Roll out of personal independence payment

Regulations have been issued in relation to the next stage of the roll out of personal independence payment (PIP).

Whilst an earlier statutory instrument, SI.No.358/2013, introduced PIP from 8 April 2013, this was only for new claimants in the north west and parts of the north east of England.

The Welfare Reform Act 2012 (Commencement No. 10) Order 2013 (SI.No.1250/2013) now provides that from 10 June 2013 PIP will apply to new claimants in the rest of the UK.

NB – the statutory instrument also introduces powers to require people to provide information relating to investigations, from 17 June 2013 for regulation-making purposes and 1 October 2013 for all other purposes.

SI.No.1250/2013 is available from legislation.gov.uk.

Spending Round 2013 introduces ‘significant reform package’ to increase requirements placed on jobseekers

On 26 June 2013, Chancellor George Osborne set out the government’s Spending Round 2013, designed to deliver welfare savings totalling £4bn in 2015.

Welfare benefit related measures announced by the Chancellor included a ‘significant reform package’ that will increase the requirements placed upon jobseekers by –

- introducing upfront work search – ‘This will require all claimants to do more right from the start of their claim, including the period before they become eligible for financial support. At their first application for benefits, claimants will be asked to write a CV, register with the government’s new Universal Jobmatch service, and start looking for work. Claimants will have longer initial interviews with Jobcentre advisors to support this. This is one part of a ‘work first’ approach to welfare, and reflects successful reforms in other countries that have asked more of claimants at the start of their claim.’
- introducing weekly rather than fortnightly visits to Jobcentres – ‘Jobseekers will get more time with Jobcentre advisors at the start of their claim and a proper in-depth progress review every three months.’

(continued on page 4)

Major Projects Authority assesses five DWP programmes as being ‘in doubt’

The Major Projects Authority (MPA) has assessed five DWP programmes as being ‘in doubt’.

As part of its second quarter 2012/2013 major projects data, published on 24 May 2013, the MPA – which oversees large government projects that require Treasury approval – sets out its assessment of the progress and feasibility of twelve DWP programmes and gives the following five an ‘Amber/Red’ rating –

- universal credit programme;
- fraud and error programme
- personal independence payment implementation;
- benefit cap; and
- child maintenance group change.

NB – according to Cabinet Office information, an MPA ‘Amber/Red’ rating means –

‘Successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible.’


Spending Round 2013 introduces ‘significant reform package’ to increase requirements placed on jobseekers
Benefit cap to be introduced nationally in two tranches

The benefit cap is to be introduced nationally in two tranches, the DWP has announced.

Whilst the government had originally intended that the benefit cap would be introduced nationally in April 2013, earlier this year it announced that the new rules would be phased in, beginning with just four London boroughs. The benefit cap would then be introduced nationally from July 2013, the government had said, with roll out completed by September 2013.

However, on 4 June 2013, the DWP announced that the cap will be introduced nationally over a 10 week period split into two tranches –

'Tranche 1 will include all local authorities with 275 households or fewer and capping will commence from 15 July 2013;

'Tranche 2 will include all local authorities with 276 or more households to be capped and is likely to commence from the week of 12 August 2013.’

In relation to the 12 August date, the DWP adds that –

'... it is important to recognise that there will need to be flexibility with this date as the clearance of Tranche 1 will affect the precise start date of Tranche 2.'

In addition, the DWP says that –

'Learning from phased rollout, local authorities will be sent low volumes of cases for capping at the start of national implementation to ensure DWP levels of expertise are achieved at the required accuracy levels. The tranche which a local authority will fall in to is based on the latest scan of households affected by the cap. This will not be revised even if numbers of potentially affected households change between now and July 2013.’

For more information, including a list of the local authorities in each tranche, see www.dwp.gov.uk/local-authority-staff/benefit-cap

DWP publishes further consultation on PIP mobility component

The DWP has published a further consultation on the personal independence payment (PIP) mobility component.

Launching the consultation on 24 June 2013, the DWP highlighted that it carried out two consultations on the first two drafts of the assessment criteria, in 2011 and 2012, and said that –

'We have received feedback from some disabled people and their organisations saying that they are unhappy with the changes that have been made to the assessment criteria for the Moving around activity as a result of a previous consultation and want a further opportunity to have their views considered. We have therefore decided to carry out an additional consultation, seeking further views on the Moving around activity.’

NB – under the revised Moving around activity, only people who cannot stand and then walk more than 20 metres safely, to an acceptable standard, repeatedly and in a reasonable time period, receive the enhanced rate of the PIP mobility component.

The deadline for responding to the consultation is 5 August 2013.


WCA puts claimants with mental health problems ‘at substantial disadvantage’, says Upper Tribunal

A three-judge panel of the Upper Tribunal has ruled that the work capability assessment (WCA) puts claimants with mental health problems ‘at a substantial disadvantage’.

Commenting on the judgment, that was issued on 22 May 2013, the Public Law Project (PLP), which represented the two claimants, says that the three-judge panel of the Upper Tribunal, sitting at the Royal Courts of Justice, ruled that the WCA substantially disadvantages claimants with mental health problems because – whilst the system is designed to deal with a high volume of claimants who can accurately report the way in which their disability affects their fitness to work – claimants with mental health problems have a number of specific difficulties in self-reporting, for example they may lack insight into their condition, their condition may fluctuate day by day, or they may be unable to accurately explain how it affects them.

PLP goes on to say that the court ordered that the DWP has to take reasonable steps to address the disadvantage to people with mental health problems, but rather than specifying what those reasonable steps should be, ordered the DWP to carry out an investigation and then return to court to explain what steps it proposes to take.

The claimants’ solicitor, Ravi Low-Beer of PLP, said –

‘It is in everyone’s interests that the DWP changes course – if they continue to rush people with mental health disabilities through the process as it stands, more ill people will be wrongly refused support, more ill people will suffer a deterioration in their mental health as they try to navigate the appeal system, and more public money will be wasted.’

NB – the DWP has said that it disagrees with the judgment and that it has applied to the Court of Appeal for leave to appeal against it.

The Upper Tribunal decisions, JR/2368/2012 and JR/2369/2012 are available at www.osscsc.gov.uk/Aspx/default.aspx
‘Tough approach’ for people not in work after two years on Work Programme

The DWP has set out details of a ‘tough approach’ for people not in work after two years on the Work Programme.

Announcing the new regime on 31 May 2013, the DWP said that Work Programme leavers claiming jobseeker’s allowance are to be targeted by a ‘hit squad’ of specialist Jobcentre advisers and will face ‘the toughest Jobcentre regime’ to help them find work.

Features of the new regime include that –
- claims will be expected to be on a training scheme, Mandatory Work Activity placement or intensive work preparation within days of finishing on the Work Programme and will lose their benefit if they fail to comply;
- an extra £30m will be available to pay for extra training and specialist help to prepare claimants for work, for instance counselling for people dependent on drug and alcohol;
- claims will have to attend the Jobcentre far more frequently than other jobseekers, with weekly signing on being routine and some people being required to meet their adviser every day;
- specialist jobcentre advisers will take a tough approach to monitoring whether claimants are sticking to their plan with anyone failing to participate losing their benefits; and
- Work Programme returners will be required to register with Universal Jobmatch to aid work search and job matching, and to allow their adviser to check their work search activity online.

Welcoming the new measures, Employment Minister Mark Hoban said –
‘The Work Programme is getting some of the hardest to help claimants into work despite a tough economic climate. We always knew that there would be some who would require further support after the Work Programme, which is why we’re introducing this intensive and uncompromising regime. We’ll be stepping up the pressure on claimants, who will be expected to attend the Jobcentre more frequently, with rigorous monitoring to ensure they are doing everything they can to find work.’

For more information, see www.gov.uk/government/news/government-announces-details-of-post-work-programme-support

Direct Payment Demonstration Projects extended for further six months

The DWP’s Direct Payment Demonstration Projects, designed to assess the support needed by tenants in the social rented sector to prepare for direct payment of housing support under universal credit, are to be extended for a further six months.

Announcing the extension of the projects – that went live in six local authority areas in June and July 2012 and were originally intended to run for a year – Minister for Welfare Reform Lord Freud said –

‘Direct payments will allow claimants to manage their money far more effectively and create a much smoother transition into work.

The Demonstration Projects show the majority of claimants are managing their own rent – even through Christmas when budgets can be tight. But we have always been clear that there needs to be protection for both tenants and landlords if people build up arrears and to target help at those people who should not be placed on direct payments.

The Projects are helping us to develop and set this protection and that is why we are extending them for 6 months.’

For more information, see www.gov.uk/government/news/direct-payment-projects-extended-for-6-months

Around 7,000 claimants expected to get universal credit during pathfinder period

Around 7,000 claimants are expected to get universal credit during the pathfinder period, according to the DWP.

In a press release to accompany the launch of the new benefit, the DWP outlined that, from 29 April 2013 newly unemployed people in certain areas of Ashton-Under-Lyne may be able to claim universal credit if they meet certain eligibility criteria which include being a single jobseeker; being a UK citizen; having a national insurance number; and being aged between 18 and 60 years and 6 months.

In addition, the DWP also confirmed that Wigan, Warrington and Oldham Jobcentres, which are also part of the pathfinder, will begin by trialling the new claimant commitment also from 29 April 2013 and will take claims for universal credit starting from July, with national rollout to start in October 2013.

The DWP also says that around 7,000 people are expected to get universal credit during the pathfinder period and that that those universal credit claims will respond in real time to changes in people’s circumstances, including when people move back into work.

Welcoming the launch of the new benefit, Secretary of State for Work and Pensions Iain Duncan Smith said –
‘This is the first step on a long journey, and the pathfinder is our opportunity to get Universal credit right. We will bring in this radical and vital reform in a careful and controlled way.’

For more information, see www.gov.uk/government/news/universal-credit-launches-in-manchester

review 159 • June 2013 3
Spending Round 2013 introduces ‘significant reform package’ to increase requirements placed on jobseekers

(continued from page 1, column 3)

- requiring all unemployed claimants, and those earning less than the government expects them to, to wait seven days before becoming eligible for financial support –

  ‘This extends the current three-day waiting period for jobseeker’s allowance (JSA) claimants. This is another part of the ‘work first’ approach, sending the message from the very start that rights to benefits are conditional on the requirement to search for work. This is in line with international best practice. To recognise their contributions, the extended waiting period will not apply to people claiming contributory JSA or the Employment and Support Allowance (ESA).’

- requiring all claimants who are subject to conditionality to verify their claim each year –

  ‘Supporting this government’s efforts to reduce fraud and error in the benefits system’

- requiring claimants to learn English –

  ‘Requiring all claimants whose poor spoken English is a barrier to work to improve their English language skills, with claimants mandated to attend English language courses and sanctions for those who refuse to participate.’

- requiring lone parents who are not working to prepare for work once their youngest child turns three –

  ‘With free nursery education now available for all three-and-four-year olds, lone parents will be required to prepare for work once their youngest child is three. This will involve regularly attending their Jobcentre, gaining qualifications and taking other steps to improve their readiness to work.

However, there will be no requirement to return to work until their youngest child is five.’

- testing different approaches to helping ESA claimants in the Work Related Activity Group to move closer to the labour market, including engagement with healthcare professionals.

The government says that these measures will lead to annual savings of £350m. In addition, the Spending Round introduces a cap on the country’s welfare spending that will be set each year at the Budget for four years and will apply from April 2015.

The government says that –

‘The cap will apply to over £100bn of welfare spending. The basic and additional state pension will be excluded as pension spending is better controlled over a longer time period, for example through an increase in the state pension age. In addition, the cap will take account of the automatic stabilisers by excluding the most counter-cyclical elements of welfare, such as jobseeker’s allowance and any passported expenditure. All other social security and tax credits expenditure will be included.’

In addition, the Chancellor announced that, from 2015/2016, winter fuel payments will no longer be payable to individuals who live in countries with an average winter temperature higher than the warmest region of the UK.

Mr Osborne says that together these welfare reforms bring the total additional welfare savings in 2015 up to £4bn.

The government's Spending Round 2013 is available at www.gov.uk/government/topical-events/spending-round-2013

Pensions Bill receives second reading in House of Commons

The Pensions Bill 2013–2014 received its second reading in the House of Commons on 17 June 2013. The main elements of the Pensions Bill are –

- a new flat-rate pension set above the basic means test to replace the current two-tier system of basic state pension and earnings-related additional state pension, to be implemented from April 2016;

- two measures in relation to state pension age – one to bring forward the increase to state pension age to 67 by eight years, to take place between 2026 and 2028, and another to enable a regular review of state pension age in the light of rising life expectancy; and

- reforming the existing suite of bereavement benefits through the introduction of the ‘bereavement support payment’ – a single benefit to support people following bereavement.

NB – the Pensions Bill also introduces a number of measures in relation to occupational pensions, including a framework for a system of automatic transfers so that someone’s pension pot will follow them to their new pension scheme when they change jobs.

The Pensions Bill is available from http://services.parliament.uk/bills/2013-14/pensions.html