



Benefits Newsletter February 2017

1. Exceptions to the two-child limit for Universal Credit and Child Tax Credit

From April 2017, families who have a third or subsequent child who is born on or after 6th April 2017 will not be able to claim an extra amount of Universal Credit or Child Tax Credit for that child; (the child element). When the policy was announced it was agreed that there would be exceptions in respect of a third or subsequent child who is -

- part of a multiple birth where there were previously fewer than two children in the household;
- living long term with family or friends because they are unable to live with their parents and could otherwise be at risk of entering the care system; or
- born as a result of rape.

The Government has published a [response](#) to the consultation on the exceptions to the two-child limit in October 2016, they have given a further explanation as to how these exceptions will be applied:-

- in the case of a multiple birth, the child element will be awarded for all third or subsequent children in a family born as part of a multiple birth, other than the first born; e.g. a couple with a 5 year old, 3 year old then have twins, they will receive a child element for the 5 year old, the 3 year old and one of the twins. Where the first child of the multiple birth is either the first or second child in the household, a child element will also be awarded for that child; e.g. a couple have a 5 year old and then have twins they will receive a child element for all three children;
- in the case of a child living long term with family or friends under informal arrangements there will be a requirement for evidence from a social worker to support this;
- in the case of a child born as a result of rape, they intend to use a third-party model of determining whether a child is likely to have been conceived as a result of rape, and there will be no time limit placed on when the report needs to be made to the third-party professional;
- where there has been a conviction or compensation award for rape or domestic coercion and control this will act as an alternative to the third-party model as a means of evidencing that a third or subsequent child is likely to have been conceived through non-consensual sex;
- there will also be a non-consensual conception exception for third or subsequent children conceived within a domestic abuse situation involving coercion and control, however in these cases the child element will not be paid for the third or subsequent child if the victim is still living with the perpetrator.

The Social Security Advisory Committee has expressed a number of concerns about this policy in a letter to the Employment Minister Damian Hinds.

- *'privacy: given the nature of the four exceptions, a process of simple elimination may enable a third party to deduce that any additional support for a third child must be on the grounds of a non-consensual conception. The Committee says that the*

Department should therefore take care to ensure that claimants are made aware of the position;

- **separation from the perpetrator:** *since for some women it may be extremely difficult to leave an abusive relationship, the Committee recommends that the Department should signpost women to specialist organisations for support;*
- **decision-making:** *the Committee says that guidance is needed on how cases which are not clear cut will be dealt with, and assurance that decisions will be taken and communicated by people with the requisite knowledge of good practice in relation to women who have faced sexual abuse;*
- **third-party professionals:** *the Committee says that the Department should complete its work to secure a list of approved professionals from whom evidence will be required;*
- **adoption and formal long-term care arrangements:** *the Committee recommends that financial support be extended, .. where claimants have adopted, or taken on long-term formal caring responsibilities for a family member, ahead of having a child of their own; and*
- **responsibilities of the claimant:** *the Committee seeks confirmation that the DWP/HMRC will ask relevant questions ...and not expect claimants to find out the rules for themselves and present their evidence on their own.'*

2. Youth Obligation programme for 18-21 year-olds

The Employment Minister Damien Hinds has given details of the Youth Obligation programme for unemployed 18-21 year olds, which is due to start in April 2017. In a [letter to the Works and Pensions Committee](#) he said:

'From the initial diagnostic interview at day one they will participate in an intensive period of support, learning job-search and interview techniques and do structured work preparation. This structured curriculum including two workshops and a set of exercises will last approximately three weeks.

Their work coach will then encourage them to apply for appropriate activities (an Apprenticeship, go on work-related skills training, including sector-based work academy places and traineeships, or a work experience placement.

There will be a face to face intervention at five months stage to review progress to date and job goals and suitable options at six months.

After six months they will be expected to apply for an Apprenticeship, a traineeship, gain work-based skills employers value, or undertake some work of community value to give them the skills they need to get to work.'

3. Impact of cuts to ESA Work Capability Element

From April 2017, the £29.05 per week (£126.11 pcm) paid to ESA and Universal Credit claimants who are in the Work-Related Activity Group (WRAG) is to be cut for all new claimants. The Works and Pensions Select Committee has published a report called the ['Disability Employment Gap'](#) which raises concerns about the impact of these cuts.

The report highlights the following concerns

- the cuts will have a bigger impact on new ESA claimants who have unavoidably higher living costs as a result of their condition e.g. extra high fuel bills. This will leave them with lower disposable incomes than JSA claimants;
- the Government's idea that a lower rate of Employment and Support Allowance will enhance incentives to work is "ambiguous at best";

- disabled people still have much lower employment rates than those without disabilities. In mid-2016 in the UK, 49% of disabled people aged 16–64 were in work, compared with 81% of non-disabled people;
- the Work Programme has performed poorly for ESA claimants. Only one in seven new ESA claimants obtained a job after referral to the Work Programme, compared to around one in four JSA claimants,
- the Government has not committed to any timeline for halving the disability employment gap;
- inappropriate sanctions can cause significant hardship, making it less likely, rather than more, that a disabled person will move into work;

The Chair of the Committee Frank Field added -

'We expect the government to respond to this report before the proposed new lower rate of ESA is due in April. If they intend to proceed with these cuts, we expect an explanation of how this will not be detrimental to its target of halving the disability employment gap, by making finding and keeping a job even more difficult for disabled people than it already is.'

4. Tax Credits

Concentrix

The Government has published a [response](#) to the Works and Pensions Select Committee report on Concentrix, and have accepted many of the recommendations made in the report.

The Government has announced that

- HMRC will undertake a review of cases where Concentrix amended or terminated a benefit award but an appeal was not requested by the claimant. Of the 59,000 claimants whose benefits were stopped or cut by Concentrix, 36,000 requested a Mandatory Reconsideration and 87% of those were successful.
- The Government has agreed to improve the publicity about the availability of hardship payments including adding information on the Gov.uk website.
- HMRC will detail the reasons it suspects fraud and error in letters to claimants. e.g. claimants accused of having an undeclared partner were not told the identity of the person with whom they were suspected of cohabiting.
- HMRC will extend any future deadline for the submission of supporting information by claimants if telephone handling performance again falls below acceptable levels. One single mother told the Committee she had spent 19 hours and 57 minutes on the phone trying to resolve her tax credit problems.
- HMRC is taking independent advice on the next annual tax credit renewal process and will write the Committee in March 2017 with its proposals for improvements.

Undeclared partners

The Secretary of State for Work and Pensions Damian Green has announced that they intend to 'engage with an external data provider' to identify benefit claimants with undeclared partners.' In a [Written Statement](#) in Parliament he said:

'We will engage with an external data provider to identify benefit claimants thought to be most likely to have an undeclared partner more effectively. We expect that this will provide more and better evidence to enable us to identify high risk cases. The data provider will not have any contact with claimants directly or any decision making authority. All cases will be progressed through the existing DWP fraud and compliance processes.' He added that they will *'... evaluate its effectiveness in order to inform decisions about whether this type of data matching provides a useful indication of undeclared partners for future use in the universal credit system.'*

DWP powers to recover Tax Credit debts

In the same written Statement Damian Green announced that, from April 2018, it will use DWP powers to employ a 'wider range of methods' to recover tax credits debt. *'... from April 2018, the Department for Work and Pensions (DWP) will recover a segment of HM Revenue and Customs (HMRC) tax credits debt associated with people whose tax credits claim has ended. This is debt that has been subject to recovery by HMRC but where repayment has not been secured....' The claimants who have these historic debts will have previously been contacted numerous times by HMRC and invited to start a voluntary repayment plan. They will also have had the opportunity to appeal and challenge the debt.'*

5. Universal Credit

Latest UC Stats

The [latest UC statistics](#) published by the DWP show that 450,000 people were on the Universal Credit caseload across the UK, as of 12th January 2017. Of these 170,000 (39%) were in employment, a drop from 43% in December 2017.

In North Staffordshire there are currently 2,068 UC claimants on the UC caseload whose claim for UC has been awarded; this is an increase of just 1.3% since December 2016. The numbers in employment have dropped from 51.7% to 42.9%.

Local Authority	New Claims 15 th Dec–12 th Jan 2017	Caseload 12 th January 2017		
		Not in empl	In empl	Total*
	Total			
Stoke-on-Trent	235	724	540 (42.5%)	1,269
Newcastle	73	336	256 (43.4%)	590
Staffs Moorlands	35	120	93 (45.1%)	206
Total	345	1,183	889 (42.9%)	2,068

43.4% of claimants on the UC caseload in North Staffordshire are under 25; this is a slight increase from 45.1% in December 2016. The number of under 25s in employment has decreased from 481 (52.2%) in November to 378 (42%) in December.

Under 25s	Not in employment	In employment	Total*
Stoke	321	225	548
Newcastle	146	115	256
Staffs Moorlands	57	42	97
Total	524	378	898

In January 2017, 170 claimants (8.2%) had in-work conditionality and were expected to be looking for better paid work.

Conditionality Regime	Searching for work	Working with requirements	No work requirements	Working no requirements	Planning for work	Prep for work	Total*
Stoke-on-Trent	787	103	18	348	5	5	1269
Newcastle	342	50	19	175	..	6	590
Staffs Moorlands	117	16	8	61	..	..	206
Total*	1,247	170	50	586	7	9	2,068

*Figures in these tables have had statistical disclosure control applied to avoid the release of confidential data. Totals may not sum due to the adjustments.

6. Benefit Cap

Benefit Cap Update – Grace Periods

The DWP has confirmed that periods work abroad and periods covered by zero hour contracts can count towards employment for grace period purposes, i.e. worked for 50 of the last 52 weeks, provided there was no claim for working age benefits during that time. See [HB G1/2017](#)

Statistics for the £26,000 cap

The DWP has published the [latest statistics](#) showing the number of families affected by the benefit cap in November 2016; these figures do not include families affected by the cut in the cap from £26,000 to £20,000. In North Staffordshire, there were 78 households affected by the benefit cap losing up to £150 a week in Housing Benefit. The benefit cap did not affect any single childless people in the area.

Number of households affected by the benefit cap in November 2016					
November 2016	Total number households affected by the cap	Amount of benefit capped			
		Up to £25	£25.01 to £75	£75.01 to £100	£100.01 to £150
Stoke-on-Trent	66	10		33	17
Newcastle Borough	8			5	6
Staffordshire Moorlands	9	..	..
Total	78	8	6	38	19

Month				201611 (Nov 16)		
Number of Children	3 dependants	4 dependants	5 dependants	More than 5 dependants	Total	
Private or Social Rented	Social Rented Sector	Private Rented Sector	Total	Social Rented Sector	Private Rented Sector	Total
	Country - Region - Local Authority					
	Stoke-on-Trent UA	..	..	..	5	10
	Newcastle-under-Lyme	..	..	..	..	..
	Staffordshire Moorlands		..	..	..	..
	Total		..	..	..	..

Numbers have been randomly adjusted to avoid the release of confidential data. For this reason, individual cells may not sum to totals.

7. Closure of Jobcentres and availability of home visits

The DWP has published a [proposal](#) to close or merge with other services 20% of Jobcentres across the UK. This does not affect any of our local Jobcentres but as part of the [House of Commons debate](#) on this matter, Caroline Noakes the Minister for Welfare Delivery said.

'the DWP has a home visiting service which we can extend to all disabled claimants who ask for it when their circumstances make it difficult for them to go to a jobcentre.'

When asked about the additional costs of having to travel to a more distant Jobcentre to sign on, Ms Nokes confirmed -

'Where claimants are required to sign on more frequently than fortnightly we will look to reimburse costs'

8. Bereavement Support additional information

Bereavement Support Payment will:

- not be taxable;
- not be included in the assessment of benefit income which will be subject to the household benefit cap;
- be disregarded in the calculation of income-based benefits;
- not affect the bereaved person's concurrent entitlement to contribution-based Jobseeker's Allowance or contributory Employment and Support Allowance, where appropriate. (i.e. not an overlapping benefit).
- Also a bereaved person who remarries or re-partners will be able to keep their Bereavement Support Payment.

See [Written Statement](#) from Caroline Noakes Parliamentary Under Secretary of State for Welfare Delivery

9. JSA and ESA Sanctions

The latest [JSA and ESA sanctions statistics](#) published in February 2017 continue to show a considerable decrease in the number of JSA sanctions applied by Jobcentres in North Staffordshire. In Stoke 42.39% of sanctions were applied to claimants aged 16-24.

JSA Sanctions North Staffs	Stoke	Newcastle	Moorlands	Total
Oct 12-Sept 13	13,000	3,441	1,473	17,917
Oct 13-Sept 14	9,976	2,257	1,040	13,272
Oct 14-Sept 15	2,976	776	259	4,012
Oct 15-Sept 16	1,241	263	138	1,645
Total	27,193	6,737	2,909	36,842

However ESA Sanctions have increased, in the period Oct 2015–Sept 2016 there were 304 ESA sanctions compared to 261 in the period Oct 2014–Sept 2015. There were a total of 1,797 ESA sanctions applied to 841 individuals in the period Dec 2012 to Sept 2016.

ESA Sanctions	Hanley JCP	Longton	Newcastle	Kidsgrove	Total
Dec 12-Sept 13	201	136	134	49	495
Oct 13-Sept 14	356	136	94	104	732
Oct 14-Sept 15	124	88	43	14	261
Oct 15-Sept 16	114	74	68	13	304
Total	821	454	316	201	1,797

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