Impact of Welfare Reform in Gateshead

Alison Dunn
Chief Executive Officer
Gateshead

Population 200,214 people

51% Female – 49% Male

Variety of landscapes – urban, Industrial and rural

Ranked 73 out of 326 districts for Deprivation

Average house price £143,580

Average income £22,800

65% of households have an income of <£20,000
The People of Gateshead

1 in 5 children live in poverty

10% of homes are fuel poor

28% live in social housing

12% of households occupied by lone parents

Average life expectancy 77.8 for men and 81.2 for women

Biggest cause of death is cancer

23% of population smoke

23.5% of population obese

58% achieve 5 GCSE’s A*-C
Financial Impacts on all Claimants

**Universal Credit**
- 400,000 claimants will lose over **£50 per week**
- UC Helpline - delays getting through, costs incurred for calls

**Housing Support**
- Bedroom Tax makes affordable housing is harder to find
- Moving or supplementing support from benefit income
- Risk of rent arrears and homelessness

**Council Tax**
- Rates rising yet less support risking hardship and debt

**Civil Penalties**
- £50 penalty for error and **tough sanctions** for insufficient engagement with work – risks for most vulnerable

**Crisis Loans and Community Care Grants**
- No guarantees of help, different schemes in each area
- **3.6m** crisis loan applications per year, **far fewer than social fund**

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Gateshead
Case Study 1

Jane is a lone parent with one child who is disabled and receiving the low rate care component of DLA

**Situation 1:** She cares full time for the disabled child

- In the **current system** she will have £243 disposable income after paying housing costs and excluding DLA.
- Under **Universal Credit** she will have £212 disposable income. The £31 loss, made up of £27 in child disability support & assumed £4 loss of council tax support

**Situation 2:** She earns £150 a week with £80 childcare

- In the **current system** she will have £280 disposable income
- Under **Universal Credit** she will have £229 disposable income. This is £51 less than the current system made up of £27 in child disability support & reduced help with childcare costs
Citizens Advice Gateshead – 2015/16

- 10,592 clients advised
- 11,500 clients visited our website
- 630 homelessness preventions
- 52,251 issues dealt with including 19,868 relating to debt
- We provided free, independent advice face to face, by telephone & online
- £35,651 savings to clients following energy advice
- £5m of income gained on behalf of clients
- Public value of advice delivered was over £13.5m
Citizens Advice Gateshead – 2015/16

Welfare Benefit Interventions

3,223 Personal Independence Enquiries
2,842 Employment Support Allowance
183 Universal Credit
1,542 Housing Benefit
151 Discretionary Housing Payments
1,020 Job Seeker’s Allowance
Case Study 2

Miss T has a learning disability, social anxiety and depression. She also suffers pain and mobility issues associated with bone malformation at birth and walks with the aid of a stick. She lives with her adult son who has mental health problems (NEET).

She received both the care and mobility component of Disability Living Allowance and came to us for help with her claim for **Personal Independence Payment** following mandatory conversion from DLA.

**The difference we made:**
- Generated £139.75 per week
- Got £3000 was backdated
- **Reduced social isolation** - client now attends 2 social clubs
- Son has own income £92.50 per week
- Mother and son supported to make choices re: support services and / or training opportunities.
Local Welfare Assistance was set up to support those in emergency / crisis situations, and those who need help reintegrating into the community.

Gateshead Foodbank

Foodbank established November 2012
Welfare reform has mainly impacted tenancy turnover and void levels for GHC rather than rent arrears, although arrears are slowing increasing.

Tenancy terminations rose from 1,579 in 2012/13 to 1,926 the following year and have remained above 1,800 since.

175 vacant GHC properties in April 2012 and prior to notification of introduction of ‘bedroom tax’. A year later this had increased by 34% to 234.

Since then levels have risen significantly – peaks in July 2014 (577) and Nov 2016 (489).
Other Effects

- Client apathy, feelings of helplessness
- Increased indebtedness
- Increased anxiety, stress and mental ill health
- Increased social isolation
- Fuel poverty
- Family breakdown
- Domestic violence
- Hate crime
- Low self-esteem
- Zero hour contracts
- Rogue landlords

- Demand outstrips supply
- Volunteer retention more difficult
- Increased work related stress for employees
- Violence and aggression increased
- Rationing of services
- Low morale, feeling of helplessness
- Increased referrals for workplace counselling
- Attendance management issues
Contact Us

Face to Face Drop In Service
Monaday 9am – 5pm
Tuesday 9am – 5pm
Wednesday 9am – 5pm
Thursday 9am – 6pm
Friday 9am – 5pm

Website:
citizensadvicegateshead.org.uk

Citizens Advice Consumer Helpline
03454 04 05 06
Monday - Friday - 9am - 5pm

Telephone Service – 0344 245 1288
Monaday 10am – 4pm
Tuesday 10am – 4pm
Wednesday 10am – 4pm
Thursday 10am – 4pm
Friday 10am – 4pm

Davidson Building, Swan Street, Gateshead. NE8 1BG
Thank you