DWP publishes draft universal credit regulations

The DWP has published draft universal credit regulations setting out the detailed framework behind the new benefit.

The draft regulations – which are published with accompanying explanatory memoranda – are –

- the Universal Credit Regulations 2012;
- the Universal Credit, Personal Independence Payment and Working-age Benefits (Claims and Payments) Regulations 2012;
- the Universal Credit, Personal Independence Payment and Working-age Benefits (Decisions and Appeals) Regulations 2012;
- the Jobseeker’s Allowance Regulations 2012; and
- the Employment and Support Allowance Regulations 2012.

NB – the Social Security Advisory Committee issued a call for evidence on the draft regulations which ended on 27 July 2012, looking in particular at the coherence of the package of regulations in terms of implementation, and whether there are gaps and/or unintended consequences that need to be addressed. The Committee says that its report will be published alongside the regulations later this year.

The draft regulations are available in rightsnet’s universal credit resources at www.rightsnet.org.uk/toolkit/universal credit.

Also, check out rightsnet training half day workshops on universal credit at www.rightsnet.org.uk/training/course/universal-credit-a-half-day-workshop

Government announces major reform of bereavement benefits system

The government has announced its intention to reform the current system of bereavement benefits to ‘support people back into mainstream life and back into the labour market’.

Further to its December 2011 consultation, Bereavement Benefit for the 21st Century, the government has said that the current system is too complex and out of sync with the needs of bereaved people. For example, some people qualify for a lump sum payout, while others receive regular payments for up to 20 years with no encouragement or support to return to work.

As a result, the government’s proposed reforms, that will come into force for new claimants after the next general election, include replacing the current system of bereavement benefits with a new ‘Bereavement Support Payment’ set at around £9,800 for a bereaved spouse or civil partner with children and £4,300 for those without children. The new payment will be made by way of a lump sum followed by instalments over 12 months (to avoid the ‘risks associated with making a large lump sum payment’), with ongoing financial need addressed through contributory JSA, employment and support allowance or universal credit, depending on circumstances.

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DWP error results in DLA and AA overpayments of £16m

A DWP error has resulted in disability living allowance (DLA) and attendance allowance (AA) worth £16m having been overpaid to claimants of pension age, the government has announced.

In a written ministerial statement on 13 July 2012, Work and Pensions Minister Maria Miller said that a DWP error, in cases where payments of DLA/AA have been combined with pension credit or state pension, has resulted in duplicate payments of DLA or AA worth £16m having been made to approximately 1,600 claimants.

With the rate of duplicate payment varying from £20.55 to £131.50 a week, the Minister said that –

‘... it is clearly right that these cases should now be corrected.’

The Minister added that she would consider making ex gratia payments in a small number of cases where it was ‘inappropriate to withdraw the over provision of benefit’.

The Minister’s written ministerial statement is available from Hansard.
£50 civil penalty for claimant error from 1 October 2012

New regulations have been issued that provide for the introduction of a £50 civil penalty in cases of claimant error.

In force from 1 October 2012, the Social Security (Civil Penalties) Regulations 2012 (SI.No.1990/2012) make provision for the DWP or local authorities to impose a £50 penalty in the event of a claimant –

- making an incorrect statement or representation or negligent giving incorrect information or evidence in connection with a claim for or award of a relevant social security benefit without taking reasonable steps to correct it;
- failing, without reasonable excuse, to provide information or evidence about a claim for or award of a relevant social security benefit in accordance with requirements imposed by an appropriate authority;
- failing, without reasonable excuse, to notify the appropriate authority of a relevant change of circumstances relating to an award of a relevant social security benefit.

In each case, for a penalty to be imposed, the relevant action or failure to take action would have to result in an overpayment of benefit. In addition, where a claimant is found to have failed to disclose information or provides an incorrect statement that may impact against more than one benefit and which could result in more than one overpayment decision, only one civil penalty will apply. Where a civil penalty is imposed it will be added to the overpayment amount, and will be recoverable by the same means as the overpayment.

SI.No.1990/2012 is available from legislation.gov.uk

Atos Healthcare failing ESA assessment target

Atos Healthcare is taking an average of 62.8 days to clear employment and support allowance (ESA) medical assessments against a target of 35 days.

In a written answer to a parliamentary question on 2 July 2012, Minister for Employment Chris Grayling said –

‘The contracted service level is to clear medical assessments within an actual average clearance target of 35 working days …

Atos Healthcare report on performance against that target on a month-by-month basis. The Atos Healthcare average clearance (November 2011 to May 2012) against a target of 35 days is 62.8 days.’

However, Mr Grayling also confirmed that the DWP contractual agreement with Atos Healthcare contains performance service levels (including customer service targets) which also contain financial remedies where there is service level failure, and said that the contractual performance of the company is monitored closely by DWP.

In a further parliamentary written answer on 9 July 2012, Mr Grayling explained the reasons for the assessment delays –

‘In the past year, there has been considerable financial investment in training health care professionals to deliver the Harrington recommendations. However, the intense training period for the introduction of the Personal Summary Statement had an impact upon the head of work. Atos Healthcare’s ability to deliver a service within the actual average clearance target (AACT) was also impacted by the service volumes for this period which were significantly above departmental forecasts; in addition Atos had recruitment demands/challenges. These issues collectively resulted in an increase in the AACT.’

The Minister went on to say that the DWP and Atos Healthcare are ‘now working very closely to improve capacity and productivity’

The Minister for Employment’s written answers on Atos Healthcare are available from Hansard.

Professor Harrington launches year 3 call for evidence on WCA

As part of his third independent review of the work capability assessment (WCA), Professor Harrington has launched a new call for evidence.

Aimed at individuals and organisations who have information relevant to how the WCA is operating and what further changes, if any, are needed to improve the process, the call for evidence will be one of several methods used to gather information during the review, with Professor Harrington’s final report to be laid before Parliament before the end of 2012.

In his foreword to the call for evidence, Professor Harrington says –

‘I am particularly interested in three areas of the WCA process – communications, the face to face assessment and the decision making process.

These are the areas where I think claimants will be experiencing the most change as my first year’s recommendations take effect. I have therefore focused on these areas within the call for evidence and ask you to rate your experience of each … Although the questions are aimed at individuals who are familiar with the process, this does not preclude responses from organisations whose collective knowledge remain a vital part of the call for evidence, and the wider review process.’

The call for evidence period will run until 7 September 2012.

The Work Capability Assessment – Year 3 call for evidence is available at www.dwp.gov.uk/consultations/2012/wca-call-for-evidence.shtml
660,000 claimants to be affected by size criteria restrictions in social rented sector

In an updated impact assessment, Housing Benefit: Under occupation of social housing, the DWP estimates the impacts of a reduction in housing benefit for claimants who are considered to be under occupying social housing (to be introduced from April 2013), including –

- 660,000 claimants will be affected by the change, or 31 per cent of housing benefit claimants in the social rented sector;
- each claimant will see an estimated average reduction in housing benefit of £14 per week;
- the saving to the Treasury will be £930m; and
- 40,000 claimants will ‘float off’ housing benefit altogether.

NB – under the new rules, reductions will be made at two rates depending on the number of bedrooms by which tenants under occupy their home – 14 per cent for one bedroom or 25 per cent for two bedrooms or more.


42 per cent of claimants think that universal credit monthly payments will make it harder to budget

Forty-two per cent of claimants think that the move to monthly payments under universal credit will make it harder to budget.

In new research published by the DWP, Work and the welfare system: a survey of benefits and tax credits recipients, the majority of respondents (55 per cent) felt that the government’s plans to pay all benefits as a single payment would make no difference to them, and 63 per cent said that paying all benefits as a single payment would have no negative impact.

However, when asked about the impact of the plan to pay universal credit monthly, 42 per cent said that the change would make it harder for them to budget, compared to only ten per cent who said this would make it easier for them.

The overwhelming concern was running out of money before the end of the month, and certain groups – including those out of work and in non-working households, younger age groups, those with lower qualifications, single respondents (especially single parents) and social renters – were particularly likely to say that they would find budgeting harder. Other concerns expressed by respondents included that they might not have enough money for unexpected expenses, and that they might be tempted to spend the money immediately on inessential things.

NB – amongst other findings, the research highlights that a majority of the respondents use the internet and a majority would be willing to claim a benefit or tax credit online. Where respondents were not willing to apply online, this could be because of a lack of skills; concerns about making a mistake; perceived cost; concerns about privacy or security; or a general lack of interest. Just under half would need help or support to use an online service, and the most popular type of support was a telephone helpline to resolve online queries.


High Court rules government unlawful in production of child poverty strategy

The High Court ruled, on 17 July 2012, that the government acted unlawfully in its failure to establish a Child Poverty Commission to advise on its child poverty strategy.

In a judicial review brought by the Child Poverty Action Group (CPAG), it was argued that whilst the Child Poverty Act (2010) made ending child poverty by 2020 a legally binding target, the government has failed to produce a national strategy to describe the progress needed to ensure that the 2020 child poverty targets are met.

Responding to the judgment, CPAG Chief Executive Alison Garnham said –

‘We welcome the High Court’s decision that the government has acted unlawfully. With child poverty expected to rise sharply in the coming years as a result of government policies, the weakness of the government’s current child poverty strategy is absolutely clear to everyone.

…The Child Poverty Act was passed two years ago with support from every one of the main parties. We believe it is essential that this and future governments take an evidence-based approach to tackling poverty and are upfront about what difference their policies will make to child poverty numbers – if ministers know their child poverty strategy is going to increase, not reduce, poverty then they need to say so.’

Further information is available from the CPAG website at http://cpag.org.uk/content/child-poverty-act-challenge
Government sets out plans for new child maintenance system

The government has published plans for a new and radically reshaped child maintenance system focused on supporting families to make their own arrangements in the best interests of the children involved.

Setting out plans for the launch of a new ‘Child Maintenance Service’ on 13 July 2012, Work and Pensions Minister Maria Miller said –

‘For too long we’ve had a child maintenance system in this country that fails children, parents and the taxpayer. ... The new system will place a greater emphasis on supporting parents to make their own arrangements which are in the best interests of the children. We are investing in extra support services – including mediation and counselling – to make this happen.

The statutory scheme will still be heavily subsidised for those who are unable to come to their own arrangements, but the changes we are proposing will offer greater fairness to the taxpayer and a financial incentive for parents to work together.’

Key elements of the new arrangements include –

- parents will be supported to make their own maintenance arrangements, with the new Child Maintenance Service only taking on cases where parents cannot agree;
- a system of charging will apply – designed to ‘motivate and create incentives for parental collaboration’ – involving a £20 application fee, the parent paying maintenance being liable for an additional collection fee of 20% on top of each assessed payment, and the parent receiving maintenance having 7% deducted from each payment;
- payments will usually be based on the paying parent’s latest tax-year gross income as reported by HMRC; and
- parents who fail to pay will face additional penalty charges reflecting the cost of enforcement action.

For more information see Government’s radical vision to transform child maintenance system at www.dwp.gov.uk/newsroom/press-releases/2012/jul-2012/dwp077-12.shtml

Government announces major reform of bereavement benefits system

(continued from page 1, column 3)

Announcing the reforms, Work and Pensions Minister Lord Freud said –

‘Losing a spouse or civil partner is a life changing event emotionally, socially and economically – so it’s really important that we offer immediate financial support to people whilst they readjust. But the current system can lead some people into a lifetime of dependency. We have, in consultation with wider groups, looked at the rules again and taken the view that future claimants of bereavement benefits should be supported back into mainstream life and helped back into the labour market after a time of recovery.’


Return to work benefits to be abolished

The In-work credit, Return-to-work credit and Job grant are to be abolished, the government has announced.

The In-work credit is currently paid for up to 52 weeks to lone parents who have been on benefits for at least a year when they start work; the Return-to-work credit is paid, again for up to 52 weeks, to claimants with a health condition or disability who have been on benefits for at least 13 weeks when they start work; and the Job Grant is a one-off payment of £100 or £250 made to eligible claimants who have been on benefits for at least 26 weeks.

However, in a written ministerial statement on 12 July 2012, Work and Pensions Minister Maria Miller said that in the context of the in-work support to be delivered through universal credit –

‘... we do not believe that cash payments based solely on the amount of time a person has spent on benefit regardless of actual need make sense.’

As a result the three payments will start to be phased out for new benefit claimants from October 2012, the Minister said, adding that acting ahead of the introduction of universal credit will –

‘... aid a smoother migration into the new system.’

The Minister’s written ministerial statement is available from Hansard.

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