



**July 2012**

***IMPACT ASSESSMENT OF WELFARE REFORMS AND LEGAL AID SCOPE CHANGE  
ON CITY OF MANCHESTER RESIDENTS AND THE LEGAL ADVICE SECTOR***

Final report prepared by

**CLES Consulting**

Presented to

**One Stop Advice Project Advisory Board and partners**



**LOTTERY FUNDED**

<b>CONTENTS</b>	<b>PAGE NO.</b>
<b>1 INTRODUCTION</b>	<b>7</b>
1.1 About the research study	7
1.1.1 Desk based research	7
1.1.2 Stakeholder interviews	7
1.1.3 Beneficiary consultation	7
1.2 Report structure	8
<b>2 THE CURRENT LANDSCAPE OF ADVICE SERVICES IN MANCHESTER</b>	<b>9</b>
2.1 The Bell Review of Advice Services in Manchester	9
2.2 The establishment of Manchester Community Legal Advice Service (MCLAS)	10
2.3 The closure of Manchester Advice	11
2.4 Summary	12
<b>3 WHY DO RESIDENTS SEEK SUPPORT FROM THE COMMUNITY LEGAL ADVICE SECTOR?</b>	<b>13</b>
3.1 Dissatisfaction with other service providers	13
3.2 Support to complete forms and paperwork	13
3.3 Poor health and wellbeing	14
3.4 Residents not understanding their situation	15
3.5 Residents feeling unsure of their rights	15
3.6 To resolve financial matters	16
3.7 A lack of control	16
3.8 To stabilise their status within the country	16
3.9 Why residents seek advice from a particular provider	16
<b>4 THE SCALE OF SUPPORT PROVIDED BY MANCHESTER'S COMMUNITY LEGAL ADVICE SECTOR</b>	<b>18</b>
4.1 The profile of support provided	18
4.1.1 Manchester CLAS	18
4.1.2 Other providers	19
4.2 Summary of enquiries and cases	21
4.2.1 The geographical location of advice beneficiaries	22
4.2.2 The ethnic profile of advice provided in Manchester	23
<b>5 THE IMPACT OF ADVICE SERVICES IN MANCHESTER</b>	<b>24</b>
5.1 Providing residents with clarity and signposting about their situation	24
5.2 Alleviating and managing debt problems	26
5.3 Ensuring residents receive the money they are entitled to	26
<b>6 THE FUTURE DEMAND FOR ADVICE PROVISION IN MANCHESTER</b>	<b>28</b>
6.1 The Welfare Reform Bill	28
6.1.1 The geographical impact of the changes to the welfare reform agenda	29
6.1.2 The potential impact on advice services	31
6.2 Universal Credit	31
6.2.1 The scale and geographical impact of Universal Credit	32
6.2.2 The potential impact upon the advice sector	36
6.3 Incapacity Benefit and Employment Support Allowance	36
6.3.1 The scale and geographical impact of Employment Support Allowance	36
6.3.2 Potential demand for advice services	39
6.4 Disability Living Allowance and the Personal Independence Payment	39
6.4.1 The geography and scale of Disability Living Allowance claims in Manchester	40
6.4.2 The potential demand on advice services	42
6.5 Housing Benefit reforms	42
6.5.1 The geography and scale of Housing Benefit in Manchester	44
6.5.2 The potential demand on advice services	47

6.6	Recessionary impacts	47
6.6.1	Repossessions	48
6.6.2	Repossession order against owner occupiers	50
6.6.3	Repossession orders against tenants	51
6.6.4	The potential demand on advice services	51
6.7	The geography of demographic groups that use advice services	52
6.7.1	The geography of non-white population	52
6.7.2	The geography of residents with no qualifications	54
6.7.3	The geography of low income	56
6.8	Summary	58
<b>7</b>	<b>THE CURRENT AND FUTURE SUPPLY OF ADVICE SERVICES IN MANCHESTER</b>	<b>59</b>
7.1	Existing resources do not meet demand	59
7.1.1	Uncertainty and fear	60
7.2	The impact of closing Manchester Advice continues to be felt by the sector	60
7.3	The changing scope of Legal Aid	61
7.3.1	Background	61
7.3.2	Legal Aid scope changes	61
7.3.3	The anticipated impact upon the advice sector	63
7.4	The future shape of advice services	64
7.4.1	A more standardised approach to providing advice	64
7.4.2	An increase in telephone and web based advice services	64
7.5	Charging for Community Legal Advice Services	67
7.6	Summary	67
<b>8</b>	<b>CONCLUSION</b>	<b>68</b>
<b>FIGURES</b>		
	Figure 1: The reasons for seeking advice from a provider	17
	Figure 2: The geography of income deprivation affecting children, 2010	30
	Figure 3: The geography of worklessness in Manchester, November 2011	33
	Figure 4: The geography of Working and Child Tax Credit claims in Manchester	35
	Figure 5: The geography of Employment Support Allowance claims in Manchester, November 2011	38
	Figure 6: The geography of Disability Living Allowance claimants in Manchester, November 2011	41
	Figure 7: The geography of Housing Benefit claims in Manchester, December 2011	45
	Figure 8: UK GDP from Quarter 3 2008 to Quarter 1 2012	48
	Figure 9: Annual mortgage repossession claims issued, 2000-2011	50
	Figure 10: Annual landlord possession claims made, 2003-2011	51
	Figure 11: Geography of non-white population	53
	Figure 12: The geography of residents with no qualifications	55
	Figure 13: Geography of low income	57
	Figure 14: The percentage of unanswered calls for telephone based advice services, 2011/12	59
	Figure 15: The method of advice preferred by residents accessing face-to-face services	65
	Figure 16: The geography of MCLAS telephone and face-to-face advice service users	66
<b>TABLES</b>		
	Table 1: Overview of the report structure	8
	Table 2: Number and type of triage and generalist advice enquiries to CLAS, 2010/11	18
	Table 3: Number of Legal Services Commission funded cases by type of advice, 2010/11	19
	Table 4: Average annual number of enquiries and cases supported by Wythenshawe Law Centre, April 2009 to March 2012	19
	Table 5: Average annual number of immigration enquiries and cases supported by South Manchester Law Centre and Greater Manchester Immigration Aid Unit	20
	Table 6: Support provided by CAB, 2009/10	20

Table 7: Number of enquiries and cases supported by the advice sector in Manchester – yearly average	21
Table 8: Geography of residents that access advice services in Manchester	22
Table 9: Ethnic profile of advice provided in Manchester	23
Table 10: The outcome of Work Capability Assessment for new Employment Support Allowance claims in the North West: October 2008 to August 2011	37
Table 11: Incapacity Benefit reassessments for Employment Support Allowance in Manchester: October 2010 to July 2011	37
Table 12: Estimated average loss of Local Housing Allowance in Manchester	43
Table 13: Level of awareness amongst Housing Benefit claimants	43
Table 14: The scale and impact of changes to Housing Benefit	46
Table 15: Percentage and number of working age Housing Benefit claims in under occupation	46
Table 16: Total number of claims and order for repossession in Manchester, 2011	48
Table 17: Ward level claims leading to orders in Manchester, 2011	49
Table 18: The number of cases supported in Manchester	63
Table 19: Ward level breakdown on indicators used	ii

## **APPENDICES**

1	Ward level data tables	i
---	------------------------	---

## EXECUTIVE SUMMARY

The community legal advice sector in Manchester commissioned the Centre for Local Economic Strategies to assess the impact of ongoing and future policy and funding changes upon the sector. The study particularly focused upon the changes to welfare benefit payments and the scope of Legal Aid. The findings presented in the study are based on several phases of research including: an assessment of the current profile of advice service users in the City; data analysis to assess the scale and impact of changes to the welfare reform agenda; and the implications these changes will have upon the community legal advice sector. The findings from these stages of research demonstrate that:

The current financial resources available to the community legal advice sector in Manchester are not sufficient to meet demand. In addition, the impending change of scope to Legal Aid, at the same time as changes to welfare benefit payments, mean demand for services will increase while funding is significantly reduced, the impact of which will disproportionately affect deprived communities and Manchester's most vulnerable residents.

### The scale of advice services in Manchester

This study estimates that the community legal advice sector in Manchester supports over 18,600 advice cases and almost 86,000 enquiries every year. Immigration, welfare and debt issues account for the vast majority of both enquiries and cases. Advice related to welfare benefit payments account for almost two thirds of enquiries and a fifth of cases. Support related to welfare benefits is often complex in nature due to the complexity and interrelated nature of many welfare benefits. Demand for such services has also been increasing dramatically in recent years due to the move from Incapacity Benefit to Employment Support Allowance and the changes to the Tax Credit system. The unprecedented scale of future changes to the welfare benefits will only increase demand for advice and place additional pressure on an already under resourced sector. Consultation with advice users found that community legal advice providers were offering support to residents that generated the following impacts:

- ❑ exercising the legal rights of residents;
- ❑ providing a sense of clarity and direction with advice issues;
- ❑ alleviating and managing debt problems;
- ❑ ensuring residents receive the money they are entitled to.

### The future demand for advice services

This study has assessed the main changes to the welfare benefits system to assess the future scale and geography of demand for advice services. Many of the ongoing legislative changes will impact upon the same cohorts of residents, typically those residents living in the most deprived areas of Manchester and residents who rely on welfare benefits due to being unemployed, sick or disabled, or working in low paid occupations. In summary, the following claims will be affected, creating additional demand for Community Legal Advice Services.

#### *Universal Credit*

All claims for Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, Jobseekers Allowance and Employment Support Allowance will be transferred to Universal Credit by 2017; therefore a total of 61,440 claims for out of work benefits in Manchester will be affected, while 45,000 working families claiming tax credits will be moved onto the new system.

#### *Incapacity Benefit and Employment Support Allowance*

Claims for Incapacity Benefit are being transferred to Employment Support Allowance (ESA) on an ongoing basis. The move is continuing to generate huge demand for advice services. In Manchester, a total of:

- ❑ 18,000 residents are still claiming Incapacity Benefit and will be assessed for ESA;
- ❑ an estimated 4,720 new claims for ESA per year will result in an appeal;
- ❑ 11,255 Manchester residents currently claim ESA and will therefore be required to undertake a further medical reassessment within the next two years.

### ***The Introduction of the Personal Independence Payment***

Disability Living Allowance (DLA) will be replaced with a Personal Independence Payment (PIP) from April 2013 for working age claimants only. The process will create huge demand for advice following medical assessments, with **at least 22,160 claims for DLA in Manchester reassessed for PIP.**

### ***Housing Benefit Reforms***

The changes to Housing Benefit are complex and wide ranging, some of which have already been introduced while others will take effect on an ongoing basis to 2014. The reforms include:

- ❑ setting Local Housing Allowance against the 30<sup>th</sup> percentile of local rents instead of the median rent;
- ❑ a Local Housing Allowance cap based on the size of a claimant's property from April 2011 and scrapping the five bedroom rate;
- ❑ increasing Housing Benefit rates by the Consumer Price Index rather than the Retail Price Index;
- ❑ raising the age at which the Shared Accommodation Rate applies from 25 to 35;
- ❑ a reduction in Housing Benefit for residents living in under occupation.

A total of **66,000 households claim Housing Benefit** in Manchester and face uncertainty as the benefit is reformed. An estimated **14,000 of these households live in under occupation** while over **8,300 will be affected by setting rates at the 30<sup>th</sup> percentile.** The changes will result in a huge uplift in demand for advice related to debt, eviction and support to secure affordable housing.

### **The current and future supply of advice services**

The demand for advice services in the future is clearly going to increase as changes to the welfare reform system continue. However, the sector is also currently facing the following challenges:

- ❑ **existing resources do not meet demand** – providers are currently turning residents away as resources do not meet demand, particularly at drop-in sessions. A reported 50% additional demand for face-to-face advice is currently being unmet, while the sector is only able to answer 31% of telephone calls for advice. This situation will worsen as demand increases;
- ❑ **the impact of closing Manchester Advice** – providers are still feeling the impact of Manchester Advice closing as it has placed increased demand on other advice services in the City. It has also led to the loss of expertise and bespoke training related to the welfare reform agenda, and the ability to provide advice in up to sixteen community languages;
- ❑ **the changing scope of Legal Aid** – the scope of Legal Aid is being significantly reduced as part of the Government's deficit reduction programme. Cases will only be funded where an individual's life is at risk; they face physical harm; or homelessness. As a result, funding for all but the most complex cases supported by the community legal advice sector will be removed. This includes funding to support complex welfare benefit cases at a time when the welfare system is undergoing unprecedented reform. **As a result, between 85%-99% of LSC funded cases are anticipated to no longer be eligible for funding, leaving the most complex cases unsupported;**
- ❑ **the impact of Legal Aid reform** – the impact of reform on the community legal advice sector will be huge, particularly given the Legal Services Commission's decision to re-tender housing, debt and family law services in CLAS areas alongside the remaining face-to-face advice services. This means the CLAS contract and the sustainability of the delivery model in its current form is facing uncertainty.

### **The future shape of advice services**

The increase in demand for advice services at a time when the most complex cases will no longer be supported by the Legal Services Commission means advice services will need to be realigned in the future. A number of responses are likely:

- ❑ **a more standardised way of providing advice** – support will be restricted for form filling, as there is a move to using self help packs and form checking. However, this will affect the most vulnerable in society and those with poor English skills, leaving them unable to claim the benefits they are entitled to;

- ❑ **an increase in telephone and web based support** – the sector is currently unable to meet demand for telephone based advice, which is five times cheaper than delivering face-to-face advice. Offering more telephone and web based advice will help to reduce cost; however this form of advice is not suitable for all complex or vulnerable cases, or residents that have poor English skills;
- ❑ **charging for services** – some community legal advice providers are considering charging for their services in the future. However, advice service users reported they are typically unable to pay due to being in debt or reliant on welfare benefit payments which are being reduced in many cases.

## Conclusion

This study has found that the community legal advice sector provides a highly valued service, which helps residents at crisis points in their lives. Resources provided to the advice sector are currently not meeting the demand for services. Demand will increase dramatically in the future as welfare benefits are reformed (e.g. 63,200 claims for ESA and PIP in Manchester will be subject to a medical review between now and 2014, while 34,000 claims for Housing Benefit will be affected by a reduction in payments). At the same time, the scope of Legal Aid is being changed to reduce eligibility for funding to the most extreme civil law cases. An estimated 85-99% of cases will no longer be supported, leaving the most vulnerable residents in Manchester without access to free legal advice and an ability to challenge decisions that threaten their home, income, welfare or safety.

The withdrawal of services at a time of increased demand will have a number of consequences. Residents that cannot afford to pay for legal advice will no longer be supported to resolve debt, housing or welfare issues. This will result in these issues deteriorating further with housing repossession, debt and vulnerability increasing, while benefit payment levels are falling for many claimants. Demand and an increase in cost on other services, such as Manchester City Council's Homelessness Service, Adult Social Services or their local councillor will increase. This has been demonstrated by past research<sup>1</sup> and how these increases are mitigated by effective advice provision. Using data from the Civil and Social Justice Survey, and the Legal Services Commission's outcomes data from legal aid work, it is estimated that for every £1 of legal aid expenditure on debt and benefits advice, the state saved an average of £5.89 in 2010, a figure that would have increased within the past two years. The consequence of changes to welfare benefits, combined with a reduction in Legal Aid, is therefore that poverty and vulnerability within Manchester's deprived communities will increase unless further funding can be found while the cost of delivering mainstream services will increase significantly.

---

<sup>1</sup> Source: Towards a new business case for Legal Aid, CAB (July 2010)

## **1 INTRODUCTION**

This report presents the findings of research on behalf of the community legal advice sector in Manchester to assess the impact of policy and funding changes upon the sector. The report provides analysis of changes particularly related to the welfare reform agenda and identifies the number of Manchester residents that will be affected, the geographical impact of these changes in Manchester, and the types of support needs that will be generated for the advice sector. In addition, the changing scope of Legal Aid is explored and the impact this will have in terms of the availability of free advice in the City, and the likely shape of advice services as a result of reduced levels of funding.

### **1.1 About the research study**

The Centre for Local Economic Strategies was commissioned to undertake research to assess the impact of funding and policy changes upon Community Legal Advice Services in Manchester. The research placed particular focus on the changes to the welfare reform agenda and the implications of the Legal Aid Sentencing and Punishment of Offenders Act (LASPO). The changes to the welfare reform agenda are wide ranging and represent a significant overhaul of the benefits system, while the LASPO is changing the type of legal cases that can attract Legal Aid. The following stages of research were delivered to assess the potential impact of these changes upon the advice sector and Manchester residents.

#### **1.1.1 Desk based research**

##### ***Policy and contextual review***

A policy and contextual review was conducted to frame all aspects of this study. Policy documents, such as the Michael Bell Review of Advice Services in Manchester and Manchester City Council Scrutiny Papers, were reviewed to identify the history and context of advice services. National policy documents were also reviewed, particularly related to the future of Legal Aid and the welfare reform agenda.

##### ***Assessment of the current profile of advice service users in Manchester***

CLES collected and analysed monitoring data provided by advice providers in Manchester to indicate the profile of Community Legal Advice Service users and the nature of support they are accessing. This provided a baseline for the scale of delivery currently taking place and was used to assess the role of the sector in the City and how future changes to Legal Aid may impact upon the scale of advice that is funded in the City.

##### ***Assessment of the potential need for advice services***

Based on the above profile of current service users and the future changes to the welfare reform agenda, CLES identified the potential need for advice services using official statistics to develop a baseline that identifies the size and geography of the demographic groups affected by ongoing and future policy changes.

#### **1.1.2 Stakeholder interviews**

Interviews with key stakeholders within the community legal advice sector were conducted to gain opinions on the current shape and future prospects for the sector. A total of ten interviews were conducted, which included organisations delivering support as part of Manchester's Community Legal Advice Service (CLAS) structure and those operating outside of CLAS.

#### **1.1.3 Beneficiary consultation**

The following two elements of beneficiary consultation were undertaken to identify the reasons why residents use advice services, their support needs, the impact of this support, and how they would like to access support in the future.

##### ***Survey of advice service users***

A survey of users was distributed to residents that had accessed advice services via phone, email or face-to-face during June 2012. The survey was distributed by email and handed out in advice locations in Manchester. A total of 433 surveys were completed.



### *Case studies of advice service users*

A total of five beneficiary case studies were developed to understand in detail the life history of a sample of service users and the impact of seeking community legal advice. The case studies were drawn from three advice providers in the City, operating both inside and outside of CLAS.

## **1.2 Report structure**

The remainder of this report is structured into the following sections.

**Table 1: Overview of the report structure**

<b>Section</b>	<b>Content</b>
Section 2:	The current landscape of advice services in Manchester
Section 3:	Why do residents seek support from the community legal advice sector?
Section 4:	The scale of support provided by Manchester's community legal advice sector
Section 5:	The impact of advice services in Manchester
Section 6:	The future demand for advice provision in Manchester
Section 7:	The current and future supply of advice services in Manchester

## 2 THE CURRENT LANDSCAPE OF ADVICE SERVICES IN MANCHESTER

This section of the research report provides the context to the current delivery of advice services in Manchester. The landscape of advice services in the City has changed considerably over recent years due to two major reviews and reorganisations – The Bell Review of Advice Services in Manchester, and the recent reorganisation of services delivered and funded by Manchester City Council in response to the Government’s budget deficit programme. As a result, the shape and form of the community legal advice sector in Manchester has changed considerably in recent years through closer joint funding of services by the Legal Services Commission and Manchester City Council, and the closure of Manchester Advice. This section therefore provides important context for the future of the sector and the provision of free community legal advice in Manchester.

### 2.1 The Bell Review of Advice Services in Manchester

Michael Bell Associates were commissioned by Manchester City Council to undertake a strategic review of the provision of advice services in the City delivered by both the Council and the voluntary sector. Prior to the Review, Manchester City Council awarded twelve voluntary sector providers funding that totalled around £1.5 million a year. In addition, Manchester City Council also provided £2.1 million of funding to a large internal advice service (Manchester Advice) that provided support to residents related to core areas of debt, welfare benefits and housing advice, as well as providing advice on council services.

The Bell Review reported in January 2008, with the aim of informing the development of a Manchester Advice and Information Strategy. The report therefore looked at the present need for advice services, future demand and whether this demand is likely to be met. The following factors were identified as driving demand for advice services in Manchester:

- ❑ high levels of deprivation, resulting in significant social and economic issues such as high levels of economic inactivity, ill health, fuel poverty, poor literacy and a high number of asylum placements;
- ❑ residents seeking to re-correct processes and procedures from Jobcentre Plus and Manchester City Council, and the difficulty residents have with making contact with these agencies;
- ❑ current providers struggling to meet the demand for immigration advice, community care and employment advice at a specialist level. There is also unmet need for residents subject to immigration control; it is not possible to advise them on benefits advice, employment, community care or education without specialist advice services.

The Bell Review identified that advice services in Manchester were of high quality and performed well, considering the demand which is placed upon them; however a number of structural and coordination deficiencies were identified in advice provision, including:

- ❑ services are fragmented and based upon historical patterns of service delivery as opposed to the need for advice services;
- ❑ a lack of an overall strategy for advice services which created operational gaps such as an effective referral system, signposting and coordinated delivery, with each service provider deciding their own service delivery method, access point and opening hours;
- ❑ a lack of services operating outside of normal working hours and at weekends, creating access issues for people that work;
- ❑ a lack of resources for community language provision, particularly related to languages of new arrivals;
- ❑ a perceived conflict of interest when funding for the twelve voluntary sector advice providers was transferred from the Voluntary Sector Grants Programme to Manchester Advice. This was designed to achieve a more strategic and coordinated approach to planning and funding advice provision, but led to a perceived conflict of interest as Manchester Advice also compete for funding from Manchester City Council and external sources.

As a result of these findings, the Bell Review made a total of seventeen recommendations, primarily focusing upon the following headline actions:

- ❑ Manchester City Council should work with key funders and advice providers to develop an advice strategy, ensuring advice services contribute to the delivery of Manchester's Community Strategy Spines;
- ❑ the City Council should seek to transfer commissioning responsibility for advice services away from Manchester Advice and explore the possibility of establishing a joint commissioning body for advice;
- ❑ future commissioning should contract with a single law centre and a single network of neighbourhood advice centres, including telephone and email access. Services were recommended to be delivered from a single city centre site and six district services.

## 2.2 The establishment of Manchester Community Legal Advice Service (MCLAS)

In March 2006, the Legal Services Commission published its strategy for the Community Legal Service (2006-2011) *'Making Legal Rights a Reality'*. The key aims of the five year strategy were to *'focus on the needs of the client'* and *'working in partnership across the Community Legal Service and central and local government'*. Partnership working was to be particularly focused upon working with local authorities to jointly purchase, coordinate and improve services. A key component of the strategy was therefore the establishment of Community Legal Advice Centres, which would be provided by groups or consortia of organisations working together to provide a one stop shop for advice on social welfare law, particularly focused upon debt, welfare benefits, housing, employment, family and consumer care.

Following the publication of the Bell Review, and in line with the *'Making Legal Rights a Reality'* strategy, Manchester City Council and the Legal Services Commission undertook to jointly commission Community Legal Advice Services by pursuing an integrated service delivery model in Manchester. Joint commissioning sought to reconfigure advice services in the City into a Community Legal Advice Service (CLAS) to increase the quality of service to customers, and offer customers a single point of contact that could respond to their needs and all aspects of advice service provision. Commissioning the CLAS model was intended to directly address many of the recommendations in the Bell Review and delivery against the following aims:

- ❑ enable individuals to protect their fundamental rights and resolve legal disputes;
- ❑ tackle disadvantage and promote social and financial inclusion;
- ❑ deliver legal advice services to local communities in Manchester according to a clear understanding of local needs, and ensuring that services continue to meet any identified needs and priorities;
- ❑ provide quality assured integrated legal advice services ranging from basic information to representation in court, which offer value for money and are supported by coordinated funding;
- ❑ provide advice which is independent of funders and government;
- ❑ provide seamless services which are focused on local need to tackle complex, multiple problems at an early stage to avoid escalation.

Delivery of Manchester CLAS was tendered in three areas of the City (North, Central and South Manchester) providing a minimum of two CLAS offices in each location. Manchester CAB was awarded all three contracts, to work in partnership with **Shelter**, **Cheetham Hill Advice Centre**, **Glaisyers** and **Platt Halpern** to provide a full range of advice services related to debt, housing, welfare benefits, employment, community care, family and immigration (to Office of the Immigration Service Commission Level 1). Delivery of CLAS was designed to deliver the following:

- ❑ extended opening times (evening and weekends);
- ❑ a one stop advice service (dealing with individuals advice needs within each CLAS location, therefore reducing the needs to signpost to numerous alternative advice services across the City);
- ❑ a telephone and email gateway;
- ❑ modernised and new premises;
- ❑ outreach services and access to home visits for residents across the City.

The contract to deliver the Manchester CLAS commenced on 14 October 2010. The memorandum of understanding between Manchester City Council and the LSC outlines a total contract value of £3 million per year, over a period of three years, with the option of a two year extension. The funding provided to CLAS is presented equally from the Legal Services Commission and Manchester City Council.

The future of the CLAS delivery model across the county is now uncertain due to the changes to Legal Aid funding detailed in the Legal Aid Sentencing and Punishment of Offenders Bill. As a result, the Legal Services Commission has taken the decision to re-tender housing, debt and family law services in CLAS alongside the remaining face-to-face advice services from April 2013. This now means that Manchester's CLAS contract will come to an end on 31 March 2013.

### **2.3 The closure of Manchester Advice**

Manchester City Council funded advice services were reviewed in 2011 following the Coalition Government's aspiration to eliminate the budget deficit by 2015/16 as a result of lowering public expenditure by £83 billion a year, and Whitehall departments managing 25% budget cuts over four years. The Comprehensive Spending Review outlined a real term reduction of 28% in central government for local government, or over 7% per annum. This led to an overall budget shortfall for Manchester City Council of £109 million in 2011/12, rising to £170 million in 2012/13.

The significant reductions in Manchester City Council's budget resulted in the Council establishing a set of guiding principles for its future strategic direction and delivery of services, against which proposals to significantly reduce the Manchester Advice service were developed.

The Citizenship and Inclusion Overview and Scrutiny Committee received a report regarding the closure of Manchester Advice services in June 2011. Manchester Advice had a mainstream budget of £2.1 million and 116 staff. Its budget is further supplemented by external funding for a commissioned service totalling £1.2 million (2010/11), equating to a total budget of £3.3 million. The Scrutiny Committee recommended that Manchester Advice be closed in a phased and planned operation over a twelve month period to provide sufficient transition to the CLAS offer. Other existing advice services were retained or redesigned, including:

- ❑ the Independent Domestic Violence Advocacy Service, Court Service and the Debt Advisor for Willow Park Housing Association have now been transferred to the management of the Directorate's Homelessness Services;
- ❑ the Macmillan targeted benefit advice to cancer patients has been retained and placed under new governance arrangements. This will be reviewed in August 2012, along with services provided by Christie and Primary Care Trust targeted advice services to identified patients of South Manchester GPs;
- ❑ the Benefits Appeal Team have also been retained and will be subject to a service review;
- ❑ five full time equivalent Community Engagement Officer roles have been developed with BME communities. These roles have been aligned with the existing Customer and Community Care Team in Neighbourhood Services;
- ❑ an online self help advice service at One First Street is in operation;
- ❑ three advice kiosks have been procured, with the first two being located in Wythenshawe Forum and City Library.

## 2.4 Summary

The advice sector has been through a number of significant changes in recent years. The Bell Review of advice services in the City sought to bring greater co-ordination to the sector, reduce overlap and address the conflict of interest within the role of Manchester Advice. The Bell Review's recommendations and the LSC's strategy for the community legal services led to the establishment of the Manchester CLAS. The CLAS model was designed to provide citywide coverage of advice, more coordinated opening times and the provision of outreach and telephone based provision alongside the advice services provided by Manchester Advice. However, the budget deficit reduction programme led to the closure of Manchester Advice at a time when the CLAS model was being established, with no additional funding being provided to the CLAS to reflect the loss of Manchester Advice. Uncertainty regarding the future shape of advice services in Manchester remains following the publication of the Legal Aid Sentencing and Punishment of Offenders Bill and the Legal Services Commission's decision to re-tender housing, debt and family law services in CLAS areas. As a result the CLAS contract, and the whole of the advice sector in Manchester, faces an uncertainty further funding cuts are inevitable as the Coalition government seeks to reduce the costs of the Legal Aid system.

### 3 WHY DO RESIDENTS SEEK SUPPORT FROM THE COMMUNITY LEGAL ADVICE SECTOR?

This section of the research report assess why residents seek support from the community legal advice sector in Manchester. The findings presented in this section are based upon feedback provided by the advice sector's beneficiaries via a face to face survey conducted in advice settings. The findings outlined below are presented in terms of the circumstances or motivations for seeking support as opposed to the specific nature of advice that residents sought (e.g. debt advice).

A total of 432 surveys were collected from Manchester residents seeking advice from the community advice sector between May and June 2012. The results presented below provide an insight into why advice is sought from the community legal advice sector in Manchester. The findings are grouped into common themes based on the feedback provided.

#### 3.1 Dissatisfaction with other service providers

A large number of residents that responded to the survey reported accessing support from the advice sector because of their past experience of seeking help from other service providers or sectors. There was often dissatisfaction with other support services, and typically statutory agencies (e.g. support is available for residents seeking to complete their Employment Support Allowance (ESA) Work Capability Assessment questionnaire, although many residents expressed dissatisfaction with the level of service available). Others had experienced a poor level of service from private legal practices, and felt the service either did not provide value for money or did not represent their needs or the importance of the case. It should be noted that not all other support is poor quality and it is increasingly likely that a reduction in funding to the advice sector will mean the number of referrals to external agencies (to assist with tasks such as form filling) will need to be increased in the future.

Linked to the above, residents compared the quality of advice services offered within the community legal advice sector with that available elsewhere. Many residents commented upon the high quality advice provided, particularly how providers listened to their needs, spent appropriate amounts of time to resolve their support need, and understood how to assist residents in claiming the benefits they were entitled to.

#### 3.2 Support to complete forms and paperwork

A number of residents reported accessing advice to gain support with completing application forms or official documentation. Support was typically sought for a number of reasons, but primarily due to some residents having poor literacy and numeracy skills. Other residents sought support as English was not their first language and thus they struggled to complete official documentation on their own. Finally, residents sought support with completing forms due to the stress, anxiety and fear of official documentation, and uncertainty about how to answer questions or the evidence required. This resulted in concerns about losing benefits and a general lack of confidence or understanding about the information that was required:

*'I'm extremely stressed; I suffer from mental health problems and the thought of attempting to complete a form was too much.'*

*'I was anxious about completing forms on my own.'*

*'I was confused as I didn't know what I had to answer on the forms I had.'*

### Case study<sup>2</sup>

Mr Malik moved to the UK from Spain two years ago and lives in Cheetham Hill with his wife and their five children. Originally from Pakistan, the family moved to the UK so their children can be educated in English. The family's command of spoken English is poor, resulting in limited literacy skills. Mr Malik has tried to enrol for ESOL classes but cannot find any free provision in the area and has been on waiting lists for some time.

The family live in private rented accommodation and have been on the waiting list for council housing for some time. Mr Malik found work soon after arrival and has been working ever since in a local factory. However, due to the recession, his hours have been reduced over the past eighteen months, thus the family finances are currently under pressure.

The family have been using Community Legal Advice Services since their arrival after they were recommended by a friend. Initially, support was sought regarding access to schooling for the children and eligibility to benefits. They have now been accessing advice services that provide advice in community languages for sixteen months to help resolve issues such as:

- school admissions for the family's children. They were initially allocated schools that were too far away, which was not suitable as the family did not have personal transport. The appeals process was handled by the advice provider who supported the family by attending the successful appeal hearing;
- the advice provider has established child tax credit, working tax credit and housing benefit for the family. This has been particularly valuable since Mr Malik's salary and hours of work have been cut over the years, leaving him in a difficult financial situation which needed further help and advice;
- language support has been provided on an ongoing basis to help write letters, read correspondence and complete official forms. He and his wife are dependent on the advice sector for help with all their correspondence as they do not read or write in English and this is their primary ongoing need;
- the advice sector has provided help with their application for council housing. The family are currently on the waiting list and need ongoing help with any related correspondence on this matter.

The family reported that the support provided has been particularly valuable and helped them to establish their life in the UK, and gain additional financial support after their income was reduced. They now understand their entitlements and have been able to discuss and resolve confidential family matters through the advice sector. However, they are likely to be reliant on advice providers for support until they can find free ESOL support or the children are older and can help them with all their needs.

### **3.3 Poor health and wellbeing**

Residents reported accessing Community Legal Advice Services as their personal situation had become so bad that it was affecting their health. The following quotes were typical of those provided:

*'Things were making me feel really bad. My mental health was suffering and I could not see a way out (debt advice).'*

*'I felt nervous, stressed and was crying all the time. I was worried about money; how to pay for food and rent. I was really unhappy.'*

*'I felt suicidal and my situation had got out of hand; I was losing control of my life.'*

A significant proportion of residents reported suffering from stress and poor mental wellbeing brought on by debt, trying to secure their status in the country, or the risk of losing their home. The support provided by advice agencies was reported to help find a way forward and ease some of the negative health impacts reported.

---

<sup>2</sup> Please note: The name of each case studied individual or family has been changed to ensure they are anonymous.

### 3.4 Residents not understanding their situation

A large number of responses from residents highlighted the confusion and uncertainty about their personal situation and why their benefit payments had been either stopped or adjusted. It is likely that such support needs have increased in recent years due to changes to out of work benefits, such as ESA, while future reforms such as the introduction of Universal Credit and Personal Independence Payments (PIP) will increase demand for such support even further:

*'Things were difficult. I couldn't understand the rules on benefits and was in debt. I was at the end of my tether (welfare benefits and debt advice).'*

*'I was confused by the tax credit benefit system and eligibility (welfare benefits advice).'*

*'I didn't understand why the Department for Work and Pensions had made their decision and wasn't sure how to challenge it.'*

*'I had no idea what was going on, no one from the Department for Work and Pensions had explained, I thought my benefit was going to be stopped.'*

### 3.5 Residents feeling unsure of their rights

Another reason for seeking community legal advice was residents needing support to understand their legal rights. Residents were seeking advice about their legal rights in relation to a number of issues, such as being dismissed from work and how they could respond to demands from bailiffs:

*'I was in a bad situation and was in complete confusion. I didn't know how to approach my situation, what my rights were or how to go about things... Things were getting on top of me (debt and housing advice).'*

*'I was unsure whether I'd been dismissed or not and, if I had, it was only for asking for a holiday (employment advice).'*

#### Case study

Nazira arrived in the UK from Denmark two years ago. She is married and has three children (aged 5, 6 and 14), one of which has special needs. She previously lived in the UK for six years before moving to Denmark, where her husband still lives as he awaits the outcome of a visa application as he is a Pakistani national. As a result, Nazira currently lives on her own with her children in private rented accommodation.

When she arrived in the UK she needed help with a number of needs. She was not well and had been on disability benefits in Denmark and wanted this reinstated here. She has in the past worked in several jobs, both in the UK and Denmark, but due to illness has been on Incapacity Benefit for the last five years. The advice sector has supported Nazira ever since she arrived in the UK with her applications for Employment Support Allowance, disability living allowance and carer allowance. Her application for carer allowance went to appeal which was supported by the advice sector due to the need for support in her native language.

Nazira also received support from the advice sector to get her children into school. They were not provided with any schools for three months and when they were allocated the process ended up in appeal, with which she needed the help of the adviser. She still has problems, the three children are in three different schools now and this is an ongoing problem for Nazira.

The family have ongoing support needs to help translate official correspondence and help with responding to letters. She cannot deal with anything herself because of her language barriers and poor literacy skills. She has accessed ESOL classes but still finds it difficult to speak in English and explain herself well enough over the phone to resolve issues. Ongoing support is therefore being provided related to her council housing application, her hospital appointments and representation for her children's schooling.

The advice sector has proved a lifeline for Nazira as it offers locally based support with complex issues in her own language that helps to overcome technical issues. Without the advice sector, Nazira suggested:

*'Letters would not get read and understood and I could get into trouble for not paying for bill.'*

The role of the advice sector is particularly important to Nazira due to her personal circumstances, as she is on her own with a young family, is often unwell and has a child with special needs. The sector therefore helps to support and stabilise her personal circumstances, providing a consistent source of support that allows her difficult personal circumstances to be managed.



### **3.6 To resolve financial matters**

The survey of advice beneficiaries highlights how residents use advice services to resolve issues related to their personal finances. A number of different support needs were identified such as residents approaching service providers to resolve debt issues, to help claim back money they feel they are owed from landlords, or to claim welfare benefits owed as a result of being unemployed or living with an illness or disability.

### **3.7 A lack of control**

Residents regularly reported accessing advice as they felt their life was out of control and thus were seeking support to bring some stability back to their lives. Feelings of losing control appear to be typical amongst residents that were seeking support with debt problems, which had mounted up and were often ignored and had now become unmanageable:

*'Things had got out of hand with my debts and creditors were demanding money.'*

*'I was in so much debt that I didn't know what to do. I couldn't afford to pay as I had lost my job through illness.'*

It is clear that residents seek advice to deal with a diverse range of circumstances and situations; feelings of uncertainty, a lack of control, stress and confusion often drive people to seek help from community legal advice providers when their situation has become unmanageable.

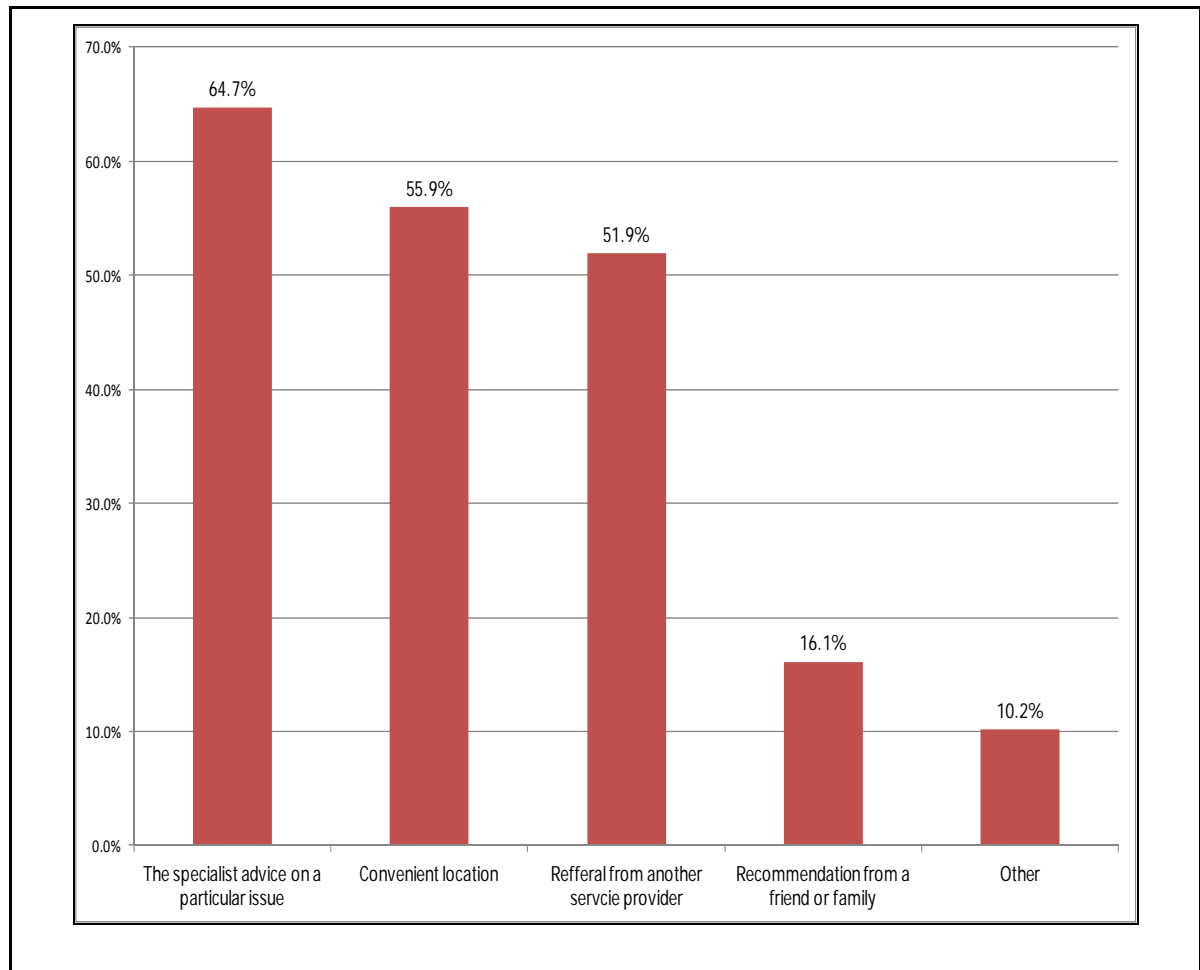
### **3.8 To stabilise their status within the country**

Respondents that approach advice providers for support related to immigration and asylum reported how they were seeking to secure or legalise their stay in the UK. The circumstances through which many residents seeking immigration and asylum support arrive in the country are often extreme and involve threats to life. Responses to the survey pointed to the poor living conditions, poor health and poverty which individuals with immigration and asylum support needs tolerate, and the impact this has on the lives of themselves and their family. Individuals also clearly stated their inability to pay for any other form of legal support to secure their status in the country, and quite clearly rely on the community legal advice sector.

### **3.9 Why residents seek advice from a particular provider**

Service users were asked why they initially sought advice from the particular service provider that was supporting them. The results are presented in Figure 1 and show that advice is primarily sought from providers based upon a need for specialist support in relation to a particular issue. The location of advice is important, while referrals from other service providers (typically other advice agencies, GP's or public sector agencies) and recommendations from friends and family are also a significant driver of demand for services (68% of respondents).

**Figure 1: The reasons for seeking advice from a provider**



A diverse range of responses have been categorised into the 'other' category which includes people that had used the advice provider before and were returning for advice on a different issue, and residents that acted as 'passing trade' and approached an advice agency on an ad-hoc basis; others presented at a provider due to being aware of their name within the local community as opposed to awareness of the particular services they offer.

## 4 THE SCALE OF SUPPORT PROVIDED BY MANCHESTER'S COMMUNITY LEGAL ADVICE SECTOR

This section of the research report assessed the scale of support and advice provided by the primary advice agencies in Manchester. The figures presented have been provided by advice agencies and summarised into an annual average, to ensure peaks and troughs in delivery have been smoothed out. The analysis shows the scale of the advice sector in Manchester and the diverse range of advice provided across the City.

The data in this section relates to provision funded by Manchester CLAS and delivery by other organisations, e.g. South Manchester Law centre, Wythenshawe Law Centre and the Greater Manchester immigration Aid Unit, that have participated in this study and operate outside of CLAS. It should be noted that some organisations in CLAS also deliver support that is funded by other sources (e.g. Big Lottery Fund). This data has not been included in the analysis due to the complexities of comparing delivery by different funding routes and the dangers of double counting outputs. All the figures presented are on an annual average basis and should therefore be treated as estimates of annual performance.

### 4.1 The profile of support provided

#### 4.1.1 Manchester CLAS

The number of triage and generalist advice enquiries supported by Manchester CLAS is presented in Table 2 by the thematic nature of advice sought. It should be noted that enquiries are double counted between categories as many are complex and involve a number of interrelated thematic needs (e.g. advice about debt, welfare benefits and housing are often interrelated).

**Table 2: Number and type of triage and generalist advice enquiries to CLAS, 2010/11<sup>3</sup>**

	Triage		Generalist Advice		Total	
	Number	%	Number	%	Number	%
Benefits	16,264	35.0%	14,248	59.0%	30,511	43.2%
Debt	9,294	20.0%	3,381	14.0%	12,674	17.9%
Other	8,364	18.0%	2,656	11.0%	11,020	15.6%
Housing	5,111	11.0%	1,207	5.0%	6,319	8.9%
Employment	3,253	7.0%	1,207	5.0%	4,460	6.3%
Immigration	2,323	5.0%	483	2.0%	2,806	4.0%
Consumer	929	2.0%	483	2.0%	1,412	2.0%
Education	465	1.0%	242	1.0%	706	1.0%
Health	465	1.0%	242	1.0%	706	1.0%
<b>Total</b>	<b>46,468</b>	<b>100%</b>	<b>24,149</b>	<b>100%</b>	<b>70,614</b>	<b>100%</b>

Clients initially access CLAS funded advice via the triage service and are then diagnosed as to whether they need further generalist advice or have a case that can be funded by the Legal Services Commission. The following patterns can be identified in the data presented above:

- ❑ the highest proportion of enquiries at triage and generalist advice are for enquiries related to welfare benefits. A large proportion of triage enquiries for benefits advice are referred to generalist advice due to the complex nature of these cases;
- ❑ one in five triage enquiries relate to debt advice, a small proportion (14%) of generalist advice relates to housing issues, suggesting many enquiries are dealt with at triage;

<sup>3</sup> The number of enquires is estimated based upon the proportion of known cases by enquiry type

- ❑ a similar pattern is seen for housing enquiries which represent just over one in ten triage enquiries and 5% of generalist advice enquiries;
- ❑ only a small amount of immigration advice is provided due to the nature of advice offered by CLAS and the presence of specialist immigration advice providers in the City;
- ❑ a large proportion of triage enquiries are classified as 'other' enquiries; these include a range of support needs such as applying for a passport, and receiving support to deal with serious personal circumstances including domestic violence.

**Table 3: Number of Legal Services Commission funded cases by type of advice, 2010/11**

	Number	%
Benefits	2,229	34.6%
Debt	1,796	27.9%
Housing	1,675	26.0%
Family	531	8.2%
Employment	182	2.8%
Community care	35	0.5%
<b>Total</b>	<b>6,448</b>	<b>100%</b>

A total of 6,448 Legal Services Commission funded cases were supported by Manchester CLAS in 2010/11. The following pattern can be seen in the data:

- ❑ the largest proportion of support is provided in relation to benefits, followed by debt. Together, these two categories account for 63% of cases supported; however the proportion of support provided in relation to benefits is much lower when compared to the proportion of generalist advice enquiries;
- ❑ just over a quarter of support is provided in relation to housing, much higher than the proportion of generalist enquiries related to this subject (5%);
- ❑ LSC funded cases are also much more likely to be related to debt (27.9%) compared to enquiries for generalist advice.

#### 4.1.2 Other providers

The data below relates to advice delivered by organisations that are not funded by Manchester CLAS and whom participated in this study. The information below is presented based on three year averages to smooth out any peaks and troughs in delivery, during what has been an uncertain time for the advice sector in the City.

##### *Wythenshawe Law Centre*

**Table 4: Average annual number of enquiries and cases supported by Wythenshawe Law Centre, April 2009 to March 2012**

	Information and advice		Specialist	
	Number	%	Number	%
Debt	1,680	39.9%	143	26.7%
Welfare benefits	1,269	30.2%	225	41.8%
Housing	807	19.2%	169	31.5%
Consumer	165	3.9%	-	-
Employment	54	1.3%	-	-
Education	48	1.1%	-	-
Immigration	43	1.0%	-	-
Other	141	3.4%	-	-
<b>Total</b>	<b>4,525</b>	<b>100%</b>	<b>537</b>	<b>100%</b>

An average of 4,525 incidences of information and advice and 537 specialist cases were supported by Wythenshawe Law Centre on an annual basis. The largest proportion of advice and information has been provided related to debt and welfare benefit issues (70.1%), while almost a fifth of advice related to housing. Specialist provision delivered by Wythenshawe Law Centre has concentrated upon these issues, the largest proportion of which has concerned specialist advice to resolve welfare benefit issues.

***Immigration advice providers***

The Manchester CLAS is contracted to deliver immigration advice to OISC Level 1 with specialist advice support being provided predominantly by the Greater Manchester Immigration Aid Unit (GMIU) and South Manchester Law Centre (SMLC). Specialist immigration advice was also previously offered by the Immigration Advice Service which went into administration in 2011. Since this time both South Manchester Law centre and the Immigration Aid Unit have picked up additional case work to support residents those affected by the closure of the Immigration Advice Service.

Table five below shows the number immigration enquiries and cases supported in Manchester by the two specialist providers.

**Table 5: Average annual number of immigration enquiries and cases supported by South Manchester Law Centre and Greater Manchester Immigration Aid Unit**

Source	Average annual no.
Immigration enquiries	17,365
Immigration cases	6,345
<b>Total</b>	<b>23,710</b>

An average of 23,710 enquiries or cases has been supported by Manchester's two specialist immigration advice providers within a year. It should be noted that the vast majority of these enquiries and cases are from Manchester residents although GMIU in particular are contracted to support residents from across the region. The level of work involved in supporting immigration cases can be particularly lengthy and complex which typically involves seeking to secure the status of residents within the UK and appealing against Home Office decisions. It should also be noted that immigration providers also support several thousand telephone calls for advice per year which are not included in the above figures.

***Citizens Advice Bureau (pre-CLAS)***

Table 6 shows the number of enquiries for advice and specialist cases supported by the Citizens Advice Bureau in Manchester in 2009/10, prior to the CLAS delivery structure being introduced. A total of almost 50,000 advice enquiries and over 4,200 cases were supported. The largest proportion of enquiries related to benefits advice, while cases predominantly related to debt issues.

**Table 6: Support provided by CAB, 2009/10**

	Enquiries	Cases
Benefits	19,225	1,765
Debt	18,976	2,346
Housing	2,948	29
Other	2,278	-
Employment	2,151	147
Immigration	1,545	-
Consumer	1,373	-
Family	1,072	-
Education	376	-
<b>Total</b>	<b>49,944</b>	<b>4,287</b>

## 4.2 Summary of enquiries and cases

Table 7 summarises the above data into the number of enquiries and cases supported within a twelve month period<sup>4</sup>.

**Table 7: Number of enquiries and cases supported by the advice sector in Manchester – yearly average**

	Enquiries <sup>5</sup>		Cases	
	Number	%	Number	%
Immigration	17,365	20.2%	6,345	34.1%
Welfare benefits	30,789	35.8%	3,590	19.3%
Debt	12,818	14.9%	3,476	18.7%
Housing	6,538	7.6%	2,589	13.9%
Consumer	1,412	1.6%	1,578	8.5%
Family	-	-	531	2.9%
Employment	4,544	5.3%	275	1.5%
Other	11,021	12.8%	143	0.8%
Education	706	0.8%	48	0.3%
Community care	-	-	35	0.2%
Health	706	0.8%	-	-
<b>Total</b>	<b>85,889</b>	<b>100%</b>	<b>18,610</b>	<b>100%</b>

Table 7 above estimates the number of cases and enquires supported by the community legal advice sector in Manchester during a twelve month period. The table estimates that over 18,600 cases and almost 86,000 enquiries from residents are supported every year. Immigration, welfare and debt issues account for the vast majority of both enquiries and cases. The table also shows a significant amount (over 11,000) of enquires are classified as ‘other’ enquiries. This category will include a wide range of support needs with reports from providers suggesting this includes residents seeking very general information relating to, for instance, assistance with applications for a passport, support to escape domestic violence, advice about tax issues or support to secure an appointment with a local councillor.

Table 8 shows the geographical pattern of advice service users in Manchester based on their home address. The table shows a clear pattern between the citywide and CLAS service and provision which is either geographically or subject specific. For instance, the CLAS service supports residents in all wards of Manchester, none of which account for more than 10% of its clients. The largest proportion of claimants lives in Harpurhey and Longsight, although both of these wards combined only account for one in ten of the residents using CLAS services.

South Manchester Law Centre is also accessed by residents living across the City although there are more noticeable concentrations of beneficiaries in wards that are either within close proximity to the Centre or that have a high ethnic minority population (e.g. Longsight, Ardwick and Moss Side). Demand for GMIU services provides a similar pattern in that it is largely in areas with high BME populations, particularly in North Manchester (Cheetham and Crumpsall). Finally, and as would be expected the Wythenshawe Law Centre’s beneficiaries are predominantly locally based which is unsurprising given the area’s relative isolation from other parts of Manchester.

<sup>4</sup> Data for 2010/11 has been used to represent Manchester CLAS, while data for other providers had been calculated on an annual average basis using performance data for the last three years

<sup>5</sup> The number of enquiries includes both triage and general advice cases supported by Manchester CLAS. This is due to some enquiries being resolved at triage while others are referred for more intensive generalist support. The figures will therefore include double counting but reflect the fact that triage and a general enquiry will require two separate visits to an advice provider

#### 4.2.1 The geographical location of advice beneficiaries<sup>6</sup>

**Table 8: Geography of residents that access advice services in Manchester**

Ward	SMLC	Wythenshawe	MCLAS	GMIU
Ancoats and Clayton	1.8%	-	1.8%	0.8%
Ardwick	11.1%	-	3.6%	7.0%
Baguley	0.6%	9.7%	2.8%	0.1%
Bradford	3.0%	-	3.6%	0.1%
Brooklands	0.6%	4.5%	1.7%	0.2%
Burnage	2.2%	-	2.3%	7.9%
Charlestown	0.4%	-	3.8%	5.6%
Cheetham	1.9%	-	3.0%	19.0%
Chorlton	0.6%	-	2.7%	1.0%
Chorlton Park	1.1%	-	1.7%	0.1%
City Centre	0.3%	-	1.3%	0.6%
Crumpsall	0.8%	-	3.2%	16.3%
Didsbury East	0.7%	-	1.9%	0.0%
Didsbury West	0.4%	-	0.9%	0.0%
Fallowfield	2.6%	-	2.4%	1.2%
Gorton North	6.1%	-	3.1%	13.6%
Gorton South	9.5%	-	4.3%	5.3%
Harpurhey	1.1%	-	6.7%	2.0%
Higher Blackley	0.3%	-	3.6%	2.5%
Hulme	5.1%	-	2.1%	0.5%
Levenshulme	4.9%	-	2.4%	1.2%
Longsight	14.9%	-	4.6%	2.6%
Miles Platting and Newton Heath	0.7%	-	3.9%	1.2%
Moss Side	13.6%	-	4.9%	6.1%
Moston	0.3%	-	3.2%	1.0%
Northenden	0.9%	12.9%	3.5%	0.2%
Old Moat	1.7%	-	4.0%	0.0%
Rusholme	6.8%	-	2.8%	2.0%
Sharston	0.6%	38.2%	3.1%	0.1%
Whalley Range	3.3%	-	2.2%	1.1%
Withington	1.3%	-	2.5%	0.3%
Woodhouse Park	0.6%	34.6%	3.5%	0.1%

<sup>6</sup> SMLC, GMIU and Wythenshawe data based on postcodes of enquiries and cases beneficiaries between 2009/12. Wythenshawe data excludes residents living outside of Wythenshawe as these were classed as 'other'. This will include Manchester residents and those residing in neighbouring boroughs of Stockport and Trafford. MCLAS data based on for MCABS and Cheetham Hill Advice Centre's generalist work, and MCABS' LSC work. Source: 2010/11 Impact report

## 4.2.2 The ethnic profile of advice provided in Manchester

**Table 9: Ethnic profile of advice provided in Manchester**

	Manchester <sup>7</sup>	MCLAS <sup>8</sup>	GMIU	CHAC	Shelter	SMLC	WLC
White	77%	48%	2%	21%	45%	6%	91%
Mixed	3%	8%	3%	2%	3%	3%	2%
Asian/Asian British	11%	12%	33%	39%	13%	24%	3%
Black/Black British	5%	21%	45%	17%		38%	4%
Chinese/other	3%	6%	17%	15%	5%	22%	0%
Unknown	0%	6%	0%	6%	29%	6%	0%

Table 9 shows the ethnic profile of individuals receiving advice and specialist support in Manchester. The profile of beneficiaries is significantly different than the ethnic composition of the wider Manchester population. Across the City, over two thirds of residents are from a white background; however the proportion of advice provided to white residents varied between providers, from 91% delivered by Wythenshawe Law Centre to just 2% delivered by Greater Manchester Immigration Aid Unit. As would be expected, those providers that specialise in the delivery of immigration and asylum cases support very few clients or cases from a white background.

The results above differ significantly from the profile of Community Legal Advice Centres reported by the Legal Services Commission<sup>9</sup> which found that overall respondents to the survey (of CLAC users) were more likely to be non-white British compared to their respective local population. However, part of the reason for this finding was attributed to the geographical locations from where advice was offered, thus the diversity of Manchester's population and the relative deprivation of non-white populations drive demand for advice services.

<sup>7</sup> Source: Mid 2009 population estimates, ONS (2011)

<sup>8</sup> MCLAS delivery by MCAB and CHAC only

<sup>9</sup> Community Legal Advice Centres. A survey of users in reception areas, Legal Services Commission, 2010



## 5 THE IMPACT OF ADVICE SERVICES IN MANCHESTER

This section of the report highlights the impact of advice services from the viewpoint of service users in Manchester. The results were collected via a number of research methodologies, including a survey of advice users in Manchester and face-to-face interviews with beneficiaries, to understand the reasons why they sought advice and the impact it has had upon their lives. The findings show that residents value the advice provided by the sector and that the impact generated can have a profound effect on the lives of residents who are typically some of the most vulnerable in society.

The service users found that advice services are having a significant impact on the lives of residents, highlighted by the extremely high levels of satisfaction with advice services in the City. A total of 95% of service users indicated they had benefited from the advice they had been provided with; those that were unsure was a result of their support being ongoing and thus an outcome had yet to be reached.

A number of impacts from accessing advice services are apparent from the survey responses; these are detailed further in the following sections.

### 5.1 Providing residents with clarity and signposting about their situation

Residents primarily reported that accessing advice services had clarified their situation or legal rights, and the support they are entitled to or can access in the future. This clarity has been provided as residents now understand their rights and the options which are available to them:

*'I am clear as to my options and where I can go for full advice, if needed, nearer to my visa expiring.'*

*'I've taken action to defend myself as I have a right to do so – I was forced to resign.'*

*'I know what rights and options I have with my housing – options after receiving benefit decision and where to go should I need further information.'*

*'I know my responsibilities and how to avoid getting into the same mess again.'*

Providing clarity about a situation was often reported to have given residents a sense of relief and confidence that they could deal with the situation on their own in the future:

*'I'm happier and advice has given me peace of mind. I feel empowered to deal with the problems myself.'*

As a result, many residents reported a sense of being able to plan for the future and progress with their lives without living in fear or worry.

### Case study

James first accessed advice services in Manchester in 2006 to receive advice about his eligibility for disability benefits. James has severely restricted mobility following three operations to his spine and neck to remove herniated disks, and therefore needs support to complete day-to-day tasks and leave the house. He also suffers from severe depression.

Initially, James accessed support to gain general help in order to complete benefit claim forms as he is not confident at reading and writing. James also initially gained support to set up appointments with medical specialists to help overcome his medical condition and provide evidence to support his benefit claim.

More recently, James has been supported with claims and subsequent appeals for ESA and Disability Living Allowance following medical assessments, which concluded he was not eligible for benefits and so payments were stopped. The support offered by advice services was instrumental in appeals against these decisions being successful, as they fully understood the appeals process and helped to pull together the evidence required to appeal against these decisions (evidence of doctor's appointments, medication and operations). The advice services have also supported James's appeal by attending tribunals and ensuring James effectively represented his case in front of the panel comprising a judge, a nurse and a doctor.

The decision to stop James's benefits has had a profound impact upon his life. He lives alone thus these decisions have led to his only source of income being stopped for up to eleven weeks in the past. As a result, he has previously had to access crisis loans and borrow money from his carer, which he now pays back weekly, and leave utility bills unpaid. The situation resulted in his mental health deteriorating, as bills have remained unopened and debts have mounted up.

The advice service is helping James to claim the benefits and the support he qualifies for as a result of his medical condition. If advice services were not available to provide this service, James believes he would not pursue the claim as he doesn't have the confidence or skills to navigate the appeals system. He would therefore have no regular income as he struggles to leave the house and cannot work.

### Case study

Asa and her family arrived in the UK from Nigeria in 2004. On arriving in Manchester, Asa and two of her children, one of which suffers from sickle cell anaemia, lived in one room of a shared house. Unsure of her rights and immigration status, Asa effectively lived in hiding and worked illegally from home. Initially, she did not take her son to see medical professionals as she was afraid of being removed from the country. Social Services were informed when Asa took her son to hospital due to his poor health; they immediately began to provide the family with support which enabled her to stop working illegally and focus upon formalising her stay in the country so the family's situation could be improved.

Asa heard about advice services in Manchester through a friend from her church. She first attended a drop-in session and then was supported to successfully apply for discretionary leave in the UK which lasted for two years. This has enabled the family to significantly improve their situation. Asa now works formally and has enrolled at college. She is currently studying a Level 3 in Health and Social Care, having gained a Level 2 qualification, and hopes to pursue a career in counselling and supporting vulnerable families. Working has allowed Asa to move into more suitable accommodation and provided the means to support her son's health needs. As a result, his condition can be more effectively managed at home, meaning less time spent in hospital.

Asa would have been unable to access legal advice if it wasn't available free of charge. Without it she would still be working illegally and living in hiding, trying to manage the health of her son without professional medical help.

## 5.2 Alleviating and managing debt problems

The need for debt advice and support is a major driver of demand for the community legal advice sector. Advice service users reported how they had been supported to either alleviate their debt problems or to put a plan in place which made their debts more manageable. As a result, residents were more positive about their future and could see a way forward, as the stress and worry brought on by repayment demands had been eased. One of the quotes below demonstrates the confidence residents gain from knowing there is someone that can support them and provide further advice if needed:

*'My mortgage (provider) has agreed to switch interest for a year. This gives me a year to get back on my feet.'*

*'I'm confident in handling creditors and debt now. It's a feeling of relief and I won't let anything get on top of me anymore as I know I can call my caseworker if I have concerns.'*

*'I have a debt relief order which means a fresh start; I don't have to worry about creditors demanding money I don't have.'*

*'I got support to deal with debt so I don't feel as stressed; also know now that I could have renegotiated with creditors.'*

Helping residents to manage their debt problems was reported to have an immediate and profound impact upon their life. Survey respondents reported feelings of being able to get on with their lives and living with less stress as their situation had stabilised. One advice service user commented:

*'I'm less stressed now I know I can stay in my property and not be forced to leave.'*

*'I was having sleepless nights with debt but now I can rest easy.'*

## 5.3 Ensuring residents receive the money they are entitled to

Community advice services in Manchester are providing residents with support to complete forms to help ensure they receive any money they are owed. This is most commonly in relation to the benefits payments they are entitled to but also includes situations whereby residents are seeking to ensure their employer has paid wages which remain outstanding. The demand for form filling support is particularly high in Manchester due to the high proportion of ethnic minorities resulting in significant proportions of the population having English as a second language, and the poor levels of literacy and numeracy within the City. Research published by the Learning and Skills Council<sup>10</sup> highlighted the scale of the literacy and numeracy challenge in Manchester by highlighting that 'one third of Manchester residents of working age lacking basic qualifications to level 1, with 50% or more lacking 'good basic skills'<sup>11</sup> in the key target areas.

Feedback from advice users highlights that in some instances, residents are effectively managing their lives through advice agencies, a situation which may be unsustainable going forward:

*'I've received payment of wages owed and holiday pay; still waiting for confirmation if I have been dismissed.'*

*'My form was filled in by an advisor and my benefits have restarted.'*

Clearly, the main impact of ensuring residents get the money they are entitled to results in personal and household incomes being increased, either as a result of benefit payment or wages which would have remained unpaid:

*'[I'm] better off financially as I'm not paying council tax anymore; I've claimed benefits to cover it.'*

*'The kids and myself are far better off financially and we can now attempt to do things that we can afford to do.'*

---

<sup>10</sup> Source: Manchester literacy and numeracy review. LSC, 2007.

<sup>11</sup> Basic skills are considered to be literacy, numeracy and ICT skills

### Case study

Mohammad moved from Libya with his family in 2000 after being granted a scholarship to study a PhD in English language and translation at Manchester University. In 2007, Mohammad applied for indefinite leave to remain on the basis of a seven year transition via a private solicitors' practice, as his seven children had settled in the UK and would have struggled to study in Libya due to their limited Arabic language skills. Leave to remain was granted upon appeal, although the decision was then misinterpreted by the Home Office and a three year stay in the UK was granted. Mohammad tried to address this decision through his solicitor but he could no longer afford to pursue.

As a result, Mohammad was advised to seek advice from Manchester's community advice sector where he gained free support to address the Home Office error. Negotiations with the Home Office were successful and permanent leave to remain was granted in 2007.

Mohammad was unsure what his family would have done without the help of Community Legal Advice Services as he and his children would have had to return home to Libya or run up debts to pay for support from a private practice. Two of his children are now on the verge of entering university, with the family remaining settled in the Manchester area.

## 6 THE FUTURE DEMAND FOR ADVICE PROVISION IN MANCHESTER

This section of the research report assesses the future demand for advice services in Manchester based upon the ongoing and future policy changes that are taking place to the welfare reform agenda. The changes discussed below include the introduction of Universal Credit, the continued roll out of ESA and the significant changes that are being introduced to Housing Benefit. Each of these changes is discussed in turn along with the scale and geographical scope of the impact, and the impact in terms of future demand for advice services.

Factors that will influence the future scale and geography of demand for advice services are presented below based upon the legislative changes that are known to date and the profile of advice service users both locally and nationally. Official statistics have been used to assess the scale and scope of demand using local data wherever possible. The future scale and geography of demand is presented below in terms of the characteristics of current claimants and the factors that will impact on residents in the future. Many of the ongoing legislative changes will impact upon the same cohorts of residents (e.g. those that live on low incomes or rely on state benefits); therefore the impact figures presented below are not mutually exclusive from each other. It should also be noted that the exact impact of the changes to the welfare reform agenda are still emerging, thus the figures represented below are based upon the best available knowledge to date. The ultimate impact of the welfare reform changes will largely depend on the extent to which people are able to change their behaviour and adopt a self help approach to coping with reductions to their benefits, or seek support from advice agencies in the City. However, the most vulnerable in society are unlikely to have the skills or means to adopt a self help approach resulting in an increase in vulnerability and deprivation.

### 6.1 The Welfare Reform Bill

The Coalition Government have made tackling the welfare reform agenda one of their key policy priorities and are building on the changes already instigated by the previous Labour administration. The Welfare Reform Act seeks to make the benefits system more affordable, fairer and better able to tackle poverty, worklessness and welfare dependency.

Through a series of legislative measures, the Act seeks to reduce the UK's welfare benefit costs by £18 billion over the next five years and promote work as a more income beneficial approach than claiming benefits. Embedded in the Act are a range of measures designed to simplify, streamline and reform the payment of out of work, income, housing and disability related benefits; reassess the fitness or otherwise of claimants to work; and provide employment related support.

Reform has been identified as a priority for the Government; they consider the current system to be mired in complexity, fraud and a costing mechanism where it pays to be on benefit rather than in employment. There are a number of key elements to the Government's welfare reform proposals contained in the Act, some of which have already been introduced and were in place under the previous government:

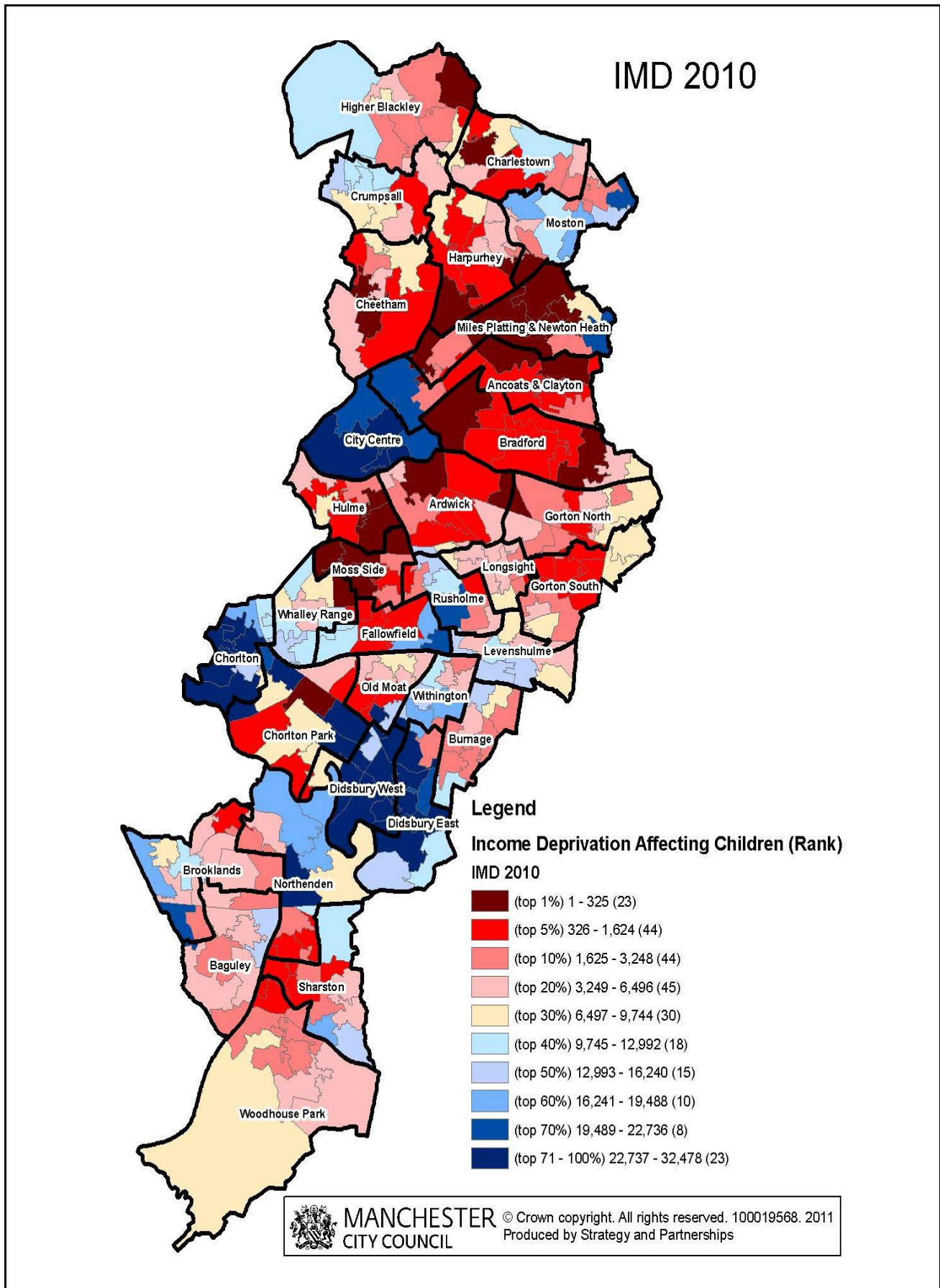
- ❑ to replace the complex array of out of work benefits and working tax credits with a single Universal Credit (see below);
- ❑ introducing a single taper rate for benefits and tax credits and a higher earnings disregard, to ensure work provides an uplift in income and encourages a move away from benefits;
- ❑ increasing conditionality to include a 'work preparation' stage and toughening sanctions to encourage more people to actively seek work. This includes Mandatory Work Activity, a four week work placement in return for benefit payments;
- ❑ increased sanctions for residents that are considered not to be showing compliance with the requirements of their benefit payments. In the most extreme cases, this could involve benefit payments being stopped for up to three years.

### **6.1.1 The geographical impact of the changes to the welfare reform agenda**

The recent and ongoing changes to the welfare reform agenda are deep rooted and complex. The complexity of the reform is created by the interrelated nature of welfare benefits and the scales of the reforms which are being gradually introduced until 2014.

Recent analysis by the Institute of Fiscal Studies (IFS) estimated the impact of tax and benefit reform on different household types at a UK level. The study found that families with children are expected to lose disproportionately more of their income compared to pensioner and working age households. The poorest households with children are expected to lose the largest proportion of their income as a result of tax and benefit changes. The geographical pattern of households suffering income deprivation that affects children in Manchester is presented below.

**Figure 2: The geography of income deprivation affecting children, 2010<sup>12</sup>**



<sup>12</sup> Source: Index of multiple Deprivation, DCLG

High concentrations of deprivation affecting children are particularly apparent in the following wards, which include areas within the most deprived regions of the country:

- Bradford;
- Charlestown;
- Cheetham;
- Chorlton Park;
- Harpurhey;
- Higher Blackley;
- Hulme;
- Miles Platting and Newton Health;
- Moss Side.

The findings of the IFS research are a particular concern in Manchester given the high levels of deprivation in the City. Manchester is currently the fourth most deprived local authority in England. Severe pockets of deprivation affecting children are found in the above wards, however it should be noted that relative to other areas of the country, most wards in Manchester have particularly high levels of deprivation affecting young residents, with one pocket of the City being the second most deprived area nationally. Thus, the City will be adversely affected compared to more affluent local authority areas.

### 6.1.2 The potential impact on advice services

The Welfare Reform Act is presented here as it is the most up to date piece of legislation that outlines the key changes to the structure of the welfare reform system. The impact of the changes to the advice sector are likely to be significant, particularly as there is a change in emphasis and language of welfare reform with increased sanctions and compliance with the benefits system. Therefore, future demand for advice services will be high as residents struggle to meet the demands of the new system, or do not understand the changes and new requirements the benefit system will place upon them.

In addition, the sheer scale of dependence on the welfare system in Manchester will mean the need for advice services is likely to be high, as the City will be disproportionately affected by changes to the welfare reform agenda. Secondary impacts of the Welfare Reform Act will also increase demand for advice services, such as the need for debt and housing advice on an ongoing basis, as elements of the Act are implemented.

## 6.2 Universal Credit

The introduction of Universal Credit is a central element of the Government's changes to the welfare reform agenda and is set to replace the vast majority of existing benefits in an attempt to simplify the benefits system and make work affordable. The changes to Universal Credit are unprecedented in their scale and will be phased in over three stages nationally:

- 1) **2013/14** – 500,000 new claimants of benefits and credits will be placed on Universal Credit and around 500,000 existing claimants will move to Universal Credit when they experience a significant change of circumstances;
- 2) **April 2014 onwards** – 3.5 million existing claimants of benefits and credits move onto Universal Credit when they experience a significant change of circumstances;
- 3) **2015-17** – 3 million households will be transferred to Universal Credit by local authority area.

In summary, Universal Credit is a working age benefit with additional elements for children, disability and caring. It will therefore replace a raft of existing in and out of work benefits, such as:

- Working Tax Credit;
- Child Tax Credit;
- Housing Benefit;
- Income Support;
- income based Jobseekers Allowance;
- Income based ESA.



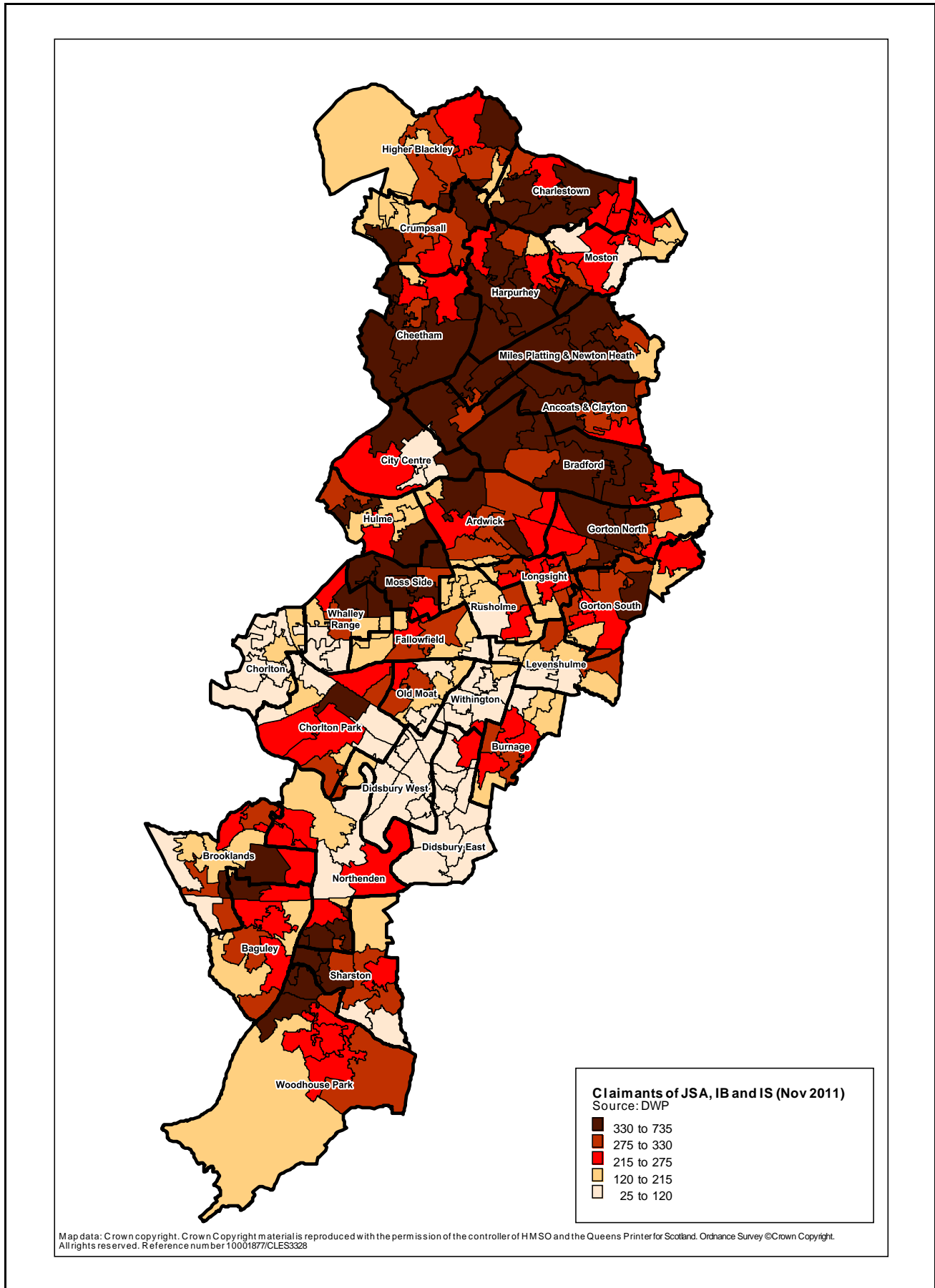
The introduction of Universal Credit also includes some significant changes to the way in which benefits are paid and classified (e.g. Universal Credit will be paid monthly and directly to the claimant). This is a big change, particularly for the housing element of the benefit, as this is currently paid to the landlord. Universal Credit will therefore mimic a salaried wage and require claimants to have greater responsibility for budgeting their finances.

Universal Credit also involves a subtle change to the definition of working age. This means a couple will receive Jobseekers Allowance (JSA) as opposed to Pension Credit if one member of the couple is of retirement age and the other is of working age and unemployed. As a result, any such couple would be entitled to a lesser rate of benefit payment.

### **6.2.1 The scale and geographical impact of Universal Credit**

The unprecedented scale of the changes introduced via the Universal Credit will affect all claimants of an in and out of work benefit. Manchester currently (November 2011) has a total of **61,440 residents claiming an out of work benefit** (JSA, Incapacity Benefit/ESA or Income Support). Figure 3 shows the geography of out of work benefit claimants in Manchester.

**Figure 3: The geography of worklessness in Manchester, November 2011<sup>13</sup>**



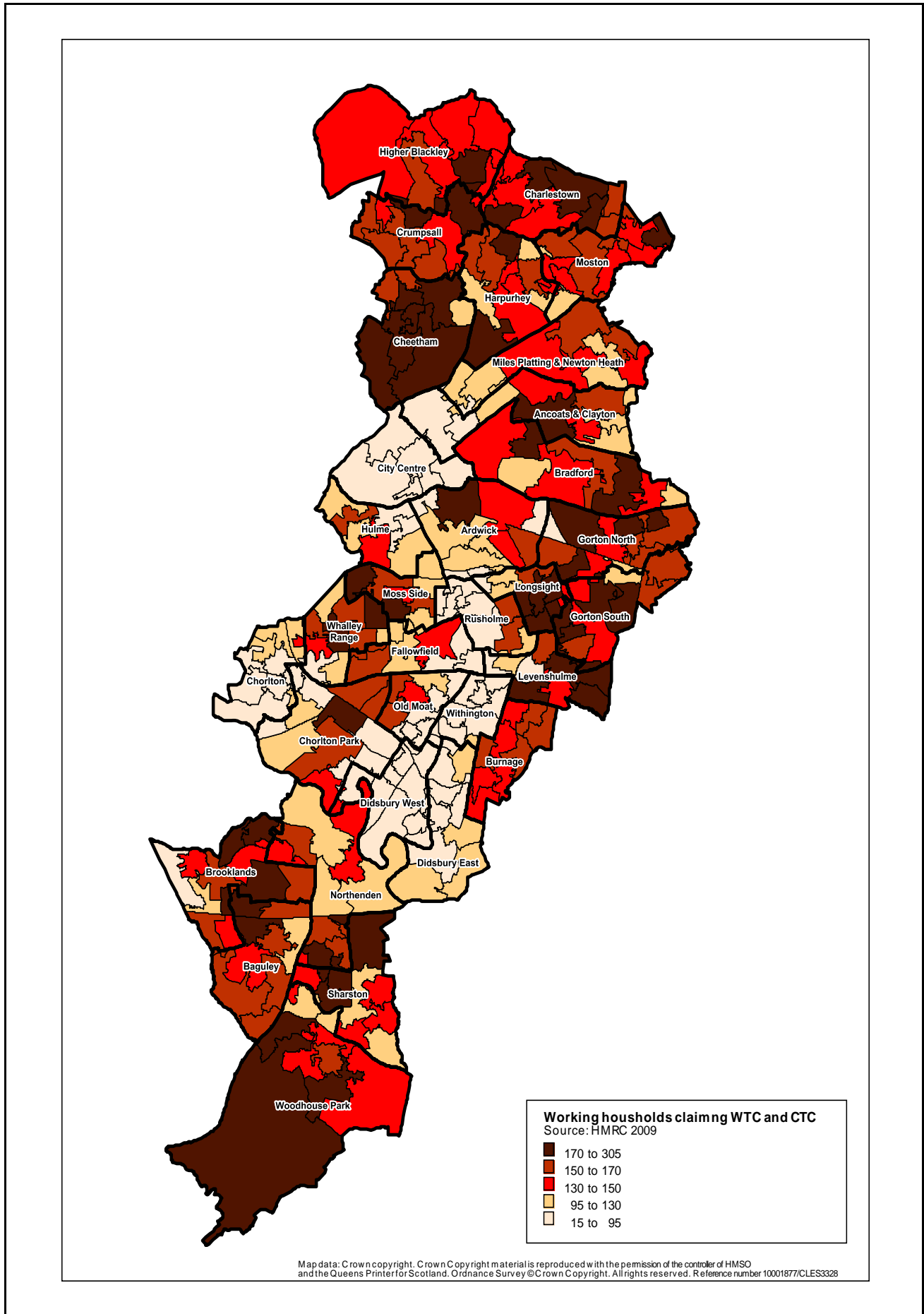
<sup>13</sup> Source: DWP Tabulation Tool

Figure 3 shows that significant pockets of worklessness are found across Manchester, with the exception of the 'outer south' wards that include Didsbury and Chorlton. Particular pockets of worklessness are found in the following wards:

- Ancoats and Clayton;
- Ardwick;
- Charlestown;
- Cheetham;
- Harpurhey;
- Hulme;
- Miles Platting and Newton Health;
- Moss Side;
- all Wythenshawe wards.

In addition, a total of **45,000 working families in Manchester claim Working Tax Credit or Child Tax Credit** and thus will be moved onto Universal Credit. Figure 4 presents the geography of Working and Child Tax Credit claims in Manchester.

Figure 4: The geography of Working and Child Tax Credit claims in Manchester



## 6.2.2 The potential impact upon the advice sector

Providers of free advice in Manchester highlighted how any significant change to welfare benefits produces a noticeable and immediate uplift in demand for advice services. This is due to residents experiencing uncertainty about their benefits and the inevitable increase in payment and administrative errors as the new system is introduced. It is therefore reasonable to expect a similar uplift in demand to occur as Universal Credit is introduced. However, the proposal to pay Universal Credit directly to the individual rather than directly to the landlord will place significant demands on claimants and the advice sector. It is widely anticipated that this change alone will lead to a dramatic increase in personal debt amongst the most vulnerable residents in society, particularly those with little experience of managing household budgets (e.g. young people) and residents with chaotic lifestyles. As a result, demand for advice related to debt and housing issues will increase dramatically.

## 6.3 Incapacity Benefit and Employment Support Allowance

On 27 October 2008, pre-existing benefits paid on grounds of incapacity and disability, that is Incapacity Benefit (IB), Severe Disablement Allowance (SDA) and Income Support (IS), were replaced with ESA for all new claimants. The new benefit is more aligned with JSA:

- ❑ placing greater emphasis on assessment of an individual's functional capabilities;
- ❑ providing support and encouragement to move claimants with health conditions towards employment;
- ❑ paying at a pre-assessment rate equal to JSA.

The move to ESA involves the claimant completing a medical questionnaire (ESA50) and, if required, a face-to-face Work Capability Assessment (a medical assessment) is delivered by ATOS healthcare, a private sector occupational healthcare provider. The results of this assessment process determine whether a claimant is required to seek paid work or is eligible for ESA payments, as claimants are categorised as either 'fit to work' or placed within the 'support group' or 'work related activity group'.

Claimants deemed fit for work are moved onto other out of work benefits, typically JSA, which provide greater conditionality and an emphasis on securing employment. The work related activity group are considered able to work with the right support in place to manage or overcome their health condition; therefore claimants placed in the work related activity group are placed on time limited ESA for one year to encourage progression towards work. Finally, the support group are considered too ill or disabled to work and are not required to make steps towards employment.

### 6.3.1 The scale and geographical impact of Employment Support Allowance

#### *New claims for Employment Support Allowance*

Ongoing demand for advice services is being generated by new claims for ESA. The exact number of new claims for ESA at a local level is not available; however a robust indication of the numbers applying to claim ESA can be estimated by identifying the number of claimants 'flowing on' and applying the outcomes of new claims for the North West (the lowest geographical level at which this data is available).

Data released by the Department for Work and Pensions for each quarter of 2010/11 shows that an average of 2,223 Manchester residents flowed onto ESA each quarter, a total of 8,893 per year. Only 43% of new claims in the North West are accepted onto ESA and therefore an estimated total of 20,679 claims were made in Manchester. The methodology above **estimates that 11,787 new claims for ESA, in Manchester are unsuccessful each year (based on the 57% that are categorised as 'fit to work') and are therefore likely to have an advice need.** Nationally, 40% of claims for ESA end in appeal. Applying this figure to unsuccessful claims in Manchester equates to 4,720 appeals per year.

**Table 10: The outcome of Work Capability Assessment for new Employment Support Allowance claims in the North West: October 2008 to August 2011**

Outcome	% of cases
Work Related Activity Group	29%
Support Group	13%
Fit for Work	57%

***Employment Support Allowance reassessments***

The latest data released by the Department for Work and Pensions shows the following outcomes from ESA reassessments (e.g. those clients currently claiming Incapacity Benefit or being reassessed as their existing claim has lapsed).

**Table 11: Incapacity Benefit reassessments for Employment Support Allowance in Manchester<sup>14</sup>: October 2010 to July 2011**

Outcome	% of cases
Work Related Activity Group	33%
Support Group	27%
Fit for Work	41%

Manchester, like many other urban centres in the North of England, has traditionally had a high concentration of workless residents claiming Incapacity Benefit. The reassessment process is leading to a higher proportion of former Incapacity Benefit claimants to be moved into the work related activity group in Manchester compared to the national average (41% compared to 37%).

The latest available data for existing ESA claims in Manchester relates to November 2011. **In total, 11,255 Manchester residents are claiming ESA.** The nature of the benefit means these claimants are divided into the work related activity group and the support group. Both sets of claimants are in receipt of ESA until their prognosis period ends, which is typically a period of between three to twenty four months. At this point, they are required to have a repeat medical assessment and may well require support from an advice agency as their benefits change or they appeal against the decision of the healthcare assessment.

Figure 5 shows the geographical pattern of current ESA claims and highlights concentration in the following wards:

- Ancoats and Clayton;
- Ardwick;
- Bradford;
- Charlestown;
- Cheetham;
- Harpurhey;
- Miles Platting and Newton Heath.

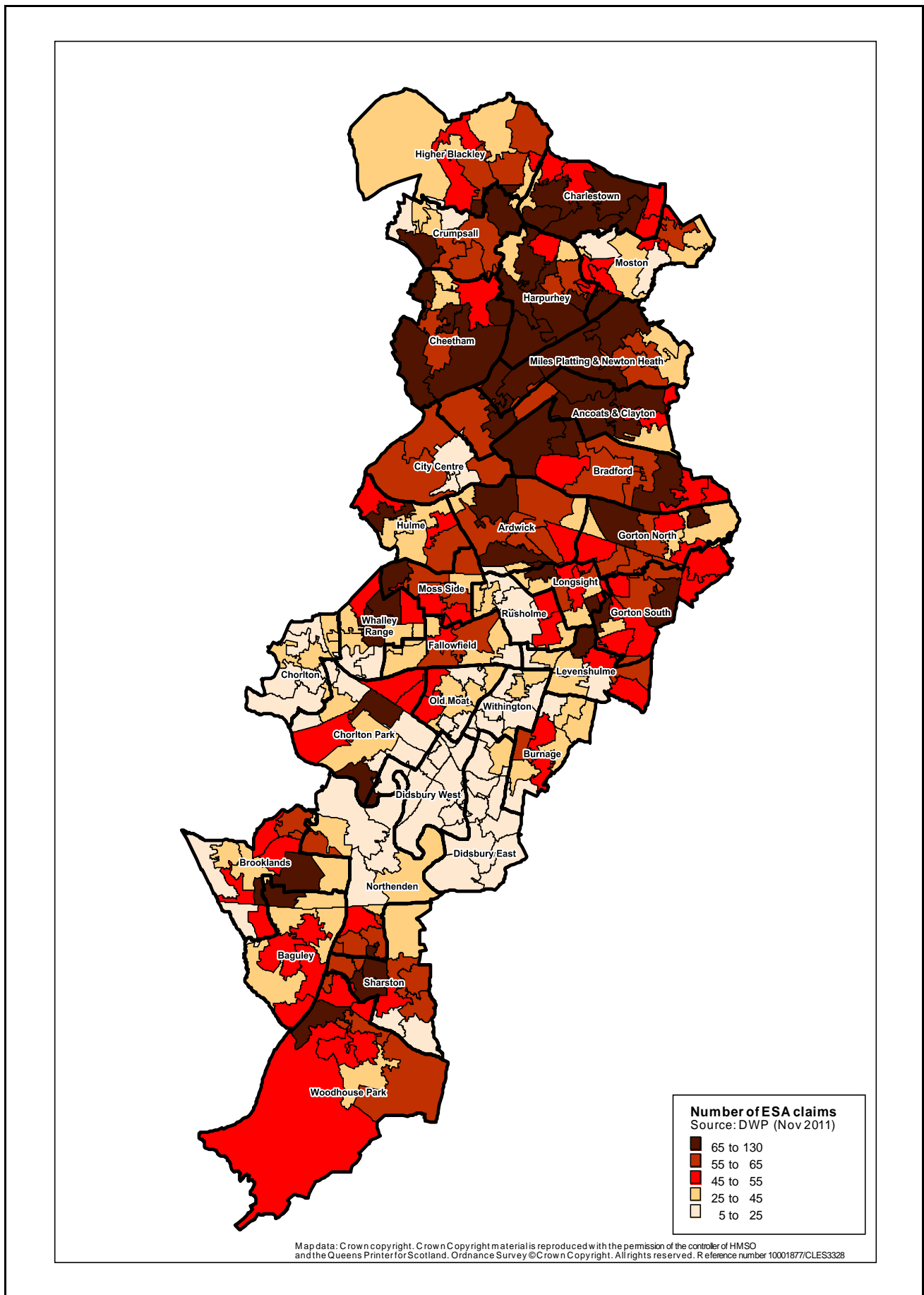
Figures released by the Department for Work and Pensions show that Manchester appears to have a particular problem with claims being closed by the client before reassessment takes place. Across England, 39% of claims where a functional assessment had not been completed were not subject to assessment as they were closed prior to the assessment date. In Manchester, two thirds of claims were closed prior to assessment. Research by the Department for Work and Pensions suggests most claims are closed due to:

*'The person recovering and either finding work, or claimed a benefit more appropriate to their situation.'*

It is likely that a proportion of claimants find work before their medical assessment. However, given that many Incapacity Benefit claimants have been in the receipt of the benefit for a significant period of time and the lack of employment opportunities currently available, it seems likely that many claimants will cease their claim only to reclaim benefits at a later date.

<sup>14</sup> Note: Figures do not sum due to rounding

**Figure 5: The geography of Employment Support Allowance claims in Manchester, November 2011**



### ***Incapacity Benefit claims***

Incapacity Benefit is slowly being replaced by ESA and will be phased out for existing claimants by April 2014. This excludes those residents that reach state pension age before this date. Figures for November 2011 show that 20,830 residents are claiming Incapacity Benefit, of which 17,965 are aged 59 or below and are therefore likely to be reassessed as part of the transition to ESA (claims aged over 60 are likely to reach retirement age before they are re-assessed). These provide a likely source of demand for advice services as providers are currently seeing a high volume of support cases related to claims and the associated medical assessments.

#### **6.3.2 Potential demand for advice services**

The transition period from Incapacity Benefit to ESA has generated a significant uplift in demand for advice services nationally, with the Citizens Advice Bureaux recording a 37% increase in advice sessions related to ESA in 2011, almost 20% of which relate to ESA appeals<sup>15</sup>. Manchester based providers of advice are also reporting similar uplifts in demand and confirm that ESA appeals and claims are placing significant demand on the advice sector. Advice providers report that some residents are repeatedly claiming ESA and then presenting for advice and guidance after they have failed an initial Work Capability Assessment.

The ongoing transition of claimants to ESA and the need for periodic Work Capability Assessments mean this scale of demand for advice will, at the very least, remain constant into the future. As outlined above, this research estimates that:

- ❑ almost 18,000 residents are still claiming Incapacity Benefit and will be assessed for ESA;
- ❑ almost 11,800 new claims per year in Manchester are unsuccessful, raising the potential of an appeal. National estimates suggest 40% of claims end in appeal, equating to 4,720 appeals per year in Manchester;
- ❑ a total of 11,255 Manchester residents currently claim ESA and will therefore be required to undertake a medical reassessment within the next three to twenty four months.

The continued demand for advice services resulting from ESA claims will result from the following support needs:

- ❑ claimants seeking general advice about the move to ESA and making a claim;
- ❑ claimants seeking assistance with the limited capability for work questionnaire (ESA50) which claimants need to complete to determine whether they need to attend a face-to-face medical assessment;
- ❑ support to attend a Work Capability Assessment;
- ❑ claimants seeking support to appeal against the outcome of the medical assessment;
- ❑ debt and housing support for residents who see a reduction in their benefits due to being classified as fit for work.

Without ongoing funding of the advice sector it is likely that residents will either accept the decision of the Work Capability Assessment as they feel unable to represent themselves, or present at other service providers for support. In this instance, it is anticipated that residents are particularly likely to see support from sources such as Adult Social Services, their Registered Social Landlord, a local Councillor or the NHS, all of which are not in a position to provide the dedicated and specialist support required.

#### **6.4 Disability Living Allowance and the Personal Independence Payment**

Disability Living Allowance is a welfare benefit provided to individuals to help support the additional costs that are incurred by being disabled. Disability Living Allowance is normally provided for individuals that have a mental or physical disability and require caring support as part of their day-to-day life or have walking difficulties.

---

<sup>15</sup> Source: Right first time. An indicative study of the accuracy of ESA work capability assessment reports. CAB, January 2012



Disability Living Allowance is being reformed as part of the Government's drive to reduce the welfare bill, but also because understanding and definitions of disability have changed since the benefit was introduced twenty years ago.

Disability Living Allowance will be replaced with a Personal Independence Payment from April 2013 for working age claimants only, with a full reassessment of existing cases beginning in January 2014. The Personal Independence Payment will have two elements: a daily living component; and a mobility component. For an individual to be able to claim the Personal Independence Payment they must meet the period condition, namely the limited or severely limited conditions must be satisfied six months prior to claiming, and to be likely to continue for a period of at least six months after claiming.

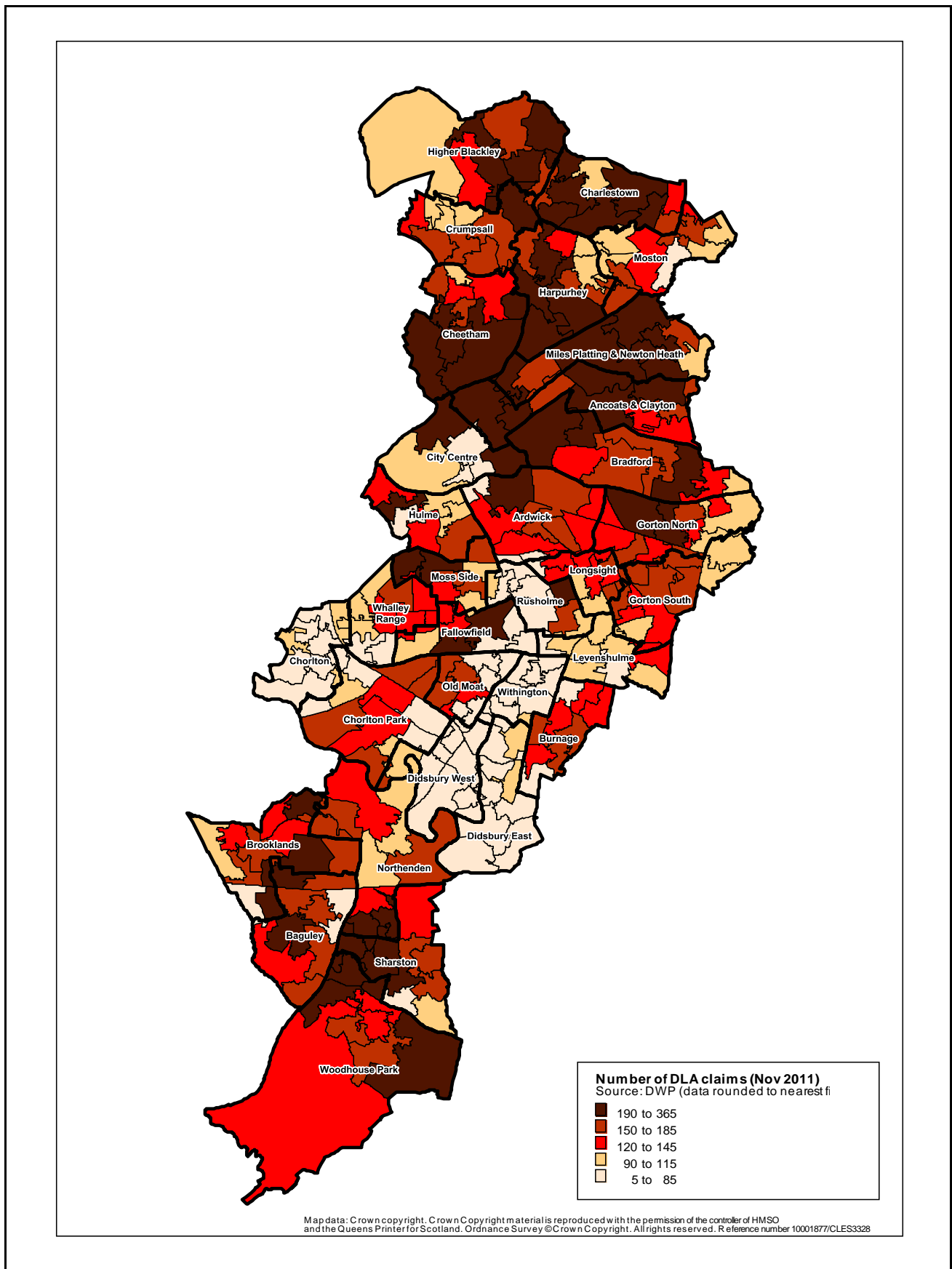
The Personal Independence Payment will be introduced using a similar system of medical and capability tests as those currently being applied to ESA, using a points based system to assess eligibility for benefits. The medical tests are currently available in draft format and are expected to result in a 20% reduction in the costs associated with Disability Living Allowance, and 500,000 fewer people receiving the benefit by 2015.

#### **6.4.1 The geography and scale of Disability Living Allowance claims in Manchester**

A total of 34,095 Manchester residents were in receipt of Disability Living Allowance in November 2011. The Personal Independence Payment is a working age benefit and will be paid to residents aged 16-64 years of age. The current age profile of Manchester's DLA claimants suggest that at least 22,160 current claimants will still be of working age by 2014.

Figure 6 shows the geography of Disability Living Allowance claims in Manchester and provides an indication of the locations where concentrations of residents are likely to be affected.

**Figure 6: The geography of Disability Living Allowance claimants in Manchester, November 2011<sup>16</sup>**



<sup>16</sup> Source: DWP tabulation tool

The geographical pattern of Disability Living Allowance claims is broadly similar to the geography of workless residents. High concentrations of claims can therefore be found in the following wards:

- Ardwick;
- Ancoats and Clayton;
- Charlestown;
- Cheetham;
- Harpurhey;
- Hulme;
- Moss Side;
- Miles Platting and Newton Heath;
- all Wythenshawe wards.

The reassessment of DLA cases is forecast to reduce the number of claimants and the costs involved in supporting disabled residents by 20%. If this rate of reduction is applied to Manchester's cohort of Disability Living Allowance claimants that will be working age by 2014, **then an estimated total of 4,432 residents will no longer be eligible for financial support.**

#### **6.4.2 The potential demand on advice services**

The move of Disability Living Allowance claims onto the new system of PIP is likely to be a controversial process that will create uncertainty and anxiety for existing claimants and a new wave of claims against medical assessments. The move to PIP is therefore expected to place similar demands on the advice sector to those generated by the introduction of ESA. Demands for advice are most likely to come from the estimated 4,432 people that will no longer receive financial support to help with their disability, and residents that appeal against the ruling of their medical assessment. The assessment system being used is very similar to the ESA system; applying the ratio of appeals to Disability Living Allowance claimant numbers suggests **over 8,800 residents will lodge an appeal against the outcome of their medical assessment.**

The nature of demand on the advice sector resulting from the Personal Independence Payment is therefore likely to include:

- claimants seeking general advice about the move to the Personal Independence Payment and dealing with their application;
- claimants seeking advice and support to attend their medical assessment;
- claimants seeking support to appeal against the outcome of the medical assessment;
- advice and guidance related to other support available to residents for managing their disability on a day-to-day basis (e.g. applying for support from Adult Social Services);
- debt advice due to the removal of benefits from residents than need to meet the costs of care and support.

#### **6.5 Housing Benefit reforms**

The changes to Housing Benefit are complex and wide ranging; many have already been introduced while others will not take effect until 2014. However, it is anticipated that the impact of these changes will be felt on an ongoing basis beyond 2014 and could have a profound impact on many residents who will be faced with rising debts or the need to move home to find accommodation that is affordable within their new budget, meaning some residents may have to move to new parts of the City or, in the most extreme cases, the country.

Changes to the Local Housing Allowance<sup>17</sup> announced in the June 2010 Budget and the Comprehensive Spending Review of 2010 formed an important part of the Government's package of measures to reform Housing Benefit. These included:

---

<sup>17</sup> The Local Housing Allowance is a way of calculating Housing Benefit for tenants in the private rented sector to ensure tenants in similar circumstances in the same area receive the same amount of financial support for their housing costs

- ❑ the removal of the £15 a week 'excess' whereby residents could keep a maximum of £15 per week if their housing rent was below the level at which Housing Benefit was paid;
- ❑ changing the basis for setting Local Housing Allowance rates from the median to the 30<sup>th</sup> percentile of local market rents from April 2011;
- ❑ a Local Housing Allowance cap based on the size of a claimants property from April 2011:
  - £250 per week for 1 bed;
  - £290 per week for two bed;
  - £340 per week for three bed;
  - £400 per week for four bed or more – the five bed rate was scrapped;
- ❑ up rating Housing Benefit rates by the Consumer Price Index rather than the Retail Price Index from April 2013;
- ❑ an increase in the level of deductions for non-dependents over a period of four years. Deductions will increase by 27% in April 2011 and a further 22% in April 2012.

Additional changes to Housing Benefit have also been legislated for which include:

- ❑ raising the age at which the Shared Accommodation Rate applies from 25 to 35. New claimants were affected from January 2012 while existing claims will be affected at the next review of their personal circumstances;
- ❑ Housing Benefit is to be capped at benefits of £500 per week from 2013;
- ❑ a reduction in Housing Benefit for social sector tenants of working age that exceed the Housing Benefit size criteria. Housing Benefit will be reduced by 14% for those who have one bedroom more than they need and 25% for those that have two bedrooms more than they need.

It is therefore clear that deep and wide ranging cuts to Housing Benefit are being introduced as part of the deficit reduction programme and as part of wider changes to the welfare reform agenda, aimed at encouraging residents to actively seek work. Table 12 presents the estimated rate of Housing Benefit that will be lost by affected households, with claimants then being faced with either making up the rent shortfall themselves or moving to a house that is more affordable, which could clearly involve moving to a different area.

**Table 12: Estimated average loss of Local Housing Allowance in Manchester<sup>18</sup>**

	Shared room	1 bed	2 bed	3 bed	4 bed	5 bed
Weekly loss	-£7	-£12	-£14	-£13	-£16	-£32
Annual loss	-£364	-£624	-£728	-£676	-£832	-£1,664

***Awareness of the changes to Housing Benefit***

Research conducted by the Centre for Regional Economic and Social Research, on behalf of the Department for Work and Pensions<sup>19</sup>, indicates the level of awareness amongst Housing Benefit claimants of the changes that are taking place to their benefits. The results are summarised in Table 13.

**Table 13: Level of awareness amongst Housing Benefit claimants**

Response	Percentage
A great deal	1%
A fair amount	12%
Not very much	31%
Nothing at all	56%

<sup>18</sup> Source: Shelter, based on DWP impact assessment

<sup>19</sup> Monitoring the impact of changes to the Local Housing Allowance system of housing benefit: Summary of early findings. DWP, 2012

The same study asked residents about their knowledge of specific changes to their benefits. The report provides the following conclusion that suggests demand for advice services related to Housing Benefit will continue to be high as residents are unaware of the changes that are taking place and the impact upon their personal situation:

'Claimants knowledge about each of the individual changes that are being made to Local Housing Allowance was almost non-existent. When asked about the changes that had been introduced, very few claimants were able to mention any of them... the most common answer was simply cuts to Housing Benefit.'

The introduction of changes to Housing Benefit are having an impact upon landlords due to their tenants experiencing changes to their income levels through changes such as the cap on housing benefit or the removal of the five bedroom rate. Research conducted on behalf of the Department for Work and Pensions identified the following findings related to landlord's awareness and perception of the changes to Housing Benefit:

- ❑ 36% of landlords reported being aware of tenants in rent arrears as a result of Local Housing Allowance reforms; this increases to 58% for 'large' landlords;
- ❑ 29% of all landlords have taken action to evict, not renew or end tenancies, because of Local Housing Allowance reforms; this increases to 50% for 'large' landlords;
- ❑ 30% of landlords are making changes to their business and/or letting strategy as a result of Local Housing Allowance changes. The most common responses are for landlords to not renew tenancies for some Local Housing Allowance/Housing Benefit tenants (18% of all landlords) or to reduce their letting within the given local authority area (10%).

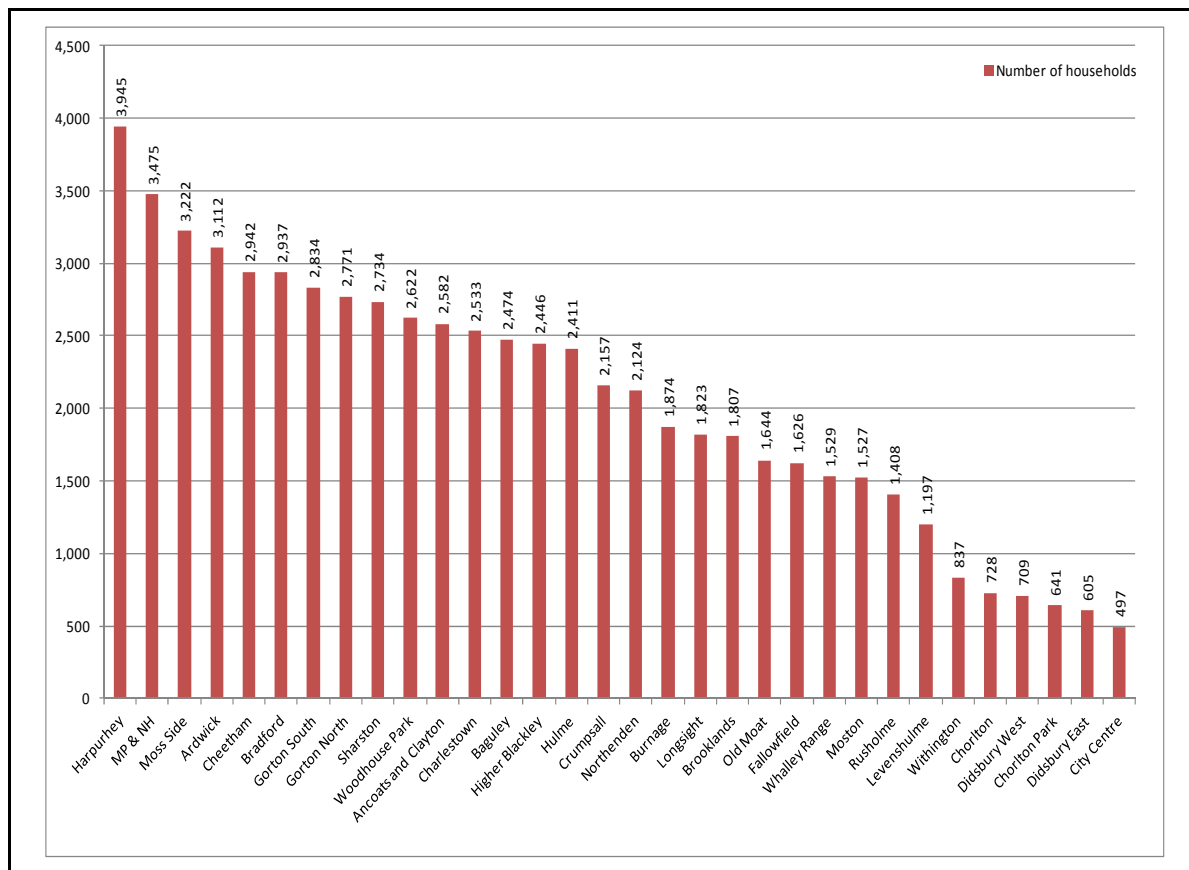
The findings of this research show that tenant awareness of the changes is low, while landlords are responding by taking action to evict or not renew tenancies. The impact of the changes to Local Housing Allowance will therefore create additional pressure on advice services as debts and levels of rental arrears rise and a resulting increase in homelessness is experienced. These changes will also place pressure on other service providers, particularly Registered Social Landlords and local authorities that have a duty to deal with homelessness in their local area.

### 6.5.1 The geography and scale of Housing Benefit in Manchester

Figures published by Manchester City Council show that approximately **66,000 households** across the City are in receipt of Housing Benefit and are faced with uncertainty as the benefit undergoes significant reform. Figure 7 shows the geographical profile of Manchester households in receipt of Housing Benefit in December 2011. The graph shows that high numbers of claimants are spread across the City but are particularly located in the following wards, which generally form an arc around the city centre and have high levels of deprivation:

- ❑ Ardwick – 44.4% of households;
- ❑ Bradford – 40.3%;
- ❑ Charlestown – 40.0%;
- ❑ Harpurhey – 50.2%;
- ❑ Miles Platting and Newton Health – 50.0%;
- ❑ Moss Side – 44.8%;
- ❑ Woodhouse Park – 43.1%.

**Figure 7: The geography of Housing Benefit claims in Manchester, December 2011<sup>20</sup>**



In total, one in three households in 50% of Manchester’s wards claim Housing Benefit and are likely to be affected by the complex changes to the benefit; one in four households in 75% of Manchester’s wards is under threat from the package of changes.

Table 14 provides more specific analysis of the impact resulting from changes to Housing Benefit in Manchester based upon the Department for Work and Pension’s Housing Benefit Impact Assessment and figures published by Manchester City Council. The scale of the financial loss to the City is huge, and the geographical impacts are concentrated in wards in East and North Manchester, the inner South and Wythenshawe. The impact of cuts to the shared accommodation rate provides a slightly different picture, with over 120 young people being affected in both Whalley Range and Crumpsall wards where large numbers of houses are in multiple occupation.

<sup>20</sup> Source: Manchester City Council

**Table 14: The scale and impact of changes to Housing Benefit<sup>21</sup>**

Change	Number affected in Manchester	Financial implication	Geography of impact
Shared accommodation rate for under 35's	1,300	£20-£40 per week (£1.5m a year)	Whalley Range Crumpsall Moss Side Longsight Levenshulme Ardwick Cheetham Harpurhey
Increasing non dependent deductions	2,800	(£1.2m a year)	Unknown
Social sector under-occupation	14,018	10,411 - £8-12 a week, £3,607 - £14-£18 a week (£8m a year)	Wythenshawe Higher Blackley Moston Miles Platting Hulme
Household benefit cap (£500 a week)	600	500 - <£100 a week, 100 - >£100 a week (estimated £2.5m a year)	Miles Platting Harpurhey Ancoats and Clayton Bradford Ardwick Brooklands Sharston
Removal of the £15 excess	6,350	£9-15 a week (estimated £4m a year)	Unknown
Setting LHA at the 30 <sup>th</sup> percentile	8,360	£5-18 a week (estimated £3.9m a year)	All areas

Data from Manchester City Council highlighted the potential geographical impact of reducing Housing Benefit to working age residents in households considered to be under occupied. Table 15 shows the number and proportion of Housing Benefit claims.

**Table 15: Percentage and number of working age Housing Benefit claims in under occupation**

Geography of impact	% under occupied	Geography of impact	Number under occupied
Sharston	61%	Sharston	1,018
Northenden	57%	Miles Platting and Newton Heath	842
Woodhouse Park	56%	Woodhouse Park	841
Higher Blackley	53%	Baguley	762
Moston	52%	Hulme	741
Baguley	51%	Harpurhey	702
Burnage	51%	Northenden	692
Brooklands	49%	Higher Blackley	665
Ancoats and Clayton	49%	Ancoats and Clayton	640
Old Moat	47%	Charlestown	628

The main impact of the Housing Benefit changes related to under occupancy will occur in Wythenshawe, an area of significant social housing and deprivation that comprises of significant pockets of three bedroom semi-detached family homes. The three most affected wards in the City (Woodhouse Park, Sharston and Northenden) are areas where over 55% of working age Housing Benefit claimants are living in under occupation, this equates to over 3,800 working age households.

<sup>21</sup> Source: Report to Resources and Governance Overview and Scrutiny Committee – 8 March 2012, Manchester City Council and DWP Impact Assessment

### 6.5.2 The potential demand on advice services

The scale and scope of the changes to Housing Benefit are complex and significant in scale. A total of 66,000 households in the City are currently in receipt of Housing Benefit and vulnerable to the changes currently being imposed. In addition, the Department for Work and Pensions funded research suggests there is a lack of awareness amongst claimants regarding the specific nature of the changes and how they will be affected, while landlords are reporting awareness of indebtedness and are changing their letting policy as a result of the benefit changes. Therefore, the demand for housing related support and advice is likely to increase dramatically going forward, particularly related to the following areas of support:

- ❑ social tenants will need support to understand the changes and what they mean for their household and income;
- ❑ advice and guidance related to applying for, and moving to, a new home;
- ❑ assistance to apply for a discretionary housing payment from the local authority;
- ❑ support to secure affordable housing and for applications onto the social landlord waiting lists;
- ❑ generalist advice related to establishing their life in a new area of the City or country.

Housing Benefit changes will also create huge demand for debt advice and support related to housing evictions as reductions in benefit payments meaning rental payments are unsustainable. Debt level will rise as a result with research by Unite<sup>22</sup> already highlighting the significant increase in personal debt and use of payday loans to support housing costs with almost 55% of payday loans being used to pay for rent, food and utility bills. Interest rates of over 4000% mean even small loans require significant interest payments and changes to Housing Benefit payments will mean a further rise in the use of payday loans.

The impact of the Housing Benefit changes are therefore expected to last into the foreseeable future, as the decision to benchmark payments to the Consumer Price Index as opposed to local rent levels, will have a cumulative impact on residents. This will mean that benefit payments are unlikely to keep pace with market prices in the future. In addition, the Government have in recent days announced intentions to implement further changes to Housing Benefit, with proposals to remove Housing Benefit eligibility for all claimants aged 25 and under. Without an adequately funded advice sector, claimants are almost inevitably going to seek advice elsewhere, particularly in relation to the threat of eviction, rising debts and rent arrears. We therefore predict that demand for assistance from local councillors, local authorities and Registered Social Landlords will increase. Registered Social Landlords will be particularly hit by these changes as the proposal to pay benefits to the claimant, as opposed to the landlord, raises the threat of significant budget shortfalls from unpaid rent which could challenge their financial viability.

### 6.6 Recessionary impacts

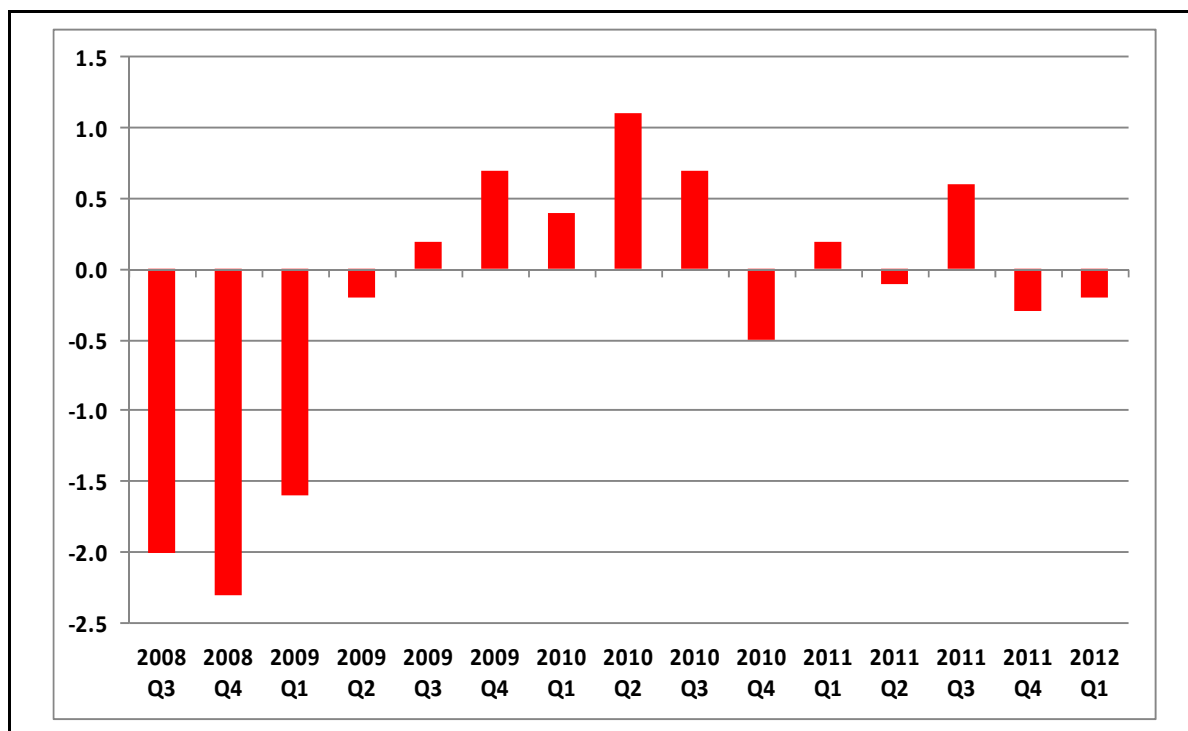
The UK economy has been battling against a difficult economic climate since the housing market crash in the latter half of 2007. Ever since this point, the UK economy has effectively flat lined, moving from periods of negative growth to periods of minimal recovery. This is shown in Figure 8. The graph shows the UK economy was in recession during 2008/09 before a period of positive growth during 2011, in which growth did not exceed 1.2%. The UK economy is again experiencing negative economic growth over the last two quarters, meaning the UK is back in technical recession. The forecast from the Office for Budget Responsibility at the March Budget was that GDP will grow by just 0.8% this year, although there is every possibility that this figure could be revised further downwards.

---

<sup>22</sup> Source: Wonga week, Unite: [http://unitetheunion.org/PDF/068-Conference\\_openletter\\_press\\_pdf.pdf](http://unitetheunion.org/PDF/068-Conference_openletter_press_pdf.pdf)



**Figure 8: UK GDP from Quarter 3 2008 to Quarter 1 2012<sup>23</sup>**



The impact of the recession upon residents and households is often profound as job losses result in significant cuts to household budgets, while there are limited job opportunities for unemployed residents. The economic recession has a cyclical effect as household incomes are squeezed while household expenditure makes up 60% of UK GDP. Household incomes are particularly squeezed by factors such as high inflation, meaning the price of stable goods (e.g. food and fuel) are high, while there is also a downward pressure on wages as job losses and poor business performance continue to be a significant factor in the UK economy. The economic recession is a key driver of demand for community legal advice, due to factors such as residents being made redundant and requiring support in relation to their employment rights, rising unemployment and household repossessions. The latest trends related to housing repossession are considered in more detail below.

### 6.6.1 Repossessions

Recent increase in unemployment and the rising cost of living have led to losses of income and household budgets being significantly squeezed. Research by Shelter<sup>24</sup> has found a strong link between hotspots of repossessions and rising unemployment which occur in both the rented and owner occupier sector. Table 16 outlines the number of repossession claims and orders in Manchester during 2011.

**Table 16: Total number of claims and order for repossession in Manchester, 2011<sup>25</sup>**

	Mortgage	Landlord	Total
Claims <sup>26</sup>	765	2,830	3,595
Orders <sup>27</sup>	595	1,645	2,240

<sup>23</sup> Source: ONS Gross Domestic Product Publication Tables, May 2012

<sup>24</sup> Source: Repossession risks hotspots, 2011/12

<sup>25</sup> Source: Ministry of Justice, 2012

<sup>26</sup> A claimant begins an action for an order for possession of property by issuing a claim in a county court

<sup>27</sup> The court, following a judicial hearing (or judicial involvement in accelerated procedure cases) may grant an order for possession immediately. This entitles the claimant to apply for a warrant to have the defendant evicted. However, even where a warrant for possession is issued, the parties can still negotiate a compromise to prevent eviction. It is also possible that the order is followed by an application to vary/set it aside, which could result in another order being made. Where more than one order for possession is made in a claim, the count of claims leading to an order being made, to avoid double counting of claims, is based on the date and type of the first order made

A total of almost 3,600 households in Manchester were subject to a repossession claim during 2011, of which over 2,200 led to a claim following a judicial hearing. The level of mortgage repossession orders in Manchester is higher than the national average, standing at 2.95 per 1,000 households compared to 2.36 across England. A more worrying trend is seen for landlord repossession orders, which stand at 8.14 per 1,000 households in Manchester, almost double the national rate of 4.24 households per 1,000.

**Table 17: Ward level claims leading to orders in Manchester, 2011**

Ward	Mortgage	Landlord	Total
Ancoats and Clayton	25	50	75
Ardwick	10	110	120
Baguley	35	45	80
Bradford	30	85	115
Brooklands	20	35	55
Burnage	15	70	85
Charlestown	30	40	70
Cheetham	25	65	90
Chorlton	-	10	10
Chorlton Park	10	55	65
City Centre	25	25	50
Crumpsall	25	40	65
Didsbury East	-	15	15
Didsbury West	-	10	10
Fallowfield	10	35	45
Gorton North	35	80	115
Gorton South	35	75	110
Harpurhey	30	100	130
Higher Blackley	25	45	70
Hulme	10	70	80
Levenshulme	15	25	40
Longsight	15	40	55
Miles Platting and Newton Heath	25	75	100
Moss Side	15	85	100
Moston	20	35	55
Northenden	15	35	50
Old Moat	10	80	90
Rusholme	-	35	35
Sharston	25	55	80
Whalley Range	15	35	50
Withington	-	25	25
Woodhouse Park	20	60	80

Table 17 shows a breakdown of the 2,240 claims leading to a court order in 2011. High concentrations of orders are found in the following wards:

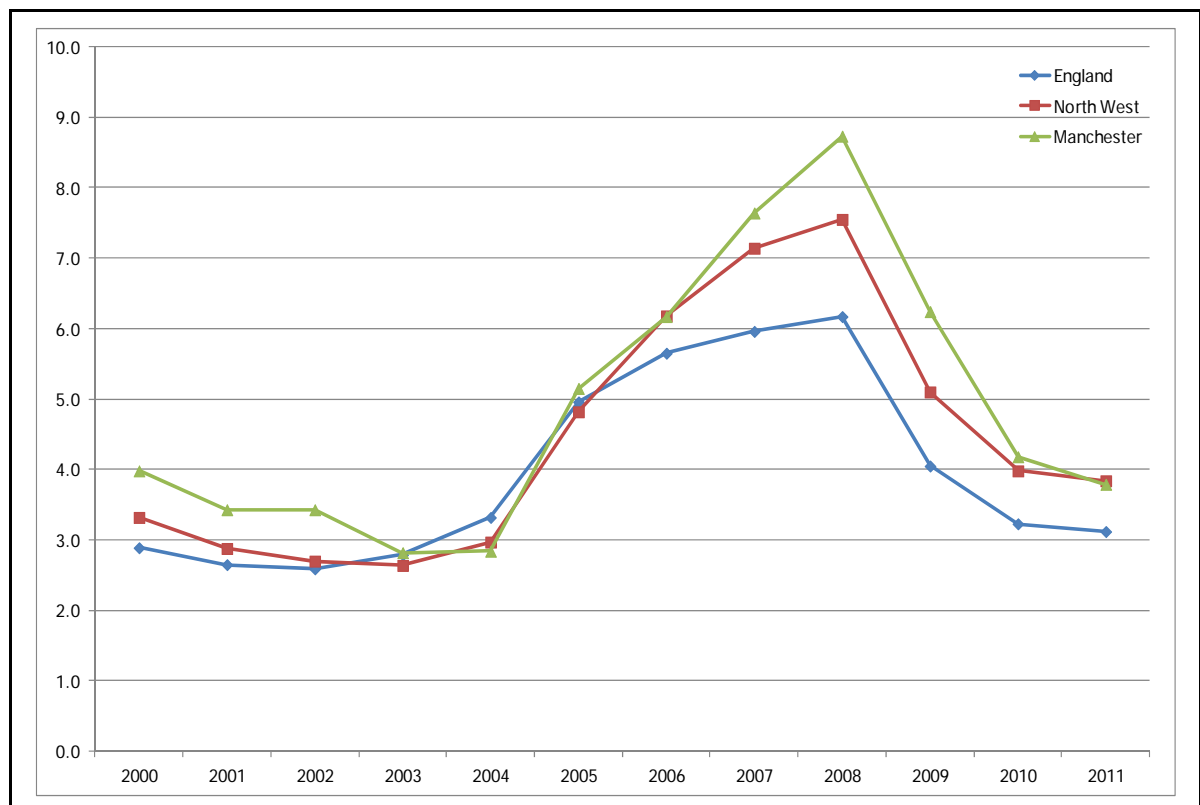
- ❑ Ardwick;
- ❑ Gorton North ;
- ❑ Gorton South;
- ❑ Harpurhey.

### 6.6.2 Repossession order against owner occupiers

Within the owner occupier sector, a number of other factors linked to the economic downturn are leading to an increase in housing repossessions, such as the delayed impact of mortgages with a 100% or higher loan to value ratio. Although the repayment rates of such mortgages may be affordable, repossessions occur as the homeowners' fixed rate period ends and they are moved onto the standard variable rate or need to find a new mortgage deal. The removal of high loan to value mortgages means homeowners find it impossible to remortgage or are trapped in negative equity. Research by CML<sup>28</sup> states that almost one in five mortgages (19%) advanced since 2005 in the North West are in negative equity; a further 15% nationally are believed to have limited equity (below 10%) and are in danger of negative equity and may have difficult remortgaging. Recent trends in mortgage rates also threaten to push up repossessions as borrowers have been hit by a steady rise in rates for new mortgages in recent months.

Figure 9 shows the annual mortgage repossession claims issued in Manchester between 2000 and 2011 per 1,000 households. The graph shows the impact of the recession to owner occupiers in the City as repossession rates peaked in 2008 and has steadily declined since this point. However, they have yet to reach the level of repossessions recorded in between 2001 and 2004.

**Figure 9: Annual mortgage repossession claims issued, 2000-2011**



<sup>28</sup> Source: CML Housing Finance Issue 2011

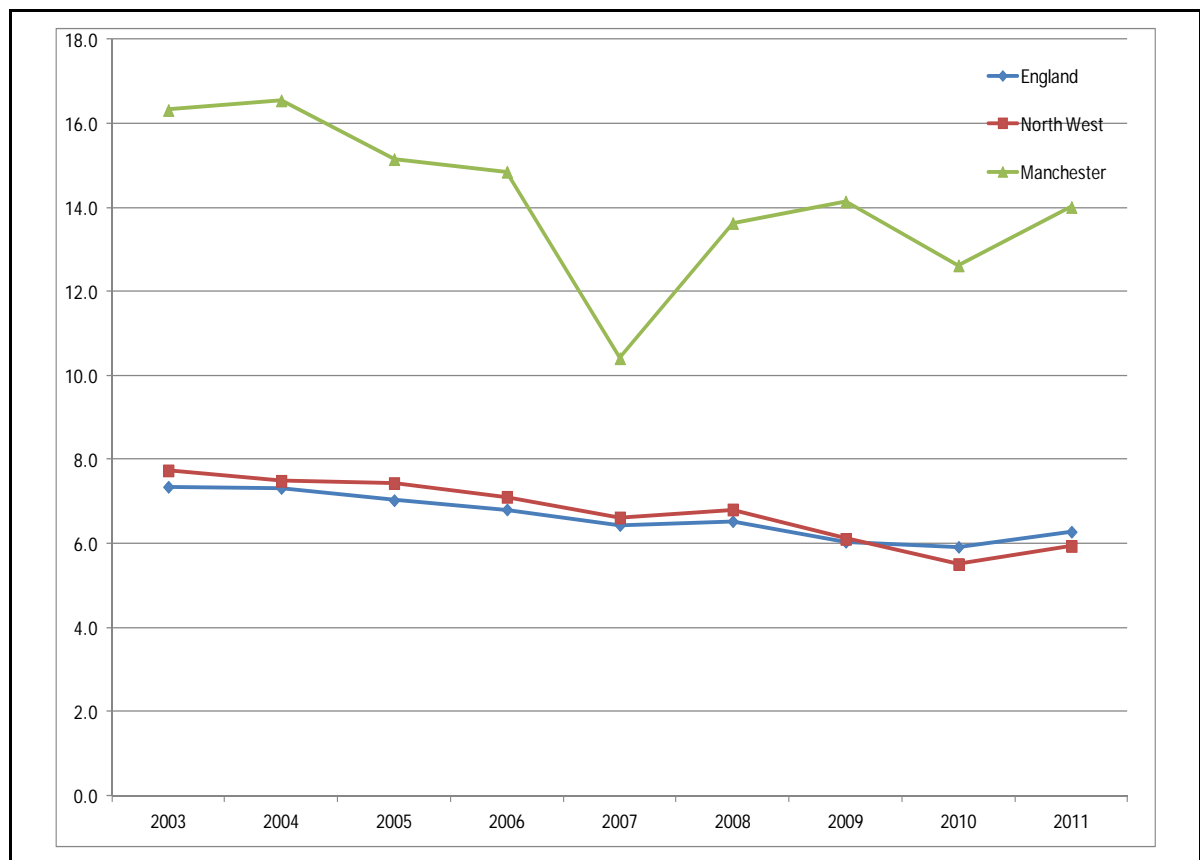
At a ward level, the highest number of repossession claims issued that lead to court orders are in:

- Baguley;
- Bradford;
- Gorton North;
- Gorton South;
- Harpurhey.

### 6.6.3 Repossession orders against tenants

Data released by the Ministry of Justice show the number of repossession claims and orders made by landlords. Figure 10 shows a worrying trend for Manchester, with over twice as many repossession claims per 1,000 households – 14 possessions per 1,000 compared to 6.3 in England and 6.0 across the North West.

**Figure 10: Annual landlord possession claims made, 2003-2011**



At a ward level, the highest number of repossession claims issued that lead to court orders are in:

- Ardwick;
- Bradford;
- Harpurhey;
- Moss Side.

### 6.6.4 The potential demand on advice services

The figures released by the Ministry of Justice show that Manchester is a hotspot for repossession claims and orders. High concentrations or claims are particularly seen in the rental sector and in wards in the inner south, east and north of Manchester.

It is likely that the number of landlords seeking repossession claims and orders will increase dramatically in the future as the changes to Housing Benefits continue to be embedded. In particular, linking Housing Benefit to the Consumer Price Index will see a divergence between benefit payments and local rent levels, leaving some of the most vulnerable residents in the City to make up the rental shortfall themselves.

In reality, claimants will find it very difficult to fill the void, meaning they will fall behind on rental payments and a subsequent rise in repossessions will occur. This will clearly lead to an increase in demand for advice services as residents require support to restructure their debts and stave off the threat of eviction. It is also anticipated that homelessness charities, Registered Social Landlords and Manchester City Council's Homelessness Team will see a noticeable increase in their workload; this will particularly be the case if the community advice sector is not sufficiently funded.

## **6.7 The geography of demographic groups that use advice services**

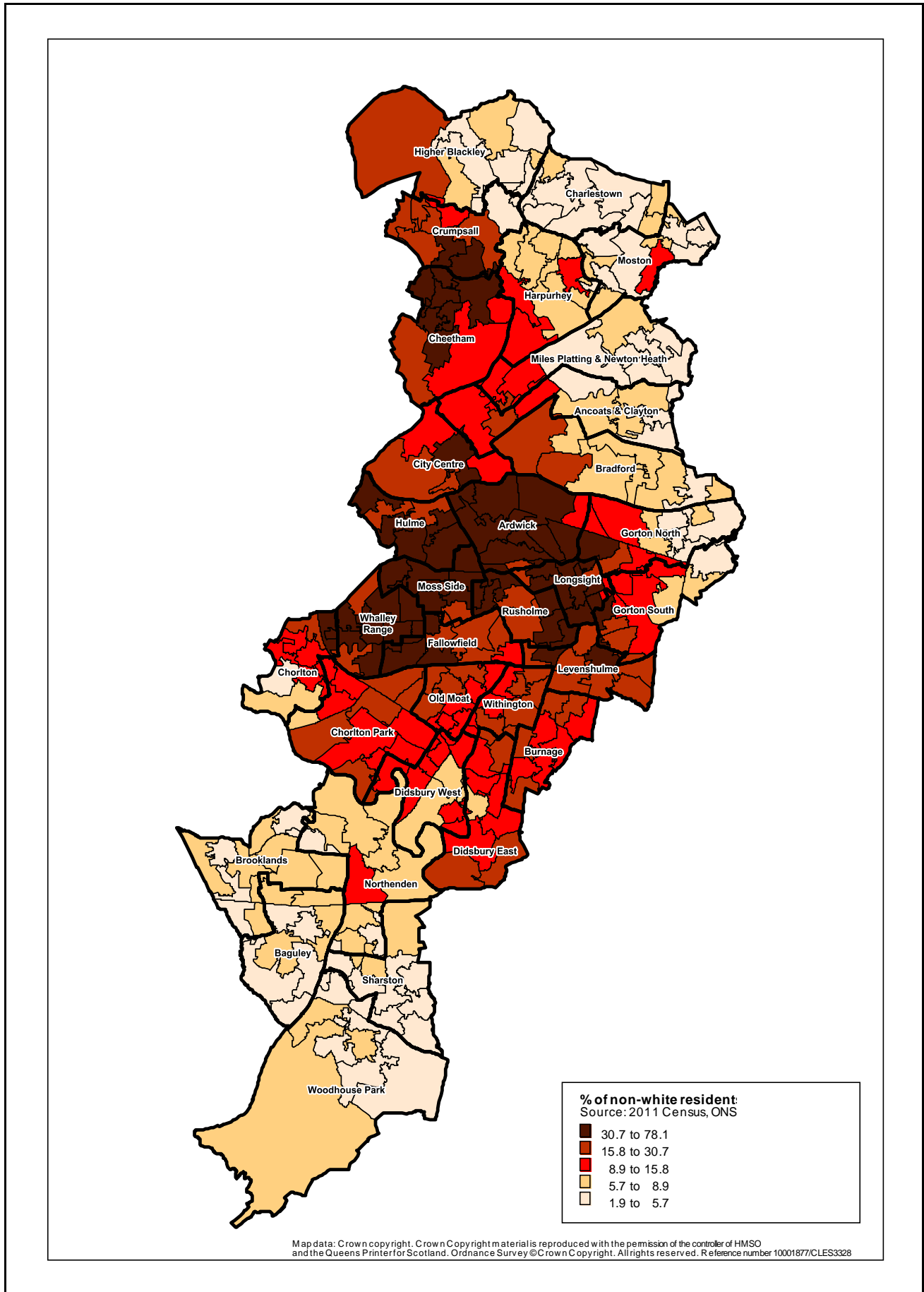
The changes above will create significant additional pressure on advice services. However, in addition, the sector will still see demand from demographic groups that are typically more reliant upon the advice sector than others, such as those presented below. The demographic groups discussed below have been identified from data provided by advice providers and are also based on past research conducted by the Legal Services Commission to profile the characteristics of beneficiaries of Community Legal Advice Centres. This study found that non-white populations and individuals with low incomes are over represented in their use of advice services.

### **6.7.1 The geography of non-white population**

Figures provided by advice providers in Manchester show that residents from BME backgrounds are effectively over represented in their use of advice services. In particular, advice providers support a particularly high proportion of Asian and Black residents compared to their proportion of the Manchester population. Figure 11 shows the geography of the non-white population in Manchester and shows particular concentrations in the following wards:

- Ardwick;
- Cheetham;
- Crumpsall;
- Hulme;
- Levenshulme;
- Longsight;
- Moss Side;
- Rusholme;
- Whalley Range.

Figure 11: Geography of non-white population



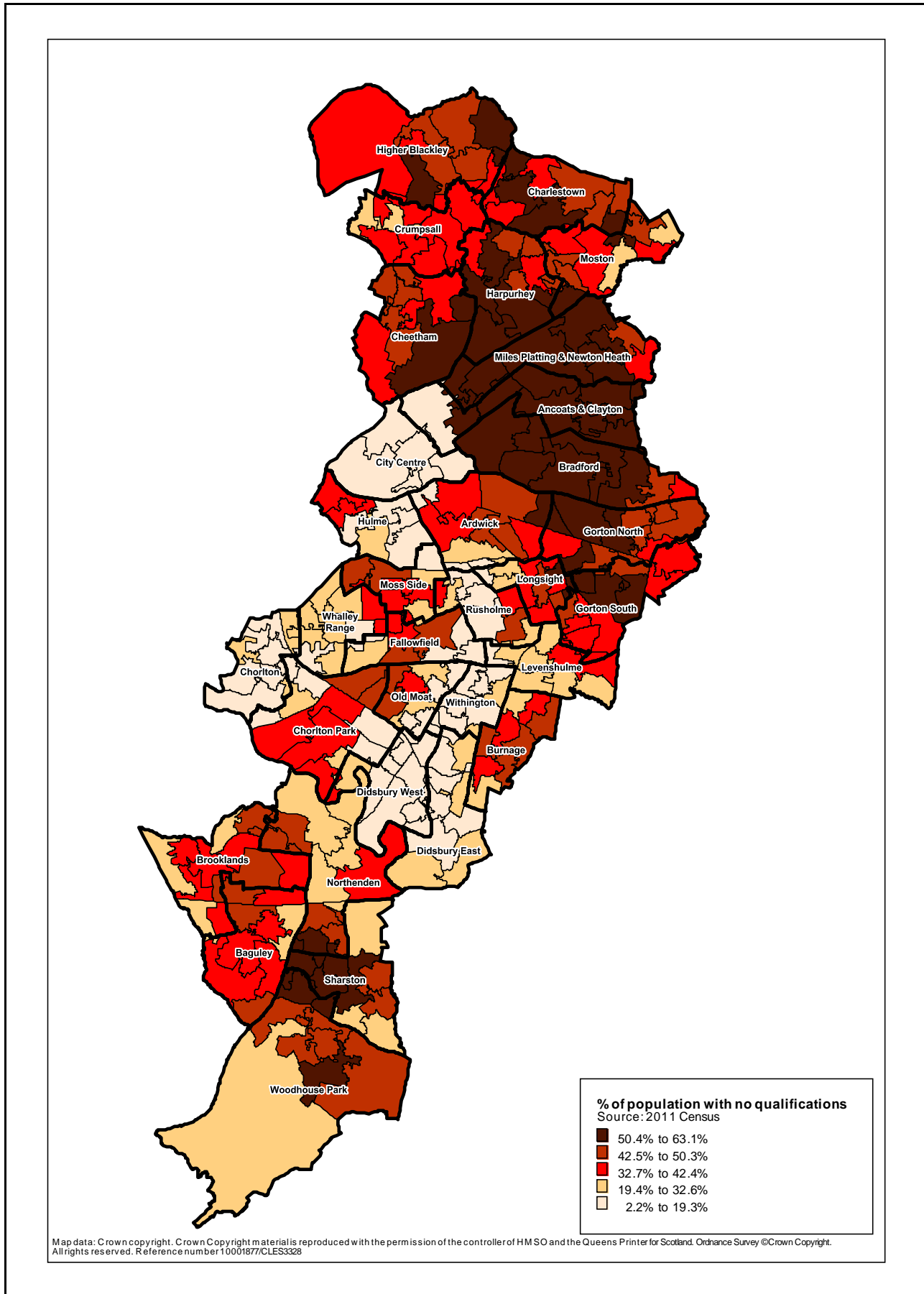
Non-white populations are heavily concentrated in the central areas of the City and lead to a number of demands for advice services. BME residents are more likely to have English as their second language and thus need additional support in terms of interpretation and completing official documentation. Specific advice related to immigration and asylum cases are also dominated by the non-white population, many of which require long term support and involve particularly sensitive and vulnerable cases.

Support services are also receiving demands for advice from White European populations and particularly immigrants from Eastern Europe. The geography of recent Eastern European immigration is difficult to quantify at a small area level due to a lack of official data. A more detailed picture of this population will be apparent when 2011 Census information is released during 2012/13.

### **6.7.2 The geography of residents with no qualifications**

The Legal Services Commission study found that residents with no qualifications were over-represented in terms of the profile of beneficiaries that attend community legal advice settings. This is likely to be a result of residents with low qualification levels, typically from vulnerable groups or disadvantaged areas of the City. The demand for services from the advice sector is therefore considerable and will include assistance required to complete forms and paperwork due to poor literacy and numeracy. Poor qualifications are clearly linked to an individual's employment and earning prospects; therefore residents with no qualifications will require support related to complex debt, welfare and housing issues. Figure 12 highlights the geographical concentration of low qualification levels in Manchester.

**Figure 12: The geography of residents with no qualifications<sup>29</sup>**



<sup>29</sup> Source; 2001 census of Population, ONS



It is clear that Manchester has significant pockets of poor educational attainment, as the darkest shaded areas in Figure 12 contain over 50% of working age adults with no qualifications. In total, a third of the population have no formal qualifications, this rises to more than half of residents in small pockets of the following wards:

- Ancoats and Clayton;
- Charlestown;
- Cheetham;
- Gorton North;
- Gorton South;
- Higher Blackley;
- Miles Platting and Newton Heath;
- Moston;
- Sharston;
- Woodhouse Park.

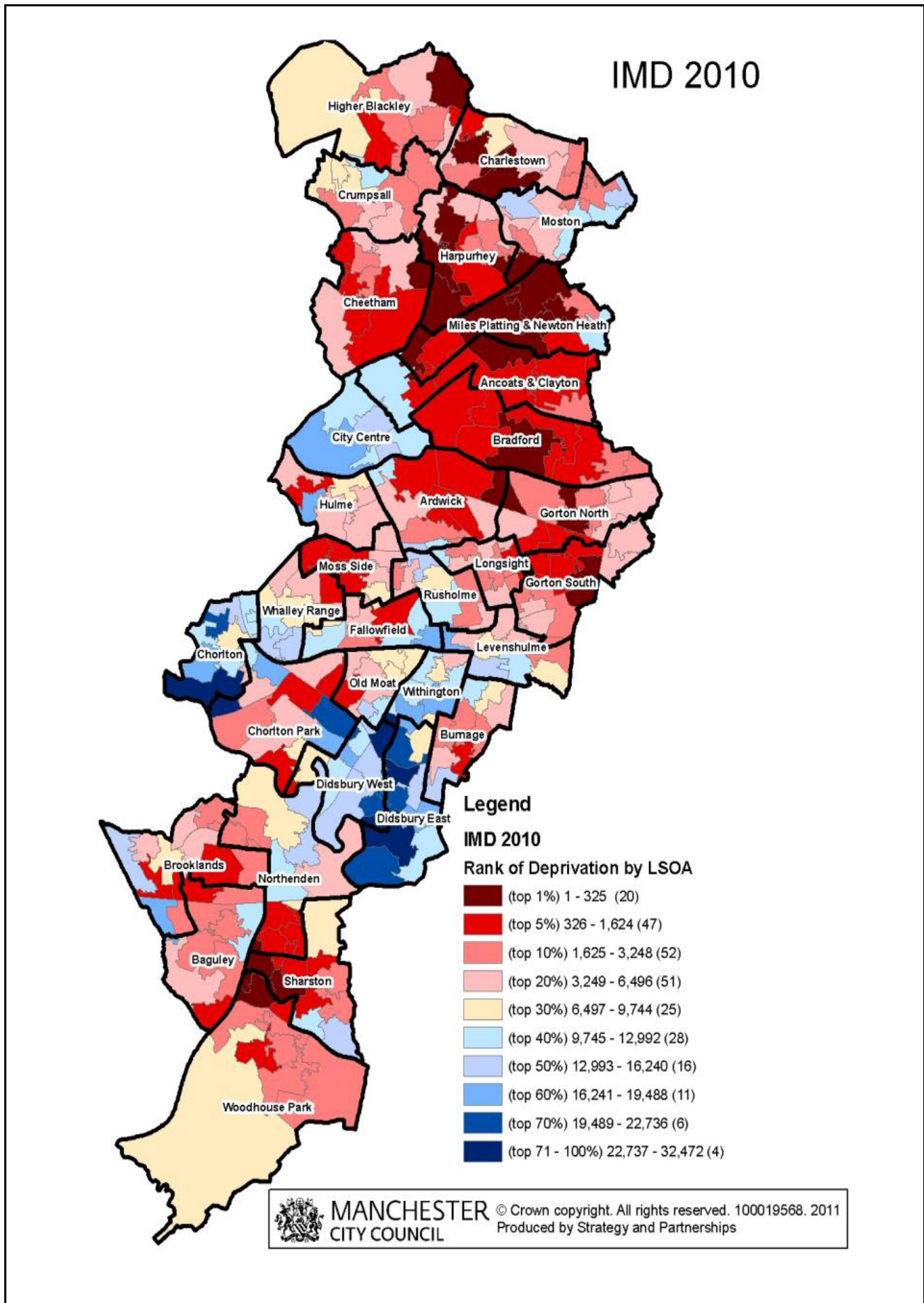
### 6.7.3 The geography of low income

Low incomes are experienced by residents that are both in and out of work and have a profound impact that limits choices related to housing and access to services. Changes to welfare benefits, particularly the impact of Housing Benefit, will mean residents suffering from income deprivation are likely to see their income reduced further and demand for advice services will increase for debt, welfare and housing issues.

The geography of low income can be seen in Figure 13, based on the 2010 Index of Multiple Deprivation. **Twenty areas of Manchester experience income deprivation that is within the most extreme 1% nationally.** These areas are located in the following wards:

- Ancoats and Clayton;
- Ardwick;
- Bradford;
- Charlestown;
- Cheetham;
- Gorton North;
- Gorton South;
- Miles Platting and Newton Heath;
- Sharston;
- Woodhouse Park.

**Figure 13: Geography of low income**



## 6.8 Summary

The data and analysis presented in this section of the report aims to highlight the key policy changes that are likely to influence the demand for advice provision in Manchester. It is clear that several changes are to be phased in over the next five years, all of which will create significant change and instability for those in receipt of welfare benefits.

The policy changes that have been implemented to date (e.g. the introduction of ESA and the initial changes to Housing Benefit) have led to an increase in demand for advice, both nationally and locally. It is inevitable that future policy changes will lead to further increases in demand as they are similar in ethos to those already implemented (e.g. the introduction of the Personal Independence Payment will be delivered in a similar way to the controversial delivery of ESA, while the movement of claimants from Incapacity Benefit to ESA will continue until 2012). Between now and 2014, a total of 63,200 claims in Manchester will be subject to a medical review. The uncertainty caused, along with appeals against medical rulings and the subsequent reduction in benefits, mean these claimants are likely to be in need of advice. In addition, specific changes to Housing Benefit, outlined in Table 13, will impact upon at least 33,400 claims. Although these two figures will include some duplication, it means that the future demand for advice services will be significant.

In addition, the transition to Universal Credit, one of the biggest reforms of the welfare system ever undertaken, will create uncertainty and changes to benefit payments for over 66,000 workless residents in Manchester. The rationale for directly paying the housing element of this benefit is clear, but in reality many claimants will enter into debt and the possible threat of eviction as a result.

Finally, it is also important to consider the longer term changes to the welfare benefits agenda and the impact upon demand for advice. The Conservatives have begun to lay out plans for further and deeper welfare reforms which will create further demands for free advice services through the withdrawal of housing benefit to all claimants below the age of 25. Again, debt and homelessness will increase while young people that are able to move back home are likely to trigger a non-dependent deduction for their family and, as a result, the need and demand for free legal advice is likely to be greater than ever. However, not everyone will be able to move back home, meaning that young people will face an increased likelihood of homelessness and debt. There is therefore a need for the advice sector to be adequately funded going forward to ensure already vulnerable residents are able to receive free and quality legal advice to help relieve issues of deprivation, debt, poor housing and a lack of support to deal with disability and limiting illnesses.

## 7 THE CURRENT AND FUTURE SUPPLY OF ADVICE SERVICES IN MANCHESTER

This section of the research report builds upon the profile of advice agencies in Manchester by outlining the current and future challenges facing the advice sector in Manchester. It discusses how the advice sector is likely to respond and deal with the challenges presented by the changes to the scope of Legal Aid and the continual increase in demand for services.

Outlined below are the key issues which currently face the community legal advice sector in Manchester, along with challenges that are still emerging. These issues, combined with the changing scope of Legal Aid, mean the sector faces an uncertain future and will be unable to meet demand for its services, particularly considering the policy changes outlined in this report.

### 7.1 Existing resources do not meet demand

It is clear from both the data provided from advice services and the feedback from providers that existing advice provision cannot meet demand for advice generated by the public. Providers unanimously reported having to turn residents away as they could not meet demand, particularly at drop in sessions. Providers of immigration advice and users of these services both reported long queues forming outside of advice centres, which in some cases started to form before opening. Providers offered estimates about the level of unmet demand for advice based on the number of residents they are currently unable to support, which typically provided responses of an additional 40-50% of clients on top of those that are actually being supported. Some specific examples of unmet need were provided and these typically focus upon the increase in demand for welfare benefits advice and support for immigration issues.

A further indication of the size of unmet demand can be identified through the number of calls to the MCLAS virtual call centre. The level of resource placed into telephone based advice has been increased since the CLAS model was established, following a review of opening times and provision that identified low levels of demand for out-of-hours advice services. The MCLAS Impact Report highlights how demand for telephone services has increased rapidly and faster than staffing levels can be increased. The report also highlights how demand for telephone advice is expected to increase further as residents get used to accessing advice in this way. The shift in emphasis of Community Legal Advice Services, outlined by the Legal Aid Act, also points to an increased demand for telephone advice, which will increasingly be an important mode of delivery for advice services.

**Figure 14: The percentage of unanswered calls for telephone based advice services, 2011/12**

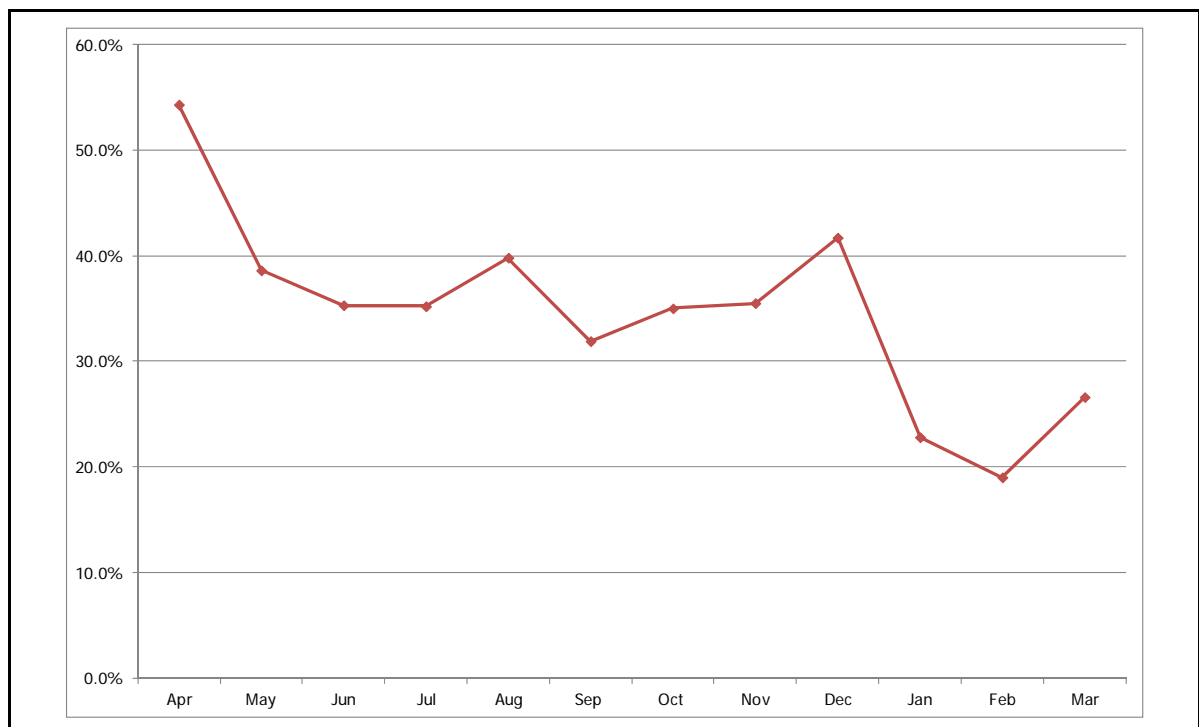


Figure 14 shows the level of unmet demand for telephone based advice based on the number of calls advisors were unable to answer. It is impossible to know how many of the callers were eventually supported by calling back at a later date; however the figures do show the proportion of callers that were unable to receive advice at a point when they needed it. Over 31,450 calls were received from Manchester residents in 2011/12, of which the service had the capacity to answer 31%. This suggests that Manchester's advice sector has huge levels of unmet demand but also that there is a need to increase the level of telephone based services in the future, as this research has identified the likelihood that demand for advice services will continue to increase significantly as changes to welfare benefits are embedded and the long term effect of these changes begins to impact upon the household incomes of Manchester residents.

### 7.1.1 Uncertainty and fear

The significant changes to community legal advice funding in Manchester has led to a sector that is characterised by uncertainty about the future, and a focus on survival. Some organisations operating outside of the CLAS structure have already experienced significant reductions in funding, and the changes to Legal Aid mean that further changes are currently being implemented.

Organisations had responded to previous funding cuts in a number of ways, such as significantly reducing their staffing numbers, moving premises to reduce their overheads, seeking other short term and significantly smaller pots of funding, and the development of strategic relationships with other agencies. The lack of stability is leading to many organisations having to fundamentally review the way they operate and solely focus on the short term goal of survival. Organisations within the community legal advice sector are now considering charging for advice wherever possible, although this is particularly difficult for agencies that support immigration and asylum cases due to their client's lack of income and their inability to pay. Other organisations spoke of their intention to run on their reserves while they seek additional funding, a situation which is not sustainable and can last for a very short period of time. It is therefore likely that a number of respected and high profile advice agencies will cease to exist in the near future unless additional funding becomes available. This presents a number of dangers for the sector and residents, such as the reduced capacity of the advice sector at a time of increased demand. It also means the City is likely to lose skilled advisory staff whose expertise is unlikely to be available within other organisations that residents will inevitably approach if they need support once advice providers shut down or reduce their service offer.

## 7.2 The impact of closing Manchester Advice continues to be felt by the sector

Manchester Advice was the Local Authority's in house advice service that employed over 80 advisors and provided specialist support related to consumer issues, debt, housing and welfare benefits. It also providing generalist advice related to, for instance, teenage pregnancy and domestic violence. The impact of losing Manchester Advice is still having an impact on the community legal advice sector and is likely to be contributing to the increased demand for other advice services in the City, as outlined above. The closure of Manchester Advice has therefore placed greater pressure on existing advice providers but also had a negative impact on the sector, as a sizeable resource has been lost which has particularly been felt by some of the smaller advice agencies within the City.

Advice agencies reported that Manchester Advice had also acted as a resource to the wider advice sector in the City for a number of reasons:

- ❑ it provided a resource and high level of expertise, particularly related to welfare benefits, that other agencies could go to for advice with complex cases;
- ❑ it provided free training for the wider sector to ensure advisors were aware of, and up to speed with, the latest changes to the welfare reform agenda;
- ❑ it was considered a valuable resource due to the number of community languages that advice was previously provided in, with up to sixteen languages being offered by the Link Worker service. Advice providers have tried to fill the gap using a combination of paid staff and volunteers from local communities, but the provision of advice in community languages is patchy and less comprehensive since the centrally run council service was closed;

- ❑ advice agencies reported being unable to pay for training to replace that lost by the closure of Manchester Advice, and one possible solution to this is for agencies to share the cost of training, using a cascade training approach in the future.

Manchester Advice was reported to be a high profile provider of advice services due to its size, central location within the Town Hall, and the scale and breadth of services offered – ranging from telephone advice to representation at tribunals. The more coordinated CLAS based system funding community legal advice in Manchester was initially designed when Manchester Advice was still in existence and, despite impressive performance and the large number of residents supported, it was never designed to be a replacement for Manchester Advice, meaning a gap in provision has been created. Despite this, the level of increased demand to both CLAS and non-CLAS providers, has not increased to the extent to which Manchester Advice used to provide services, suggesting many residents are now going unsupported.

### 7.3 The changing scope of Legal Aid

The scope of Legal Aid is changing, with the first stage of tendering for new Community Legal Advice Services just being completed. The background and an overview of the details of the changes are outlined below, followed by an assessment of how the change will affect the availability of free legal advice in Manchester.

#### 7.3.1 Background

The Legal Aid Sentencing and Punishment of Offenders Act recently passed into law following a prolonged period of time where the bill passed between the two Houses of Parliament. The review was guided by the following set of principles as outlined by the Coalition Government:

- ❑ the desire to stop the encroachment of unnecessary litigation into society by encouraging people to take greater personal responsibility for their problems, and to take advantage of alternative sources of help, advice or routes to resolution;
- ❑ the need to improve and reduce the costs of the whole criminal justice system through the removal of perverse incentives;
- ❑ the extent to which the market can provide other ways of accessing funding;
- ❑ the need to fulfil our domestic and international legal obligations (including those under the European Convention on Human Rights).

Reform to Legal Aid in England and Wales was first outlined in the Coalition document *'Our Programme for Government'* with the aim of alleviating financial pressure on the Legal Aid Fund and the need to prove a substantial contribution to the Ministry of Justice's target of a 23% budget reduction, worth nearly £2 billion in 2014/15.

Established in 1949, Legal Aid was initially designed to use for criminal cases but this was expanded in the mid 1970s to include money claims, personal injury, debt and welfare benefit cases. As a result, Legal Aid was expanded to cover representation for individuals in most proceedings before court, with the exception of defamation cases. The Legal Services Commission was established in 1999 to administer the Legal Aid which currently costs £2 billion per year, with Civil Legal Aid being currently available on almost any area of the law, with the exception of cases such as personal injury, damage to property, boundary disputes and defamation.

#### 7.3.2 Legal Aid scope changes

Reforms to Legal Aid were based on a set of principles by which the decision as to whether Legal Aid should be provided in the future is based upon:

- ❑ **the importance of the issue** – the highest level of need for Legal Aid support is considered to be those cases where an individual's life is at stake or they face risk of physical harm. High priority is also given to cases where an individual's liberty is at stake; the state is due to intervene in family affairs; homelessness is likely to occur; or where the state is being held to account by judicial review. Cases where an individual is seeking monetary compensation will no longer be eligible for support, while immigration cases will be reviewed on a case-by-case basis;

- ❑ **the litigants' ability to present their own case** – consideration is given to factors such as the form of proceedings and the forum in which they are resolved; whether the process is easy enough for an individual to navigate without legal representation; and the type of cases which are likely to be predominantly brought forward by physically or emotionally vulnerable groups;
- ❑ **the availability of alternative sources of funding** – Legal Aid is to be considered a 'funder of last resort' therefore other routes of funding (e.g. legal expenses insurance) should be used wherever possible;
- ❑ **the availability of alternative routes to resolving the issue** – the review of Legal Aid funding concludes that significant sums of money are spent on funding cases where individuals seek practical advice rather than expertise offered by a lawyer. The qualifying criteria for Legal Aid in the future will therefore be based upon the availability of other services, such as voluntary sector welfare advice.

The review of Legal Aid has taken these considerations into account and led to the Government specifying the types of issues and levels of service that will be available. The following areas of support are particularly relevant for this impact study:

- ❑ **asylum cases** – Legal Aid will still be provided for asylum cases as an applicant's life could be at risk if they were returned to an unsafe country. In addition, individuals seeking asylum support are likely to find it difficult to represent themselves as they are living in a new country and have typically fled persecution;
- ❑ **community care** – Legal Aid is currently available for individuals that are unable to look after themselves because of age, illness or disability. This will continue to be the case as these circumstances affect an individual's ability to lead an independent life;
- ❑ **debt matters** – Legal Aid currently provides funding for a range of debt issues. Support and advice is also available from National Debtline and Money Advice Trust, and the review takes a viewpoint that it is right to expect individuals to take responsibility for their own financial matters. Support is therefore only to be provided where the client's home is at immediate risk of repossession. The review states that debt matters that are not placing the client's home at risk require advice about managing debt as opposed to legal advice and therefore such cases will not attract Legal Aid in the future;
- ❑ **housing** – Legal Aid currently funds issues concerning the condition of a claimant's property; repossession and eviction; homelessness; and housing repair. The review of Legal Aid provides continued justification for cases that concern potential repossession and homelessness. Support is considered to be justified for damages cases for disrepair as a counterclaim to rent arrears, and claims against the obligations of housing associations. Funding will also be justified for serious housing disrepair cases, where repairs are sought that are of such significance that, without it, life or health may be at risk;
- ❑ **welfare benefits or debt issues** – Legal Aid currently funds advice in relation to decisions about benefits, such as Disability Living Allowance or Attendance Allowance, Incapacity Benefit, Income Support and Housing Benefit. This includes advice for appeals to first tier social security tribunals, such as where benefits have been refused or cases dealing with overpayments. Most funding is spent on legal help rather than representation. The review states that advice is available from a number of sources such as Jobcentre Plus, the Benefits Enquiry Line and, in many cases, via voluntary sector organisations such as Age UK. As a result, the review concludes that such cases are not a priority for funding as they typically do not lead to a home being at immediate risk of repossession or eviction. However, support will be available for cases regarding repossessions;
- ❑ **employment** – employment claims are the responsibility of the Employment Tribunal and can attract Civil Legal Aid for advice in relation to unfair dismissal, redundancy, employment contracts, strike action and terms and conditions. The review of Legal Aid states that support will no longer be available due to the monetary nature of these claims and thus they will not be supported in the future;

- ❑ **consumer and general contract law** – Legal Aid is being withdrawn from consumer and general contract law as they are generally financial claims. Such cases are considered less important than those relating to the safety of individuals and other sources of advice from Trading Standards and the Financial Ombudsman's Service are available;
- ❑ **education** – all funding to support cases related to education have been removed from the scope of Legal Aid. This is due to how important educational cases are considered in relation to other topics areas. Many cases are reported to result from the choices made by individuals and are also brought forward predominantly by a demographic group that is not considered in fundamental need of support.

### 7.3.3 The anticipated impact upon the advice sector

The impact of the changes to Legal Aid will fundamentally impact upon, and undermine, the supply of advice services in Manchester. The Legal Services Commission's decision to re-tender housing, debt and family law services in CLAS areas, alongside the remaining face-to-face advice services from April 2013, means the CLAS contract and the sustainability of the delivery model in its current form and size is facing uncertainty. The exact scale of the impact, in terms of the reduction in cases that can be supported, is unclear at the moment; however the vast majority of cases will no longer be supported, meaning residents will not have access to free legal advice given the new criteria for funding.

The new reliance of self help and support from other service providers means there will be a lack of specialist support for debt, housing, welfare, asylum and immigration cases. This is particularly the case when it is considered how difficult the current operating conditions are for voluntary sector agencies as a result of funding cuts being passed down from local authorities dealing with significantly reduced budgets.

**Table 18: The number of cases supported in Manchester**

	Cases	
	Number	%
Immigration	4,299	26.1%
Welfare benefits	3,590	21.8%
Debt	3,476	21.1%
Housing	2,589	15.7%
Consumer	1,578	9.6%
Family	531	3.2%
Employment	275	1.7%
Other	143	0.9%
Education	48	0.3%
Community care	35	0.2%
<b>Total</b>	<b>16,481</b>	<b>100%</b>

Table 18 highlights the areas of law where funding for case work has been cut back based on the criteria outlined in the Legal Aid Act. The exact proportion of support that will be removed from the scope of Legal Aid is difficult to pinpoint with absolute certainty until full tender details are released. However, this study estimates that over **85% (almost 14,000 cases) of cases supported in Manchester will no longer be eligible for Legal Aid**. Support for housing related cases appears not to have been so drastically cut, as cases where homelessness and repossession are a real threat will continue to be funded. The extent to which cases can still be funded in this area will determine whether the advice sector in Manchester can no longer support over **90% (almost 16,000) of cases going forward**.



The impact of these cuts will be particularly severe upon residents that cannot afford to pay for legal advice or representation which, based on the results of the beneficiary survey conducted as part of this study, will be the vast majority of the residents supported by the community legal advice sector. The impact of these changes will therefore mean the advice sector will no longer have the same capacity to support complex cases, meaning particularly vulnerable individuals will no longer be eligible for free legal advice at a time when demand is increasing.

## **7.4 The future shape of advice services**

The changes outlined above to the supply of advice services means the sector faces an uncertain future and significant reductions in funding to support complex cases. As a result the shape of Community Legal Advice Services in Manchester and across the country will need to be realigned in order to best meet demand with restricted resources. A number of responses are likely to be implemented by the sector such as those outlined below.

### **7.4.1 A more standardised approach to providing advice**

The reduction in funding for advice services will result in providers having to prioritise resources toward those most in need of support. The impact of such decisions is that many services will become more standardised and lighter touch in nature. As a result, it is expected that providers will restrict the amount of advice provided in term of completing forms and supporting residents to manage their lives through the advice sector. This will mean that instead of completing forms, providers are likely to only check forms and provide information packs that guide residents in how to complete forms themselves. In addition, self help packs and standardised pre-written forms are likely to be provided in order to divert some of the demand away from intensive face-to-face advice, meaning there will be a greater reliance on residents resolving their own support needs with limited guidance.

The move to a more standardised approach will have implications for residents that seek advice, especially the most vulnerable residents. Most residents that seek advice for form filling do so because they have either poor literacy skills or because English is not their native language. More standardised advice services are unlikely to meet the needs of these residents and, as a result, they will not receive the welfare benefits to which they are entitled, secure their immigration status in the UK, or restructure their finances to manage debt problems. However, the standardised approach to providing advice services may help to prioritise services towards those that need advice when resources are scarce.

### **7.4.2 An increase in telephone and web based advice services**

As discussed earlier in this report, the introduction of CLAS in Manchester led to the development of a coordinated telephone based advice service. Demand for telephone advice services has far exceeded supply, with almost 30% of calls going unanswered. The reduction in funding to the advice sector and the cost effectiveness of telephone based advice services means an increase in this form of advice is likely to occur in the future.

Research conducted by the National Audit Office<sup>30</sup> found that face-to-face debt advice costs roughly five times more than advice over the telephone (£270 compared with £50). Resource constraints therefore mean that face-to-face advice will be largely unaffordable for the community legal advice sector, and telephone based services provide a means of supporting a much larger number of residents and could ensure they still have a significant presence in the City when funding has been further cut.

The move to a larger proportion of telephone based advice provides the advice sector with a way of reducing the impact of funding cuts. However, this move will have an impact on the depth of service that can be provided and the profile of residents that are likely to use advice services. Research by London Economics on behalf of the Money Advice Service<sup>31</sup> reinforces the feedback provided by advice services in Manchester, in that users of telephone advice services have a different social and demographic profile to residents that present for face-to-face advice. In particular, the London Economics research reported that:

---

<sup>30</sup> Source: Helping over indebted customers, National Audit Office (2010)

<sup>31</sup> Debt Advice in the UK, London Economics, 2012

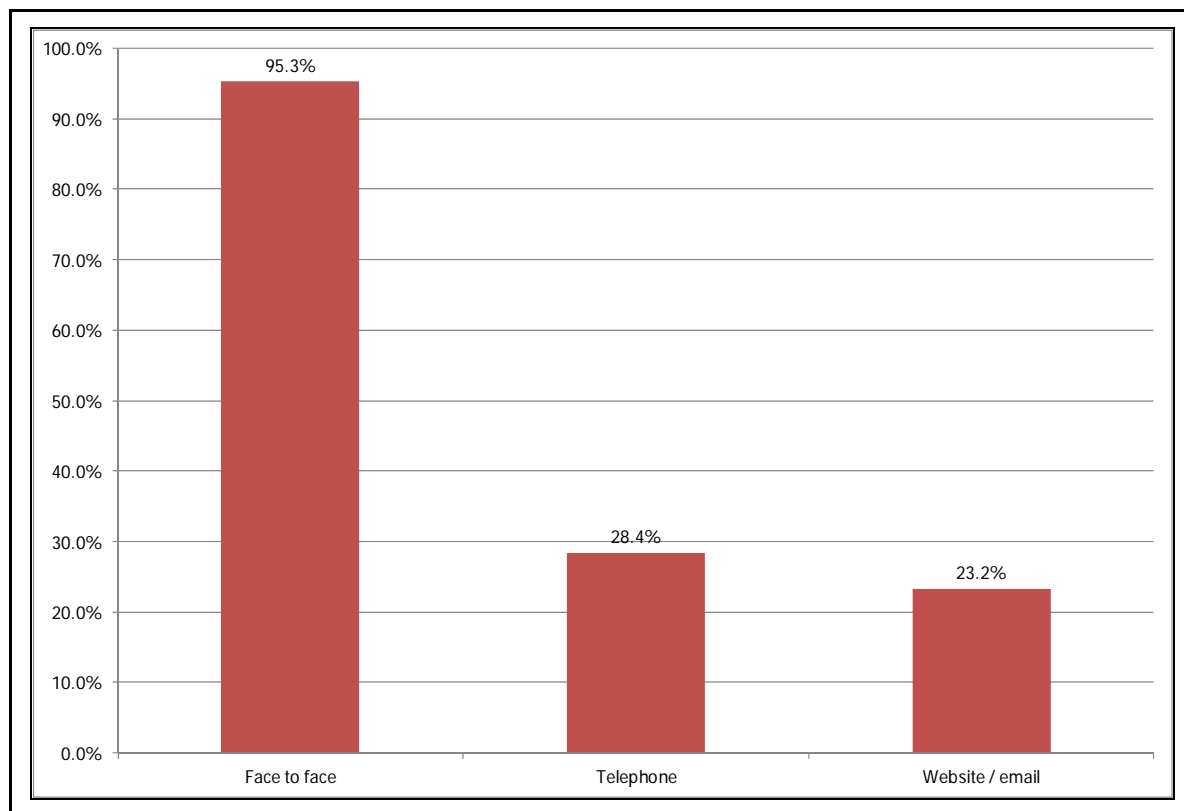
'Lower and higher earners have different advice needs and they require different delivery channels. Poorer households require significant handholding through face-to-face advice provision, while higher income households prefer to rely on self help in dealing with their debt problems.'

A greater focus on telephone based services is therefore likely to have an adverse effect on poorer households and those residents that currently use the advice.

Feedback from advice providers also reported how residents tend to use telephone based advice services differently to face-to-face provision. Residents use telephone based services on a more informal basis to check their understanding and interpretation of a particular situation. As a result, telephone based advice services are typically used to resolve issues that are of less urgency and severity compared to face-to-face advice. This means that the most vulnerable residents, and those with the most pressing needs, are unlikely to receive the level of support required to resolve their advice needs. For instance, providers reported that they often need to meet residents in person to resolve complex cases or issues, so they can view official correspondence to help resolve or progress an advice enquiry. Such cases can initially be supported via telephone contact but still require face-to-face support.

A further consideration in the increase in telephone advice is the demand for advice services reported by current service users. Figure 15 highlights the results of the survey from residents that accessed face-to-face advice in Manchester, and shows that residents almost universally prefer face-to-face advice services. It should be noted that this does not mean residents would not access telephone based advice in the future, or that such support would be unable to meet their advice needs. It does however mean that residents are unlikely to be able to access advice services in the form they would ideally like to do so.

**Figure 15: The method of advice preferred by residents accessing face-to-face services**



Despite preference for face-to-face advice, the provision of telephone based advice does provide a number of advantages, such as providing a more uniform service across the City which is accessible to a greater proportion of residents, such as those who cannot attend an advice centre in person either due to a disability, caring commitment or work patterns. Figure 16 highlights the pattern of service use of CLAS telephone and face-to-face advice.

**Figure 16: The geography of MCLAS telephone and face-to-face advice service users**

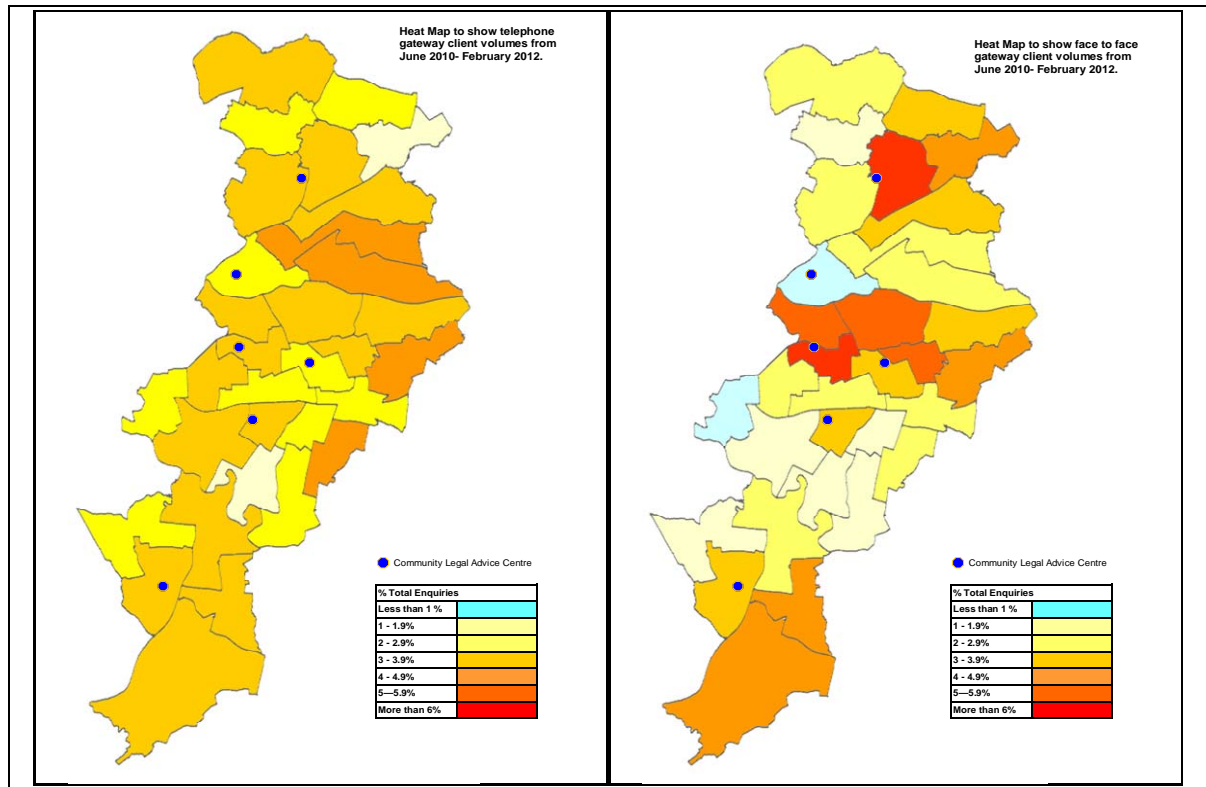


Figure 16 shows the geographic concentration of advice service users for both face-to-face and telephone based support offered by CLAS in Manchester. The maps show a more even distribution of service users for telephone based advice, whereas face-to-face support creates hotspots within close proximity to where advice services are actually offered. The exception to this pattern is the face-to-face support located within the city centre and the number of service users within the city centre ward. This is likely to be due to relative ease of accessing city centre based services, meaning it serves residents from across the City. In addition, the profile of city centre residents is quite unique, with a much higher proportion of affluent young people compared to other parts of the City, a demographic that is more likely to see web or telephone based advice.

An increase in web based support is a further option for the advice sector in the future, given the cost effectiveness of this form of delivery; however the results of the beneficiary survey provide caution to such proposals, as it appears internet access amongst those surveyed is relatively limited. Just less than half (47%) reported having access to the internet, meaning that over half would be unable to access advice via this medium. This figure is much lower than the national coverage of internet access amongst UK households. Figures published by the Office for National Statistics show that 77% of British households have access to the internet and 41% of individuals have access to the internet via their mobile phone. Such high internet coverage suggests this is an appropriate and efficient way of offering advice to the majority of the population. However, the responses to this survey suggest that many existing service users would not be able to access services in this way, thus web based services are not adequate to support the needs of deprived communities.

The provision of telephone or web based advice therefore offers the advice sector with a mechanism for supporting large numbers of residents in the future at a time when funding is restricted, ensuring support is widely available and allowing resources to be focused on those most in need of more intensive face-to-face support. However, it should be noted that web and telephone based advice lends itself to advice enquiries which are less complex and therefore create particular problems in dealing with complex cases related to immigration and asylum, or where residents have multiple and interrelated advice needs to deal with debt housing and welfare issues.

## 7.5 Charging for Community Legal Advice Services

As mentioned earlier, a number of community legal advice providers are considering charging for advice services as a way of reducing the impact of funding cuts and the reduced scope of Legal Aid. The move to paid advice provides a number of potential problems for the sector, such as the prospect of charging for services sitting uncomfortably with the aims, objectives and ethos of community legal advice providers. Other challenges also exist, such as the public perception that advice is provided free of charge, and the difficulty of accurately assessing whether a client actually has the ability to pay for support. It is anticipated that charging for services will be particularly challenging for providers of immigration advice due to the vulnerable nature of their clients, many of whom are unable to work legally in the UK and are not entitled to welfare benefits.

The survey of advice sector beneficiaries conducted as part of this study highlights the challenge of seeking to charge for advice services. Beneficiaries were asked what they would have done if free advice was not available to them; approximately 60% of the responses suggested they could not afford to pay for legal advice, while the vast majority of others were unsure if they could afford to pay. The following quotes were provided:

*'I'm unsure as I don't know of any service that helps people. I couldn't afford to pay for the service as I'm on a low income.'*

*'I wouldn't have been able to afford a fee. I don't know where I would have gone if (provider) wasn't here.'*

*'I wouldn't have been able to afford help; I might have lost my home.'*

*'I'd have continued to struggle on my own as I don't have money to pay a solicitor.'*

*'I couldn't go to a solicitor as I don't have the money. I would be lost as to what to do.'*

*'I'm in a financial crisis. I couldn't afford alternatives.'*

It is clear from the survey responses that most of the residents accessing Community Legal Advice Services would have been unable to pay for alternative support. This is primarily due to them relying on state benefits for an income, being in debt or requiring support to secure their immigration or asylum status in the UK. The alternative to paying for advice for many residents is that they would have to accept the situation they found themselves in, whether that be losing their home, accepting that they were unfairly dismissed from employment, or not receiving the benefits to which they were entitled. Without free legal advice, many residents suggest they would just cope or carry on in their current situation. In many instances, the need for advice was causing health problems, increasing financial debt or placing a resident's housing at risk. Without the offer of free legal advice, the situation is likely to have further deteriorated and would have eventually led to support being required from a public service agency in the City. For matters concerning housing and homelessness, it is likely that a lack of free legal advice would therefore place great pressure on local authorities or housing associations as residents seek help from these agencies instead. The further deterioration in health reported by many residents would inevitably lead to greater demand for NHS services; this shows how the Community Legal Advice Service is acting as a preventative measure to support residents in solving pressing issues and relieving pressure on public service agencies in the City.

## 7.6 Summary

In recent years, the community legal advice sector in Manchester has undergone significant change as a result of the commissioning of a CLAS based structure which has resulted in a reallocation of Manchester City Council and Legal Services Commission funding across the City. The closure of Manchester Advice is reported to have had a huge impact on advice providers and residents that previously used their services. Smaller advice agencies and those providing support to ethnic minority groups have been particularly hard hit, due to the loss of community language support and training to provide updates to advice providers, particularly related to welfare benefits advice. However, the imminent changes to the scope of Legal Aid means advice services face significant cuts in income and changes to the way they operate. As a result, many residents will be unable to access specialist support as a greater focus is placed upon self help and gaining support from other statutory agencies. The response from the sector is likely to include an increase in generic support, such as self help packs and a move to telephone based provision, as a more cost effective means of providing advice. However, in general, residents report a preference for face-to-face advice, although providing such support on any scale in the future is likely to be unrealistic due to the level of financial resources available.

## **8 CONCLUSION**

This study has sought to present the policy changes that will impact upon Manchester residents and create demand for the community legal advice sector in the future. In particular, reforms to welfare benefits, such as the introduction of PIP and the continued roll out of ESA, as well as the significant changes to Housing Benefit, have been assessed. Feedback from residents that access advice services demonstrate that the advice sector provides a highly valued service, which helps residents at crisis points in their lives. Residents access advice services when they are particularly vulnerable and face critical situations such as needing to legalise their stay in the UK, cuts to their benefit payments, mounted debt problems, eviction, and unfair dismissal at work. Residents reported that all these events have a profound impact upon their health, with stress, worry and an inability to cope being frequently mentioned as the reason for why they sought advice.

This study estimates that a total of 63,200 claims for ESA and PIP in Manchester will be subject to a medical review between now and 2014. Based upon the impact of ESA claims to date, and the impact of the advice sector, it is likely that a large proportion of these claims will need support from community legal advice providers due to the uncertainty caused by the transition of benefits, appeals against medical rulings, and the subsequent reduction in benefits. In addition, the transition to a new benefits system is expected to lead to huge increases in demand due to errors in the new system and individual claims. This has been a particular issue with the recent changes to Tax Credits and the introduction of Employment Support Allowance and so is also anticipated as PIP and Universal Credit are rolled out. The impact of welfare benefit changes will be particularly severe due to numerous changes to welfare benefits being introduced during the next five years.

All of these factors are key drivers of advice demand in the City and are set to increase in the future. In addition, the changes to Housing Benefit will affect 33,400 claims which, in many cases, will leave tenants with the prospect of either making up rental shortfalls themselves or moving to a home which is affordable given their new level of household income. In reality, the lack of awareness of the Housing benefit changes will result in rising levels of debt and reliance on payday loan providers with interest rates of over 4000%. As a result, demand for housing and debt based advice will increase dramatically.

The geographic impact of these changes has been demonstrated throughout this report and shows that, as would be expected, concentrations of residents affected by changes to welfare and housing benefit payments are typically concentrated in deprived areas of the City. More specifically, wards such as Ancoats and Clayton, Bradford, Cheetham, Harpurhey, Hulme, Miles Platting and Newton Heath, Moss Side, and wards within Wythenshawe, will be particularly affected and see increased demands for advice services.

The impact of changes to welfare and housing benefits are being implemented at the same time that the scope of Legal Aid is being changed to reduce eligibility for funding to the most extreme civil law cases. As a result, support for welfare benefit, debt and housing cases are being withdrawn in all but the most severe incidences. This study therefore estimates that, based on the previous scale of delivery by the community legal advice sector, a total of between 85-99% of cases will no longer be supported, leaving the most vulnerable residents in Manchester without access to free legal advice and an ability to challenge decisions that provide threats to their home, income, welfare or safety.

The withdrawal of services at a time of increased demand will have a number of consequences. Residents report that they cannot afford to pay for legal advice and, as a result, are unlikely to seek help to resolve debt, housing or welfare issues. This will result in these issues deteriorating further with housing repossession, debt and vulnerability increasing, while benefit payment levels are falling for many claimants. As a result, residents are likely to seek advice and support at crisis point from other service providers, particularly Manchester City Council's Homelessness Service, Adult Social Services or their local councillor. Demands for other services will also increase, particularly the NHS, as residents' health outcomes deteriorate and they require additional support from medical professionals.

The impact of the changing scope of Legal Aid at a time of increased demand will mean advice agencies focus their resources on the most severe and complex cases. To achieve this, there will be a shift towards more generic support for less pressing issues such as form filling and support to understand official correspondence.

A reduction in face-to-face support will also take place as advice services shift towards more cost effective models of delivery via telephone and web based advice services. These provide a more efficient way of dealing with less intensive support needs; however complex cases will not be effectively supported by telephone based advice. This is particularly the case for residents seeking asylum and immigration support, where English language skills are poor or where residents are particularly vulnerable. Other changes in advice delivery will also take place, such as increased incidences of charging for community legal advice, although it remains unclear how successful this will be. Most current advice beneficiaries reported an inability to pay for support services; this creates challenges for providers that are known for providing free advice, such as how to determine an individual's ability to pay for support.

In conclusion, this study has found that current financial resources provided to the community legal advice sector in Manchester are not sufficient to meet demand for advice. The cuts to Legal Aid, at the same time as changes to welfare benefit payments, therefore mean demand for services will increase while funding is significantly reduced, the impact of which will disproportionately affect deprived communities and Manchester's most vulnerable residents. Many residents will therefore be unable to access other support services, meaning pressure will increase on local government services as support issues are not resolved and deteriorate further. The consequence of this is that poverty and vulnerability within deprived communities will increase unless further funding can be found.

**APPENDIX 1**  
**Ward level data tables**

## WARD LEVEL DATA TABLES

Table 19 provides a ward level breakdown on the indicators used in the report to highlight specific demographic groups that are likely to require additional support from the community legal advice sector in the future. It should be noted that the data presented below is based upon Manchester's old ward boundaries. This is due to several current datasets not being available for up to date ward based geographies.

**Table 19: Ward level breakdown on indicators used**

	Number of existing Employment Support Allowance claims <sup>32</sup>	Number of existing Incapacity Benefit claims <sup>33</sup>	Number of Disability Living Allowance claims <sup>34</sup>	% of Working age population with no qualifications <sup>35</sup>	% of non white population <sup>36</sup>
Ardwick	440	596	1,030	35.0%	38.0%
Baguley	305	506	1,140	38.1%	5.2%
Barlow Moor	300	449	865	22.6%	15.4%
Benchill	410	660	1,370	51.3%	5.2%
Beswick and Clayton	355	642	1,165	55.4%	7.6%
Blackley	345	631	1,200	46.5%	4.7%
Bradford	335	570	940	50.7%	10.2%
Brooklands	270	509	1,040	37.6%	5.9%
Burnage	340	543	1,145	39.4%	17.6%
Central	425	677	1,035	30.5%	18.2%
Charlestown	440	747	1,340	45.2%	4.4%
Cheetham	510	757	1,350	44.7%	49.3%
Chorlton	145	269	610	16.8%	11.7%
Crumpsall	350	571	1,060	33.9%	25.3%
Didsbury	120	214	485	14.9%	12.4%
Fallowfield	270	493	990	22.4%	28.1%
Gorton North	410	629	1,130	44.7%	6.3%
Gorton South	445	580	1,170	46.9%	16.1%
Harpurhey	475	862	1,335	51.4%	7.5%
Hulme	340	603	845	17.6%	32.2%
Levenshulme	345	399	830	29.6%	25.6%
Lightbowne	325	537	920	43.3%	6.5%
Longsight	455	646	1,245	34.2%	52.6%
Moss Side	385	604	1,080	36.0%	51.7%
Moston	315	453	1,110	41.7%	6.4%
Newton Heath	390	798	1,345	52.4%	4.6%
Northenden	295	473	1,120	35.0%	6.5%
Old Moat	275	481	900	22.1%	16.6%
Rusholme	270	405	840	19.4%	38.3%
Sharston	300	447	980	40.0%	4.4%
Whalley Range	320	416	780	22.5%	43.3%
Withington	180	266	570	16.5%	17.2%
Woodhouse Park	370	531	1,130	45.7%	5.2%

<sup>32</sup> Source: DWP Tabulation Tool, November 2011

<sup>33</sup> Source: DWP Tabulation Tool, November 2011

<sup>34</sup> Source: DWP Tabulation Tool, November 2011

<sup>35</sup> Source: 2011 Census, ONS

<sup>36</sup> Source: 2001 Census, ONS