



# Touchbase

## February 2013

### Welcome to February's Touchbase



A White Paper was published last month, setting out changes to the State Pension. We explain what the changes will mean. On the subject of pensions, DWP's workplace pensions campaign continues, with further advertising across the media.

As we get closer to the introduction of Universal Credit, DWP has reviewed the findings from the Direct Payment Demonstration Projects, where Housing Benefit is paid directly to social sector tenants. Local Authority-led pilots have been running, to explore how to get claimants ready for Universal Credit go-live, and we look at how Birmingham City Council has been making their services more digitally accessible.

The introduction of Personal Independence Payment is also approaching. A toolkit is available for advisers

to support this. DWP partnership managers are running awareness sessions, and current Disability Living Allowance claimants are being told about the changes by letter.

I hope you find Touchbase useful, whether you are a regular reader or it is your first time. You and your colleagues can register for an e-alert, which you will receive when Touchbase is published, on the [DWP Advisers and intermediaries website](#). Visit our [Touchbase subscriptions page](#) to register.



To provide feedback on Touchbase email [corporate.stakeholders@dwp.gsi.gov.uk](mailto:corporate.stakeholders@dwp.gsi.gov.uk)

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# Universal Credit local authority-led pilots

## A look at how the pilot has been working in Birmingham

Birmingham City Council was one of the 12 successful local authorities announced in August 2012 by Minister for Welfare Reform, Lord Freud, to carry out one of the Universal Credit local authority-led pilots.

The 12 authorities are looking at how they can help get Universal Credit claimants ready for October 2013, by identifying and supporting people who need help with:

- Getting online
- Managing and maintaining their finances
- Finding and staying in work.

Birmingham City Council has introduced changes to make their services digitally accessible, by developing a digital logbook and the Birmingham One account. Claimants can access everything they need in one place. This is being piloted with around 5,000 new tenants who have housing requirements in Birmingham.

All new tenants will have their own personalised digital log book to access and manage every aspect of their tenancy online. The logbook will also help tenants with budgeting, employment, skills and education, and be a channel for communication with them.

To support the introduction, four letting suites have been set up in the Birmingham area and new tenants are given a 90 minute appointment with an Assistant Housing Officer.

The appointment covers:

- Maximising income by identifying the right benefits
- Advice on how and when to pay rent
- Completion of Housing Benefit and Council Tax Benefit applications
- Budgeting help, such as setting up a bank account.

From when the first letting suites went live in July 2012, up to December 2012, Birmingham City Council has helped to identify £5 million in benefits for their tenants. Rent arrears have reduced by five per cent, or £150,000, compared to the same period in 2011.

Initial customer feedback has been very positive. All claimants think that the 12 week support is a good idea. Many suggested that longer would be better, and 99 per cent of people agreed with the concept of the letting suites. Staff have also found the experience fulfilling.

The pilots will run until September 2013 and DWP is capturing lessons learned on an ongoing basis. A full evaluation of the pilots' effectiveness will take place in October 2013 so that DWP can use the information for future claimant delivery.

### Case study

Miss X was 28 years old when she signed up for her tenancy. She was homeless before the accommodation offer and had been moved to several bed and breakfasts after fleeing domestic violence. Her children had also suffered from domestic violence.

During her interview with the Council, her income was maximised to ensure that she was getting all the correct entitlements. The Council calculated her Housing Benefit and Council Tax Benefit so she knew she would have nothing to pay towards her rent and Council Tax.

It became apparent that she could not budget, so Birmingham City Council worked out a weekly budget plan for her, advising how she needed to set up budget plans with her gas and electricity supplier, as well as for her water and TV licence. She also had several debts and a referral was made to the Debt Team.

Support was also offered for the trauma she and her children had suffered from domestic violence. A referral was made to the Council's domestic violence team.

As part of the ongoing support, she received 12 weeks support from the viewing officer to ensure that she was able to keep her tenancy. If any issues arose during the 12 weeks, she knew she would have support should she not be able to deal with the issues herself.

Before leaving her appointment Miss X was assisted with a self-serve application for Housing Benefit.

Miss X said that through the advice and information she received during the interview, she would be able to start to build a secure home for herself and her children and get on with her life. She left the appointment stating: "I can now live a happy life."

"To support the introduction, four letting suites have been set up in the Birmingham area and new tenants are given a 90 minute appointment with an Assistant Housing Officer."



To find out more about the pilots, or if you have a question about the work that is being undertaken in the pilot authorities, email the [DWP Local Authority-led Pilots Team](#), or visit the [DWP Local Authority website](#).

# Access to Work

## New support for entrepreneurs plus funding and support improvements

### New Enterprise Allowance

From 14 January 2013, disabled people can get support through Access to Work when they set up their own business, if they are enrolled on the [New Enterprise Allowance](#) (NEA). The NEA provides expert coaching and financial support for jobseekers with a business idea.

DWP Minister for Disabled People, Esther McVey, said:

“If 2013 is the year aspiring disabled people want to set up in business, then Access to Work can help.

“We’ve opened up our flagship programme so that disabled people have the same choice to start up their own business as everyone else - in every sector, from hairdressing to engineering and everything in between.”

The support aims to increase the number of disabled people from the current 500,000 who are already self-employed. Access to Work support can help pay for specialist equipment, support workers and travel costs when setting up a business.

### Changes to Access to Work

In November 2012, Esther McVey, [announced improvements to the Access to Work scheme](#). These improvements were introduced on 28 January 2013:

- Businesses with up to 49 employees no longer have to pay a contribution towards the extra costs that disabled people in work may have. This will save businesses up to £2,300 for each employee who uses the fund
- Access to Work advisers have more flexibility in deciding what equipment is funded through the scheme. This gives more choice to disabled people in work.

### Access to Work Expert Panel

The Government is going to implement a set of measures recommended by the [Access to Work Expert Panel](#), which is chaired by Mike Adams from the Essex Coalition of Disabled People (ECDP). The measures include:

- Funding the physical transfer of equipment
- Introducing a fast-track application process for support where appropriate
- Working with employers to find more imaginative solutions to support individuals.



**Information about the New Enterprise Allowance and Access to Work is on the GOV.UK website.**

# Single Tier Pension White Paper

## Changes to the State Pension have been announced in a White Paper

On 14 January 2013, DWP published a White Paper ‘The single-tier pension: a simple foundation for saving’. It sets out proposals to reform the State Pension into a simpler, single-tier pension. The new pension will be introduced in April 2017 at the earliest.

This reform will affect people who reach their State Pension age from the time the single-tier State Pension is introduced. Current pensioners and those reaching their State Pension age before the single-tier pension is introduced will not be affected and will continue to receive their State Pension in line with existing rules.

The main changes as a result of the reform will be:

- A full flat-rate pension of around £144 a week which is above the basic level of means-tested support
- A new, simpler, pension system that will help people better understand what they will get from their State Pension. This will help them work out what they need to do to save for their retirement
- A State Pension that addresses historic inequalities. The reforms will give a boost to people who have lost out on the additional State Pension in the past, such as low earners, carers and self-employed people
- A modernised system where people will become entitled to a full State Pension on their own, without relying on their spouse’s or civil partner’s National Insurance contribution record.

These reforms will provide a foundation to support automatic enrolment, which launched in October 2012. Six to nine million people will be saving more, or saving for the first time, into a workplace pension.

Shortly after the White Paper was published, the Department published a draft Pensions Bill, including measures to introduce the reformed pension system.

The Work and Pensions Select Committee are carrying out pre-legislative scrutiny of the draft Bill, focussing on the single-tier pension clauses. Information about the [Committee’s timetable and how evidence can be submitted](#) is on their website.

Minister for Pensions, Steve Webb, said: “The current state pension system is too complicated and leaves millions of people needing means-tested top-ups. We can do better. Our simple, single tier pension will provide a decent, solid foundation for new pensioners in an otherwise less certain world, ensuring it pays to save.”



**More information about the [Single Tier pension](#) is on the DWP website. Information about the [draft Pensions Bill](#), including how to contact the Bill team with any queries, is also on the DWP website.**

# Personal Independence Payment

A new toolkit is available, and people are being told about the new benefit by letter

## Personal Independence Payment toolkit

DWP has developed a [Personal Independence Payment \(PIP\) toolkit](#) for advisers in support organisations, which is now available on the DWP website.

The toolkit provides information about PIP to people who currently support Disability Living Allowance (DLA) claimants and will potentially be advising new PIP claimants. It is made up of fact sheets and sample copies of claimant communications, such as forms and notifications. It has been developed with input from, and tested by, a number of support organisations and advisers.

DWP will review the toolkit's content regularly, so that it remains up to date. Extra information will be added as and when it becomes available.

From February to June 2013, DWP partnership managers will be using the toolkit in a series of face-to-face delivery sessions, with support organisations and advisers in their local area. Details of [DWP partnership managers](#) are on the DWP website.

The PIP Quick Guide is part of the toolkit and is available in accessible formats on the DWP website.



## Disability Living Allowance uprating letters

From early February 2013, DWP is sending DLA uprating letters to existing DLA claimants. The letters will be sent over an eight week period and contain information about PIP. They explain how DWP plans to introduce the new benefit and help claimants to understand how the changes might affect them. The letters are for information only and claimants do not need to contact DWP as a result.

To further assist claimants in understanding if PIP will impact them, DWP introduced an automated '[Quick Answer](#)' tool on 28 January 2013. People can enter their date of birth to see if the introduction of PIP will affect them.



**Information about [Personal Independence Payment](#) is on the [GOV.UK website](#)**

# Implicit consent and multiple customer enquiries

## How DWP handles enquiries from customer representatives in a single telephone call

DWP recognises the huge support that customer representative organisations provide to its customers and claimants. There are times when these organisations need to contact the Department to get specific information about a customer that will help with the support they give them.

DWP follows a principle of 'implicit consent', and DWP staff have recently been reminded about this principle. When a customer has not given valid written authority, or they are not present to confirm consent, DWP staff will use their experience and judgement to decide if a caller has implicit consent to act on behalf of the customer, before providing any information.

Implicit consent is assumed where the caller meets these three criteria:

- They know basic information about the customer, for example, their national insurance number, date of birth or address
- They can quote facts about a person's claim, or can quote from recent DWP correspondence with the customer

- They make enquiries that are consistent with the role of a genuine representative.

Occasionally, customer representative organisations may ask for information about a number of customers in a single telephone call. This may be about a number of different DWP benefits or services. The Department has many different contact centres and helplines that have different access to customer information. Organisations need to be aware that DWP may not be able to provide all the information requested during a single call, especially if the enquiries are about different benefits. DWP's telephony agents may signpost representatives to the best telephony service for the enquiry.

Where enquiries relate to a number of customers, representatives need to be aware that DWP will establish implicit consent separately for each customer.



**More information about implicit consent and how DWP works with representatives can be found in the [Working with Representatives guidance](#) on the DWP website.**

# Estranged young people and Second Chance Learning

## Income Support claims in some circumstances by young people in education

In April 2012 changes were made to the entitlement rules for Income Support. Young people aged under 21 who are estranged from their parents or people acting in place of their parents, can claim Income Support when in education, subject to certain conditions.

The definition of being 'estranged' is where a person is considered to be 'alienated in feeling or affection'. A young person may be estranged from their parents, or people acting in place of their parents if:

- They have no intention or desire to live with them
- They have no intention or desire to have any physical or emotional association with them
- The parents or people acting in place of parents, has similar feelings towards the young person.

Estranged young people have always been able to claim Income Support when in non-advanced education, but before the April 2012 changes, this was restricted to people under 19 years old.

The April 2012 changes, known as 'Second Chance Learning', introduced easements to Income Support rules. Young people can claim Income Support if they:

- Are enrolled on, accepted for, or are currently on a course of non-advanced education
- Are under 21 years old or are 21 and reached that age when on a non-advanced education course
- Have no parents or are living away from parents or people who were acting in their place because:

- They are estranged from their parents
- They are regarded as being in physical or moral danger
- There is a serious risk to their physical or mental health.
- Are living away from their parents because the parents are unable to support the young person financially and are:
  - Chronically sick or mentally or physically disabled
  - Detained in custody pending trial or sentencing
  - Prohibited from entering or re-entering the UK.

Courses of non-advanced education are of a standard up to and including:

- Advanced General National Vocational Qualification (GNVQ), level 4 or 5, or equivalent
- General Certificate of Education (GCE) to completion of A level (or NVQ3 and equivalents)
- Scottish Certificate of Higher or Advanced Higher Education
- Scottish Certificate of Sixth Year Studies
- Ordinary National Diploma
- British Technology Education Council (BTEC) Diploma
- Scottish Vocational Education Qualification (SCOTVEC) National Diploma or National Certificate.



For more information, email the [DWP Operational Excellence Team](#).

# Direct Payment Demonstration Project

There are six Direct Payment Demonstration Projects across Great Britain. They are testing different aspects of the direct payment of existing Housing Benefit to social sector tenants. The testing is taking place ahead of changes that form part of Universal Credit.

The projects started in June 2012 and the first set of payment figures were released on 17 December 2012. They show that:

- In the first four months, 6,220 social tenants were paid their Housing Benefit directly
- Of a total level of rent charged of £7,692,844 over the period, rent collection rates were 92 per cent
- Across the different areas involved in the projects, payment levels by tenants varied from 88 to 97 per cent. This demonstrates the different conditions and approaches being tested.

More detail about the [early findings of the Direct Payment Demonstration Projects](#) is on the DWP website.

DWP has gathered learning from the projects under six themes:

- Budgetary support and guidance - The levels of support social sector tenants may need to move to direct payments of Housing Benefit, such as advice on managing personal finances and budgeting
- Process for safeguarding tenants and landlords from high levels of debt and arrears - The exemptions that need to be in place for direct payments and the process that needs to be followed once they have been agreed

- Communication – How best to engage tenants in understanding both the process and the importance of paying their rent promptly and correctly
- Steps the landlords in their own organisation can take to ensure rent is paid, such as additional rent officers and better understanding of tenants
- The support to help tenants in arrears to pay back their arrears and to potentially return to direct payments
- The process for early intervention switch-backs before arrears reach trigger points. Switch-backs happen when rent has not been paid and arrears occur, or when new information is presented to the landlord that suggests a claimant may need further help or support to help them manage their budget to prevent arrears building up.

The learning is continual and is being used to influence the ongoing design for Universal Credit. From January 2013, DWP's project team started monthly internal workshops, to communicate the learning from the demonstration projects with internal key stakeholders. The learning will also be used externally so that local authorities (LAs) and housing associations (HAs) are ready for the introduction of direct payments.

Information on the learning so far is shared through an online learning network with interested LAs and HAs. There are currently more than 700 members on that network.



Email [Kim Pinder](#) from DWP for queries about the Direct Payment Demonstration Projects. You can send the Department for Communities and Local Government an [email for information about the online learning network](#).

# Social Fund reform

## Changes take place from April 2013

The current Social Fund scheme changes in April 2013. The changes are:

### **Crisis Loans and Community Care Grants**

These will be abolished from April 2013. This is because society has changed so much since they were originally introduced that they no longer provide the right support to the right people at the right time.

Some people may already be aware of the change. From February 2013, DWP staff will tell anyone who asks about Crisis Loans and Community Care Grants that these are ending.

Instead, funding will be transferred to local authorities in England and to the Scottish and Welsh Governments. This will provide better targeted local support for people in need from April 2013.

Ministers want resources to be concentrated in innovative ways on those people who face the biggest difficulties in managing their income.

“The changes will ensure a more more flexible response to unavoidable need, perhaps through a mix of cash or goods, and aligning with the wider range of local support that local authorities and devolved administrations already offer.”

The changes will ensure a more more flexible response to unavoidable need, perhaps through a mix of cash or goods, and aligning with the wider range of local support that local authorities and devolved administrations already offer. They do not want or expect the current Crisis Loan and Community Care Grant scheme to be replicated.

### **Regulated Social Fund**

Funeral Payments, Sure Start Maternity Grants, Cold Weather Payments and Winter Fuel Payments will continue and will still be administered by DWP.

### **Budgeting Loans**

These will also remain available from DWP for people who have been on current benefits for six months, but will be replaced by Budgeting Advances when people move onto Universal Credit.

 **More information about Social Fund reform is on the DWP website.**

# Workplace pension communications campaign

## Advertising focuses on workers and employers

Bosses across the UK now have to offer their workers a workplace pension. This change affects around 11 million working age people. It will be rolled out over the next six years, starting with larger companies.

People aged 22 or over who are earning more than £8,105 a year will be automatically put into a pension scheme by their employer. Individuals who choose to save also benefit from an employer contribution. The Government will contribute too in the form of tax relief.


The latest phase of DWP's campaign to publicise these changes started on 20 January and runs until late March 2013. It features well-known business owners such as Theo Paphitis from television programme Dragons' Den.

Advertising will appear on national television, in the press and online. It is supported by targeted publicity from DWP's campaign partners, including Sky Sports, Real Radio and Smooth Radio.

There are also [real-life case studies on YouTube](#), showing the benefits of making provision for the future, and how saving into a workplace pension can help.

Employers have a key role in enabling these changes for individuals, so DWP is also focusing advertising on them. This will appear in the national and regional press and online, encouraging them to act now to prepare for automatic enrolment.



 **Workers can find out when they are likely to be enrolled, and about what automatic enrolment means for them, by visiting the GOV.UK website. Employers can find out about automatic enrolment on The Pensions Regulator website.**

# Benefit cap

## A phased roll-out will take place from April 2013

The benefit cap will be introduced from 15 April 2013 through a reduction in Housing Benefit. The cap will limit the total amount of benefit that working-age people are entitled to. This is so households on out-of-work benefits will no longer receive more in welfare payments than the average weekly wage for working households.

When introduced, the cap will be set at:

- £500 a week for a couple (with or without children) and single parent households
- £350 per week for single adult households without children.

DWP has written twice to people affected by the change. It has followed this up with personal contact from Jobcentre Plus by telephone, and a personal home visit for those people that it was not able to contact. Employment support is being offered and claimants who are likely to be capped can also get early access to the Work Programme.

“Initially, the benefit cap will be introduced in Bromley, Croydon, Enfield and Haringey Local Authority areas. The areas were chosen as London has the highest percentage of potential benefit cap claimants and a diverse cross-section of residents.”

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DWP plans to introduce the benefit cap in all other local authorities during summer 2013. All households identified as being appropriate to be capped will, in line with existing plans, be capped by the end of September 2013. The cap will be applied through Universal Credit when claimants make new claims or are migrated to that benefit from October 2013.

DWP's benefit cap project team and Jobcentre Plus will work closely with the four boroughs where the cap is first being introduced, to support them with the implementation.



Further information about the [benefit cap](#) is on the [DWP website](#).

# Other news in brief...

## Tax credits changes

From April 2013, the amount of tax credits that people are entitled to will be affected by any increase in their income over £5,000. This is because the income increase disregard will reduce from £10,000 to £5,000.

People getting tax credits are still required to inform HMRC of any change to their household income, including changes less than £5,000, when they renew their tax credits claim. This is because current household income is used to make provisional payments before a person's actual income is confirmed during the annual renewal of tax credits.

It is important that people claiming tax credits give accurate information and tell HMRC immediately about any changes in their circumstances. If they do not, they may not get all the money they are entitled to or receive money which they will have to pay back.

## Youth Contract: wage incentives

Wage incentives are now available nationally through Jobcentre Plus, when an employer takes on a young person.

Employers who take on an eligible 18-to-24-year-old full-time (30 hours or more a week) can claim £2,275. Employers who recruit someone part-time (between 16 and 29 hours a week), get £1,137.50. The job must last at least 26 weeks.

Wage incentives continue to be available through the Work Programme. They are also available to employers who recruit a young disabled person through Work Choice.

The wage incentive national roll-out coincides with a campaign to encourage more employers to give a young person a chance. The campaign started in November in North East England and has been extended to Yorkshire and Birmingham. It showcases how employers have benefited from the Youth Contract, including the wage incentive.

Information about [wage incentives](#) is on the DWP website. You can call 0845 601 2001 (option 2) or Textphone 0845 602 2002.

## Warm Home Discount Scheme

Pensioners who have received a letter from DWP asking them to confirm their eligibility for the Warm Home Discount Scheme must call the scheme helpline on 0845 603 9439 by **13 March 2013**. Otherwise, they will miss out on a £130 rebate on their electricity bill for winter 2012/13. The helpline is open between 8am and 6pm on weekdays.

To be eligible on 21 July 2012:

- A person under 80 needed to be getting only the Guarantee Credit element of Pension Credit (not Savings Credit), or
- A person aged 80 or over needed to be getting the Guarantee Credit element of Pension Credit.

In addition, they or their partner must have been named on their electricity bill with one of the participating energy suppliers.

Information about the [Warm Home Discount Scheme](#) is on the [GOV.UK website](#).