

Appendix 4

Case Studies

Case study 1: Benefit Cap

Abdul and his family of 8 children are of Somali heritage. 7 of the 8 children are dependent on him. He has had to give up work as a taxi driver due to worsening unstable diabetes. He also has hearing loss and back problems. The family live in housing association accommodation. The family receive Employment Support Allowance (assessment rate as he has not yet had a work capability assessment), Child Benefit and Child Tax Credit. His rent is £119.00 per week. His income exceeds £500 so after the grace period (allowed as he was not previously on benefits) he has his HB reduced to the minimum payment of 50 pence per week due to the Benefit cap. He has claimed Personal Independence Payment which has been refused and is waiting for an appeal. He also has a daughter with problems of anaphylaxis due to allergic reactions and eczema who has had a previous award of Disability Living Allowance which has been refused on renewal.

He has rent arrears of £900 initially. He has had some discretionary housing payment towards his rent arrears but they have refused to continue paying. He is managing to pay £58 per week towards his rent liability.

He has a number of possible routes to gain an exemption from the cap:

- PIP award for him
- DLA award for his daughter
- Employment and Support Allowance to be paid at Support Group rate.

His first PIP appeal fails but his health has deteriorated further since that claim so a second claim is made and this is successful. The DLA appeal for his daughter is outstanding. He was found fit for work at the ESA medical and this has been appealed. His daughter's appeal has a high chance of success.

The rent arrears escalated to £1600 before this award comes through and there is a possession hearing arranged. Fortunately the second PIP decision comes through and gains him an exemption before the family are evicted. There is some backdating of his HB award as a result which reduces the arrears to around £600. With his extra income he is able to make regular payments towards the remaining arrears and the threat of eviction is removed. This decision results in an increase in his weekly income of £208.70 (made up of PIP, Housing Benefit and Carers Allowance for his wife).

Future challenges facing this family:

1. If the **ESA appeal** is unsuccessful we will transfer the family on to Income Support and claim through his wife as the carer as he will be at severe risk of sanctions if he has to claim JSA

2. Abdul will have to face **regular renewals** and risks to the ongoing PIP award (and ESA if awarded) as they are reassessed from time to time. If he loses the PIP the benefit cap will affect this family again.
3. When this family are transferred on to **Universal Credit** a claimant conditionality group will be assigned to both him and his wife. If he has no ESA then he will have full conditionality applied and will be expected to look for work for 35 hours per week (or less if vulnerability is accepted). This is despite the award of PIP. The risk of sanction will be very high.
4. If the family are moved on to Universal Credit after April 2017 (as is likely) the **Universal Credit award will be for only 2 children** as the protection for children born before April 2017 does not apply if a new claim for Universal Credit is made after April 2017 unless the wording is changed in the current Welfare Reform and Work Bill. This will be very serious for this family and will cause serious hardship and the risk of eviction is likely to return as they could be facing an income shortfall of £267 per week if they still have 5 dependent children at this point.

Case Study 2: Genuine Prospects of Work

Artur and Nina are a couple from Poland in their late 50s. They came to the UK in May 2010 and worked for one month when they first arrived for someone who did not pay them wages. They escaped from this employer and lived for 2 years in the park without claiming benefits being supported by a local church and foodbank. For the last three years they have been signing on and claiming Job Seekers Allowance and trying to improve their English. They live in privately rented accommodation and are paid Housing Benefit. They have no other family here and have no children. Nina has a number of health problems including dementia and a successful claim for Personal Independence Payment has been made. No attempt has been made to switch her claim from JSA as this would have been likely to lead to an earlier loss of benefit and application of the Genuine Prospects of Work (GPOW) test. She would anyway only be able to claim ESA during a period of temporary inability to work and her health problems are clearly not temporary. However Artur is assisted to claim Carers Allowance and stops claiming JSA. The Carers Premium is paid on Nina's JSA claim.

Artur has had an extremely large hernia for some time but has refused an operation as he cannot leave his partner due to her confusion. Artur and Nina are assisted by the Law Centre to approach social services and care is arranged for Nina while Artur has his operation. He has the operation and is advised by his consultant that he must not work or carry anything heavy for at least 6 months.

Nina is called in to the Job Centre for an interview for genuine prospects. Her benefit is refused and Housing Benefit payments also stop. Artur attempts to make a claim for ESA with Nina as a dependent. This claim is also refused. They are then paid only PIP and Carers Allowance and at this stage they seek advice and are currently being assisted with mandatory reconsiderations (MRs) against the GPOW decisions. These MRs are likely to be refused and appeals are also likely to be refused.

Artur and Nina are not considered to have 5 years' lawful residence in the UK due to the 2 years that they lived in the park and did not work or claim benefits. They have

only 3 years lawful residence as this is calculated under the rules. They do not meet any of the exemption tests.

Artur is desperately looking for work in a car wash despite being advised by his consultant not to work. However he is repeatedly told by prospective employers that he is too old.

The couple have a small amount of money saved from their PIP (they were advised at the time to save some because they would be affected by this test) and so they are able to use this to pay their rent for the time being. However this is just temporary and unless Artur is able to secure employment soon they are likely to lose their accommodation and will again become homeless.

If Artur is able to secure employment they will be able to claim Housing Benefit and Working Tax Credit to top up their wages.

Future challenges:

- At the stage of moving on to Universal Credit (if they have not by then achieved a permanent right to reside) they will both be subject to full work conditionality requirements. Under Universal Credit EU nationals who have a right to reside as a worker or someone with a temporary period of inability to work (this is the case here) they only have an entitlement to Universal Credit on the basis of full conditionality. This would mean that both of them would be expected to spend 35 hours per week looking for work (in Artur's case the hours required would depend on the level of his employment and earnings but if part-time at national minimum wage he would be expected to look for more work). The risk of sanctions from being unable to meet this test is very high particularly for Nina who is effectively unable to look for work.
- Universal Credit will need to be claimed by computer and they will need to notify any changes in circumstances by computer. Artur and Nina have no computer skills and realistically are unable to acquire computer skills. They may become dependent on paying someone to do this for them or they will be at risk of disruption to their payments.

Case Study 3: PIP conversion

Edward is in his late 40s took early retirement from work due to ill health 3 years ago. He has type 1 diabetes, chronic fatigue syndrome and depression. He is married. He is in receipt of Income Related Employment and Support Allowance (ESA) paid at Support Group rate. He also has an underlying entitlement to Carers Allowance. His partner is also disabled and is in receipt of Disability Living Allowance paid at middle rate care component and lower rate mobility component. They have a disabled son aged 25 living at home who is in receipt of Income Related ESA paid at Support group rate and DLA paid at lower rate care and lower rate mobility components. They own their own property and the ESA includes an allowance towards mortgage interest.

Edward had a previous award of higher rate mobility of Disability Living Allowance (DLA) and middle rate care component. When his award ran out he did a renewal

claim to Personal Independence Payment (PIP) and his award was reduced to only standard rate of mobility of PIP. His weekly income was reduced by £90.75 per week. Edward appealed against this decision and was represented at the hearing. The appeal hearing was successful and his previous rate of payment was put back in place as he was able to secure the minimum points needed to secure the award. It is unlikely that the appeal would have achieved as good an outcome without representation and it should be noted that he has not achieved any excess points which would indicate a robust award which should be safe at reassessment.

Future Challenges:

- Edward's wife and son are both in receipt of DLA and will both need to go through the PIP conversion process. They may also experience reductions in their awards.
- All three will have periodic renewals and medicals for their ESA and PIP awards and so will continue to experience uncertainty around their awards.
- Edward and his son will have to go through a process of conversion to Universal Credit. Universal Credit does not recognise the possibility of being both a carer and disabled which is Edward's status. He will receive transitional protection on his old rate of benefit as this will be higher than Universal Credit because of this but this will mean that his benefit is frozen and will eventually reduce. The eventual loss will be £34.60 per week.
- Universal Credit includes extra money for disability only for people who have been through a work capability assessment. Edward's wife has not undergone this assessment and so would be required to attend an ESA medical assessment. The outcome of this will determine the award of an extra allowance for this and her claimant conditionality level and whether she has to undertake any activity to find or prepare for work.
- There is a risk of losing their extra allowance for being in the support group after conversion to Universal Credit should either Edward, his wife or his son not get into this highest group. There is no allowance from April 2017 for being in the lower group only for new Universal Credit claimants.
- After April 2018 the payment they receive towards their mortgage interest will be converted into a loan secured against their property.

Case Study 4 couple in low paid work

Alan and Gina have two children aged 3 and 5 and live in social housing in a 3 bed semi. Their rent is £125 per week. They pay Band A council tax. Alan is working 35 hours and is paid at the minimum wage at the over 25 rate.

Their weekly income is as follows:

Year	Wages (net)	CB	CTC	WTC	HB	CTS	Total Income	Rent	Council Tax	Net income
2015-16	216.45	34.40	117.40	50.63	48.17	nil	467.05	125.00	19.70	322.35
2016-2017	232.68	34.40	117.40	27.59	52.59	nil	464.66	125.00	19.70	319.96

The above assessments assume that benefit rates are not increased in April 2016 and that Council tax and rent does not increase in April 2016.

Future challenges:

- When Alan and Gina are transferred on to Universal Credit benefit will be conditional on both Alan and Gina accepting a claimant commitment. Alan will be deemed to be meeting his conditionality threshold but Gina will be expected to look for work potentially for 35 hours per week. She will be at risk of sanctions if she does not comply with the work search requirements.
- The Universal Credit earnings disregard will be reduced from April 2016.
- Further cuts in Housing Benefit are being mooted as an alternative to the Tax Credit cuts in April 2016 this will mean that there will be a loss of income from the HB rather than WTC. The amounts involved cannot be determined at present but could potentially mean that Alan and Gina are even worse off.