



# Benefits Newsletter November 2017

## Budget Update

### 1. Universal Credit

#### Changes announced in the [Budget](#) on 22<sup>nd</sup> November

- The UC [full service roll out](#) has been slowed down – the UC full service will now be introduced 3/4 months later in our area than originally planned:
  - **Stoke-on-Trent** June 2018 (not March 2018),
  - **Staffordshire Moorlands** - those who are supported by Stoke-on-Trent Jobcentres in June and supported by Glossop Jobcentre in September 2018 (not March/May 2018).
  - **Newcastle Borough** in December 2018 (not September 2018)
- the **7 day waiting period for Universal Credit claimants will be abolished** from February 2018
- **Advance Benefit Payments** claimants will be allowed up to 100% instead of 50% of their estimated UC entitlement from January 2018
- Claimants will be able to spread the repayments of the Advance Benefit Payments over 12 months instead of 6 months from January 2018
- Claimants who are receiving Housing Benefit before they claim UC will receive two weeks extra Housing Benefit to help them during the transition period from April 2018

#### **New UC claims in Live Service Areas to cease**

Following the Budget, Neil Couling the Director General of UC announced that new claims for Universal Credit in live service areas will cease after the end of December 2017. This means that people who would have claimed UC from January onwards will now have to claim a legacy benefit - i.e. income based JSA/income related ESA/income support/housing benefit/tax credits, until the time when the Universal Credit full service is rolled-out (existing claimants will stay on UC). This means in Stoke-on-Trent UC there will be no new claims for UC after the end of December 2017, until the full service UC is brought in during June 2018. In a letter to local authorities he says:

*'... the universal credit live service, which is being steadily replaced by the roll out of the full service, has a very limited shelf-life ending in December 2018. It would not represent value for money for taxpayers to invest in the system changes, required by these policy announcements, for such a short duration. Accordingly I have agreed with Ministers that in live service areas we will curtail the flow of new universal credit cases from the end of December. Whilst this will not affect any existing claimants already on universal credit it will mean that any new claims will, until universal credit full service is commenced locally, be made to legacy benefits and tax credits.'*

## Further announcements

The Secretary of State for Works and Pensions David Gauke also [announced](#) that

- *'new guidance will be issued to staff to ensure that claimants in the private rented sector who have their housing benefit paid directly to landlords are offered that option when they join universal credit;'*
- *'in April, as a short-term measure, we will change how claimants in temporary accommodation receive support for their housing costs to ensure that local authorities can recover more of their costs and can therefore continue to offer this valuable support to those who need it most. We will also consider longer-term solutions;'*
- *'we are exploring with Citizens Advice the scope for greater collaborative working to help claimants locally as they move to universal credit'*

## UC Helpline now free

[From 29th November 2018](#) the UC helpline numbers in our area are 0800 328 9344 and Textphone 0800 328 1344. (In full service areas - 0800 328 5644).

## New guidance for Advance Payments of UC

The DWP has issued a [new guidance on the payment of Advance Payments](#) to make the process easier for UC claimants to access this help.

## The Works and Pensions Select Committee Review of UC

The Works and Pensions Selection committee has published evidence which has been presented to them as part of the on-going inquiry into UC. This was published before the budget and there are many recommendations which have not been accepted.

The Committee published their first report [Universal Credit the six week wait](#) which is also calling for the Government to reduce the minimum waiting time from 6 to 4 weeks.

The Committee also published a [letter](#) from David Gauke Secretary of State for the DWP in which he gives details of how many people have to wait more than 6 weeks for a payment of UC in 'September 2017 81% of claimants were paid in full on time at the end of the first assessment period. 89% receiving some payment at the end of the first assessment period' which means 11% of claimants did not receive any UC by the end of their first assessment period.

It has also published evidence that has been presented to the committee including a report from [Halton Housing Trust](#) which has accumulated over £400,000 of arrears as a direct result of the rollout of Full Service Universal Credit; 18% of its tenants owe 55% of all its arrears. Over the last 12 months the number of referrals the Trust has made to local food banks has more than doubled. Committee Chair Frank Field MP calls this evidence the "most damning" he has ever read.

The Committee has also made [recommendations](#) for the improving Universal Credit for people who are self-employed:

- extending the start-up period, or tapering the Minimum Income Floor (MIF) up over a longer period than one year to avoid producing a cliff-edge at the end of year one;
- applying the MIF on an annual or quarterly basis to help avoid penalising claimants with volatile incomes;
- basing the MIF on turnover and evidence of future profit, rather than income; and
- removing the MIF altogether, since the requirements of claiming universal credit as a self-employed person may be sufficiently onerous to put off people who might view self-employment as an easy way of avoiding universal credit conditionality which would imply that a key purpose of the MIF - discouraging unprofitable self-employment - is redundant.

- This example illustrates how the MIF penalises the self-employed.

<b>Jack</b>	<b>Jill</b>
Single parent of two children	Single parent of two children
Rent of £150 per week	Rent of £150 per week
Earns £13,650 per year (35 hours per week at National Living Wage)	Earns £13,650 per year
<b>Employed</b>	<b>Self-employed</b>
Paid monthly	Receives quarterly payments
Annual UC award: £10,737	Annual UC award: £7,152 (£3,585 less)
<b>Annual net income: £23,296</b>	<b>Annual net income: £19,730 (£3,567 less)</b>

### Resolution Foundation Report on UC

The Resolution Foundation (RF) has published a new report '[Universal Remedy, ensuring Universal Credit is fit for purpose](#)'. In this report they highlight a number of problems with UC and have called for a number of improvements to be made;

- The RF had found that the assumption that most people who are claiming UC were paid monthly is incorrect. Their findings show that '58% of new claimants moving onto UC as a result of moving from employment were paid either fortnightly or weekly in their previous job.'
- They have also found that 3.2 million working families are expected to be worse off, on UC with an average loss of £48 a week. 600,000 of those losers, mostly couple parent families, will no longer be entitled at all. The RF they are also calling for a reversal of the cuts to UC that were applied in April 2016 to help working families.
- Universal Credit currently has a 63% taper rate which means workers will only be able to keep 37p of each pound they earn above the threshold. The RF has found this is a disincentive for second earners in a couple and lone parents and calls for lower taper rates for second earners and lone parents.

### Calls for delays in the roll-out of UC

An [Opposition Day Debate](#) has took place on Wednesday 18<sup>th</sup> October 2017 to force the Government to pause the roll-out of Universal Credit to fix the problems that are arising. The motion was carried 299 votes in favour to 0 against, as the Conservative MPs chose to abstain from the vote, however this was not binding on the Government.

Stoke City Council also added their voice to the calls for a delay to the roll out of UC in Stoke-on-Trent expressing concerns about the problems that many people will face if they have claim online if they do not have access to the internet, also the problems which will arise from having to wait 6 weeks for the first payment and the problems of in work conditionality See [agenda](#) for the Full Council meeting on 19<sup>th</sup> October.

### Trusted Partner Status

The Minister for Employment Damian Hinds has confirmed the [list](#) social landlords that will be moving on to the Universal Credit landlord portal and become trusted partners in 2017 which is easier route for setting up direct payments of the housing element of UC. This includes, Affinity Sutton Homes, Midland Heart, Sanctuary Housing, Riverside Housing and the Your Housing Group.

## Statistics

The [latest statistics](#) published by the DWP show that 630,000 people were on the Universal Credit caseload across the UK as of 12<sup>th</sup> October 2017 (an increase of 20,000 over last month). Of these 250,000 (40%) were in employment.

Local Authority	Caseload 12 <sup>th</sup> October 2017		
	Not in employment	In employment	Total*
Stoke-on-Trent	1,032	742 (42%)	1,770
Newcastle	405	270 (40%)	678
Staffs Moorlands	138	129 (48%)	268
<b>Total*</b>	<b>1,579 (58%)</b>	<b>1,143 (42%)</b>	<b>2,724</b>

41.8% of claimants on the UC caseload in North Staffordshire are under 25.

under 25s	Not in employment	In employment	Total*
Stoke-on-Trent UA	416	318	737
Newcastle-under-Lyme	172	113	288
Staffordshire Moorlands	62	50	113
<b>Total*</b>	<b>653</b>	<b>485</b>	<b>1,139</b>

In October 2017, 229 claimants (8.4%) had in-work conditionality and were expected to be looking for better paid work and 649 claimants (24%) were working with no conditionality applied to their claim.

Conditionality Regime	Searching for work	Working with requirements	No work requirements	Working no requirements	Planning for work	Prep for work	Total*
Stoke-on-Trent	1,132	157	51	410	6	16	<b>1,770</b>
Newcastle	429	51	30	154	0	13	<b>678</b>
Moorlands	158	20	5	85	0	0	<b>268</b>
<b>Total*</b>	<b>1,720</b>	<b>229</b>	<b>88</b>	<b>649</b>	<b>12</b>	<b>27</b>	<b>2,724</b>

*\*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.*

## 2. Local Housing Allowance Cap for Social Housing

The PM Theresa May announced in Parliament 25<sup>th</sup> October that following the review of funding for supported housing the Government has decided not to go ahead with the policy of applying the Local Housing Allowance rules to tenants living in social housing. This was due to be introduced in 2019 and would have reduced the Housing Benefit for many tenants who are not currently affected by the bedroom tax such as pensioners and those living in supported housing.

In reply to [Q3](#) she said 'I can also say today that as part of our response to the review, we will not be applying the local housing allowance cap to supported housing; indeed, we will not be implementing it in the wider social rented sector.'

## 3. Funding for Supported Housing Consultation

The Government has published its proposals for a new approach to funding supported housing which will commence from April 2020. It has split the funding into three groups-

- a 'sheltered rent' for those in sheltered and extra care housing - a type of social rent which keeps funding in the welfare system; (there are proposals to bring in rent controls and a caps on the maximum benefit that can be paid as sheltered rent):

- a Local Grant Fund for short-term and transitional supported housing (such as for someone who is homeless or undergoing treatment for drug or alcohol addiction) - 100 per cent of this provision will be commissioned at a local level funded locally through a ring-fenced grant; and
- a welfare system (housing benefit/universal credit) for long-term supported housing - 100 per cent of housing costs (rent inclusive of eligible service charges) will continue to be funded as at present through the welfare system.

The [consultation document](#) is asking for a response to the 'sheltered rent' and 'Local Grant Fund' proposals by 23<sup>rd</sup> January 2018.

## **4. Personal Independence Payment**

### **PIP Assessment Guide**

The DWP has published an updated version of the [PIP Assessment Guide](#) which provides guidance for Health Professionals carrying out PIP assessments on behalf of the DWP.

Penny Mordaunt the former Minister for Disabled People, Health and Work said: 'The updated guidance will reflect binding case law following an [Upper Tribunal judgment](#) handed down on 9th March 2017 on how DWP considers a claimant to be carrying out an activity safely and whether they need supervision to do so. This will increase entitlement for a number of both new and existing claimants, largely those with conditions such as epilepsy, which affect consciousness. The Department estimates approximately 10,000 claims will benefit by £70 - £90 per week in 2022/2023.'

Penny Mordaunt has been replaced by Sarah Newton MP in a recent cabinet re-shuffle.

### **City Council Spotlight Review**

The report of the City Council's [Spotlight Review](#) into Personal Independence Payment has been published with evidence from claimants, and agencies such as Citizens Advice and Disability Solutions. It will be sent to the Works and Pensions Select Committee as part of their PIP review. See [Sentinel article](#)

## **5. Bedroom Tax**

In answer to a [written Commons question](#) Caroline Dinenage Parliamentary Under-Secretary to the DWP stated that 67% of those affected by the bedroom tax in May 2017 had a disability -

*'As of May 2017, there were 414 thousand households in Great Britain who had a deduction made from their housing benefit due to the removal of the spare room subsidy. Of these, there were 278 thousand where the claimant or partner was receiving disability living allowance or personal independence payment or employment and support allowance.'*

She also confirmed that as of May 2016, 9% of all social rented sector households were subject to the bedroom tax, while and 13% of social housing tenants claiming housing benefit were subject to the tax.

## 6. Sanctions

The latest [JSA, ESA and UC sanctions statistics](#) continue to show a considerable decrease in the number of JSA sanctions applied by Jobcentres in North Staffordshire.

JSA Sanctions North Staffs Adverse decisions	Stoke	Newcastle	Moorlands	Total
Oct 12 - Jun 13	3,822	988	374	<b>5,187</b>
Jul 13 - Jun 14	6,049	1,359	582	<b>7,991</b>
Jul 14 - Jun 15	2,349	518	200	<b>3,071</b>
Jul 15 - Jun 16	821	177	73	<b>1,072</b>
Jul 16 - Jun 17	279	69	16	<b>369</b>
<b>Total</b>	<b>13,329</b>	<b>3,116</b>	<b>1,255</b>	<b>17,692</b>

The DWP has also published the number of sanctions applied to **Universal Credit** claimants in the period August 2015 to June 2017. In North Staffordshire there were 1,369 adverse sanctions applied to UC claims during this period of which 1,143 were low level sanctions.

UC Sanctions Adverse decisions	Stoke	Newcastle	Moorlands	Total*
Aug 15 - June 16	69	180	22	<b>272</b>
Jul 16 - June 17	676	281	95	<b>1,047</b>
<b>Total*</b>	<b>776</b>	<b>468</b>	<b>126</b>	<b>1,369</b>

Type of Sanction	Lowest Level sanction	Low Level sanction	Medium Level sanction	High Level sanction	Total number of sanctions* (Adverse decisions)
<b>Stoke-on-Trent</b>	42	670	52	11	776
<b>Newcastle</b>	41	365	23	37	468
<b>Moorlands</b>	6	107	10	..	126
<b>Total*</b>	<b>83</b>	<b>1,143</b>	<b>87</b>	<b>56</b>	<b>1,369</b>

**ESA Sanctions** have continued to decrease, in the period April 2016–March 2017 there were 70 ESA sanctions compared to 226 in the period April 2014–March 2015. There were a total of 529 ESA sanctions applied to 323 individuals living in North Staffordshire in the period Dec 2012 to March 2017.

ESA Sanctions Adverse decisions	Stoke	Newcastle	Moorlands	Total*
Dec 12 - Jun 13	50	6	5	<b>63</b>
Jul 13 - Jun 14	114	45	22	<b>177</b>
Jul 14 - Jun 15	130	22	25	<b>175</b>
Jul 15 - Jun 16	52	12	12	<b>71</b>
Jul 16 - Jun 17	43	11	8	<b>58</b>
<b>Total</b>	<b>383</b>	<b>93</b>	<b>62</b>	<b>537</b>

\*Statistical disclosure control has been applied to this table to avoid the release of confidential data. Totals may not sum due to the disclosure control applied

## **7. Stoke City Council DHP and Council Tax Hardship Payments**

Stoke-on-Trent City Council underspent the DHP grant by £86,849.59 in 2016/2017 so they have amended the [DHP criteria](#) to maximise the take-up of this grant. Changes include:

- Refocussing of the purpose to help children in care, and leaving care where accommodation is a barrier to living their lives well or where sustaining their existing tenancy will support the actions of social services.
- Providing adequate support to care leavers who live in Stoke-on-Trent with a liability to pay council tax in acknowledgement of the City Council's statutory duty as a 'Corporate Parent'.
- Removing the requirement for a financial assessment of need in all Discretionary Housing Payment applications so that the decision maker can make a decision based not only on the need of the customer but also the strategic priorities of the authority, such as supporting children who are in care and keeping families together.
- Strengthening a sense of expectation that support provided will require activity on behalf of the customer to take relevant steps to improve their long term financial situation.
- Maximising the opportunities to assist residents with the costs of moving to more affordable accommodation through meeting one-off expenses such as removal costs, rent in advance and rent deposits.