiety from the changes.
- Raise awareness with groups in the parish and other ministries involved in responding to need including SVdP & Justice & Peace groups.
- Support organisations working with the homeless e.g.
Fresh Start <http://www.freshstartweb.org.uk/>
St Catherine's Convent homeless project, Edinburgh,
Jerichos Edinburgh (Jericho.ed@btconnect.com),
Scottish Churches Housing Action
<http://www.churches-housing.org/>
- Support local food banks – this is not a long term solution, but in the short term needs support.



Follow these links to find one near you or for more information: Trussel Trust

<http://www.trusselltrust.org/map> or Basics Bank

<http://edinburghcitymission.org.uk/ministries/basics-bank/>

- Work with other churches and community organisations to support individuals/ families struggling with changes and adapting to the changing circumstances including help with budgeting, debt management etc.
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- Gather a list of local organisations/ numbers that can help, especially with short term financial assistance e.g. Citizens Advice <http://www.cas.org.uk/>,
National Debtline Scotland <http://www.nationaldebtline.co.uk/scotland/>
- Offer emotional support to many of those fearing the changes.
- Gather evidence of how the cuts are affecting people, and present them to your local council/ MP.
- Find out about local credit unions and encourage people to join them.
Credit Unions <http://www.abcul.org/home>
- Share ideas with other parishes and the wider archdiocese.



If you would like more information on any of the issues mentioned, or ideas/ support for developing work in your parish, please contact:

Turn2us <http://www.turn2us.org.uk>

or CAP's Close the Gap campaign <http://church-poverty.org.uk/closethegap>

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