Sir Richard was giving evidence to the Commons Public Accounts Committee in relation to the recent National Audit Office (NAO) report “Getting it right, putting it right: Improving decision-making and appeals in social security benefits.” The report found that the DWP could save £8 million a year on administering Jobcentre Plus benefits and Disability Living Allowance if it could get more decisions right or put them right without the need for costly appeals.

Indeed the NAO identified that more than a fifth of the thousands of decisions that the DWP make each day contain errors. In addition it highlighted that it takes on average 26 weeks to finalise an appeal (despite the Appeals Service and Social Security Commissioners having speeded up their parts of the process); that a quarter of a million people a year go to an appeal tribunal; and that 40% of these cases are changed in favour of the claimant.

In consequence the NAO highlighted a number of actions that the DWP could take now to improve the situation, including –

- to further develop the skills of all decision-makers by enhancing existing feedback and on-the-job training;
- increasing the proportion of decisions which are pre-checked;
- improving the quality, relevance and reliability of evidence gathered from claimants, medical reports and other sources;
- setting minimum standards for the process of looking at a decision again, to which all offices are expected to adhere, and the communication of these standards to claimants;
- ensuring that decisions are re-examined by a different decision-maker; and
- implementing a “spend-to-save” scheme to send a presenting officer to all complex appeal tribunals – to represent the DWP, advise the tribunal and provide direct feedback to decision-makers.

In addition the NAO suggested that there is a need to “communicate the desire for change to staff, through national quality standards, leadership and guidance, and to customers and their advisers, through greater openness about the current standards and targets for improvement.”

However, whilst in his evidence to the Committee Sir Richard accepted that “I am not sure we have focused sufficiently in the past on trying to aid our staff in every way possible to handle the complexity (of the benefits system)”, he suggested that the fact that nearly a quarter of a million cases go to appeal each year does not reflect on the quality of the DWP’s work, but rather “the scale of the decisions … (and) the fact, quite rightly, that for those who have had their claim turned down, going to appeal is a no-risk option.”

The NAO report is available @ http://www.nao.gov.uk/pn/02-03/02031142.htm

A transcript of Sir Richard’s evidence (Ref HC1335-i) is available from the Public Accounts Committee website @ http://www.parliament.uk/commons/selcom/pachome.htm

Council Tax Benefit to be extended

The DWP has announced that Council Tax Benefit is to be extended to claimants living in larger properties. Since 1 April 1998, people living in band F, G or H properties have had their Council Tax Benefit restricted to the maximum help available for band E properties. However the restriction will be removed from April 2004.

Making the announcement, DWP Minister Chris Pond said –

“We have listened to representations from local government and others and we accept that this restriction is increasingly biting unfairly on people in larger properties. These will include pensioner owner-occupiers who have worked hard all their lives to buy their houses, or large families in rented accommodation, who are not asset rich and unable to move to a property in a lower council tax band.”

The intention is that the change will make Council Tax Benefit fairer and easier to access. In addition, abolishing the restriction will relieve local authorities of the burden of having to collect small amounts of council tax from those who are required to meet the shortfall from their own resources.
Benefit highlights from the 2003 pre-Budget report

Published each autumn, the pre-Budget report is the Treasury’s chance to explain in advance its approach to the full budget the following spring; to update its economic forecasts; and, increasingly, to launch new policy initiatives.

Indeed, amongst other measures, the 2003 pre-Budget report, delivered on 10 December, set out the Government’s plans for a series of reforms to the welfare benefit system designed to “increase employment opportunity for all” and “build a fairer society”.

New welfare-to-work initiatives

To move further towards its aim of full employment in every region, the Government announced a series of welfare-to-work initiatives including —

- piloting mandatory short intensive work-focused courses for JSA claimants after 6 months of unemployment;
- skills screening for JSA claimants, with the long term unemployed in pilot areas being required to attend a mandatory skills course;
- extending eligibility for the enhanced New Deal for partners;
- increasing the number of work-focused interviews lone parents with children aged 14 or over are required to attend;
- providing lone parents with help with childcare costs in the week before starting work;
- extending pilots of the £40 per week in-work credit to parents in London, including lone parents, who have been on certain benefits for a year or more;
- rolling out standard housing allowances to the social sector as soon as it is practical;
- aligning some of the rules of Housing Benefit and tax credits;
- providing additional help for those on benefits to enter self-employment;
- extending back to work help for those aged 60 and over and on Pension Credit; and
- enabling Jobcentre Plus personal advisers to provide additional voluntary support to Incapacity Benefit claimants who want to return to work.

Maternity and Paternity leave and pay

In addition the Government confirmed that it is considering a number of options relating to maternity and paternity leave and pay designed to help parents balance their work and family responsibilities, including —

- allowing parents to take parental leave in one block at the end of maternity or paternity leave;
- extending the period of paid paternity leave and/or introducing unpaid paternity leave;
- extending maternity leave in cases of multiple births and disabled babies;
- extending parental leave and pay rights to foster carers; and
- allowing unpaid maternity leave to count as being in work for tax credit purposes.

For more information, see chapter 5 of the 2003 pre-Budget report — “Building a fairer society”.

Tax Credits and childcare

In addition to new rules from April 2004 that will see —

- parents who were working at least 16 hours a week before going on maternity, paternity or adoption leave able to claim Working Tax Credit from the date of birth or adoption of their first child; and
- as announced in Budget 2003, mothers on paid maternity leave able to receive help with the costs of childcare for their new babies

the Chancellor outlined plans to widen the scope of eligible childcare provided in the child’s own home for tax credit purposes.

Whilst parents can already claim support for the costs of using approved childcare in their own home, currently only registered childminders can become approved home carers so those new to the scheme need to register first as a childminder. However in its pre-Budget report the Government announced that it is to bring forward proposals for consultation in spring 2004 to streamline the registration process and widen the scope of home childcarers.

For more information see chapter 5 of the 2003 pre-Budget report — “Building a fairer society.”

Capital limits for means tested benefits

Government to consider increasing the £3,000 threshold

The Government also announced in December’s pre-Budget report that it is to consider increasing the £3,000 threshold above which savings reduce eligibility to Income Support, Jobseeker’s Allowance, Housing Benefit and Council Tax Benefit.

At paragraph 5.68 of Chapter 5 of the report, the Government states that it –

“… acknowledges that people on low and moderate incomes may be concerned that saving may affect their entitlement to benefits. The Government will keep under review the treatment of capital in income-related working age benefits so that it strikes a sensible balance between providing state support and not unfairly penalising those who have acted responsibly by saving.

As a first step, the Government will consider increasing the £3,000 threshold above which savings reduce eligibility to Income Support, Jobseeker’s Allowance, Housing Benefit and Council Tax Benefit.”

Benefit uprating 2004 – 2005

New rates now available

Following December’s pre-Budget report the Government has issued the new benefit and tax credit rates that will come into effect from April 2004.

The new rates are available from the news area of the rightsnet website @ www.rightsnet.org.uk (see news story dated 11 December 2003).

NB – don’t forget that a full colour A3 benefit rates poster will be issued free with the April 2004 issue of review.
Welfare benefits & the new Child Trust Fund

The Inland Revenue has published detailed proposals for how Child Trust Funds, announced in Budget 2003 and due to be introduced from 2005, will operate. The proposals indicate that access to the Funds will be linked to entitlement to Child Benefit and that extra help will be extended to children in low-income families, linked to receipt of Child Tax Credit.

NB – The Child Trust Fund (CTF) is a savings and investment account. The Government will make payments through this account to children born after 1 September 2002 to help build up a stock of assets for when they reach the age of 18. Parents, families, friends and the child themselves will also be able to contribute up to £1,200 a year between them.

Key welfare benefit related features of the CTF account include –

- a child will be eligible if Child Benefit has been awarded for them and they are living in the UK. No separate application is required – the CTF is awarded automatically. (Special rules will apply to children for whom Child Benefit cannot be claimed, for example, those in care or who are fostered);
- standard entitlement will be in the form of a £250 voucher issued to the Child Benefit claimant. However an additional £250 payment will be made to children who are part of a household receiving Child Tax Credit with a household income below the Child Tax Credit threshold – currently £13,230;
- a further payment, to be made on the child’s seventh birthday will also be at a higher rate for children who are part of a lower income household as defined above; and
- the CTF will not be taken into account in any claims for benefit.

NB – In response to the announcement, the Child Poverty Action Group (CPAG) said “… the reality is that many families are too poor to contribute … Reform of the social fund … is a greater and more urgent priority. The annual cost of the Child Trust Fund is twice the grants budget for families struggling to meet the basics today.”

Tax credit system to take another year to recover

The Inland Revenue has confirmed that it will take at least another year for the tax credit system to fully recover from the problems it experienced on the new payments being introduced in April 2003.

In a new report on the Inland Revenue’s accounts, the National Audit Office (NAO) notes that the problems, including those relating to the new IT systems, meant that staff could often not complete the processing of claims and had to start again; had to wait too long to access information and records; and that significant time in the working day was lost when the system was closed down to clear internal queues.

However, whilst the NAO urges the Inland Revenue to pay particular attention to ensuring that recovery from the problems does not undermine its “reputation for integrity and accuracy”, it reports that “the (Revenue) considers that it will … not be fully back on track until the end of 2004–2005.”

Electronic Carer’s Allowance claims

The DWP has launched a Carer’s Allowance “e-service” following the publication of new regulations – the Social Security (Electronic Communications) (Carer’s Allowance) Order 2003.

The e-service enables Carer’s Allowance claimants to deal with their claims online in accordance with the new regulations that provide for claims for, and the notifying of a change of circumstance relevant to an award of, Carer’s Allowance to be made electronically.

The Carer’s Allowance e-service is available at https://esd.dwp.gov.uk/dwpca/index.jsp


New Attendance Allowance claim form

‘Half the size, half the hassle’

The DWP has recently introduced a new, shortened Attendance Allowance claim form. Billed as “half the size, half the hassle”, the form has been reduced in size from 37 to 19 pages.

Launching the new form, Work and Pensions minister Maria Eagle said –

“We introduced this new form after very encouraging results during testing in Bristol and Glasgow. Most importantly, people claiming Attendance Allowance found the form less intrusive and easier to fill in. But that’s only one side of the story – the pilots also showed one third fewer appeals and almost one third fewer medical evidence checks. So this is a win-win situation which demonstrates the Government’s commitment to making life easier for vulnerable people while also peeling away unnecessary bureaucracy.”

The new form is introduced at the same time as the National Audit Office (NAO) suggests in a new report that making benefit claims forms shorter and easier to use would mean fewer errors, less administrative load, better access to services and considerable efficiency gains. The report – Difficult Forms: How government agencies interact with citizens – identifies that it costs the DWP just over £40 to process each of the 400,000 applications it receives for Attendance Allowance every year, and suggests that ‘radical reengineering’ could be the best way of responding to the problem of difficult forms. Indeed the new Attendance Allowance form is identified as likely to “bring considerable benefits to both citizens and departments.”

NB – a new Disability Living Allowance claim form, using a similar format to the Attendance Allowance form, is also currently undergoing testing.
Housing Benefit & qualifying benefits – new rules

The DWP has issued guidance to local authority Housing Benefit (HB) departments in relation to new regulations introduced from 6 October 2003 (SL No. 2526/2003) that enable HB (and Council Tax Benefit) decisions to be changed, at any time to take account of the award of a qualifying benefit which is advantageous – eg the award of Disability Living Allowance leading to entitlement to the Disability Premium in the assessment of HB/CTB.

The new guidance – HB/CTB Circular A35/2003 – gives as examples of how the new rules operate –

- revision of an HB/CTB decision where entitlement to, or an increase of, the qualifying benefit is awarded to the claimant or a member of their family for a period including the date that the HB/CTB award started;
- entitlement to HB/CTB ending because entitlement to a qualifying benefit had ended, but then entitlement to the qualifying benefit being reinstated on revision, supersession or appeal; and
- supersession of a HB/CTB decision where entitlement to or an increase of a qualifying benefit is awarded to the claimant or a member of their family for a period beginning after the date the HB/CTB award started.

HB/CTB Circular A35/2003 is available from the Housing Benefit guidance section of the rightsnet “toolkit” – see lasa’s welfare benefits website @ www.rightsnet.org.uk.