Carer’s allowance earnings threshold to be raised to £110 in April 2015

The carer’s allowance earnings threshold is to be raised to £110 in April 2015.

Announcing the increase from the current rate of £102, Deputy Prime Minister Nick Clegg said –

‘Carers are the lifeblood of the welfare system, and are vitally important to British society as a whole. It is important that we help people where they have made the choice to concentrate on caring for someone who is severely disabled, and I am delighted to be able to announce some extra help for those who provide such often thankless service.’

In addition, Social Care Minister Norman Lamb said –

‘As the economy begins to recover and we raise the National Minimum Wage to help families on low incomes, it is right that the support we give carers keeps pace. So we have moved to make sure that the support we give to people who carry out valuable work caring for relatives and friends does so. This significant rise in the earnings threshold provides that reassurance.’


Iain Duncan Smith confirms national expansion of universal credit in 2015/2016

Secretary of State for Work and Pensions Iain Duncan Smith has confirmed the national expansion of universal credit in 2015/2016.

In a written statement to parliament on 14 October 2014, Mr Duncan Smith said –

‘Universal credit claims are now taken in over 50 jobcentres and will be available in nearly 100 jobcentres by Christmas – more than one in eight across Great Britain.

We have increased the groups who can claim universal credit to include couples and, from this autumn, we will extend this further to include families in the north-west.

Now national expansion will progress from February 2015 to all

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Government agrees to reconsider decision to cease funding for local welfare provision

The government has agreed to reconsider its decision to cease funding for local welfare provision with effect from 2015/2016.

Following intervention from the Child Poverty Action Group (CPAG) in a judicial review challenge – R (Christian Jump) v (1) Secretary of State for Work and Pensions and (2) Secretary of State for Communities and Local Government – the DWP, the Department for Communities and Local Government and the Treasury are now required by a Consent Order (CO/1838/2014) to –

• complete the ongoing review of local welfare provision;
• conduct an ‘appropriate’ consultation;
• consider the impact on equality and discrimination; and
• make a new decision on funding for local welfare provision for 2015/2016.

(continued at foot of page 2)
Income support right to reside following European Court judgment

The DWP has issued new guidance on the right to reside for income support following the judgment of the Court of Justice of the European Union (CJEU) in Saint Prix v Secretary of State for Work and Pensions.

In DMG Memo 25/14, published on 13 October 2014, the DWP highlights that, in a judgment dated 19 June 2014, the CJEU held that –

‘Article 45 of the Treaty on the Functioning of the European Union must be interpreted as meaning that a woman who gives up work, or seeking work, because of the physical constraints of the late stages of pregnancy and the aftermath of childbirth retains the status of “worker”, within the meaning of that article, provided she returns to work or finds another job within a reasonable period after the birth of her child.’ (paragraph 48)

The DWP says that the judgment applies to new income support claims from pregnant women who give up work, and that it takes effect from the date that the judgment was delivered.

The guidance confirms that an award of income support may be made for up to 26 weeks, commencing 11 weeks before the expected date of confinement and ending 15 weeks after, although a shorter award period may be relevant if the claim is made closer to the expected date of confinement.

The guidance goes on to give examples of how the judgment is to be put into effect and provides advice on dealing with complex cases, entitlement to statutory maternity pay or maternity allowance and self-employment.

DMG 25/14 is available from gov.uk.

Joseph Rowntree Foundation highlights concerns around unintended consequences of benefit sanctions

Benefit sanctions are having a disproportionate effect on particular groups, the Joseph Rowntree Foundation has said in a new paper that examines the efficacy and ethicality of conditional forms of welfare.

The paper – that considers existing evidence about how effective welfare conditionality is at achieving and sustaining desired forms of behavioural change; what the impacts are; how different groups fare; and to what extent welfare conditionality can be morally justified – notes that sanctions are now used much more frequently within the welfare benefits system, and that the severity of sanctions has increased and conditionality is now applied to previously exempt groups.

In addition, whilst the paper says that sanction-backed conditionality regimes do seem to reduce benefit use by both lowering benefit take-up and speeding up benefit exit, it says that concerns remain about the destinations of those who exit benefits, and in particular about whether increasing numbers are becoming ‘disconnected’ from both work and welfare –

‘There is some European evidence (though little that is UK-specific) that benefit sanctions can shorten periods of unemployment and raise short-term job entry rates, but the evidence available on their longer-term impacts is much more limited, and on balance negative, suggesting that benefit sanctions may lower the likelihood of sustainable employment and incomes over time. Moreover, the current evidence base does not enable one to untangle the relative impacts of the job search conditions themselves, the sanctions regime that enforces them, and any accompanying forms of support.’

The Joseph Rowntree Foundation also finds that benefit sanctions are disproportionately affecting particular groups, including young people under 25, homeless people and other vulnerable groups, and also that conditionality can have unintended consequences, including distancing people from support; causing hardship and destitution; displacing rather than resolving issues such as street homelessness and anti-social behaviour; and negative impacts on ‘third parties, particularly children.


Government agrees to reconsider decision to cease funding for local welfare provision

(continued from page 1, foot of column 3)

The above steps must be completed by the time of the provisional local finance settlement in December 2014.

Commenting on the decision, CPAG’s chief executive, Alison Garnham, said –

‘We welcome that the government has recognised the importance of local welfare assistance schemes and has committed to undertake a thorough review and consultation before deciding how the schemes will be funded in future.

Those who use these schemes are amongst the most vulnerable in society and the support they receive plays a key role in crisis prevention. Their needs must be the principal driver of government decision making.

Our social security system has long recognised that those on low incomes cannot manage one-off, unexpected costs. This funding enables families to flee domestic violence and avoid homelessness, young people to set up home after leaving institutions, and disabled people to buy items to help with independent living.

Local welfare assistance schemes are the final safety net in our social security system. We look forward to working with the government to help find the most effective way of protecting our poorest families.’

For further information and a copy of CPAG’s submissions and evidence see Saving the safety net – Judicial review against funding cut for Local Welfare Assistance Schemes – CPAG intervention which is available from www.cpag.org.uk/content/lwas-intervention.
DWP issues summaries of bedroom tax decisions that are binding on local authorities

The DWP has issued new guidance to local authorities notifying them of a number of bedroom tax decisions that have been heard by the Upper Tribunal in Scotland and advising them that they provide binding case law which must be followed by local authorities and First-tier Tribunals in Great Britain.

In HB Bulletin U4/2014, published on 26 September 2014, the DWP summarises four Scottish Upper Tribunal decisions relating to the bedroom tax –

- CSH/188/2014 – this case relates to a couple living in a two bedroom property who argued that due to the claimant’s disabilities her husband required a bedroom of his own which the First-tier Tribunal had accepted. The Judge followed R (on the application of) MA & Others v Secretary of State for Work and Pensions (MA & Others) and upheld the Secretary of State’s appeal that they were not entitled to two bedrooms;

- CSH/372/2014 and CSH/374/2014 – these cases both related to a single claimant who argued that the legislation was discriminatory on the grounds of disability in terms of the Equality Act 2010. The First-tier Tribunal had found that the under-occupation reduction in housing benefit was correct and the Upper Tribunal confirmed this, again following MA & Others;

- CSH/589/2014 – this case relates to a single claimant where the First-tier Tribunal accepted the claimant’s argument that the third bedroom in her house was used as an extension to her own room as due to her disability she required extra space to get dressed and also to store medication and medical notes in a locked cupboard. The Upper Tribunal found that the First-tier Tribunal had erred by not applying the correct test for justification of discrimination in a case relating to the payment of state benefits and that MA & Others had not been followed; and

- CSH/377/2013 – this case relates to a single claimant whose son stayed with him for three nights per week but lived with his mother the rest of the time. The claimant relied on the argument that Article 8 of European Convention of Human Rights (Protection of Home and Family Life) obliged the local authority to apply regulation 20 of the Housing Benefit Regulations 2006 so as to treat him as responsible for his son with the result that there should not be an under-occupancy reduction. The First-tier Tribunal refused the claimant’s appeal and the Upper Tribunal found that, taking into account that discretionary housing payments were meeting the shortfall, there was no interference of any gravity with the claimant’s Article 8 right or that of his son.

The updated ‘Timetable for PIP replacing DLA’ is available from www.gov.uk.

DWP confirms details of further roll out of personal independence payment

Personal independence payment (PIP) is to be rolled out next month to existing DLA claimants in four additional areas, the DWP has confirmed.

From 17 November 2014, existing DLA claimants in areas with postcodes beginning CH (Chester); HD (Huddersfield); L (Liverpool); and M (Manchester) will be ‘invited’ to claim PIP if –

- their fixed term award is due to expire;
- the Department receives information about a change in their care or mobility needs;
- the claimant turns 16; or
- the claimant wishes to make a PIP claim.


Increase in number of waiting days for JSA and ESA from three to seven

New regulations have been published in relation to an increase in the number of waiting days for jobseeker’s allowance (JSA) and employment and support allowance (ESA).

In force from 27 October 2014, the Social Security (Jobseeker’s Allowance and Employment and Support Allowance) (Waiting Days) Amendment Regulations 2014 (SI. No.2309/2014) amend the Jobseeker’s Allowance Regulations 1996, the Jobseeker’s Allowance Regulations 2013 and the Employment and Support Allowance Regulations 2008 so as to increase from three to seven the number of waiting days which apply before a person may be entitled to JSA or ESA.

The regulations also include transitional provisions to ensure that the amendments do not apply where the waiting period in question began before 27 October 2014.

NB – the explanatory memorandum to the regulations states that –

‘A full public consultation on the increase to waiting days in JSA and ESA has not been undertaken’ –

- but that the proposals were instead subject to statutory formal consideration by the Social Security Advisory Committee. However, whilst most respondents to the Committee’s consultation exercise had concerns about the potential hardship that may be caused to claimants in vulnerable circumstances, the memorandum advises that the Secretary of State has decided –

‘... to proceed with the regulations, judging that the potential risks of the policy were outweighed by the benefits that could be derived to claimants from re-investment of the financial savings.’

SI.No.2309/2014 is available from legislation.gov.uk.
Iain Duncan Smith confirms national expansion of universal credit in 2015/2016

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remaining jobcentres and local authorities for new single claimants previously eligible for jobseeker’s allowance, including those with existing housing benefit and tax credit claims.’

In addition, Mr Duncan Smith confirmed that –

- the DWP is now trialling key aspects of ‘universal support’ – delivered locally in 11 partnership areas across Great Britain to inform future delivery – these include triaging household needs to tailor ‘personalised integrated services’, and the sharing of data, skills and estate to support more households into work;

- the DWP will put in place funded delivery partnership agreements between Jobcentre Plus and local authorities to make available more support for those who need extra help, including developing ‘co-commissioning capability’ as it establishes personal budgeting support in all local communities through expansion;

- through national expansion the DWP will establish partnerships to help households progress into work as it develops universal support – building on the Local Support Services Framework – ensuring ‘effective integrated services’ are established locally ahead of expansion to all claimant groups from 2016 as legacy benefit systems close to new claims;

- universal credit work coaches will engage with all households at their work search interviews to assess financial capability, referring to co-commissioned personal budgeting support for advice as appropriate; and identifying if an alternative payment arrangement is necessary for the housing element of universal credit;

- in-work progression pilots will be extended to help households increase their earnings once they have found work – these trials are to ensure the DWP develops its approach further based on evidence as it progresses universal credit ‘labour market transformation’, working in partnership with local authorities, employers, colleges and other partners to boost in-work support and progression;

- the DWP will build smarter ‘segmentation capability’ for work coaches, including via enhanced digital channels, to maximise the impact and efficiency of early interventions for those who need extra support; and

- the DWP will commence testing an ‘enhanced digital service’ for universal credit later this year for the full scope of universal credit households in a limited local area.

Mr Duncan Smith also confirmed that the plan for universal credit has been assured by the Major Projects Authority and signed off by HM Treasury, and that –

‘The Department will personalise support to maximise flows into work as more households move onto universal credit as legacy benefits close to new claims from 2016. This establishes the universal credit service across Great Britain, complete by 2017, with the case load continuing to build naturally thereafter.

We will keep all longer-term plans under review as we progress universal credit based on our test and learn approach, securing long-term transformation of the welfare state and UK labour market in a safe and secure way.’

Mr Duncan Smith’s written statement to parliament is available from Hansard.

Cuts in council tax support lead to increased council tax arrears and court costs

Council tax arrears and court costs have increased most in areas where the level of council tax support has been cut the most.

New research carried out by the New Policy Institute and funded by the Joseph Rowntree Foundation shows that, whilst English local authorities collected £1bn more in council tax during 2013/2014 than they had the previous year, council tax arrears rose by £135 million (20 per cent) to £683m and court and administration costs rose by £24 million (11 per cent) to £233 million. Further, the overall council tax collection rate has fallen by 0.4 per cent – only the second fall since council tax was introduced 20 years ago.

Demonstrating that the level of increase was clearly linked to the level of minimum payment the research highlights –

- arrears increased by at least a quarter in 84 per cent of councils with a high minimum payment, compared with 32 per cent of councils with a low minimum payment;

- court and administration costs increased in 40 per cent of councils with no minimum payment compared to in 64 per cent of councils with a minimum payment and in 73 per cent of councils with a high minimum payment; and

- the collection rate fell in 15 per cent of councils that introduced low minimum payments and in 63 per cent of councils with high minimum payments.


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