Derbyshire Citizens Advice Bureau
Research and Campaign Briefing

Call For Action

The following policy issues were highlighted by the caseworkers working in G.P. Surgeries and Children Centres across Derbyshire at a recent conference.

CAB advisers are available in most G.P. Practices and Children Centres across Derbyshire.

To find your nearest advice session visit www.derbyshirecab.org.uk

For further information or comments please e-mail neil.storer@chesterfieldcab.org.uk
Key Issue:
Changes to systems when people challenge benefit decisions called Mandatory Reconsiderations are resulting in confusion, loss of income, delays and poor decision making.

The problem as we see it:
Before people can ask for an appeal against a decision that they are not entitled to benefit, they have to apply for a `mandatory reconsideration`. Whilst they do this, people`s primary source of benefit income stops often along with other entitlements such as Housing Benefit, Council Tax support, prescriptions and health costs. People who have been receiving the sickness benefit Employment Support Allowance are required to sign on and claim JSA even though there is a dispute over their capacity to work. Claimants have strict time limits in which to ask for mandatory reconsideration and appeal, however DWP (Department of Work and Pensions) can take as long as they like to look at a case again. Reviews are often carried by phone calls to people with little time to prepare answers to what can be complex issues.

As a result of this, we see disruptions to family incomes with benefits stopping and starting. People are frequently left with no money, needing to resort to discretionary funds, charities, food banks or payday lenders and loan sharks. This leaves people vulnerable to debt and homelessness. Public money is wasted on inefficient, ineffective administration.

Rationale for Change:
It is basic fairness that review systems for benefits do not create crisis and hardship. The Mandatory Reconsideration system needs to be conducted in a timely professional manner by skilled decision makers. Benefits should not be withdrawn before a written clear accurate reason is received and opportunity is given to challenge an injustice.

Our Solutions:
- Clear time limits for DWP to complete mandatory reconsiderations with penalties for missing target.
- Benefits should continue during the MR period paid at a basic rate.
- Clearer decision letters from DWP explaining why in their view you are not entitled. Clear advice as to next steps with a standard template form available to request a MR.
- Decision letters to reach people before changes to benefits are implemented with existing entitlement retained for 28 days.
- For ESA DWP should listen to evidence from health care professionals who know people best and medical evidence to support a case should be provided free of charge.
- More and better trained DWP decision makers to deal with MR.
- If the outcome of a MR is unsuccessful, the case should proceed to appeal unless the claimant withdraws their dispute.
- People have access to free phone contact with DWP when needing to challenge benefit decisions.
Zero Hours Employment Contracts

Key Issue:
Zero hours employment contracts give workers no guarantee of regular income leading to inability to manage money and debt problems.

The problem as we see it:
Zero hours employment contracts are popular with some employers as they don’t have to promise workers fixed or any number of hours work. For some people zero-hours contracts leave employees dangling each month, at their employer’s beck and call for zero cost. People have no regular income and are often reliant upon benefits to supplement their income. With weekly and monthly changes to employment, huge time is taken up with benefits adjustments and administration. With variable and low income, workers often find this means they are unable to qualify for sick pay, pensions and have very restricted access to affordable credit and mortgages. With no predictable income and unable to budget, workers often have no alternative but to resort to payday loans, discretionary funds and food banks for immediate cash. Harmful debt problems quickly follow. Zero hours contracts leaves workers vulnerable to manipulation by employers, with hours being pulled if they complain or are perceived as being awkward. Some employers/work agencies still want to prevent employees working elsewhere even if they cannot offer any hours work. We recognise that some employees like zero hours contracts, such as students and older workers supplementing other income.

Rationale for Change:
Zero hours contracts can be a flexible way of working that suits both sides. Yet these contracts should not come with zero responsibility and zero protection. Workers who take zero hours contract need clear information about their implications and swift access to the benefit system when needed.

Our Solutions:
- Benefit and tax credit administration becomes slicker recognising changes in the jobs market with more flexibility to accommodate people with variable income.
- No benefit sanctions are applied for anyone giving up or refusing to take a zero hours contract.
- DWP and HMRC collate quarterly and annual statistics of benefits/tax credits paid to supplement people’s income from zero hours contracts. This will help evidence ‘in work’ poverty and the extent to which ‘welfare’ is being used by some companies to contain wage costs.
- Food banks collate and publish statistics on their use by people on zero hours contracts.
- Employers issuing zero hours contracts required to issue pro-forma statements to their workers explaining the implications of contracts and where workers can get advice if they need clarification or income maximisation advice.
- Larger companies with high turnover required to declare number of zero hours contracts on their payroll at regular intervals to the ONS.
- Set time limits for Zero hours contracts beyond which they would default to protected flexible contracts that come with minimum hours or minimum pay agreements.
- Greater legal clarity in relation to entitlements to holiday pay and redundancy for so called ‘casual workers’.
Loss of Legal Aid Funded Legal Services for Vulnerable People

Key Issue:
Legal Aid Cuts make it difficult, in some cases, impossible for people to get the legal help they need to enforce their rights.

The problem as we see it:
It is now extremely hard to get legal aid around issues such as housing, relationship breakdown or employment disputes. Where limited provision of legal aid remains people have to meet very stringent criteria. The length of time it takes to get legal aid means people’s situations often become far worse than they would have had there been earlier intervention. In some cases legal aid is now simply not available, such as help with getting employers to pay outstanding wages or challenging unfair benefit decisions. Without support, people simply do not receive their rights as they are unable to navigate complex and unfriendly legal processes by themselves. Claims against employers can result in the employer being legally represented and the employee left on their own. The complexity of preparing a case is off putting; many people cannot cope and give up. Cuts to legal aid have created an advice gap, stranding people with nowhere to turn. At precisely the time when people’s need for specialist advice on issues such as housing and welfare increased, provision for this support has been slashed. Modern life presents increasingly complex problems and people need help to understand, adjust to, and in many cases challenge decisions affecting their income, housing and work status. In a rapidly changing world, where people’s expectations of services are rising, accessing the right advice at the right time will be critical to help people solve problems and understand what government changes mean for them.

Rationale for Change:
Justice should be for all. Accessible legal and advice services are essential for people to obtain their rights.

Our Solutions:
- Increase support for high quality self-help materials developed within Citizens Advice Advice guide.
- Support alternative arrangements for developing legal advice: through union membership dues, insurance legal protection and charities.
- Demystify legal systems with simpler, open and transparent systems of legal decision making.
- Government to recognize the value of advice to society and: develop a five year strategy for the provision of advice in all communities & invest in the Citizens Advice service to deliver an interactive, tailored and advice service by telephone, online and face-to-face.
- Roots and branch review of current legal aid system to plug gaps by area of law and geography.
- Develop a legal aid system that should waste less resource on bureaucratic administration whilst still preserving safeguards so that practitioners do not abuse the system.
- All legal practitioners to provide a free initial legal advice interview, pro bono work or pay an annual levy, proceeds used to enhance access to legal advice and justice for all.
Key Issue:
Help towards funeral payments from the social fund is inadequate leaving people in debt at a traumatic time in their lives.

The problem as we see it:
Many people on a low income struggle to pay for the funeral of a close relative or friend without being left with an unmanageable debt. A Social Fund funeral payment is supposed to help people with limited incomes pay for a funeral but Citizens Advice evidence shows that the scheme is not fit for purpose, making a traumatic time in people’s lives even more difficult. There are many reasons for this – the actual cost of a funeral is well above the financial help provided by the scheme and the processes involved in claiming a grant are confusing and take too long. People who have never organised a funeral before can be shocked by its cost often not realising there can be extra charges for the cost of flowers and transport. In some cases, money is required upfront to arrange a funeral which some people simply do not have. With pressure to provide a ‘fitting’ funeral, the costs of funerals can be a cause of stress and family disputes.

Rationale for Change:
To take the ‘financial shock’ out of bereavement, social fund funeral payments would better reflect the actual costs of funerals with swifter decisions. People need greater clarity about the full costs of funerals and access to advice so that the distress of losing a loved one is not compounded.

Our Solutions:
- Funeral payments need to be in line and to keep pace with the increasing cost of a basic funeral.
- Government review with funeral directors/associations to agree voluntary common fixed fee for elements of the cost of a basic funeral & commitment to always identify the cheapest option.
- The speed and efficiency of the processing of funeral payments by DWP needs quicker turn around. The DWP should introduce a three-day turnaround, pending making a funeral payment, so that people know how much money they will have to spend when they talk to funeral directors.
- Realistic information on the costs and issues of funeral arrangement to be held and distributed by Registrars and funeral directors.
- Funeral Directors to be clearer about the hidden costs of funerals e.g. extra transport at the outset.
- Funeral Directors to offer instalment plans to pay for the cost of a funeral.
- Credit Union to develop low cost loans or savings plans to meet funeral costs.
- Society needs to be encouraged to be more open and comfortable with talking about death & bereavement so that more families prepare plans.
Affordable Warmth - The Role of Energy Suppliers

Key Issue: The customer service and practices of energy suppliers are failing consumers leading to lack of affordable warmth and ill health.

The problem as we see it:
Customer service failings are rife amongst energy suppliers. Despite repeated phone calls to suppliers meter readings are often ignored. Subsequent bill adjustments put the consumer in debt and unable to switch supplier to access cheaper energy. Suppliers are inconsistent in recognising the needs of vulnerable people including people who are deaf and poor at identifying those who should join their priority services register. Information from suppliers about the Warm Home Discount scheme is poor. Bills remain complex and not all suppliers clearly indicate to their customers when cheaper tariffs are available from other suppliers. The cost of energy continues to rise inexorably regardless of wholesale price. Vulnerable people who use prepayment meters frequently pay high energy costs and can self-disconnect when unable to pay the meter. Customers in debt are not routinely offered affordable repayment terms when contacting suppliers, yet fare considerably better when a CAB advocates for them. More and more people with energy debts are encouraged to have prepayment meters fitted to recover money with, this can cause further disadvantage. The CAB service sees many people who cannot afford appropriate warmth and have no alternative but to “ration” their use of energy. This leads to chronic health problems particularly for those with pre-existing health conditions such as COPD.

Rationale for Change:
Affordable warmth is out of reach for many. Energy suppliers have a range of “social obligations” owed to vulnerable consumers but are failing to deliver.

Our Solutions:

• Energy suppliers put ‘on notice’ to work harder for affordable warmth; failure leading to action to ensure energy is run in our interests.

• A genuine rigorous review is commissioned into the energy market and affordable by OFGEM with full consultation with interested parties to encourage creative solutions.

• Government to adopt rigorous definition & monitoring of fuel poverty to replace flawed existing arrangements that understake the problem

• Introduction of a Government Energy Social tariff alongside existing suppliers tariffs as exists in some countries.

• Ineffective Energy Ombudsman Service replaced by effective complaints regulatory body.

• Better practice amongst suppliers to encourage effective communication with customers, use of priority service register and the Warm Home Discount.

• Improved information sharing so that vulnerable people eligible for assistance with boilers and insulation can be identified & targeted for assistance.

• Improvement in simplified billing practices including reference to availability of cheaper energy elsewhere.

• Regular auditing of energy suppliers ability to meet social obligations including debt recovery policies.

• Levy on energy suppliers to pay for specialist CAB energy advisers in bureau.