



Benefits Newsletter April 2018

1. Universal Credit

Support for Housing Costs for 18-21 year olds

The Work and Pensions Secretary of State Esther McVey has [announced](#) the DWP will be changing the legislation to allow all 18-21 year olds receiving UC in full service areas to be able to claim support for housing costs to cover their rent. This will reverse the legislation which came into force on 1st April 2017.

'Currently, 18-21 year-olds who make a new claim to universal credit in universal credit Full Service areas need to meet certain requirements in order to receive housing support. The change I am announcing today means that young people on benefits will be assured that if they secure a tenancy, they will have support towards their housing costs in the normal way.'

Transition to UC Housing Payment

From April 11th 2018, new UC claimants who were on Housing Benefit immediately before their UC claim was made and their HB ended because they have claimed UC will be entitled to a two week Transition to UC Housing Payment. This payment will not be treated as income for Universal Credit and will not be included in the benefits affected by the benefit cap. UC Claimants who are living in specified accommodation where their housing costs are paid by HB and are moving into a tenancy for which UC housing costs will be paid will not be allowed a Transition to UC Housing Payment.

Error when claimants migrating to UC from ESA

Neil Arnott who [Social Welfare Training](#) has advised that there appears to be an error in UC for claimants who are migrating to UC from ESA. He says *'When clients are naturally migrated onto Universal Credit (due to a change of circumstance) they are being told that they need to send in sick notes and wait for a new Work Capability Assessment before a limited capability for work element (WRAG group) worth £126.11 per month or a limited capability for work related activity element (support group) £318.16 per month is awarded. Some are also told that they need to do work focussed interviews and work preparation. This shouldn't be the case if the client was entitled to the work-related activity component or to the support component already under ESA. The solution is to ask for a mandatory reconsideration of that decision (via their online journal or if not in writing), citing Reg 19 of the [Universal Credit \(Transitional Provisions\) Regulations 2014](#). We understand that the decision is then changed allowing payment of the correct element immediately from the start of the claim without the need for sick notes or a new Work Capability Assessment. [The government](#) have confirmed they don't intend to ensure that the Universal Credit IT system automatically links to prior employment and support allowance claims as it would delay other features of UC.'*

Increase in UC Work Allowances

From 9th April 2018 the work allowances will increase by 3% to £198 (lower rate i.e. where there is a Housing Costs Element) and £409 (higher rate i.e. where there is no Housing Cost Element).

Single payment to one person in household and domestic abuse

Work and Pensions Select Committee held a one-off [evidence session](#) on the potential impact of the way Universal Credit must be paid as a single payment to a household, rather than to individual claimants, on survivors of domestic abuse. Evidence was heard from victims of domestic abuse and from the Family Support and Children's Minister Kit Malthouse, who acknowledged that the single payment of UC could lead to problems, but added that this is nothing new as many benefits are already paid this way.

Surplus Earnings Rules

The Universal Credit (Surpluses and Self-employed Losses) (Digital Service)

Amendment Regulations 2015 ([SI.No.345/2015](#)) From 2nd April 2018 in full service areas, self-employed UC claimants, temporary and seasonal workers will have a reduction in their UC entitlement if they have surplus income which takes them off UC and they reclaim UC within 6 months. In these cases when the new claim is assessed they will take the surplus income from the last month of the old claim and the surplus income in each of the months between the claims into account when assessing the first month of the new UC claim.

New rules for UC claimants who wish to suspend conditionality due to ill-health

From 11th April UC claimants who are jobseekers after failing a work capability assessment as part of their UC claim, will not be able to suspend their conditionality for UC if they suffer a health condition which is the same as the condition they had when they were found fit for work. This rule will not apply if the claimant has been referred for another WCA or the last decision on fitness for work related to a WCA carried out when the claimant received ESA.

Free School Meals for UC claimants

The Institute of Fiscal Studies has published a report '[Free School Meals under Universal Credit](#)' which finds that about 160,000 (13%, or 1 in 8) of the 1.3 million children who would have qualified under the legacy system will find themselves ineligible for free school meals under UC.

Citizens Advice Reports

[Universal Credit and Modern Employment: Work Incentives](#) looks at the impact that the reduction of the work-allowances in April 2016 has had upon claimants moving into work.

[Universal Credit and Modern Employment: Non-Traditional Work](#) highlights the issues that self-employed and people working in zero hour contracts will experience when claiming UC. The minimum income floor policy for self-employed claimants assumes that claimants are receiving income which is at least the equivalent of 35 hours at the rate of the National Minimum Wage each week. This means that a self-employed couple with one child with income of £9,750 a year could be £525 a year when compared to a couple with one child on the same income who are in employment.

2. Gingerbread Report

Impact of Sanctions on Single Parents

Gingerbread has published a report looking at the impact that sanctions have on single parent families. The report '[Unhelpful and Unfair? The impact of single parent sanctions](#)' highlights the following issues:

- warnings and sanctions for single parents arise as a result of unrealistic and rigid job-seeking requirements under benefit rules, which fail to recognise single parents' barriers to work (eg a lack of childcare or flexible work);
- the promise of personalised support with new claimant commitments and universal credit has failed to materialise;

- single parents end up with debts and have to rely on foodbanks and other emergency support when sanctioned, even if these are later overturned;
- single parents are left unable to afford to travel to the jobcentre or interviews after a sanction, leaving them further from work; and
- sanctions (and warnings) cause considerable distress for parents worried about having the means to look after and care for their children while sanctioned.

3. Sanctions consultation

The Work and Pensions Select Committee has launched an [inquiry into benefit sanctions](#). The inquiry will look at recent sanctions policy developments including the 'yellow card' system - which gives claimants 14 days to challenge a decision to impose a sanction before it is put into effect, and which, despite being announced in late 2015, has no date for being introduced. In addition, it will consider the evidence base for the impact of sanctions, both that emerging from newly published statistics, and the robustness of the evidence base for the current use of sanctions as a means of achieving policy objectives. The questions asked are:-

- to what extent is the current sanctions regime achieving its policy objectives?
- is the current evidence base adequate and, if not, what further information, data and research are required?
- what improvements to sanctions policy could be made to achieve its objectives better?
- could a challenge period and/or a system of warnings for a first sanctionable offence be beneficial and, if so, how should they be implemented?
- are levels of discretion afforded to jobcentre staff appropriate?
- are adequate protections in place for vulnerable claimants?
- what effects does sanctions policy have on other aspects of the benefits system and public services more widely, and are consequential policy changes required?
- to what extent have the recommendations of the [Oakley review of Jobseekers' Allowance sanctions](#) improved the sanctions regime, and are there recommendations that have not been implemented that should be?

In the past we have gathered evidence from the agencies involved in the advice network to send into inquiries into sanctions, we will send out a Survey Monkey questionnaire and if we have enough evidence that our service users are experiencing problems we can send this in to them. We have until 25th May to send in evidence.

4. Stoke-on-Trent City Council DHP and Council Tax Hardship Payments

Stoke-on-Trent City Council Cabinet has approved proposals to merge the DHP and Council Tax Hardship Payments into one budget and has made a number of changes to the policy: -

- formalising the topping- up of HB for 8 weeks for unemployed people living in supported accommodation who are transitioning into work for eight weeks;
- allowing the reduction of ongoing DHP awards where claimants are not taking steps to improve their circumstances; and
- limiting the payments of DHP to 26 weeks unless there are exceptional circumstances.

See [Cabinet Report](#) and [Online Application Form](#) for more information.

Changes to DHP rules for those UC claimants moving into 'specified' or 'temporary' accommodation

From 11th April 2018 the Discretionary Financial Assistance Regulations 2001 are amended to allow a Local Authority to award a Discretionary Housing Payment to a UC claimant for any Monthly Assessment Period when the claimant would have been entitled to a Universal Credit Housing Costs Element were it not for the fact that they were living in 'specified accommodation' or 'temporary accommodation' as defined by the UC Regulations.

This means that even where for part of a Monthly Assessment Period the claimant might not have been getting HB or a Housing Costs Element in their UC (e.g. because they moved out during the MAP), so long as they require further financial assistance with their housing costs then they will be eligible *throughout* the period of that Monthly Assessment Period if they have been living in 'specified accommodation' or 'temporary accommodation' as defined by the Regulations

5. PIP and ESA Assessment Review

The Government has [responded](#) to the Works and Pensions Select Committee review of PIP and ESA medical assessments

The Government has rejected most of the recommendations made by the Works and Pensions Select Committee, but they have agreed to ensure that PIP assessments are recorded as a standard part of the process.

6. Personal Independence Payment Review

The Government has [announced](#) that the reviews of Personal Independence Payment (PIP) claims following the High Court's judgment in *RF v SSWP & Ors* will start after the new PIP Assessment Guide is published in the early summer of 2018.

7. Two child limit on Child Tax Credit

The High Court has considered a Judicial Review of the two child limit, issued by CPAG on behalf of three families receiving Child Tax Credit (CTC). Two of the families were lone parents who each already had more than one child born before 6 April 2017 and gave birth to an 'additional' child after that date. The third family became kinship carers for a child after they had had one child of their own and were receiving CTC for both children, but were denied CTC for a third child born after the kinship agreement had started. The rules would allow them to claim for three children if they had entered into a kinship carer arrangement after they had two children of their own.

High Court [ruled](#) that the two child limit is compatible with the European Convention of Human Rights, but allowed the claim in relation to the lawfulness of the kinship care exception.

8. New Opening Hours for the Citizens Advice Office in Hanley

From 3rd April 2018 our offices in Cheapside Hanley will no longer be open for drop-in on Wednesdays, but will be open on Thursday afternoons instead.

Monday	9.30—13.30
Tuesday	9.30—13.30
Wednesday	Limited service
Thursday	2.30pm—6.30pm
Friday	9.30—13.30