



## Benefits Newsletter February 2016

### 1. Bedroom Tax Cases

#### Disabled Child needing overnight care and Domestic Violence Panic Room

On 27<sup>th</sup> January 2016, the Court of Appeal ruled that a family who needs a carer to stay overnight to care for a disabled child should be allowed to have a bedroom for a carer. In the same decision the Court of Appeal ruled that a panic room for woman who had been rehoused in a secure home by the police would not count as a spare room. *R (A) v Secretary of State for Work and Pensions and R (Rutherford and others) v Secretary of State for Work and Pensions*

However the Government has appealed these cases and they will be considered by the Supreme Court 29<sup>th</sup> February-2<sup>nd</sup> March 2016 along with the other bedroom tax appeals *R (MA and others) v Secretary of State for Work and Pensions*. These other appeals will consider if a person with a disability who need a spare room for reasons related to that disability should also have an exemption; these include a couple who a cannot share a room because of a disability and a father whose disabled son stays with him for 2-3 nights a week and needs a room of his own and a disabled person who needs a room to store equipment. See <http://www.bailii.org/ew/cases/EWCA/Civ/2016/29.html>

### 2. Benefit Cap

#### Exemptions for Carers and Guardians

During the 3<sup>rd</sup> Reading of the Welfare Reform and Work Bill in the House of Lords Lord Freud announced that Guardians in receipt of Guardians Allowance will be exempt from the benefit cap.

Lord Freud has also announced that it is the Government's intention to exempt all carers who are receiving Carer's Allowance and carers who have an underlying entitlement to Carer's Allowance from the benefit cap; this would prevent cuts to Housing Benefit and Universal Credit which are currently applied to carers who have a household income of £500 a week (£350 a week for single claimants).

<http://www.publications.parliament.uk/pa/ld201516/ldhansrd/text/160125-0002.htm#16012522000165>  
<http://www.publications.parliament.uk/pa/ld201516/ldhansrd/text/160209-0001.htm#16020973000405>

#### New benefit Cap to be introduced in the Autumn 2016

The Welfare Reform and Work Bill 2015 contains provisions to reduce the benefit cap to £20,000 a year for families outside London and £23,000 for families living in Greater London from April 2016. The Benefit Cap is applied to the whole amount of Universal Credit in areas where it has been introduced. The Bill is currently progressing through Parliament. A new cap will mean that in North Staffordshire families with 3 or 4 children will be affected and will have their Housing Benefit reduced if their weekly benefit income is above £384.63. The bill also proposes that the benefit cap for single claimants will be reduced to £257.69 per week. Lord Freud has announced that this is to be introduced in the Autumn 2016.

<http://www.publications.parliament.uk/pa/ld201516/ldhansrd/text/160209-0001.htm#16020973000405>



## Benefit Cap Statistics

The DWP published the latest statistics showing the number of families affected by the £26,000 Benefit Cap which is reducing Housing Benefit for families who have a benefit income of over £500 a week. In November 2015 in North Staffordshire 101 households were affected losing up to £150 a week in Housing Benefit.

November 2015		Weekly Amount of Benefit Capped			Number of Children in the family		
		Total	Up to £50	£50.01 to £100	£100.01 to £150	3	4
Newcastle-under-Lyme	13	7	8				11
Staffordshire Moorlands	6	6					7
Stoke-on-Trent UA	82	53	19	10		26	56
<b>Total</b>	<b>101</b>	<b>66</b>	<b>27</b>	<b>10</b>		<b>26</b>	<b>74</b>

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

<https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-november-2015>

## 3. Universal Credit

### Digital Roll Out

The DWP has announced the dates of the next stage of the roll-out of the Universal Credit digital service.

#### Phase 1: May - July 2016

<b>May 2016</b>	Bath, Newcastle Cathedral Square, Rugby, Bridgwater, Lowestoft;
<b>June 2016</b>	Harrogate, Richmond, Inverness, Hammersmith, Ryedale;
<b>July 2016</b>	Runcorn, Widnes, Lancaster, Morecombe, Frome, Wells.

#### Phase 2: October - December 2016

<b>October 2016</b>	Skipton, Northallerton, Kennington Park, Peckham, Taunton, Minehead
<b>November 2016</b>	Workington, Whitehaven, Daventry, Market Harborough, Dingwall, Fort, Invergordon, Portree, Wick, Melton Mowbray
<b>December 2016</b>	Hartlepool, Hastings, Fulham, Shepherds Bush, Stratford-upon-Avon, Swindon.

The full service will be open to all new claims from all claimant types, including anyone who is currently on existing benefits or tax credits and has a change of circumstance that would naturally trigger a new claim to universal credit, the guidance also clarifies that anyone who is currently claiming universal credit through the live service in one of the specified areas and has a change of circumstance will migrate onto the full service.

See: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/499726/transition-rollout-schedule-phase-1-to-2-2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499726/transition-rollout-schedule-phase-1-to-2-2016.pdf)

### Upper Tribunal Decision CUC/2888/2015 - Treatment of wages paid after the end of the employment and after a claim for universal credit was made

Judge Jacobs has ruled that the income received, not earned, needs to be used to calculate UC during any assessment period. para 11.'..the question is whether the money in question was received during the assessment period. Despite the claimant's attempts to argue otherwise, it clearly was. It was money received in that period, even if it was earned earlier. As such, it was part of the claimant's earned income (regulation 54(1)). It does not matter that the employment from which it was derived had ceased to exist by the time of payment. ' <http://www.osscsc.gov.uk/Aspx/view.aspx?id=4746%20>

## **Institute of Fiscal Studies Report on Universal Credit**

The Institute of Fiscal Studies has evaluated the impact that UC will have upon working age families. The IFS has found that ‘

- **Among working households, 2.1 million will get less in benefits as a result of UC’s introduction** (an average loss of £1,600 a year) and **1.8 million will get more** (£1,500 average gain). Among the 4.1 million households of working age with no-one in paid work, 1 million will get less (average loss of £2,300 a year) and 0.5 million will get more (average gain of £1,000 a year).’
- **Working single parents and two-earner couples are relatively likely to lose**, and one-earner couples with children are relatively likely to gain. Among those currently receiving one of the benefits being replaced by UC, working single parents would be over £1,000 a year worse off on average if the long run UC system applied now, but one-earner couples with children would gain over £500 a year on average.

<http://www.ifs.org.uk/publications/8135>

## **Public Accounts Committee Report on Universal Credit**

Confirms that UC completion date is likely to be March 2021.

<http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpublic/601/601.pdf>

## **Free School Meals and UC**

Universal Credit claimants with school age children are currently entitled to free school meals however the Government has announced plans to introduce an income threshold by the end of 2016.

‘We plan to launch a consultation on eligibility for free school meals under Universal Credit later in 2016, with a view to having the necessary regulations in place for the end of the year..... While this work is on-going, any child whose parent or guardian is receiving Universal Credit will continue to be entitled to free school meals.’

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-12-17/20634/>

## **4. Welfare Reform and Work Bill 2015**

### **ESA Work Capability Element – House of Lords Amendment**

The House of Lords voted in favour of an amendment to the Welfare Reform and Work Bill to remove the provisions in the bill which abolish entitlement to the Work Capability Element in ESA and the equivalent provision in Universal Credit. The Work Capability Element is £29.05 a week for ESA and £126.11 a month in UC and it was recognised that the loss of these additions would lead to hardship for claimants who are unable to work due to sickness and studies have shown that cutting this addition would not provide a work incentive for ESA claimants. The amendments will be considered by the House of Commons after a Third Reading in the House of Lords.

<http://www.publications.parliament.uk/pa/ld201516/ldhansrd/text/160127-0001.htm#16012745000324>

## **5. Local Housing Allowance Rates 2016/17**

There has been no change to the LHA Rates from April 2017.

<b>Staffordshire North</b>	<b>Weekly Local Housing Allowance</b>	<b>Monthly LHA</b>
Shared Accommodation Rate:	£52.02 per week	£226.04
One Bedroom Rate:	£80.55 per week	£350.01
Two Bedrooms Rate:	£90.90 per week	£394.98
Three Bedrooms Rate:	£109.32 per week	£475.02
Four Bedrooms Rate:	£139.84 per week	£607.64

## **6. Tax Credits and Concentrix**

The Frank Field MP Chair of the Works and Pensions Select Committee asked in a written question to Treasury about the number of Mandatory Reconsiderations that Concentrix had received Tax Credit compliance issues. Treasury Minister David Gauke reported that:

- between November 2014, when their contract commenced, and October 2015, Concentrix received 2,682 requests for mandatory reconsideration of a decision about a tax credits award; and
- in November and December 2015, Concentrix received 3,242 requests for mandatory reconsideration..

He added that 'the total is about 1.6% of the decisions made by Concentrix during this period. As of 15 January 2016, there are 566 mandatory reconsiderations in progress that have been opened and Concentrix are waiting for customers to provide further evidence. Concentrix have 30 further mandatory reconsiderations that are awaiting determination.

The average length of time taken between Concentrix starting to work a mandatory reconsideration and making a decision is 24 days. This includes the time needed for customers to provide any further evidence.'

<http://www.parliament.uk/written-questions-answers-statements/written-question/commons/2016-01-14/22658>

## **7. Potteries Gold Leaflets**

Copies of the Potteries Gold Leaflets can be found on the Staffordshire North and Stoke-on-Trent CAB website and are free to download. See

<http://www.snsCab.org.uk/about-us/potteries-gold/>

You can also follow Potteries Gold on Facebook and Twitter

<https://www.facebook.com/PotteriesGold/>

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