

Government hails role of lasa's welfare rights website in democratising information

The important role of websites such as lasa's welfare rights website – www.rightsnet.org.uk – in 'democratising information' has been highlighted by Minister for the Cabinet Office Hilary Armstrong.

Speaking in February 2007 at a seminar held as part of the government's Policy Review process, the Minister said –

'Popular phenomena such as rightsnet are democratising information and driving citizens' appetite for sharing advice and opinions in new ways.'

Information is empowering and these new ways of sharing information are the 21st century version of the self-help and cooperative movements that produced lasting social progress a century ago, the Minister added.

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'Child Maintenance and Enforcement Commission' to replace Child Support Agency

The Child Support Agency is to be replaced with a 'tough new organisation to deliver a radically different system of child maintenance', the government has confirmed.

Published in December 2006, a white paper – '*A new system of child maintenance*' – proposes that parents should be empowered and incentivised to make private agreements where possible, but that a new non-Departmental public body – the 'Child Maintenance and Enforcement Commission' (C-MEC) – will have the power to establish arrangements and enforce payments where they cannot agree.

To be created in 2008, and led by a Commissioner for Child Maintenance, the

new body will be run by an independent board responsible for all aspects of the new child maintenance system.

Key proposals, for what Secretary of State for Work and Pensions John Hutton has said will be a simpler, tougher and more effective child maintenance system, include –

- removing the requirement that parents with care on benefit be treated as applying for child maintenance, but requiring both parents' names to be registered following the birth of their child, unless it would be unreasonable to do so;

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DWP to accept electronic submission of GP evidence in pilot areas

Under a pilot scheme, launched in January 2007, GPs in Scotland can send information relating to disability living allowance and attendance allowance claims to the DWP electronically.

More than 300 GPs in 94 practices in Glasgow, Lanarkshire, Lothian and the Forth Valley are taking part in the pilot that will run for an initial 3 months and, if successful, continue on for a further three months.

Welcoming the new initiative, Minister for Disabled People, Anne McGuire, said –

'Strengthening the partnership between

the Scottish NHS and the UK benefits system in this way should lead to a reduction in the length of time it takes to process applications and consequently disabled people getting their money quicker.

We are constantly looking at ways we can ensure people get the money they are entitled to as quickly as possible. If this is successful I would like to see it rolled out across the country.'

NB – there are around 3,000 new claims for DLA made in Scotland every month of which around 1,700 require further information. ☐

New Deal requires urgent reform says Select Committee

Plans for reform of the New Deal, announced almost three years ago, need to be implemented as soon as possible if the government's aim of achieving an 80% employment rate is to be realised, the Work and Pensions Select Committee has said.

In a new report on the effectiveness of the government's employment strategy, the Select Committee welcomes the aim of increasing employment opportunity and raising the employment rate, but expresses its concern that, whilst New Deal packages offer different types of support depending on the type of benefit a person claims, in reality the barriers to employment an individual faces will vary in each case with the result that a person with multiple barriers to employment may well not receive the right mix of support.

However, the Committee notes that whilst the proposed 'Building on the New Deal' programme, which the DWP announced in 2004, would have been an important step towards tackling this issue, it seems to have been delayed indefinitely –

'Evidence to this inquiry has led us to conclude that there would be clear advantages in allowing greater flexibility in employment programmes to respond to individual needs and local labour market conditions. [However] no progress has been made in piloting the 'Building on the New Deal' programme' and there is 'a lack of clarity in the information the DWP has provided on what has happened to the programme.'

(Indeed, the Committee reports that, in evidence to it, 'the Minister could not give us any information on when, or if, it would arrive'.)

Concerned that the approach may be abandoned, the Committee calls on the government to pilot the 'Building on the New Deal' programme, or another programme based on the same principles, as soon as possible. □

Introduction of automatic limits on recovery of tax credit overpayments postponed

The government has announced that the introduction of automatic limits on the rate at which tax credit overpayments can be recovered has been postponed until later this year.

In December 2005, the Paymaster General Dawn Primarolo announced a series of improvements to the administration of the tax credit system that included, from November 2006, automatic limits on the –

'... extent to which tax credit payments can be reduced to recover higher payments in the earlier part of the year which could lead to an overpayment for the year as a whole.'

This, the Paymaster General said –

'... will guarantee that low-to middle-income families do not face large and sudden falls in their tax credit income, and reassure people who report changes promptly.'

However, in a written statement to Parliament in December 2006, Ms Primarolo announced that it would now

not be possible to introduce the change until April 2007 at the earliest –

'... after extensive testing, HMRC has concluded that it is not possible to make a risk-free introduction of these automatic limits to the original timetable.'

Introducing fully automatic limits remains a key priority, and from April 2007 I have instructed HMRC to introduce an IT solution to ensure that claimants will benefit from reduced rates of recovery without them having to ask for this service.'

In the interim however, claimants can ask for a reduced rate of recovery to apply, Ms Primarolo said, and the Revenue has already 'taken steps' to ensure that this facility is brought to claimants' attention.

NB – in early 2007, the Revenue also plans to introduce an 'enhanced manual process' to identify cases where a restriction is appropriate and apply a restricted rate of recovery without the claimant having to ask. □

'Not for profit' lenders and deductions from benefits

As part of its financial inclusion strategy the government has introduced an 'Eligible Loan Deduction Scheme' that will allow for deductions from a person's social security benefits where they have failed to repay a loan to a 'not for profit' lender.

The new scheme was introduced from 27 December 2006 by the *Social Security (Claims and Payments) Amendment (No. 2) Regulations 2006* (SI.No.3188/2006) that provide for deductions from carer's allowance, incapacity benefit, retirement pension, income support, jobseeker's allowance, or state pension credit in respect of defaulted loans from lenders from the third sector (such as credit unions and community development finance institutions).

The new regulations allow the Secretary of State to make deductions from these benefits, on application by an

eligible lender, where at the date of the application –

- the claimant has failed to make payments as agreed for a period of 13 weeks and has not resumed making payments;
- the claimant has given their written permission to the lender to provide 'personal data' to the Secretary of State; and
- the eligible lender has agreed that no interest or other charges will be added to the amount owed.

The new regulations also specify that deductions can only take place where, at the date of application, no amount is being deducted from the claimant's benefit with respect to the recovery of an overpayment or a social fund award. □

Benefit uprating 2007/2008

New rates now available

Following the Chancellor's pre-Budget report, the government issued the new benefit and tax credit rates that will come into effect from April 2007.

The new rates are now available from the benefit rates area of our welfare rights website @ www.rightsnet.org.uk

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Don't forget that a full colour A3 benefit rates poster will be issued free with the April 2007 issue of review.

NB – In addition, if you would like to order more copies of the poster, or our handy, pocket sized benefit rates cards, email us @ benefitrates@rightsnet.org.uk for details of costs. □

Child tax credit migration delayed again

New regulations have been issued that effectively provide for the transfer to child tax credit of the remaining families in receipt of income support/income-based JSA for their children to be delayed again.

Whilst the government originally said that the transfer would take place in autumn 2004, at the eleventh hour the Paymaster General, Dawn Primarolo, announced it would instead begin in 2005. Then, in a parliamentary debate in July 2005, the then Chief Secretary to the Treasury, Des Browne, announced that the migration would be put back to 2006 to 'safeguard continuity of payment' before, a year later, the Paymaster General told Parliament that 'the transfer should be deferred until 2007'.

However, with no date having been set for a 2007 migration, the period during which the DWP can continue to pay child elements of income support and income-based JSA has now been extended to 31 December 2008 with the publication of the *Tax Credits Act 2002 (Commencement and Transitional Provisions) Order 2006* (SI. No.3369/2006). □

Government consults on future of the Industrial Injuries Benefit scheme

The government has launched a consultation on the future of the Industrial Injuries Disablement Benefit (IIDB) scheme.

Explaining that the consultation forms part of the government's welfare to work strategy, Jim Murphy, Minister for Employment and Welfare Reform said –

'The time is right to look at the kind of occupational injury scheme we need for the future. IIDB was introduced in 1948 to serve a specific purpose. The workforce and the labour market have changed radically since then, with a huge shift away from the heavy industries and women now forming half the workforce.'

'We want your views on what this scheme should look like in the 21st century. We want healthy and safe workplaces. We want to ensure that no-one is left behind; that an injury at work should not mean someone is written off and consigned to a life on benefits. We want to make sure that the people who need the resources most, are those who receive them.'

The review will address questions such as –

- what is the purpose of a 'no-fault' occupational injuries and diseases scheme;
- who should be covered by a new occupational injury scheme; and
- whether employers should do more to help reduce the risks of work related accidents and illness occurring.

The DWP consultation document is available @ www.dwp.gov.uk/publications/dwp/2007/IIDB.pdf

Responses to the consultation should be received by 22 April 2007. □

Child benefit to be paid from 29th week of pregnancy

The government has announced that it is to extend entitlement to child benefit to mothers-to-be from the 29th week of pregnancy.

In his December 2006 pre-Budget report, the Chancellor, Gordon Brown, said that he has received 'powerful representations' that in the last months of pregnancy when nutrition is most important and in the first weeks after birth, the extra costs borne by parents could be better recognised if more were done to help through child benefit.

As a consequence, and to mirror the fact that maternity grants are available from the 29th week of pregnancy, the government has announced that –

'From April 2009, every mother-to-be

will become eligible for child benefit from week 29 of their pregnancy, so that women will be up to £200 better off by the birth of their first child and up to £130 better off at the birth of subsequent children.'

NB – whilst welcoming the government's commitment to extend child benefit, the Treasury Select Committee, in its report on the 2006 pre-Budget report, notes that the government's own figures show that raising child tax credit is a more cost-effective way of raising the incomes of low-income families than increasing child benefit. In addition, the Committee expresses concern that the new child benefit rules will not come into effect until April 2009. □

Revenue to refund voluntary NI contributions

People who have made voluntary national insurance contributions over the last 9 months to make up for gaps in their records may be able to claim a refund, the government has said.

The announcement follows the Revenue having warned people last autumn that they should think carefully before making voluntary contributions in light of proposals in the government's pension white paper – published on 25 May 2006 – to reduce the number of qualifying years needed to receive a full basic state pension to 30 for those reaching state pension age on or after 6 April 2010.

Whilst the pension reforms will make the system fairer, the Paymaster General Dawn Primarolo said in Parliament in January 2007, the government also wants to ensure that it is fair to people who have paid voluntary national insurance contributions. As a result, Ms Primarolo announced –

'... where individuals have continued to make voluntary national insurance contributions since 25 May 2006, but would have chosen not to do so had they been aware of the government's intention to reduce the number of qualifying years required for a full basic State Pension to 30, they may be entitled to a refund.'

Ms Primarolo added that Revenue officials will work out, in discussion with stakeholders, the precise administrative procedures for handling refunds 'in order to facilitate swift repayments to those affected.' □

Independent complaints service to be introduced across the whole of the DWP

An Independent Case Examiner (ICE) is to be appointed to provide an independent complaints service across the whole of the DWP, the government has announced.

Whilst an ICE service has been available to customers of the Child Support Agency since 1997 (and, more recently, also to those of the Northern Ireland Social Security Agency), Parliamentary Under-Secretary at the DWP, Anne McGuire, has said that, following a successful pilot, she intends to introduce a full departmental ICE service to all

the DWP's 'businesses' from spring 2007.

NB – the new service will handle complaints relating to Jobcentre Plus, the Pension Service, the Disability and Carers Service, the Rent Service, Debt Management and the financial assistance scheme.

The ICE will undertake 'impartial investigations of customer complaints about the service they have received from the department's businesses, dealing direct with customers and their representatives', Ms McGuire added, and 'will work closely with the department to help it improve the service it offers'.

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- simplifying and streamlining the application and assessment process by using latest tax-year information as the basis for calculating a child maintenance liability; using gross weekly income, rather than net, as a basis for calculating a maintenance liability (meaning that less reliance is placed on the non-resident parent's co-operation); and making fixed-term, one year awards;
- from 2008, allowing all parents with care in receipt of benefit to keep the first £10 of child maintenance paid without it affecting their benefit, and 'significantly' increasing the amount of

maintenance that parents with care on benefit can keep from 2010/2011; and

- increasing efforts to collect and reduce debts by, for example, enforcing the surrender of a non-resident parent's passport or imposing a curfew on them where they have failed to pay maintenance; publishing the names of non-resident parents who are successfully prosecuted or have a successful application made against them in court; and transferring debts to specialist collection agencies to recover arrears.

However, whilst the C-MEC will be established in 2008, new applications will not be accepted under the new assessment regime until 2010/2011. What is more, the government has said, all clients will not be subject to a single set of rules managed by a single organisation until 2012/2013. □

For more information on all these changes see –

www.rightsnet.org.uk

the welfare rights website for advice workers

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