Introduction of fixed period sanctions for jobseeker’s allowance from 22 October 2012

New regulations have been issued in relation to the introduction of fixed period sanctions for jobseeker’s allowance (JSA).

In force from 22 October 2012, the Jobseeker’s Allowance (Sanctions) (Amendment) Regulations 2012 (SI. No.2568/2012) introduce a new three-tier regime of fixed period sanctions –

- higher level sanctions (for example for leaving a job voluntarily, or through misconduct, or failing to take up a job or mandatory work activity) which will lead to claimants losing all of their JSA for a fixed period of 13 weeks for a first failure, 26 weeks for a second failure and 156 weeks for a third and subsequent failure (within a 52 week period of their last failure);

- intermediate level sanctions of four weeks for a first failure, rising to 13 weeks for a second or subsequent failures (within a 52 week period of their last failure) to be applied following a period of disallowance for not actively seeking employment or not being available for work; and

- lower level sanctions (for example for failing to attend an adviser interview) which will lead to claimants losing all of their JSA for a fixed period of four weeks for the first failure, followed by 13 weeks for subsequent failures (within a 52 week period of their last failure).

(continued on page 4, column 3)

Chancellor and Work and Pensions Secretary agree further £10bn of welfare cuts

Chancellor George Osborne has confirmed that the government will make cuts to the welfare budget of £10bn – on top of the £18bn already announced – by the first full year of the next parliament, with the focus to be on changes to uprating, cuts to housing benefit for young people and a cut in support for those who have children whilst on benefit.

In his speech to October’s Conservative Party conference, the Chancellor said that he and Secretary of State for Work and Pensions Iain Duncan Smith had agreed to find the £10bn of welfare cuts at the same time as introducing universal credit, because –

‘... it’s not just about the money – it comes back to fairness and enterprise. For how can we justify the incomes of those out of work rising faster than the incomes of those in work? How can we justify giving flats to young people who have never worked, when working people twice their age are still living with their parents because they can’t afford their first home? How can we justify a system where people in work have to consider the full financial costs of having another child, whilst those who are out of work don’t?’

(continued on page 3 column 1)

Cancer treatment and the ESA support group

The DWP is to expand categories of cancer treatment under which claimants can be placed in the employment and support allowance (ESA) support group.

In Work Capability Assessment – Government response to an informal consultation on accounting for the effects of cancer treatments, published on 17 September 2012, the DWP says that, as a result of evidence provided by the cancer charity Macmillan, it has developed proposals to expand the categories of cancer treatments under which a claimant may be treated as having limited capability for work related activity to include individuals who are –

- awaiting, receiving or recovering from treatment by way of oral chemotherapy, except when that therapy is continuous for a period of more than six months;

- awaiting, receiving or recovering from combined chemotherapy and radiotherapy;

- awaiting, receiving or recovering from radiotherapy in the treatment of cancer in the following sites: head and neck; brain; lung; gastro-intestinal; and pelvic.

(continued on page 3 column 2)
Nearly half of councils plan to ask for minimum council tax payment of about 20 per cent

Nearly half of councils are planning to ask working age households for a minimum council tax payment of about 20 per cent, according to the New Policy Institute (NPI).

In ‘Localising council tax support – a briefing on local authorities’ plans’ the NPI highlights that council tax benefit is to be abolished and replaced by localised schemes of council tax support from April 2013, with an overall 10 per cent cut in expenditure and the requirement that pensioners receive the same as now.

However, the NPI says that, as just under half of council tax benefit is awarded to pensioners, the 10 per cent overall cut in support is estimated to turn into a 19 per cent cut in the support available for working age recipients in England and that, in areas with a high proportion of pensioners, the cut can be as high as 33 per cent.

The NPI goes on to set out the result of a survey of 64 local authority proposals for localised support (taken from the rightsnet ‘localising support for council tax’ toolkit resource) and finds that ‘by far the most significant’ option – suggested by 48 per cent of councils – is to ask all working-age adults, however low their income, to pay a minimum amount of council tax, typically 20 per cent of what would be the normal amount for their home.

The NPI also notes that this represents the return of one of the principles of the community charge (or poll tax) which was the basis for local taxation in England for three years from 1990 to 1992.

‘Localising council tax support – a briefing on local authorities’ plans’ is available from npi.org.uk.

New financial products to help claimants budget under universal credit

The government is seeking new financial products to help claimants budget under universal credit.

The DWP says that it is calling for a range of suppliers to explore the feasibility of new financial products to help benefit claimants budget and manage their money as they move to the new benefit, and that it expects interest from a wide range of financial providers, including high street banks, mobile phone operators and pre-pay card providers.

The DWP also says that any potential new accounts must have a series of essential features, including –

• support for claimants to budget and manage their money;
• regular payments for housing and other main bills;
• options for multiple income streams from work and benefits;
• access to all claimants, irrespective of credit history;
• options to build up a credit rating; and

availability to people once they have moved off universal credit.

Announcing the new initiative, which has a budget of £145m, Minister for Welfare Reform Lord Freud said –

‘Accounts that provide people with extra budgeting services could help to ensure people’s essential bills are covered – helping them to build up their credit rating and break the cycle of financial exclusion.

We are anticipating the call for new financial products may open up a new market place, where competition is strong. And we are looking for a range of diverse providers to step forward to express an interest, as we work towards the introduction of universal credit in October 2013.’


Legal aid in welfare benefit cases where tribunal identifies error of law in its own decision

The Ministry of Justice is to provide legal aid in welfare benefit cases where a tribunal identifies an error of law in its own decision.

In a written statement to parliament on 18 September 2012, the Under-Secretary of State for Justice, Jeremy Wright, highlighted that, during the House of Commons consideration of the House of Lords amendments stage of the Legal Aid, Sentencing and Punishment of Offenders Bill, the government undertook to consider whether to extend legal aid for advice and assistance to welfare benefits cases in the first-tier tribunal where an independent person had identified that the case involved a point of law.

However, Mr Wright said that, whilst the government considered that a system of independent verification was not feasible, it has decided to make legal aid in the form of advice and assistance available for those welfare benefit cases in the first-tier tribunal where the first-tier tribunal had itself identified an error of law in its own decision.

Mr Wright also said that the Legal Services Commission intends to begin a tender for welfare benefits work in 2013 to cover the tribunal work described above and advice and assistance for onward appeals on a point of law in the Upper Tribunal, Court of Appeal and Supreme Court.

(continued on page 4, column 3)
DWP announces twelve local authority led universal credit pilots

T
he DWP has announced twelve local authority led universal credit pilots. The twelve areas are –

• Bath and North East Somerset Council;
• Birmingham City Council;
• Caerphilly County Borough Council;
• Dumfries and Galloway Council;
• London Borough of Lewisham;
• Melton and Rushcliffe Borough Councils (as a partnership);
• Newport City Council;
• North Dorset District Council;
• North Lanarkshire Council;
• Oxford City Council;
• West Dunbartonshire Council; and
• West Lindsey District Council.

The DWP says that, whilst universal credit has been designed as an online service, it understands that some people may still need face-to-face support, and that the pilots will examine how councils can help to provide these services and how face-to-face services can help people to become digitally independent.

In addition, the DWP advises that two further pilots by Oldham Council and Wigan Council will be run as part of the Pathfinder preparations.

Welcoming the announcement, Minister for Welfare Reform Lord Freud said –

'We know some people will need support when they first claim universal credit and these projects will highlight how councils can use their local expertise to help residents.

Helping people to claim online can combat social exclusion; getting online can improve people's job-seeking skills and help people get ready for the modern workplace as well as giving them the ability to shop, bank or use many internet services for the first time.'

For more information, see the DWP news release ‘Freud announces successful Local Authority led Universal Credit pilots’ at www.dwp.gov.uk/newsroom/press-releases/2012/aug-2012/dwp095-12.shtml

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Chancellor confirms further £10bn in welfare cuts

In addition, Work and Pensions Secretary Ian Duncan Smith told the conference –

'Despite all of the progress we’ve made in the last two years, there is still much to do. We will have reduced welfare bills by £18 billion at the time of the next election and reformed welfare so it will be more effective. Early action to cut spending has helped reduce the deficit by a quarter, but with the rest of Europe and the USA in trouble, its small wonder the UK economy isn’t growing as we had hoped. George Osborne and I recognise this means we will have to make further savings in the welfare budget, but as we save we are agreed we must relentlessly focus what we do on transforming lives.'

The Chancellor’s and the Work and Pensions Secretary’s speeches to the Conservative Party conference are available from cpc.12.org.uk

Cancer treatment and the ESA support group

The DWP says that, in such cases, a face to face assessment would not generally be needed, with the presumption being that individuals undergoing the above cancer treatments should be in the support group, subject to the receipt of evidence provided by the individual’s consultant, GP or, if appropriate, their specialist cancer nurse.

NB – at present, only those cancer patients who are receiving (or are likely to receive within six months or are recovering from) non-oral chemotherapy are treated as having limited capability for work related activity.


Lord Freud announces four pilots to test Single Fraud Investigation Service

L
ord Freud has announced that there will be four pilots to test the new Single Fraud Investigation Service.

Speaking at the Institute of Revenues, Rating and Valuation conference on 4 October 2012, Lord Freud told delegates that different branches of government will work together with common goals under the new Service, and that –

‘Investigators fighting against fraud will be able to work far more closely – so they can investigate fraudulent benefits claims in their entirety.

The new model will see teams across HMRC, DWP and local authorities operating with the same procedures when investigating all benefit fraud. This will help them to carry out single investigations from start to finish.

We will also look at how the Single Investigation Service can work in partnership with other fraud teams – for example when a housing fraud leads to the uncovering of a living together fraud or a criminal gang exploiting the benefits system wholesale.

This will save the countless hours spent working across different branches of government as we try to nail these criminals.’

Lord Freud went on to announce that there will be four pilots to test the model for the single service –

• Corby Borough Council;
• Glasgow City Council;
• London Borough of Hillingdon; and
• Wrexham Council.

Lord Freud’s speech to the IRRV conference is available at www.dwp.gov.uk/newsroom/ministers-speeches/2012/04-10-12.shtml
Housing costs for supported accommodation to be provided outside universal credit

The DWP has confirmed that help towards the housing costs of those living in supported exempt accommodation will be provided outside of universal credit.

In a General Information Bulletin, HB/CTB G9/2012, the DWP advises that –

‘Having listened to representations on the issue of help towards housing costs for those living in supported accommodation, it has been announced that this will be provided outside universal credit. DWP wants to continue to provide a flexible system to help meet the higher costs often associated with providing supported accommodation.’

In addition, in a letter to the Social Security Advisory Committee (SSAC) dated 21 September 2012 (concerning the Committee’s recommendations on the draft universal credit regulations), the DWP said –

‘...we are referring to the group defined as being in ‘exempt’ supported accommodation as currently set out in DWP legislation i.e. a resettlement place; or accommodation provided by a county council, housing association registered charity or voluntary organisation where that body or person acting on their behalf provides the claimant with care, support or supervision. In the short term this help will be delivered broadly as now through local authorities under existing DWP legislation. People in supported accommodation will still be able to claim and receive universal credit but housing costs will be provided separately. For the longer term we are exploring the feasibility of a localised funding system.’


Legal aid in welfare benefit cases where tribunal identifies error of law in its own decision

(continued from page 2, column 3)

In addition, Mr Wright highlighted that existing welfare benefit contracts are due to expire in March 2013, but said that ‘in order to ensure that advice and assistance will be provided for welfare benefit cases within the scope of legal aid’, the government will put in place appropriate interim measures from April 2013.

Mr Wright’s statement on legal aid in welfare benefit cases is available from Hansard.