

Benefit Bulletin: Big benefit changes and news

Produced by the Active Inclusion Service, Newcastle City Council

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Universal Credit

Roll out progress

Universal Credit is gradually replacing six means-tested benefits for working age people. The latest information shows that there were 21,545 people in Newcastle on Universal Credit. That's about half of those who will eventually be on Universal Credit. 31% of them are in some sort of work.

At the time of writing there is no date for the next stage of Universal Credit 'managed migration' beyond the pilot in Harrogate and it will require Parliamentary scrutiny and new regulations. The [Office for Budget Responsibility](#) assumes that the 'managed migration' process will end in June 2024.

Two-week benefit run-on of 'old' benefits when claiming Universal Credit

From July 2020, when someone claims Universal Credit they will be able to keep two weeks' worth of their Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance. This follows the 'run-on' measure that was introduced for people receiving Housing Benefit in April 2018.

Maximum sanction period reduced from three years to 26 weeks

For failure to carry out required work-related conditions, Universal Credit can be cut for several weeks, called a 'sanction'. The 156 weeks (three years) sanction period for repeated failures has been removed, leaving the maximum now at 26 weeks.

[Guidance on this change](#) from gov.uk.

For advice about Universal Credit work conditionality and sanctions, see our leaflet [benefit sanctions and how to avoid them](#) and the [Preventing Benefit Sanctions training](#) provided jointly by Newcastle City Council and Jobcentre Plus. See also this summary from [Disability Rights UK](#) and more information on our [Universal Credit](#) website pages.

Universal Credit tip 1: Whatever happened to 'permitted work'?

You can work and claim Universal Credit. Your Universal Credit payment increases or decreases depending on your earnings, other income and other circumstances.

Under the sickness benefit Employment and Support Allowance (ESA), you can do various levels of work called 'permitted work', where some earnings are ignored. The aim is to allow claimants to sample work in a controlled way, without losing their benefit entitlement.

Permitted work rules don't exist under Universal Credit, which is replacing ESA. However, a higher amount of earnings can be disregarded if you have children or you are **unfit for work** – known as having 'limited capability for work'. This is called the 'work allowance'. More details on the [work allowance](#) from gov.uk.

However, if you earn too much (currently £569 a month), then you may be classed as not unfit for work – even though you are. This does not apply if, for example, you get Personal Independence Payment.

Put simply, you may get more Universal Credit if you are working and on the sick – depending on these and other rules. As this is quite complicated, please seek advice. The council's Welfare Rights consultancy line for professionals is open from 10am to 12 noon Monday to Friday (0191 277 2633).

Universal Credit tip 2: Claimant Commitment – commitment!

Very soon after a Universal Credit claim you attend an interview with your work coach in the Jobcentre, where you discuss an appropriate level of work-related activity and draw up a draft Claimant Commitment, which you must accept on your Universal Credit online account. You should do this as soon as possible after the interview, whilst still in the office if possible. **If you don't, your Universal Credit claim may lapse.**

For more information about Universal Credit

See our [Universal Credit website page](#) and [News from the Department for Work and Pensions](#) (DWP) below.

Minimum award length for Personal Independence Payments

The government plan to introduce a minimum award length for Personal Independence Payment. This was announced in a background paper to the Queen's Speech, which promised to publish a 'National Strategy for Disabled People'. For more information, see [Queen's Speech 2019: background briefing notes](#). The next budget on 11 March 2020, may include further announcements.

“Bedroom tax” decisions and wider implications

Housing Benefit, or the equivalent in Universal Credit, helps with rent payments. For social housing, such as Your Homes Newcastle, if the government deem the household to have a 'spare' bedroom, then 14% of this help is reduced, increasing to a 25% reduction if there are two or more 'spare' bedrooms. This rule, which took effect from 2013, is known as the “bedroom tax”.

Disabled couples and those who need an overnight carer

A series of court decisions have meant that, put very simply, the “bedroom tax” does not apply if a disabled adult or child needs a bedroom for an overnight carer or a couple who need to sleep in separate bedrooms due to a disability. The level of disability and need have to be shown. These rules have applied for some from 2013 and April 2017, but a recent Supreme Court case means that back payments of Housing Benefit can be paid to several hundred claimants who have already appealed for earlier periods when the “bedroom tax” was applied. The DWP [guidance](#) says they will contact and pay such 'lookalike' cases.

The wider implications of the decision

The Supreme Court stated that regulations like the “bedroom tax” rules, are subordinate to the Human Rights Act. If regulations (also known as 'secondary legislation') are found to contravene the Human Rights Act, i.e. breach a person's human rights, then decision makers and tribunals can make such a judgement and should not apply them.

The Supreme Court said:

“There is nothing unconstitutional about a public authority, court or tribunal disapplying a provision of subordinate legislation which would otherwise result in their acting incompatibly with a Convention right, where this is necessary in order to comply with the Human Rights Act. Subordinate legislation is subordinate to the requirements of an Act of Parliament”.

For more information, see the Supreme Court decision [RR \(AP\) v SSWP](#) (13 November 2019), summaries by [Leigh Day](#) and [Child Poverty Action Group](#) who took the cases and the [Guardian](#).

Sanctuary scheme due to domestic violence

In another case, a woman had been raped and attacked by a man, so under the ‘sanctuary scheme’ her council modified the attic as a ‘panic room’. The DWP applied the “bedroom tax” because she had a spare bedroom. In May 2014 she applied for Judicial Review. On 24 October 2019, the European Court of Human Rights decided that in such cases the “bedroom tax” was discriminatory and without justification.

For more information, see the European Court of Human Rights [Case of J. D. and A. v United Kingdom](#).

[Hopkin Murray Beskine](#), who took the case, said:

“... It is important to remember that on average two women every week are killed by a current or former partner in England and Wales – protecting abused women and their children is a matter of life and death, and we should always remember this.

We now call on the Secretary of State to take swift action in response to today’s ruling, and to change the rules to exempt from the bedroom tax the small but extremely vulnerable class of women and children who need the safety of a sanctuary scheme whilst they try to rebuild their lives after surviving domestic violence”.

Please note that Universal Credit is automatically paid to the main carer in domestic abuse cases. For the details, see the [October 2019 Benefit Bulletin](#).

Post Office Card Accounts to end

The Post Office Card Account (POCA) is sometimes used by people who don’t have a bank account. It is very limited and not very suitable for Universal Credit. An alternative is the [Payment Exception Service](#), which is also quite limited so the government encourage people to open a bank account or a credit union account, such as [Moneywise](#).

POCAs are coming to an end in November 2021 and the facility for Jobcentre staff to open new POCAs will be withdrawn from 1 February 2020.

The [Money Advice Service](#) give information on how to open an account and what they involve.

Compensation payments for sickness benefit claimants

When Employment and Support Allowance (ESA) replaced Incapacity Benefit from 2008, many people missed out on the higher payments of the income-related part of ESA. Following pressure from advice services, the DWP has accepted its mistake and agreed to compensate those who had lost out. So far, 112,000 people have qualified for arrears payments averaging £5,000. A further 5,000 underpaid claimants have died.

For more information, see the DWP report [ESA underpayments: Forecast numbers affected, forecast expenditure and progress on checking](#). There are also [details in earlier Benefit Bulletins](#) in March and August 2018.

Appeal success data

Over three quarters of Personal Independent Payment and ESA appeals are successful. It's a 61% success rate for Universal Credit appeals. These numbers show it is definitely worth appealing if you disagree with a decision.

If you are unhappy with a benefit decision you can ask for it to be reconsidered, which is called a mandatory reconsideration. If you are unhappy with that decision, you can appeal to an independent Tribunal Service. For Housing Benefit only you can go straight to appeal.

For more information, see our factsheet [What to do if you disagree with a Personal Independence Payment or Disability Living Allowance decision](#) and the latest [Tribunal Service statistics](#).

The 'two-child limit' challenges continue

Going to the Supreme Court

The 'two-child limit' was introduced in April 2017. It limits the amount of Child Tax Credit and Universal Credit to an amount for two children. Several exceptions apply.

Child Poverty Action Group has been granted permission to appeal to the Supreme Court on the 'two-child limit' against the Court of Appeal judgement. For more information, see the CPAG webpage on the [two child limit](#) and the [court challenge](#).

More details on the 'two-child limit' are on our website page [Changes to benefits for children, families and young people](#).

"No government should be willing to accept" the consequences of the 'two-child limit' say MPs

Meanwhile, after taking more evidence, Parliament's Work and Pensions Committee [concluded](#) the government must "... lift the two child limit and return to providing support for all children through the benefits system".

Benefit advice for Newcastle residents and professionals

Newcastle residents can get advice from various advice services listed on our website page [Benefit advice services in Newcastle and benefit offices](#).

Professionals can get direct help from [the council's Welfare Rights' consultancy line](#).

April 2020 benefit uprating

Here is a link to the proposed [2020/2021 benefit rates](#) from April 2020. Our [Benefits information website page](#) has the current and last year's rates.

This includes the 'unfreezing' of working age benefits and [Local Housing Allowance](#) (Housing Benefit for private tenancies), which was due to come to an end this year when the four year freeze was announced in the [Summer Budget 2015](#).

Living together as a married couple or two single people

Whether you are classed as a couple or two single people has consequences for benefit purposes. The main one being that the amounts of some benefits for couples are less per person. There is a lot of case law on this, where the DWP wanted to recover an overpayment. A recent [Upper Tribunal case](#) has provided the correct approach for the DWP and tribunals. For example, there are various 'signposts' which may indicate a living together situation but not one signpost is determinative. For more information, see this [advice](#) by Child Poverty Action Group.

Jobcentres to help the homeless

The Government have announced £3 million extra for Jobcentres to support outreach activities with homeless people. For more details, see the [Government press release](#) which says the funding will be delivered in 2020 to 2021. There is no information yet on whether this will benefit Newcastle.

Reports and welfare reform

Trussell Trust report on poverty and food insecurity in the UK

The Trussell Trust's study [State of Hunger: a study of poverty and food insecurity in the UK](#) (November 2019) aimed to establish what is meant by 'hunger' in social policy discussions, develop a robust evidence base on who in the UK is affected by hunger, and what drives hunger, and use this evidence base to assess what might alleviate hunger, such as removing the five week wait for Universal Credit claims.

Report on who is below the Minimum Income Standard

A [Joseph Rowntree Foundation report](#) looks at the groups of people who have fallen below its Minimum Income Standard (MIS) – the amount the public think is needed for a decent living standard. For example, the number of people living below the MIS has increased by over two million in ten years, three in four children are living below the MIS, and there a growing proportion of households where there is someone in full-time work are below the MIS.

The poverty premium – where the poor pay more

The All Party Parliamentary Group on Poverty has undertaken an [inquiry](#) into the poverty premium – "the ways in which people living in poverty pay more for essential goods and services", which reported in November 2019 with a range of recommendations to tackle this problem.

The digital divide

The United Nations Special Rapporteur on extreme poverty and human rights, Professor Philip Alston, published a [report on digital welfare states and human rights](#) on 17 October 2019, with serious concerns about the “digital welfare state” and warning that there “... is a grave risk of stumbling zombie-like into a digital welfare dystopia”. The report recommends that “... instead of obsessing about fraud, cost savings, sanctions, and market-driven definitions of efficiency, the starting point should be on how welfare budgets could be transformed through technology to ensure a higher standard of living for the vulnerable and disadvantaged”.

Further support, information and training

The DWP produce useful items for professionals in [Touchbase: DWP news about work, working-age benefits, pensions and services](#). Their latest edition is October 2019.

Find our **earlier Benefit Bulletins** on our [website page for professionals and volunteers](#) and for **more information on benefit changes**, see our website page [Changes to the benefits system](#) which includes a **timeline of the main benefit changes**.

More details about benefits, including those mentioned above, can be found on [our welfare rights and money advice website pages](#), including benefit self-help factsheets.

Find ‘**Where to get advice in Newcastle**’ on the [benefit advice services website page](#).

For details on our **face to face training and e-learning modules**, such as ‘Introduction to benefits’ and ‘Universal Credit’, see our [website page for professionals and volunteers](#).

This Benefit Bulletin was written by the Active Inclusion Service at Newcastle City Council. It is provided bi-monthly and at times of important benefit changes and news. It is as accurate as possible at the time of writing.

We also produce a weekly **Active Inclusion Newcastle e-bulletin** which provides a brief update on financial inclusion and homelessness prevention issues. If you want to receive this, or for more details, email activeinclusion@newcastle.gov.uk.