

Big benefit changes and news

Here are some significant benefit changes taking place and some important news

This benefit bulletin has been produced by Newcastle City Council's Active Inclusion Newcastle Unit

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Big changes for Jobseekers and lone parents from 28 April 2014

Work related activity for lone parents with younger children

Those getting Income Support for being a lone parent will have to take part in **work focused interviews** at the Jobcentre if they have a youngest child aged 1 to 4. The time and duration will be tailored to the needs of the lone parent.

Lone parents with a youngest child aged 3 or 4 will have to undertake **mandatory 'work related activity'** "to better prepare them for the full work-related requirements they will face when their child turns five". This applies to those getting Income Support for being a lone parent or Employment and Support Allowance (ESA) and in the Work Related Activity Group. It does not apply to those in the ESA support group.

Lone parents will be told about these changes when they first claim or at their next work focused interview and in a factsheet.

Once a lone parent, whose youngest child is 3 or over, volunteers for the Work Programme, participation will become mandatory.

Failure to comply with these activities – without good cause – means Income Support may be cut (sanctioned). It starts with a 20% cut but will increase to 100% for further failures. Only one Income Support sanction is allowed in a two week period.

At the time of writing only draft rules were available on the Parliamentary website (<http://tinyurl.com/lp-legislation>) but we have been assured they will come into force.

Funding for free childcare places for up to 15 hours a week is available through the local authority for lone parents in receipt of certain benefits. To access this funding parents can ask at their local day nursery, playgroup or childminder or ring Newcastle City Council 0191 2787878 and ask for childcare for a list of childcare providers in their area. More details about free child care on the City Council website: <http://www.newcastle.gov.uk/health-and-social-care/childcare/help-with-the-costs-of-childcare> .

The 'Help to Work' scheme for Jobseekers

Those who have been unemployed for three years and those leaving the Work Programme may be mandated to:

- Take part in 'community work placements' that benefit their local community for up to 30 hours a week and supplemented by up to 10 hours of job searching. The DWP press release announcing the change gives these examples: "clearing up litter and graffiti in their local areas."
- Attend daily work search reviews at the Jobcentre to ensure they are undertaking their requirements; Participants with multiple barriers to finding work, for example literacy or numeracy problems, will be provided with intensive support to address their problems.

Failure to comply with these changes means losing benefit of four weeks for a first offence. See section on sanctions below.

For details see the DWP press release: <http://tinyurl.com/DWP-HelpTo-Work-Scheme> and the Disability Rights UK website: <http://tinyurl.com/DisRightsUk-HTW-Scheme>

Other work related requirements from 28 April

- Jobseekers will be expected to be more work ready on day one of their claim. For example, having an email address, a suitable CV, a Universal Jobmatch account.
- Where they do not meet these criteria they will be expected to complete this activity at the earliest opportunity, with training support where required.
- There may be weekly work search reviews for some jobseekers and quarterly reviews of their work search activity.
- Claimants will be screened for their English speaking and could be mandated to attend English language training.

Back to work schemes guide

The DWP has published a useful guide for Jobseeker's Allowance (JSA) claimants about the schemes they may be referred to and their eligibility criteria. "These schemes are designed to develop skills and experience that will help claimants find work." It also explains the benefit sanctions regime that apply if they do not comply with the schemes.

The guide can be found here: <http://tinyurl.com/BackToWorkGuide>

Work related sanctions

If a person does not comply with the above and other work related requirements, their benefit may be stopped. This is called a 'sanction'.

Avoiding sanctions

Our advice is that sanctions are best avoided in the first place. For example:

- The Jobseekers Agreement or the Claimant Commitment interview at the start of a claim is the claimant's opportunity to explain any reasonable restrictions they may have on work availability or job seeking.
- Claimants must do their best to comply with that agreement; always turn up to appointments and job seeking activities and schemes; and always let the Jobcentre office know if there are problems
- If sanctioned, the claimant can ask the Jobcentre to reconsider or appeal if necessary.

Sanction statistics

The DWP have produced figures about the number of people who have had their Jobseeker's Allowance and Employment and Support Allowance sanctioned. For example, out of 12,248 total sanction decisions referred up for a decision by Newcastle Jobcentre Plus offices between October 2012 and September 2013, 5,335 of them were upheld. An average of 485 a month.

The report can be found via this webpage: <http://tinyurl.com/DWPSanctionStats>

See also these statistics on sanctions for lone parents: <http://tinyurl.com/lp-Sanctions> and for Employment and Support Allowance: <http://tinyurl.com/FOI-ESA-sanct> broken down by health conditions.

Sanctions consultation

The Government are carrying out a consultation on a part of the sanctions system. CPAG (Child Poverty Action Group) have collated some of the responses.

<http://tinyurl.com/njppxxg>

Parliament report on sanctions

In a recent report, the House of Commons Work and Pensions Committee was concerned about inappropriate sanctions and recommended “Jobcentres to be incentivised to get people into work, not just off benefits.” And do more to assess more accurately people’s needs and their barriers to finding work.

<http://tinyurl.com/ParlSanctReport>

Reducing sanctions together

Newcastle City Council and Jobcentre Plus are working together to support organisations to improve compliance with work related activity and reduce sanctions. For example, we are producing a joint leaflet to explain sanctions.

Waiting days increased for Jobseeker claims

From April, the number of days a new Jobseeker’s Allowance claimant normally has to wait for entitlement is extended from 3 to 7 days.

Example: Geoff claims JSA Monday 12 May. Some weeks later, it is decided he is entitled to JSA but it is only paid from 20 May (having served 7 waiting days).

***NB** this proposal was changed by the Government to a consultation on increasing the waiting time for both JSA and ESA for 7 days starting from October 2014. See future benefit bulletins for further news*

Budget 2014 welfare highlights

This is a brief list of key benefit changes announced in the Budget on 19 March.

- People making a new claim for Employment and Support Allowance (ESA) will have to wait 7 days before entitlement starts. This change from October 2014 already applies to Jobseeker’s Allowance (described above);
- Carers Allowance is not payable if earnings are £100 or more a week. This increases to £102 from May 2014;
- All Universal Credit claimants will be able to receive up to 85% cent of their childcare costs, rather than some only getting 70%;

- “The roll out of Universal Credit continues, with the live service expanding to couples in the summer. The government continues to roll out the service in a controlled manner in order to assess how claimants are responding, and to inform development of the enhanced digital solution. Based on current plans, Universal Credit will be fully available in each part of Great Britain during 2016.”
- European Economic Area (EEA) migrants will have increased compliance checks on whether they satisfy the rules for getting child benefit or child tax credits – for both new and existing claims;
- The budget confirmed the measures already announced which limits benefits to EEA migrants – as described in the last benefit bulletin;
- From April 2016, the rate of tax credits debt recovery from ongoing awards will increase from 25% to 50% for households with an income of over £20,000 a year;
- The government will consult on strengthening HMRC’s powers to recover tax and tax credit debts directly from debtors’ bank and building society accounts, including ISAs;
- Tax free childcare for working families not already receiving support through Tax Credits, with support for 20% of costs up to £10,000 for each child under 12. This replaces the current voucher scheme;
- The National Minimum Wage will increase above inflation from October 2014;
- Welfare spending cap. The total amount of welfare spending will be capped each year at the start of each Parliament. The proposed amount for 2015/16 is £119.5bn. In that year, the government is expected to spend £113.1bn on welfare payments. Benefits not included in the welfare cap are:
 - JSA and getting ‘passported’ Housing Benefit and similar in Universal Credit,
 - State Pension (basic and additional),
 - Transfers within government (e.g. Over-75s TV licences)

Budget documents:

<https://www.gov.uk/government/topical-events/budget-2014>

The costings are found in table 2.1 from page 56 in the full document and the ‘policy costings’ document.

BBC Budget summary:

<http://www.bbc.co.uk/news/business-26647831>

CPAG response:

<http://tinyurl.com/q4h5t65>

Further information

Can be found on www.newcastle.gov.uk/welfarerights including where to get advice in Newcastle and benefits self-help factsheets.

This benefit bulletin was written in March 2014 by the Newcastle City Council’s Active Inclusion Newcastle Unit. Email: activeinclusion@newcastle.gov.uk