

Local housing allowance to be capped at the five-bedroom rate

New regulations that will provide for the capping of local housing allowance (LHA) at the five-bedroom rate are due to come into effect from April 2009.

The reform was announced by Secretary of State for Work and Pensions James Purnell in October 2008 who said that an unintended and 'clearly unacceptable' consequence of the introduction of LHA has been that –

'... in a limited number of cases significant sums had been paid to private landlords in order to house people in the sorts of property that they could not afford if they were in work.'

Whilst draft regulations that set out the new rules – the *Housing Benefit Amendment Regulations (2009)* – are currently the subject of a Social Security Advisory Committee consultation, it is the government's intention that they will come into force from 6 April 2009 for all new claims.

However, for existing claimants the DWP advises that –

- those in receipt of the LHA rate for six or more bedrooms will continue to receive that rate until the anniversary of their claim, or earlier where they change their address, after which their claim will be reviewed and benefit will be assessed according to the five-bedroom rate; and
- there will be a 13 week transitional protection period at the current rate before changes are made.

NB – in addition it is proposed that 'existing transitional protection arrangements' will continue where there is a death in a claimant's family. □

Increasing support ... but raising expectations

Welfare Reform Bill receives first reading in Parliament

The Welfare Reform Bill, which builds on the 'Raising expectations and increasing support' White Paper published in December 2008, has received its first reading in Parliament.

Welcoming the publication of the Bill, Secretary of State for Work and Pensions James Purnell said –

'The government is increasing the real help available to everyone claiming benefits during the economic downturn. We will not leave anyone behind as we face up to the global financial crisis.'

'This Bill will allow us to bring about the most radical reform of the welfare state for generations. When times are tough, it is more important than ever that we provide people with the extra help they need.'

Amongst the reforms set out in the Bill are –

- a more personalised conditionality regime tailored to an individual's circumstances;
- a reduction in the number of working age benefits, by abolishing income support;
- the piloting of mandatory 'Work for your benefit' schemes;
- powers to require more activity from partners in return for benefits;
- the creation of a new 'Progression to Work' group for those – like parents with younger children – for whom, whilst an immediate return to work is not appropriate, it is a genuine possibility 'with time, encouragement and support';

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Young people to be fast-tracked through the New Deal

Young people not in education, employment or training (NEET) are to be fast-tracked through the New Deal from April 2009, the government has confirmed.

In a speech on 29 January 2009, Minister for Children, Young People and Families Beverley Hughes said that with very few unskilled jobs likely to be available by 2020, it's imperative that all young people have access to the support they need to be able to take advantage of vocational or academic learning or a mixture of both.

To this end, the minister said that the government is guaranteeing every teenager a suitable place in learning when

they leave compulsory education at 16; has legislated to raise the education leaving age to 18; and has broadened the mix of learning available to include diplomas and more apprenticeships.

However, young people also have a duty of responsibility to themselves the Minister said and, as a result –

'... from April, 18 year olds who have been NEET for 6 months or more will be fast-tracked through the New Deal system to receive additional support – and this is not unconditional support – to get them into work.'

Beverley Hughes' speech is available @ www.dcsf.gov.uk/speeches □

Lone parents to be eligible for new 'transitional' loan from the social fund

Lone parents moving from income support to JSA are to be eligible for a social fund loan of up to 100% of their personal allowance, the government has said.

Following the introduction of new rules in November 2008 that mean that new and repeat claimants with a youngest child aged at least 12 are no longer entitled to income support solely on the grounds of being a lone parent, existing claimants are to begin to be moved from income support to JSA, or employment and support allowance (ESA), from March 2009.

However, whilst lone parents receiving income support are currently paid their benefit weekly in arrears, those who successfully claim JSA or ESA will move to a payment regime where the frequency of payment is two weeks in arrears.

As a result, the government has said that those lone parents who require financial support because of the change in payment periods will be offered a 'lone parent transition loan' which, Work and Pensions Minister Kitty Ussher confirmed in Parliament on 19 January 2009, will be worth up to 100% of the claimant's personal allowance –

'... we have now decided to amend social fund crisis loan directions to enable lone parents to receive payment of a transition loan of up to 100 per cent of their personal allowance rather than 75 per cent. as is the case with existing crisis loans.'

NB – as a result of the 'payday and periodicity' changes being introduced for all working age claims from April 2009 – see page 4 – the new social fund arrangements will not apply to lone parents affected by the extension of the new income support rules in autumn 2009 and 2010 (those with a youngest child aged at least 10 and those with a youngest child aged at least 7 respectively.) ☐

Helping parents with younger children and ESA claimants 'progress' towards work

Further detail of a new 'Progression to Work' approach to welfare to work, designed to encourage parents with younger children and employment and support allowance claimants to prepare for work, have been published by the government.

In the DWP-commissioned 'Gregg report', published in December 2008, Professor Paul Gregg set out a vision of a single, personalised conditionality and support regime, under which all working-age claimants would be allocated to one of three groups – a 'Work-Ready' group; a 'No Conditionality' group; or a 'Progression to Work' group.

With Professor Paul Gregg having suggested that the 'Progression to Work' group might include those for whom an immediate return to work is not appropriate but is a genuine possibility with time, encouragement and support, the DWP has now published a discussion paper setting out how it intends to take forward the proposal 'to help many more parents with younger children and employment and support allowance claimants to prepare for work.'

In 'Realising Potential: developing personalised conditionality and support – a discussion paper', the DWP outlines its latest thinking on how the approach will be designed and tested, and sets out a framework whereby more claimants –

- actively engage with their adviser on an ongoing basis;
- consider, discuss and agree an Action Plan comprising activities they think will improve their prospects of moving back into work; and

- undertake these agreed work preparation activities as part of their own journey towards employment.

NB – the framework will require the creation of a model where advisers have the necessary skills and capabilities to encourage claimants to co-own, co-produce and take responsibility for their journey back to work, the DWP adds.

Announcing the publication of the discussion paper in Parliament, Secretary of State for Work and Pensions James Purnell said –

'We want to test the full model proposed by Professor Gregg of higher support and expectations....The current Welfare Reform Bill aims to create the necessary legislation for this approach, initially through a series of pathfinders, subject to parliamentary approval. These pathfinders will cover around a fifth of new and existing ESA claimants and a similar proportion of parents with younger children. Parents with a youngest child aged between one and two will be expected to engage with an adviser and agree an action plan, but undertaking work preparation activities will be voluntary.'

The Secretary of State added that, because the government knows that the availability of childcare is so central to enabling parents to realise their aspirations for paid work, it will pay for any additional childcare that claimants need to carry out their action plan. In addition it intends to test whether offering an improved financial incentive for parents to try out work supports them in making the full transition from benefits to work. ☐

Benefit uprating 2009/2010

New rates now available

Following the Chancellor's pre-Budget report, the government has issued the new benefit and tax credit rates that will come into effect from April 2009.

The new rates are now available from the benefit rates area of our welfare rights website @ www.rightsnet.org.uk ☐

Don't forget that a colour A3 benefit rates poster will be issued free with the April 2009 issue of **review**.

NB – In addition, if you would like to order more copies of the poster, or our handy, pocket-sized benefit rates cards, email us at info@lasa.org.uk for details.

Managerial directives result in Pathways referrals despite quality concerns

Pressure from DWP management has led to some Jobcentre Plus personal advisers referring claimants to Pathways to Work providers despite them having concerns about the quality of provision, new research published by the DWP has found.

The research – that explores referral practices and liaison between Jobcentre Plus staff and Pathways to Work providers – was designed to fill gaps in knowledge and understanding about how and why advisers make decisions to refer claimants to external (and internal) service providers and practitioners.

However, whilst it was hoped that the findings would aid understanding of how to improve the appropriateness of referrals, the research found that decisions about what kind of service to refer to and which provider organisation to choose were often influenced by managerial directives to use contracted provision in preference to non-contracted services, and to limit referrals to more expensive services.

For example the research highlights that –

- Some advisers said that the directives affected their decisions about using provision, such that they might refer more to services they would otherwise choose not to, or use less frequently services they would have liked to have accessed more often. Advisers explained how they were currently under pressure to use contracted provision, which for some meant having to refer to NDDP Job

Brokers who they perceived as offering a poor quality service, not working closely and proactively with clients, and not communicating enough with Jobcentre Plus.

- Other advisers had been instructed not to use NDDP Job Brokers where they themselves could provide clients with the help they required, as engaging Job Brokers would be more costly. Managerial concerns about the expense of some service provision, such as WORKSTEP and Residential Training, also acted to limit referral decisions. For example, those determined to refer to WORKSTEP had to show that they had considered all other provision first.

NB – however the research highlights that some advisers were prepared to act against the message in managerial directives –

‘These advisers were fully aware of what was, or was not, encouraged by management but felt that ‘doing what is best for the client’ was more important and could not be ignored or overridden. Thus, they were resolute about not using services ‘for the sake of it’, if they would not help the individual; and about continuing to use services they had been told to use sparingly, wherever they felt it was appropriate.’

In these cases, the research reports, managerial responses to such practices were not discussed.

The new research report is available @ www.dwp.gov.uk/asd □

Government launches consultation ahead of Child Poverty Bill

The government has launched a consultation ahead of the introduction of a Child Poverty Bill which will enshrine in legislation its promise to eradicate child poverty by 2020.

NB – the intention to introduce a Child Poverty Bill, that will mean the government will be held to account on the success of its efforts to end child poverty, was announced in the November 2008 pre-Budget report.

In the consultation paper *‘Ending Child Poverty: Making it Happen’*, the government sets out four key aspirations –

- more parents in work that pays;
- financial support that is responsive to families’ situations;
- improvements in children’s life chances so that poverty in childhood does not translate into poor outcomes; and
- safe, cohesive communities that support children to thrive.

In addition, the consultation calls for more accountability and higher expectations, where government, devolved administrations, local government, charities, unions and families themselves work together to end child poverty.

Welcoming the launch of the consultation, alongside a ‘guarantee to fund childcare to help parents back to work’, Secretary of State for Work and Pensions James Purnell said –

‘We want to build a society where no child’s life is scarred by poverty and every child has the opportunity to reach their potential.’

‘Work is the best route out of poverty, which is why we will pay for the childcare parents need if they are preparing for work. We will give parents even more support to overcome their own barriers to work – whether that is debt advice, counselling or training to improve their skills.’

The deadline for responding to the consultation is 11 March 2009. □

Exemption from prescription charges for those with cancer

New regulations have been issued to provide for exemption from prescription charges for those with cancer.

The *National Health Service (Charges for Drugs and Appliances) Amendment Regulations 2009* (SI.No.29/2009) provide that from 1 April 2009 no charge shall be payable

by a person who is undergoing treatment for cancer, the effects of cancer, or the effects of cancer treatment.

Up to 150,000 patients already diagnosed with cancer are expected to benefit from the change. □

Confidentiality clause removed from SSAC's agreement with the Revenue

The confidentiality clause that forms part of the Memorandum of Understanding between the Social Security Advisory Committee (SSAC) and Her Majesty's Revenue and Customs (HMRC) has been removed.

Whilst it has no statutory advisory responsibility in relation to HMRC, the SSAC signed a Memorandum of Understanding with the then Inland Revenue in 2004 which, unlike its relationship with the DWP, has bound the Committee by confidentiality in relation to any comments on Revenue regulations or advice to Treasury Ministers.

However, with the SSAC's chairman Sir Richard Tilt having said in 2007 that he had become 'increasingly concerned' about the Memorandum's operation, the Treasury commissioned an independent review that concluded that the confidentiality arrangement has caused 'great difficulties for SSAC and mystification for most other parties', and made a series of recommendations designed to improve the working relationship between the Revenue, the Treasury and the SSAC 'beyond its sub-optimal level'.

As a result, the following sections have been removed from the Memorandum of

Understanding in the new version published on 29 January 2009 –

'The Committee's advice will be provided in confidence ...

... The Committee will not make public any comments or advice that they provide to Treasury Ministers, nor the responses they receive, without express permission to do so.'

Instead, the Memorandum now says –

'Except where all parties to the Memorandum agree to conduct an item of business on an 'in confidence' basis, all such advice, and HM Treasury's and HMRC's responses to it, will normally be published by the Committee on its website, and/or summarised in its Annual Report.'

NB – in addition the Memorandum has been extended to cover the Treasury, with which the Committee also conducts non-statutory business in relation to benefits and tax credits.

The new Memorandum of Understanding is available @ www.ssac.org.uk/pdf/MoU-Treasury-HMRC-SSAC.pdf. □

Increasing support ... but raising expectations

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- provision for problem drugs users to be directed to make, and comply with, a rehabilitation plan and, in some circumstances, be required to undergo drug testing;
- amendment of the NI conditions for JSA and employment and support allowance in order that new claimants will normally need to have paid contributions for at least 26 weeks in one of the last two tax years prior to the claim;
- provision to remove adult dependency increases from maternity allowance and carer's allowance;
- powers to allow 'external providers' to take over the provision of credit to social fund claimants;
- extension of existing provisions for making and recovering payments of benefit on account, to replace the need for people to apply for crisis loans whilst awaiting the award or payment of benefit;
- amendments to allow for the loss of benefit following a single conviction, penalty or caution for benefit fraud, and a new sanction provision for those who have been convicted or cautioned for violence against anyone exercising functions under the Jobseekers Act 1995;
- regulation-making powers that can be used to give adult disabled people greater choice and control over the way in which 'relevant services' – for example in relation to education, training, employment and independent living – are provided by 'relevant authorities';
- provision to allow the Child Maintenance and Enforcement Commission to disqualify a person who has arrears of child maintenance from holding or obtaining a driving licence or travel authorisation; and
- amendments to the Births and Deaths Registration Act 1953 and the Children Act 1989 to ensure, where possible, that unmarried parents jointly register the birth of their children.

For more information see www.dwp.gov.uk/welfarereform □

Benefit 'payday and periodicity' changes to be phased in

Changes being introduced to the day on which most working-age benefits are paid are to be phased in over two years, the DWP has confirmed.

The 'payday and periodicity' changes, which will also result in payments being made fortnightly in arrears, are to be introduced for new claims from 6 April 2009, with the conversion of existing claims carried out in stages over the two-year period to 31 March 2011.

NB – the DWP advises that Jobcentre Plus will contact everyone who is affected at least 4 weeks before changes are made

to the payment of their benefit and that –

- those currently receiving their benefits in advance will automatically receive a one off non-recoverable overpayment on moving to payment in arrears; and
- those currently receiving their benefits weekly in arrears will be offered a recoverable payment equivalent to a week's benefit, to be repaid from the next six fortnightly payments of benefit.

For more information see www.jobcentreplus.gov.uk/paydaychanges □

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