

# Touchbase

July 2014

## Welcome to July's Touchbase



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This month we report on the continued expansion of Universal Credit. The new service will be rolled out to all Jobcentres in the north west of England during the rest of 2014. In addition, Jobcentres in five areas of England and Scotland began accepting joint applications from couples on 30 June.

The Personal Independence Payment (PIP) which, like Universal Credit, was launched in April 2013, is now at the review stage. We have an article on the first call for evidence for the PIP review and another on the call for evidence for the fifth review of the Work Capability Assessment which has also been recently announced.

Other issues covered include changes to child maintenance arrangements, new Government measures to support older workers to stay in the workplace, a new State Pension top up scheme to make sure no-one loses out on pension payments and the National Enterprise Allowance helping 2,000 people to set up their own business every month.

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# Universal Credit rollout gathers pace

Universal Credit is set to expand to jobcentres right across the north west of England until the whole region is covered.



In total 90 Jobcentres, or one in eight Jobcentres in Britain, will offer the new service once the north west expansion has been completed.

Jobcentres in Hyde, Stalybridge, Stretford and Altrincham began accepting

claims for Universal Credit on 23 June and those in Southport, Crosby, Bootle, Bolton and Farnworth on 30 June.

In addition, on 30 June, Jobcentres in Hammersmith, Inverness, Rugby, Bath and Harrogate began accepting joint Universal Credit claims from couples.

People are able to move in and out of work more smoothly with Universal Credit. It also gives Jobcentres instant access to Her Majesty's Revenue and Customs' earnings data so they can make sure people are receiving the right amount of support to progress in work.

In areas where Universal Credit is not yet available, jobseekers are already benefiting from other aspects of the cultural transformation it brings, as part of the Government's long-term economic plan. This includes the Claimant Commitment, 26,300

Work Coaches to help claimants achieve the best employment outcomes and the use of new technology to support enhanced jobsearch activity.

Secretary of State for Work and Pensions Iain Duncan Smith said:

"Universal Credit is already changing lives: we are seeing claimants spending more time looking for jobs and moving smoothly into employment safe in the knowledge that it will always pay more to be in work. This gives them security and hope for their children.

"By simplifying the mess of benefits and tax credits we inherited, and by improving work incentives, we are ending the something-for-nothing culture and creating a system that is fair for those who seek to work, and fair to the taxpayer."

Petra Kelly, External Partnerships Manager for Blue Arrow, said:

"The current system of benefits and tax credits can be confusing for people. By removing the complexity in the system, Universal Credit will make it easier for employees to increase their hours in work and move forward in their careers."

For more information about Universal Credit please see the [Partner Toolkit](#).

# Over 46,000 set up their own business with Government help

Around 2,000 businesses a month have been set up over the past year by people who have moved off benefits to become their own boss.



So far 46,000 businesses have been set up through the New Enterprise Allowance (NEA) ranging from a college for children with learning difficulties and a vintage clothes shop, through to a drama school and gas engineering firm.

As part of the government's plan to back enterprise and small businesses, the NEA offers expert mentoring and financial support to people on Jobseeker's Allowance (JSA), lone parents and people on sickness benefits who want to start up their own business.

Minister for Employment Esther McVey said:

"The continuing success of Great Britain is built on the hard work and ingenuity of small businesses up and down the country, so it's great that as part of the Government's long-term economic plan we've been able to mentor tens of thousands of budding entrepreneurs to help make their dreams of becoming their own boss a reality."

The NEA is available to people over 18 who are claiming JSA, lone parents on Income Support, or people on Employment and Support Allowance who are in the work-related activity group. 10,610 businesses have been started by people aged 50 and over and 3,370 by young people. 8,590 businesses have also been set up by disabled people.

People on the scheme get expert help and advice from a business mentor who will support them to develop their business idea and write a business plan.

If the business plan is approved, they become eligible for financial support through a weekly allowance over 26 weeks, up to a total of £1,274.

Participants can also access a loan through the Department for Business, Innovation & Skills start-up loan scheme.

Mentors also continue to give the budding entrepreneurs on-going support during the early months of trading.

You can find out more about [New Enterprise Allowance](#) at [GOV.UK](#)

# Calls for evidence for reviews of PIP and WCA

## Personal Independence Payment

The first review of the Personal Independence Payment (PIP) will be carried out during 2014 and will be informed by the call for evidence which has now been launched.

The Welfare Reform Act 2012 requires the Secretary of State for Work and Pensions to publish two independent reviews of how the PIP assessment is working. The first one must be within two years of its introduction.

Paul Gray, a former civil servant and the current Chair of the Social Security Advisory Committee, has been appointed to carry out the review.

Paul is keen to hear from people and organisations with first hand experience of how the PIP assessment is operating. He will be taking a broad look at the overall PIP process so would like information on all stages of the claimant journey, not just the assessment itself.

The [call for evidence](#) is one of the methods that will be used to gather information during the review and is a vital part of the process.

The groups will consist of people who have made new claims for PIP or have claimed under the Disability Living Allowance 'natural reassessment' process.

The information that is submitted will help to inform Paul Gray's report to the Secretary of State for Work and Pensions, which will be laid before Parliament by the end of 2014.

One of the other ways evidence will be gathered will be through small discussion groups. The groups will consist of people who have made new claims for PIP or have claimed under the Disability Living Allowance 'natural reassessment' process.

Peterborough and Darlington, PE and DL postcodes, are areas where there have been both new claims for PIP and "natural reassessment" under the Disability Living Allowance process. If you support people who live in these postcodes please let them know about this chance to have an input in the review.

Anyone who is interested in taking part should email [PIP independent review](#) or write to PIP Independent Review Team, Room 3S25, Zone South H, Quarry House, Leeds, LS2 7UA with their name and address.

The call for evidence runs until Friday 5 September 2014. More information on the [first-independent-review of PIP](#) is available at [GOV.UK](#)

Responses can be sent via an online survey, email or post to the address above. The [terms of reference](#) for the independent review are available at [GOV.UK](#)

## Work Capability Assessment

A call for evidence for the fifth and final statutory independent review of the Work Capability Assessment (WCA) started on 10 June and runs until 15 August.

This is the second WCA review to be carried out by Dr Paul Litchfield.

Dr Litchfield is particularly interested in any new evidence that will help to improve the assessment. He would like to hear from anyone who has information on how the WCA is operating or on any further changes that might improve the process.

Comments will mainly be collected via an [online survey](#) but you can also respond by email or post. Details of the [Independent review of WCA](#), including the call for evidence, the previous four reviews and the Government's response to them, are available at [GOV.UK](#).

The call for evidence is one of many ways in which Dr Litchfield will gather information during the review, all of which will inform his report to the Secretary of State for Work and Pensions.

The evidence that is submitted will inform Dr Litchfield's report to the Secretary of State for Work and Pensions.

Dr Litchfield is Chief Medical Officer for BT. His field of expertise includes mental illness and the impact it can have on work prospects. He has played a key role in highlighting the economic impact of chronic diseases, as a member of the World Economic Forum's Global Agenda Council.

Professor Malcolm Harrington led the first three reviews which took place before 2013.

Visit [Independent review of WCA](#) or contact [wca.evidence@dwp.gsi.gov.uk](mailto:wca.evidence@dwp.gsi.gov.uk) for further information.

More information, including details on how to respond, is available at [WCA year five call for-evidence](#)



# Championing older workers in the workplace

New measures have been set out by the Government to support the economy, workers and businesses to realise the potential of older workers and to help them to stay in the workplace.



The measures, which are set out in [Fuller Working Lives – A Framework for Action](#), are based on research which found that the economy could have been boosted by £18bn in 2013 if the employment gap

between people in their 40s and those aged 50 to State Pension Age was halved.

Pensions Minister Steve Webb said:

“Older workers have a huge amount to bring to any workforce and are a vast untapped talent.

“The business case is compelling and the research we are launching today sets out clearly the advantages for individuals, employers and the state.

“As part of building a fairer society, I am determined that we boost our support for older workers and help employers challenge outdated perceptions to see the real strengths of this important section of the workforce.”


New measures and actions set out in [Fuller Working Lives – A Framework for Action](#) include:

- Extending the right to request flexible working to all employees in June 2014;
- The appointment of a new Older Workers’ Employment Champion;
- The launch of a new Health and Work Service which will give workers with long-term health problems the support they need to stay in or return to work.

Part of the Government’s aim is also to challenge outdated misconceptions and encourage more employers to consider the benefits of older workers.

According to Office for National Statistics estimates, in the next 10 years there will be 700,000 fewer people aged 16-49 but 3.7 million more people aged between 50 and State Pension age. This a fundamental shift in the age distribution of the UK workforce.

While the UK employment rate for 55-64 year-olds has recently increased to around 60 per cent, some countries achieve around 70 per cent or above, so there is room for improvement.

 **For further information please see the [economic case for working longer](#) or email [Fuller Working Lives](#). You can also follow the discussion on Twitter [@DWPgovuk](#) or via DWP’s [LinkedIn pages](#), and help to spread the word by using hashtag [#olderworkers](#).**

# A new State Pension scheme for existing pensioners

A new top up scheme will be introduced in October 2015 to allow existing pensioners, and those who will reach State Pension age before 6 April 2016, to increase the amount of pension they get.

The new scheme will give this group of people a chance to get an inflation-proofed, additional State Pension if they make a lump sum Class 3A Voluntary National Insurance contribution. This would boost their pension income by up to £25 per week.

The scheme is designed to give pensioners in the current system the chance to increase their state pension in retirement. It will also give people with small amounts of pension savings a secure way of achieving an income for life.

The amount people will pay to receive the additional pension will depend on their age, with rates going down as someone gets older. For example, to get an extra £1 per week State Pension for life, the lump sum payment for a 65-year-old would be £890, compared to £674 for someone who is 75.

The additional State Pension will provide a guaranteed, index-linked return and will be particularly suitable for women who, on average, will draw the higher pension for


The scheme is designed to ensure that no-one loses out, whether they retire before or after the normal pension age.

longer. It could also help self-employed workers who currently qualify for only the basic State Pension.

The State Pension top up can also be inherited so a surviving spouse or civil partner will be entitled to at least 50 per cent of the additional State Pension.

A [State Pension top up](#) calculator is available online which shows the lump sum contribution needed to increase pension income by between £1 and £25 per week.



 People can pre-register their interest in the scheme by emailing [paid.caxtonhouse@dwp.gsi.gov.uk](mailto:paid.caxtonhouse@dwp.gsi.gov.uk) or by calling either: 0845 600 4270 from land lines or 0345 600 4270 from mobile lines.

# Changes to child maintenance arrangements

From July 2014 the Child Support Agency (CSA) will begin writing to clients to let them know that the CSA child maintenance arrangements they currently have will be ending.

The changes will take place between 2014 and 2017. The CSA will give parents six months notice of when their individual arrangements will change.

Following the changes parents will be offered support by the [Child Maintenance Options service](#) to put new arrangements in place. When their CSA arrangements end, parents will have the option to:

- Make a family-based arrangement – where they agree between themselves what to pay and when;
- Make an application to the Child Maintenance Service, which replaced the CSA, if they cannot come to an agreement themselves.

There will be no charges for existing cases that are still being managed by the CSA but, from 30 June 2014, an application fee of £20 will apply for new clients who ask the Child Maintenance Service to make child maintenance arrangements for them.

The fee is for calculating the amount of child maintenance that should be paid as well as the annual review of the level of maintenance that is due.

After an application has been made, parents can make a payment agreement between themselves or, if they cannot agree how and when the maintenance will be paid, the

Child Maintenance Service will collect and pay the amount that is due.

If parents can make a Direct Payment agreement with each other, there will be no further fees. If parents cannot agree or if they ask the Child Maintenance Service to collect and pay the maintenance, there will be further costs. Fees will be 20 per cent of the maintenance amount for the paying parent and 4 per cent for the person who receives it.

The Child Maintenance Service will also be introducing a range of charges for parents who do not pay in full or on time.



More information is available in the [Child maintenance stakeholder toolkit](#) and at [CSA changes on GOV.UK](#) or by emailing [Child Maintenance Partners](#).

# New assessment for EEA migrants

Since January 2014, migrants from the European Economic Area (EEA) can only reside in the UK as jobseekers or retained workers for six months unless they have compelling evidence that they have a genuine prospect of work.

The changes apply to people who have made a new claim for Jobseeker's Allowance (JSA) from 1 January so the first assessments for EEA claimants who are affected by them began on 1 July.

Since 1 January 2014, JSA claimants who are affected have been told about the six month limit, the need to provide compelling evidence that they have a genuine prospect of work and how this will affect them. They will now also receive a factsheet at the outset of their claim, which sets out this extra condition.

EEA claimants will be notified in writing, five months into their JSA claim, that they will need to attend an assessment interview when they will be given a chance to show that they have a genuine prospect of work.

A short extension to JSA can be considered if compelling evidence is provided by the claimant. Where there is no compelling evidence their JSA will stop after six months.

This is one of a number of new measures that have been introduced to reduce migrants' access to the UK benefits system. Other measures so far include:

- Revising the Habitual Residence Test to improve DWP's evidence gathering and decision making;

- From 1 January 2014, requiring migrant jobseekers to have been resident in the UK for three months before they are eligible to claim income-based Jobseeker's Allowance JSA(IB);
- From 1 March 2014, requiring migrant jobseekers to satisfy the Minimum Earnings Threshold for three months prior to claiming JSA(IB);
- From 1 April 2014, removing access to Housing Benefit for EEA nationals who have a right to reside in the UK as jobseekers, including those who are entitled to JSA(IB).

More information on the measures for EEA migrants are available at [GOV.UK](#)

# Other news in brief..

## Work Programme performance continues to improve

About 300,000 long-term unemployed people have found lasting work through the Work Programme – an increase of 44,000 in the last three months.

Up to the end of March 2014, 296,000 people have so far found lasting work – up from 132,000 a year earlier. There are a further 26,000 people who have been identified as having spent at least six months in work, or three for the hardest to help, where the provider has not claimed a job outcome.

The vast majority of those who find sustained employment are remaining in work beyond the six-month point, or three for the very hardest to help. Over 274,000 participants have gone on to work past this point.

More information is available from the [Work Programme official statistics](#).

## Khat becomes a Class C drug

The Government has classified khat – a drug mainly used within Somali and Yemeni communities – as a controlled Class C drug.

The ban, under the Misuse of Drugs Act 1971, came into effect on 24 June. The decision was taken to address concerns about the health and social harms associated with khat use and to avoid the UK becoming a smuggling hub for the trafficking of khat to countries where the drug is already banned.

All the offences for Class C drugs now apply to khat including supply, importation, exportation and production. These offences carry sanctions of up to 14 years in prison and an unlimited fine.

The possession offence for personal use is also a criminal offence, although the police can issue a 'khat warning' and a Penalty Notice for Disorder the first or second times. Further offences are likely lead to arrest and the risk of a criminal record with sanctions of up to two years in prison and an unlimited fine.

Khat [factsheets](#) are available to download in Amharic, Arabic, English, Somali and Swahili for use by local agencies to inform clients on the law, penalties and where to access support.

## More benefit claimants gain work based skills

The Government's welfare reforms have boosted the number of benefit claimants training to improve their skills by almost 40 per cent, according to new figures.

Business-backed local skills training schemes, called sector-based work academies, and mandatory skills referrals by Jobcentre Plus have helped to increase the number of benefit claimants in England who start training.

The number of claimants doing skills or training schemes went up by 39.1 per cent between the 2011/2012 and 2012/2013 financial years, from 464,400 to 645,800.

The number of periods on benefit for Jobseeker's Allowance (JSA) claimants which involved training increased by 43 per cent from 342,800 to 488,400 between 2011/2012 and 2012/2013.

The proportion of all JSA periods on benefit which involved training was 13.1 per cent in 2012/2013, up from 8.9 per cent in 2011/2012.

You can find out more about how sector-based work academies from [here](#).

## £20 million support for welfare reform claimants unspent

In the past year local authorities have failed to spend more than £20 million that was specifically earmarked to help people adapt to welfare reforms.

New figures show that almost two-thirds, 63 per cent, of councils paid out less than their total Discretionary Housing Payment (DHP) allocation to tenants, leaving £13.3 million left over.

Around three-quarters of councils also did not apply for a £20 million government top-up fund to help claimants adjust to welfare changes, so a further £7.1 million remained unspent.

At the end of the 2012/13 financial year 240 out of 380 local authorities across Great Britain had underspent their DHP funding. Almost one in 10 councils spent less than 60 per cent of their total DHP allocation, and 18 councils spent less than half.

Full details of DHP payments by councils are available [here](#).