New local support services partnerships to prepare for universal credit

On 10 July 2014 Lord Freud announced the 11 new local support services partnerships that have successfully bid to help claimants prepare for universal credit.

Speaking at the Local Government Association conference, Lord Freud said –

‘Through universal credit we are empowering people to escape the benefits trap. But we know that for some vulnerable people additional support is needed to help them manage their lives to prepare for the transition into work. That is why today we are announcing the next steps for trialling local support, delivered in partnership with local authorities to support those with more complex needs.

The successful bidders, announced today, will prepare claimants for universal credit by offering tailored local support to budget, access housing support and promote digital inclusion.’

Help provided by the local authorities, supported by third sector organisations, voluntary groups or social landlords, will include –

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In a new judgment, the High Court has ruled that a two year residency rule in a local authority’s council tax reduction (CTR) scheme is unlawful.

In a case taken by Child Poverty Action Group (CPAG), Winder & Ors, R (on the application of) v Sandwell MBC and The Equality and Human Rights Commission [2014] EWHC 2617 (Admin), it was argued that a policy by Sandwell Council that excluded anyone from claiming a reduction in their council tax unless they had lived continuously in the borough for at least two years regardless of their ability to pay was unlawful on six grounds –

- the Council did not have the power to impose the residence requirement because section 13A(2)(b) of the Local Government Finance Act 1992 restricts the criteria by which classes for council tax reduction can be defined to financial;
- the Council had failed to take into account material considerations, notably the Secretary of State’s policy objectives and the wider consequences of other authorities adopting a similar requirement;
- there was a fundamental requirement to consult on the policy and the Council had failed to do this;
- the residency requirement was a barrier to free movement as it disproportionately affects people wishing to exercise EU free movement rights, and is therefore an unlawful obstacle to freedom of movement;
- the residency requirement is indirectly discriminatory against non-British people and women and that discrimination is unjustified; and
- the public sector equality duty under section 149 of the Equality Act 2010 was engaged; but the Council failed to conduct any equality impact assessment on the requirement, or address at all the characteristics protected by the Equality Act and affected by the requirement.

In both giving permission to proceed and allowing the claim, Judge Hickinbottom concurred on all six grounds.

Following the hearing, CPAG highlighted that, not only should the 3,600 people in Sandwell who have been refused a council tax reduction on residency grounds be entitled to claim their money back, but also other councils who have adopted minimum residence rules will have to review their policies.

NB – Since the judgment both Basildon and Tendring councils have suspended their ‘residency tests’.

For further information, see CPAG’s press release Council’s tax policy ruled unlawful for penalising the poor from cpag.org.uk

59 per cent of tenants fail to make up bedroom tax shortfall

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- landlords reported that, five months into the bedroom tax, 41 per cent of tenants had paid the full bedroom tax shortfall, 39 per cent had paid some and 20 per cent had paid none;
- rent arrears rose by 16 per cent (although it was not clear that this was attributable to the bedroom tax);
- a quarter of claimants (26 per cent) said they had borrowed money, mostly from family and friends; three per cent had borrowed on a credit card; and three per cent taken payday loans;
- there was widespread concern that those who were paying were making cuts to other household essentials or incurring other debts in order to pay the rent; and
- landlords stated that they will eventually evict bedroom tax affected non-payers and many landlords expressed concern that collecting rent from people who can’t afford to pay whilst in their current circumstances is damaging relations between landlords and tenants.

The report Evaluation of Removal of the Spare Room Subsidy: Interim report is available from gov.uk

Transfer of Child Support Agency clients to Child Maintenance Service

The DWP has set out details of the transfer of Child Support Agency (CSA) clients to the Child Maintenance Service.

In the July 2014 edition of its Touchbase magazine, the DWP says that the changes will take place between 2014 and 2017 and that, from July 2014, the CSA will begin writing to clients to let them know that the child maintenance arrangements they currently have will be ending.

In addition, the DWP says that the CSA will give parents six months notice of when their individual arrangements will change and that, when their CSA arrangements end, parents will have the option to –

- make a family-based arrangement where they agree between themselves what to pay and when; or
- make an application to the Child Maintenance Service if they cannot come to an agreement themselves.

The DWP also says that –

- there will be no charges for existing cases that are still being managed by the CSA but, from 30 June 2014, an application fee of £20 will apply for new clients who ask the Child Maintenance Service to make child maintenance arrangements for them;
- where parents are unable to reach an agreement on payments, the Child Maintenance Service will collect and pay the amount that is due and will charge fees of 20 per cent of the maintenance amount for the paying parent and four per cent for the person who receives it; and
- the Child Maintenance Service will be introducing a range of charges for parents who do not pay in full or on time.

The July 2014 edition of Touchbase is available from gov.uk
to be taken of where they are on the spectrum of readiness for work, given the wide range of conditions and disabilities which the WRAG encompasses, and the different impacts these have on an individual claimant’s functional capacity.

The descriptors used in the work capability assessment (WCA) process should also be reviewed as part of the redesign, as concerns about their effectiveness, and the way they are applied, remain, despite the recent review commissioned by DWP."

Acknowledging that the redesign will take some time, the committee makes a number of recommendations for changes in the shorter-term to ensure better outcomes and an improved service for claimants. These include –

- the DWP taking overall responsibility for the end-to-end ESA claims process;
- the DWP deciding whether supporting evidence on the impact of a claimant’s condition or disability on their functional capability is needed and, crucially, proactively seeking it from the most appropriate professionals;
- greater use of paper-based assessments to place people in the support group;
- unnecessary reassessments should be avoided, and decisions on reassessment intervals should be made in the best interests of claimants and be a good use of public funds;
- an acknowledgement that the descriptors used to assess functional capability in the WCA are imperfect; accompanied by a more sensitive and common-sense application of them in the WCA and benefit decisions; and
- clearer communication with claimants throughout the process.

Finally, in respect of the mandatory reconsideration and appeals process, the committee recommends that –

- there should be a target time for the DWP to carry out mandatory reconsideration;
- claimants should be eligible for assessment rate ESA during the mandatory reconsideration process; and
- feedback from appeals should be used to improve the initial decision-making process, and shared with the new provider of the face-to-face assessment process to evaluate how assessments could be improved.

NB – in reference to the role of Atos in the WCA process, Dame Anne Begg, chair of the committee, highlights that, while Atos has become a ‘lightning rod for all the negativity’, just putting a new private provider in place will not address the problems with ESA and the WCA on its own.

Work and Pensions Committee – First Report – Employment and Support Allowance and Work Capability Assessments is available from parliament.uk

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- referring claimants from jobcentres to a hub of local services to support the most vulnerable throughout their journey;
- setting up a network of mentors and providing coaching to claimants to help them manage their finances online;
- improving access to debt management advice and to local credit unions; and
- support around accessing housing options and drug and alcohol treatment.

The 11 local authorities, or groups of local authorities, that have been chosen to deliver support are –

- Derby City;
- Islington;
- South Staffordshire;
- West Lindsey;
- Argyll and Bute;
- Dundee City;
- Blaenau Gwent;
- Carmarthenshire;
- Lambeth, Lewisham and Southwark;
- Northumberland and South Tyneside; and
- Westminster and the Royal Borough of Kensington and Chelsea.

Changes to pensionable age

The DWP has issued new guidance in relation to regulations that bring forward the date from which pensionable age is a person’s 67th birthday.

The guidance – DMG Memo 18/14 – advises that the change is being introduced from 14 July 2014 by the Pensions Act 2014, and means that pensionable age is –

- the 66th birthday for a person born after 5 October 1954 but before 6 April 1960; and
- the 67th birthday for a person born after 5 March 1961 but before 6 April 1977.

NB – for those born between 6 April 1960 and 5 March 1961 inclusive, the DWP advises that pensionable age is linked to their date of birth, but that there is ‘no common pensionable age for those born within a specified period’. Details of pensionable age for those in this group is included in an appendix to the memo.

DMG Memo 18/14 is available from.gov.uk

Roll-out of universal credit to couples

New regulations have been issued in relation to the roll-out of universal credit (UC) to couples.

For claims made on or after 28 July 2014, the Welfare Reform Act 2012 (Commencement No. 9, 11, 13, 14, 16 and 17 and Transitional and Transitory Provisions (Amendment) (No. 2)) Order 2014 (SI.No. 1923/2014) removes the condition that a claimant must be a single person in order for the UC provisions to come into force.

This means that the UC provisions will now come into force where a claim is made by members of a couple, where each member meets the remaining gateway conditions and the couple resides in any area where UC is live.

NB – Couples who meet the gateway conditions have been able to claim UC in Hammersmith, Bath, Rugby, Harrogate and Inverness since 30 June 2014.
Improvements needed to sanctions system, finds DWP-commissioned review

A DWP-commissioned review, published on 22 July 2014, has found that improvements are needed to the sanctions system, particularly for vulnerable claimants.

In his foreword to the Independent review of the operation of Jobseeker’s Allowance sanctions validated by the Jobseekers Act 2013 – which considers benefit sanctions for jobseeker’s allowance claimants who have been sanctioned after being referred to a mandatory back to work scheme – the author of the review, Matthew Oakley says –

‘My review was tasked with assessing whether the current system is functioning as it should. While I found that the system is not fundamentally broken, there are a number of areas where improvements need to be made, particularly for more vulnerable individuals.’

Mr Oakley goes on to outline areas of particular concern and gives recommendations as to how these should be addressed, including –

• letters about sanctions –
  ‘Clear written communication through letters is essential, given the prevalence and legal basis of this means of communicating with claimants. However, letters were, on the whole, found to be complex and difficult to understand.’

• sanctions referrals from work programme providers –
  ‘A very high proportion of referrals for sanctions from mandatory back to work schemes are subsequently cancelled or judged to be non-adverse. A potentially large driver of this is that providers of mandatory schemes are unable to make legal decisions regarding good reason … To address this, the Department should ensure that providers are, in some circumstances, able to accept good reason.’

• claimants understanding of ‘good reason’ and where sanctions decisions originate from –
  ‘… claimants either do not understand the good reason process or they do not realise the significance of it. Given the importance of claimants being able to give good reason, this is obviously concerning. Problems in this area can also lead to a costly process for the Department as claimants subsequently appeal decisions and provide good reason they could have provided earlier.

Another related problem is that claimants can be unaware of where sanctions referrals originated from and who to speak to about them. This can result in claimants’ concerns and queries being passed ‘from pillar to post’ with little hope of resolution. The main driver of this was identified as a lack of information sharing.’

• sanctions not being notified –
  ‘A number of respondents expressed concerns that the first that claimants knew of adverse decisions was when they tried to get their benefit payment out of a cash point but could not. The Department should work to ensure that, as a general principle, claimants are clearly informed that they will be sanctioned before their benefits are affected.’

The independent review and the government’s response are available from gov.uk

Pilot scheme for full-time mandatory attendance at jobcentres

New regulations have been issued in relation to a pilot scheme for the full-time mandatory attendance of selected claimants at jobcentres.

In force from 18 July 2014, the Jobseeker’s Allowance (Supervised Jobsearch Pilot Scheme) Regulations 2014 (SI.No.1013/2014) introduce the Supervised Jobsearch Pilot scheme under which claimants will be mandated to attend jobcentres on a full-time basis to receive support and supervision to look for work and improve their jobsearching and application skills.

In particular, the regulations –

• provide the Secretary of State with the power to select and mandate claimants to participate in the pilot scheme for a period of up to 13 weeks;

• set out the information that must be provided to claimants participating in the scheme;

• set out the circumstances in which the requirement to participate ceases or is suspended; and

• make provision for contracting out certain functions of the Secretary of State under the regulations.

NB – the pilot scheme will operate until 30 April 2015. SI.No.1013/2014 is available from legislation.gov.uk