



Benefits Newsletter March 2017

1. Bedroom Tax and LHA size restrictions

Following the Supreme Court Judgment in November 2016, Government has amended the Housing Benefit and Universal Credit regulations to allow an extra bedroom in cases where: -

- **couples are unable to share a bedroom due to a disability** – the disabled person must be receiving the PIP Daily Living Component or the DLA care component at the middle or high rate or the higher rate of Attendance Allowance.
- **a child or non-dependant adult living in the household needs an additional bedroom for an overnight carer**; if more than one person needs an overnight carer there will be only one extra bedroom allowed.

[The Housing Benefit and Universal Credit \(Size Criteria\) \(Miscellaneous Amendments\) Regulations 2017](#) (SI.No.213/2017) come into force on 1st April 2017 and cannot be backdated to before that date.

The DWP has also issued Housing Benefit Circular giving details of how the regulations will be applied, however in the case of the couple who cannot share it states 'physical disability'. We have asked for clarification of this. See [HB/A3/2017](#)

2. Universal Credit

Housing costs for 18-21 year old renters

From 1st April 2017 single 18-21 year olds who are living in digital service areas or began their UC claim in a digital service area will not be entitled to the housing costs element of UC. This will not affect claimants in North Staffordshire until 2018.

This rule will not be applied to cases where the claimant -

- is part of a couple; or was on UC as part of a couple and now making a new claim after separating from partner;
- is responsible for a child or a qualifying young person;
- was a care leaver before reaching the age of 18 and living in care on their 16th Birthday;
- receives the care component of disability living allowance at the middle or highest rate or the daily living component of personal independence payment;
- is the subject of active multi-agency management under the Criminal Justice Act 2003;
- is living in temporary accommodation arranged by a local authority as part of their duties under the Housing Acts 1985 or Housing Act 1996, to prevent homelessness;
- has no parents or neither parent has a home in Great Britain;
- cannot live with their parents due to a serious risk to their physical or mental health and the Secretary of State considers it inappropriate to expect them to do so;
- has been subject to, or threatened with, domestic violence by their partner, former partner, or a family member;

- has earned income equal to or exceeding the monthly amount they would earn whilst working 16 hours per week at the National Minimum Wage (£88.80 pw/£384.80pm); or
- has earnings in each of the 6 months ending before the calendar month in which the claim for universal credit is made, that are equal to or more than the appropriate earnings threshold i.e. 16hrs x NMW (in which case a six-month exemption will apply).
- was receiving housing benefit or universal credit with a housing cost element immediately before the first day the regulations would otherwise apply e.g. moved from a UC live to full digital service

Amendment of the benefit cap earnings exception threshold for UC claimants

The DWP has issued the [Universal Credit \(Benefit Cap Earnings Exception\) Amendment Regulations 2017](#) (SI.No.138/2017) to amend the earnings threshold for exception from the benefit cap for universal credit claimants.

From 1st April 2017, the earnings exception threshold will change from existing fixed amount of £430 pcm, to a formula to calculate the monthly amount a claimant would earn whilst working 16 hours per week at the National Living Wage; rounded down to the nearest whole pound. For someone aged 25 this would be £520 pcm.

Cuts to Universal Credit for families with more than 2 children

From 6th April 2017 new UC claimants will not be able to claim allowances for more than 2 children (or qualifying young persons). However there will be transitional protection in the following circumstances:

- existing UC claimants will continue to receive UC child elements for all children born before 6th April 2017, for an interim period up to 31st October 2018;
- families who already have more than two children or qualifying young persons who are making a new claim for Universal Credit will be directed to claim Tax Credits during an interim period from 6th April 2017 until 31st October 2018. They will receive the CTC child element any child or qualifying young person born before 6th April 2017 during this interim period;
- at the end of the interim period there will be transitional protection to enable families with 3 or more children born before 6th April 2017, who were receiving CTC/UC during the interim period and have breaks in in their claim of less than 6 months will continue to receive the UC elements for more than 2 children.

There exemptions for a child born as a result of a multiple birth or in exceptional circumstances. See Child Tax Credit below

Families with children with disabilities will continue to receive the disabled child element and severe disabled child element of UC for a third or subsequent child born on or after 6th April 2017. [The Social Security \(Restrictions on Amounts for Children and Qualifying Young Persons\) Amendment Regulations 2017](#)

3. Child Tax Credit

Cuts to Universal Credit for families with more than 2 children

The DWP has published [The Child Tax Credit \(Amendment\) Regulations 2017](#) which limit the number of children (or qualifying young persons) that a child element of Child Tax Credit is payable for, from 6th April 2017. Families not be able to claim Child Tax Credit allowances for a third or subsequent child born on or after 6th April 2017. Families with children with disabilities will continue to receive the disabled child elements of CTC, for each child with a disability.

There will be exceptions in the following circumstances for both CTC and UC

- **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.
- **in the case where a child is adopted** except in the case where the adoption is by a step-parent or someone who has been a parent of the child at any time;
- **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;
- **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; alternatively there needs to be a conviction or compensation award for rape or domestic coercion and control;
- 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 the child element will not be paid for the third or subsequent child if the victim is still living with the perpetrator.

Disabled Child Element

From 6th April 2017, the disabled child element and severely disabled child element of Child Tax Credit are being replaced by a disability element of CTC payable at 2 rates

- where the child or qualifying young person is disabled, is £3,175;
- where the child or qualifying young person is severely disabled, is £4,465.”.

4. Employment and Support Allowance

Removal of the ESA work-related activity component and UC LCW element

The DWP has published [The Employment and Support Allowance and Universal Credit \(Miscellaneous Amendments and Transitional and Savings Provisions\) Regulations 2017](#) which remove the ESA work-related activity component of £29.05 a week for all new ESA claimants and the limited capability for work element of £126.11 pcm for all new Universal Credit claimants from 3rd April 2017.

There will be transitional protection from the removal of the ESA work-related activity component and LCW element of universal credit where –

- the claim for ESA was made before 3 April 2017 and that claim results in an award;
- the claim was made on or after 3 April 2017 but the claimant had previously been entitled to ESA and their period of LCW started before 3 April 2017;
- the claimant is or will become a notified person for the purposes of conversion from an incapacity benefit to ESA and is subsequently found to have limited capability for work or limited capability for work related activity;
- the claim was made on or after 3 April 2017 but ESA is payable before 3 April 2017;
- the claim was made on or after 3 April 2017 but the claimant’s assessment phase is deemed to have started before 3 April 2017;
- a claimant previously entitled to contributory ESA before 3 April 2017 had the claim terminated having claimed maternity allowance and then makes a new claim for ESA within 12 weeks of the date that their maternity allowance ended.
- the award of universal credit included the LCW element immediately before 3rd April
- the award of universal credit includes an amount for having limited capability for work and work-related activity immediately before 3rd April 2017 and it is determined, on or after that date, that the claimant has LCW;

- before 3rd April 2017, medical evidence has been provided and it is later decided a claimant has LCW, including on appeal or revision; and
- UC is revised after a successful appeal or revision of a decision not to award ESA;

Changes to the ESA permitted work and hardship payment rules

The DWP has amended the [permitted work rules](#) and amended the hardship payment for ESA claimants who are not receiving the work-related activity component. From 3rd April 2017 [The Employment and Support Allowance \(Exempt Work & Hardship Amounts\) \(Amendment\) Regulations 2017](#) (SI.No.205/2017)

- remove the 52 week limit on the period for which claimants who have limited capability for work may undertake exempt work while continuing to be entitled to benefit, this allows them to earn up to £115.60 a week and still receive ESA; and
- provide for a hardship payment at 80 per cent of a claimant's prescribed amount where they are not receiving a work-related activity component as part of their ESA award and either they or a member of their family is either pregnant or seriously ill or 60% in all other cases.

The regulations also change the permitted work rules for Housing Benefit, see [HB Circular A4/217](#)

ESA Statistics

The DWP has published the latest [ESA Statistics](#) which show a drop in the number of people entitled to ESA after their initial assessments from 63% to 54%. The number placed in the Support Group from has remained at 35% of new claimants.

New claims – initial decisions July – September 2016:

- 53% of claimants were entitled to Employment and Support Allowance. Within this –
 - 18% of claimants were placed in the Work Related Activity Group, and
 - 35% of claimants were placed in the Support Group;
- 47% of claimants were assessed as Fit for Work

Repeat ESA outcomes April - June 2016:

- 72% of ESA renewal claimants were entitled to Employment and Support Allowance. Within this
 - 17% of claimants were placed in the Work Related Activity Group, and
 - 55% of claimants were placed in the Support Group;
- 28% of claimants were assessed as Fit for Work.

Incapacity to ESA outcomes adjusted for appeal outcome by month

	WRAG	Support Group	Either group	Fit for Work
Great Britain	48%	34%	82%	18%
Stoke-on-Trent	31%	42%	73%	27%
Newcastle-under-Lyme	30%	46%	77%	23%
Staffordshire Moorlands	28%	51%	79%	21%

Mandatory Reconsideration/Appeal Outcomes January 2017

- Only 12% of the 17,000 mandatory reconsiderations of fit for work assessments resulted in revision.
- Almost 1 in 4 of claimants who go on to appeal at a First-Tier Tribunal and of those cases, 58% are successful.

5. Personal Independence Payments from 16th March 2017

The DWP has published [The Social Security \(Personal Independence Payment\) \(Amendment\) Regulations 2017](#) changes to the following descriptors to reverse the effects of two recent Upper Tribunal decisions.

3.	Managing therapy or monitoring a health condition	
a.	Either – (i) does not receive medication or therapy or need to monitor a health condition; or (ii) can manage medication or therapy or monitor a health condition unaided.	0
b.	Needs either – any one or more of the following; (i) to use an aid or appliance to be able to manage medication; or (ii) supervision, prompting or assistance to be able to manage medication or monitor a health condition From 16th March 2017 “(iii) supervision, prompting or assistance to be able to monitor a health condition.	1

“**therapy**” means therapy to be undertaken at home which is prescribed or recommended by a

- (a) registered –(i) doctor; (ii) nurse; or (iii) pharmacist; or
- (b) health professional regulated by the Health Professions Council;

From 16th March “but does not include taking or applying, or otherwise receiving or administering, medication (whether orally, topically or by any other means), or any action which, in C’s case, falls within the definition of “monitor a health condition”;

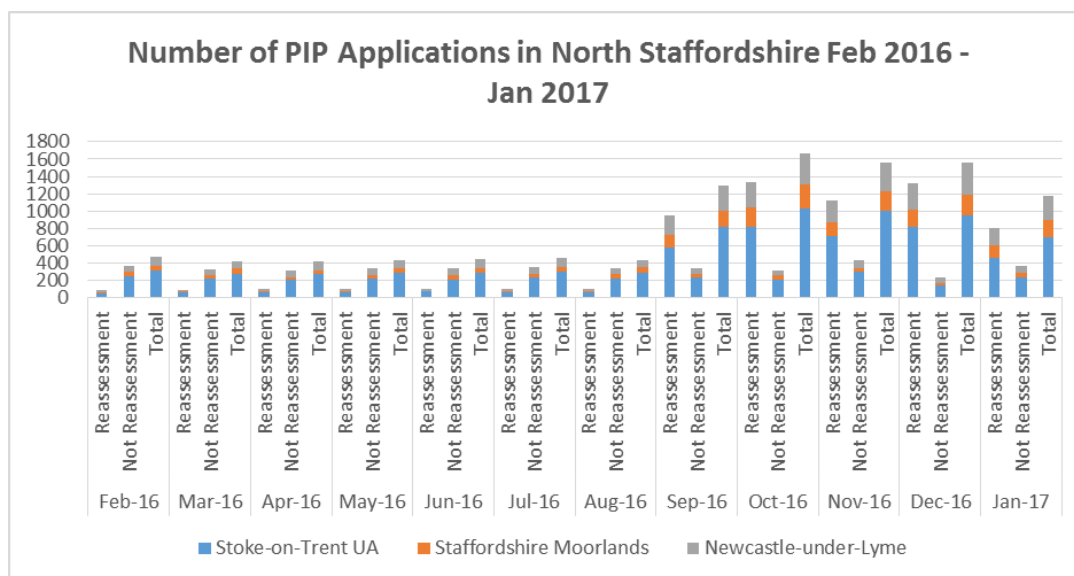
This change will prevent claimants arguing that applying creams or assisting someone to take medications is therapy. This does not affect assistance with oxygen therapy or home-dialysis.

1.	Planning and following a journey	
a.	Can plan and follow the route of a journey unaided.	0
b.	Needs prompting to be able to undertake any journey to avoid overwhelming psychological distress to the claimant.	4
c.	Cannot “For reasons other than psychological distress, cannot” plan the route of a journey.	8
d.	Cannot “For reasons other than psychological distress, cannot” follow the route of an unfamiliar journey without another person, assistance dog or orientation aid.	10
e.	Cannot undertake any journey because it would cause overwhelming psychological distress to the claimant.	10
f.	Cannot “For reasons other than psychological distress, cannot” follow the route of a familiar journey without another person, an assistance dog or an orientation aid.	12

“**psychological distress**” means distress related to an enduring mental health condition or an intellectual or cognitive impairment;

6. Personal Independence Payments Statistics

The DWP has published the latest [PIP statistics](#) which show there has been a considerable increase in the number of PIP applications in North Staffordshire since September 2016 with the majority of these being DLA to PIP reassessments.



Percentage of claims that received an award for PIP in January 2017

	Reassessment	Not Reassessment
Stoke-on-Trent	71.2%	43.8%
Newcastle Borough	71.5%	49.1%
Staffordshire Moorlands	73.7%	48.6%
North Staffordshire	71.8%	45.6%
UK	73%	46%

Stoke-on-Trent City Council is holding a Spotlight Event to discuss problems with PIP on Thursday 30th April at the Civic Centre to allow claimants and agencies to give evidence about the problems they are experiencing with Personal Independence Payment.

Anyone who would like to take part in the review should contact scrutiny officer Ellen Washington by March 6. Write to Ellen Washington, Floor 4, Civic Centre, Stoke, ST4 1HH; call 01782 236039 or email ellen.washington@stoke.gov.uk

<http://www.stokesentinel.co.uk/pip-claimants-invited-to-give-evidence-for-council-review/story-30156670-detail/story.html>

7. Income Support Sanctions for Lone Parents

The DWP has published the latest sanction statistics which show that more than 5 per cent of income support lone parent claims were sanctioned during 2015/2016,. -

Year	Number of sanctions	Number of claims sanctioned	Proportion of claims sanctioned
2004-05	31,600	31,000	2.7%
2005-06	53,900	52,000	4.6%
2006-07	65,200	62,200	5.6%
2007-08	79,800	74,600	6.8%
2008-09	93,700	84,500	7.8%
2009-10	85,100	75,900	7.2%
2010-11	76,400	68,700	7.0%
2011-12	62,000	56,200	6.4%
2012-13	48,400	44,600	5.4%
2013-14	42,900	39,600	5.6%
2014-15	43,800	39,600	6.0%
2015-16	37,000	32,800	5.4%

[Income Support lone parent regime: data to September 2016](#)

8. Benefit Cap

Work and Pensions Committee inquiry into the benefit cap

The Work and Pensions Committee has launched a [new inquiry](#) into the benefit cap and how it affects British households. 88,000 households are affected by the new lower benefit cap of £20,000 a year outside London and £23,000 within London from November 2016, compared with around 20,000 households affected under the previous policy, the Committee calls for written submissions by 7th April 2017 on a range of issues including -

- to what extent the cap is achieving behavioural change amongst claimants and securing savings for the Exchequer;
- to what extent has claimant behaviour responded to the cap, through moving into work, moving house or other changes;
- what effect does the lower cap have on incentives, what are the barriers to behavioural change and how can they be overcome?
- does the cap address high underlying rates of housing benefit and child maintenance in a fair way?
- what are the consequential costs of the cap for other public spending, such as that by local authorities?
- what are the consequences for discretionary housing payments (DHPs) and what impact does use of DHPs have on behavioural change?

The chair of the Committee Frank Field said 'Quite often when the government reduces a benefit, the justification given is that it will incentivise work, and obviously encouraging and supporting the strivers is a laudable goal. People can escape the benefit cap if they move into work. The government needs to be challenged to put much more resources in helping families whose benefits are going to be cut in this way to know that there is an exit and one which they might be able to grasp soon.'

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