

Touchbase

December 2014

Welcome to December's Touchbase



Sharrion Llewellyn,
Touchbase Editor

This year has flown by and it's hard to believe that the festive season is already here.

Our leading article this month looks at some of the announcements in the Government's 2014 Autumn Statement that will affect DWP's policies. Some of the key changes include extending the New Enterprise Allowance to dependant partners of some benefit claimants and raising the earnings limit for Carer's Allowance.

Other stories cover the campaign to make people aware of the new flat rate State Pension that will come into force from April 2016, the fifth and final review of the Work Capability Assessment and the changes to the Employment and Support Allowance.

Finally, as we settle in for one of the coldest winters for many years, we look at some of the extra money that's available to our most vulnerable citizens. The Government has joined forces with the big energy firms to offer Warm Home Discounts for pensioners on Pension Credit. We have details of this and of other support that is available to some of the least well off households this winter.

Seasons greetings to you and all the best for 2015.

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Autumn Statement announcements

New measures to help more parents, young people and people with mental health conditions move into work and off benefits were announced by the Chancellor George Osborne in his Autumn Statement.

The new measures include:

Supporting and incentivising claimants to get back into work

- Extending the New Enterprise Allowance to dependent partners of Employment and Support Allowance (ESA) and Jobseekers Allowance (JSA) claimants from January 2015;
- An Intensive Activity Programme for all NEET (Not in Education, Employment or Training) young people claiming Universal Credit, as well as further trials of the programme for those on JSA;
- Psychological Wellbeing and Work pilots offering integrated mental health and employment support to JSA and ESA claimants with common mental health conditions;
- Tailored support for older claimants to help them get back into work, via training and work placements.

Reducing fraud and error

- Increasing staff capacity in the Fraud and Error Prevention Service to deal with the increase in leads due to better use of data such as Real Time Earnings information;
- Bringing in a performance improvement scheme for local authorities, including incentive payments, to reduce fraud and error in Housing Benefit.

Making pensions fairer and more flexible

- Raising the Standard Minimum Guarantee in Pension Credit by 1.9

percent from April 2015 to ensure that the cash increase in the State Pension is passed through to Pension Credit claimants;

- Allowing greater flexibility over the use of Defined Contribution pension pots to make sure that there is parity about how income is taken into account, regardless of the way in which people have decided to access their pension pots.

Universal Credit

- Allowing claimants who return to Universal Credit within six months, due to a reduction in their earnings or changes in their circumstances, to keep their existing assessment period;
- Work Allowances – the amount that Universal Credit claimants can earn before their benefit is affected – will remain at their current level in cash terms for 2017-18. After that they will be updated in line with the Consumer Prices Index.

Carer's Allowance

- Increasing the earnings limit for Carer's Allowance from £102 to £110 per week.

 For more information please go to [Autumn Statement 14](#).

New State Pension fairer for everyone

The Government has launched a public information campaign to make sure everyone knows what the State Pension changes will mean for them.

The new drive to help people understand the flat rate State Pension which starts in April 2016 was launched by the Work and Pensions Secretary Iain Duncan Smith and Pensions Minister Steve Webb.

State Pension reforms will tackle past inequalities in the system. Women, carers, lower earners and self-employed people will benefit most from the changes.

DWP analysis suggests that around 650,000 women will benefit from the transition valuation in the first 10 years as they will receive, on average, £8 a week more in State Pension.

Under the new system, pensioners would, over time, receive around £150 a week or more if they have 35 years of full-rate National Insurance contributions.

People who are due to retire soon should check how they will be affected as there will be transitional arrangements in place while the system switches over.

A new advertising campaign – ‘Your Pension, Your Future’ – began on 18 November to help explain the reforms and how people can get the most out of the new State Pension.

Work and Pensions Secretary Iain Duncan Smith said:
“The new State Pension is one of this Government’s boldest reforms. It will give people clarity over their retirement income,



significantly reduce the means testing of pensioners and put right inequalities affecting women, low earners and the self-employed.”

Pensions Minister Steve Webb said:
“Arriving in April 2016, the new State Pension will help create a simplicity that hasn’t existed in decades. It will give workers the knowledge that there is a strong foundation upon which they can build their savings. This is a real game changer.”

The new campaign includes press, radio and online adverts, as well as information at [GOV.UK](#). It will also seek to reassure current pensioners – and those who retire before April 2016 – that they will not lose out.

 People can get a personal State Pension statement at [State Pension Statement](#)

More support for ESA claimants

DWP has set out new measures to improve health-related support for Employment and Support Allowance (ESA) claimants in its response to a Work and Pensions Select Committee report earlier this year.

The response to the Committee's report was announced by Minister for Disabled People Mark Harper through a [written ministerial statement](#) on 27 November and also sets out the changes DWP plans to make from early 2015.

These include:

- Piloting a scheme to increase the frequency and intensity of the support that Work Coaches give claimants in the six months after they have completed the Work Programme;
- Piloting voluntary employment-related support from Work Coaches for some people who are waiting for a Work Capability Assessment (WCA);
- Trialling the Claimant Commitment agreement with ESA claimants, in line with Universal Credit;
- Introducing a new measure to allow Jobseeker's Allowance claimants to have a sickness period of up to 13 weeks;

- Introducing measures to make sure that claimants, who have been found fit for work, are not paid the ESA assessment rate for a repeat claim, unless they have developed a new condition or an existing condition has worsened significantly.

The Select Committee report recognised that progress had been made as a result of the first four independent reviews of the WCA but felt there was still much to be done. Its recommendations covered issues such as the gathering of evidence, frequency of reassessments and standards of service.

Six of the Committee's 23 recommendations mirrored those that were previously made by Dr Paul Litchfield in his fourth independent review of the WCA in 2013.

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 **The full Government response to the Work and Pensions Select Committee report is on [GOV.UK](#).**

Final review of the Work Capability Assessment

The fifth independent review of the Work Capability Assessment (WCA) has been published.

The review is the second to be carried out by Dr Paul Litchfield and the final statutory independent review of the WCA.

To help inform this review, external organisations and individuals were asked to provide information and evidence on how the WCA is operating, and what further changes might be needed to improve the assessment process.

In this review Dr Litchfield reported on the evolution of the Work Capability Assessment since it was introduced in 2008 and on the progress that has been made by DWP in implementing the recommendations of previous independent reviews.

Key findings of the fifth independent review were that:

- The scale and scope of the changes to the WCA might have resulted in it never really having time to 'bed down';

- There have been significant changes in outcomes for people who go through the WCA, with considerably more people being placed in the Support Group and substantially fewer being found fit for work;
- People with a learning disability face barriers within the WCA process, including difficulties with the standard communications from DWP and with the face-to-face assessment;
- There are key principles that should be taken into account in any future reforms, including placing DWP staff at the heart of the assessment and making greater use of information that is already available to DWP.

The Review made 33 recommendations, and Dr Litchfield's report is a key step in making sure that the assessment is as effective as possible. DWP will now consider his recommendations carefully before publishing its response during this Parliament.

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 **The report of the fifth independent review is available at [GOV.UK](#).**

More jobless people to benefit from NEA

The New Enterprise Allowance (NEA) is being extended to help even more budding entrepreneurs.

The scheme has already helped over 53,000 people to set up their own business and come off benefits.

Now NEA has been extended to:

- Everyone on Jobseekers Allowance (JSA);
- Everyone on Employment Support Allowance (ESA) who is in the Support Group, Assessment Phase of ESA or in the Work-Related Assessment Group;
- Income Support claimants who are lone parents or sick;
- Universal Credit claimants in all Work-Related groups including the work preparation and work focused interview groups;
- The dependent partners of JSA and ESA claimants.

And from January, NEA will be delivered through nationally contracted providers in 15 Contract Package Areas across England, Scotland and Wales. NEA candidates will be supported by both volunteer mentors and paid business advisers.

The changes will not affect existing participants or change the support available to NEA participants.

Pop-up NEA Christmas Market

A unique pop up Christmas market was held at the famous Borough Market in London on 10 December.

The one day pop-up market showcased some of the businesses that have been started with the help of the New Enterprise Allowance (NEA). Stalls ranged from food to design, ceramics and fashion and a cookery demonstration featuring one of the NEA Businesses.

There was also a 'mentors' corner' where people learned about what the NEA can offer benefit claimants who want to be their own boss. NEA advisers and people whose businesses have been helped by the NEA were on hand to chat about the opportunities offered by the scheme.



Employment Minister Esther McVey with one of the stall holders.

More information is available at [New Enterprise-Allowance campaign](#).

It's been a GREAT year

The Government's GREAT campaign is a year-old and has 500,000 good reasons to celebrate.



In the past year alone 500,000 new businesses were created in the UK and the campaign is playing its part by making it easier for them to get all the support guidance and advice available from Government in [one place](#).

The campaign is part of Government's wider commitment to make it easier for small businesses to grow. It focuses on signposting them to help that can support them to access finance, hire staff, develop new ideas and break into new markets.

The GREAT campaign uses advertising, PR, events and social media to highlight the range of Government support available including:

- Up to 100% tax relief over five years if they invest in new products and services;
- Grants of up to £1,500 to support firms that hire an apprentice;
- Up to £2,000 match funding to get strategic advice from an accredited adviser through the Growth Voucher Programme;

- Financial support for exporting companies – in 2013/14 130 firms, 91 of which were smaller businesses, benefited from a share of over £2.3 billion in UK Export Finance support;
- Up to £3,000 to connect their business to super-fast broadband;
- The Employment Allowance, which gives smaller employers £2,000 off their National Insurance (NI) contributions with 450,000 small businesses paying no NI at all;
- New start-up loans – over 20,000 businesses have benefitted and £100 million has been drawn down.

The [GREAT campaign](#) can direct small businesses to the information they need at whatever stage they are at, whether they are starting out, moving on to build bigger teams or scaling up to become a larger enterprise.

Further information on helping young people into work is also available at [GOV.UK](#).

Delivering Social Justice in Partnership

More than 250 delegates attended the third annual Social Justice Conference in London on 18 November.

Work and Pensions Secretary Iain Duncan Smith gave the keynote speech and announced the publication of the [Second Social Justice Progress Report](#). This gives details of 100 Government commitments that have been delivered in partnership with other agencies since 2012.

The conference, which was chaired by Jon Craig, the Chief Political Correspondent for Sky News, explored some challenging subjects such as:

- Why employers can be reluctant to take on ex-offenders;
- Whether social investment can provide a viable income stream for support programmes;
- Whether the post recession economy has created new opportunities for businesses to help address entrenched social problems.

Leading charities, voluntary groups and local government were joined at the event by businesses for the first time.

Speakers included Catherine Sermon from Business in the Community, Jim Bligh from



the Confederation of British Industry, Jocelyn Hillman from the charity Working Chance and Emma Stewart from the recruitment company Timewise.

The [Social Justice Transforming Lives](#) strategy was published in 2012. It challenges government, charities and voluntary groups to work collectively to target the root causes of Social Justice problems, rather than simply addressing the symptoms.

You can read some of the speeches by visiting [Social Justice Conference 2014](#).

You can also keep up-to-date with the latest Social Justice news, articles and blogs from the charity, voluntary and business sectors by following our twitter account @socjusticegov or from the [Social Justice: Transforming Lives website](#).



A warm retirement from the Tardis

Over two million households will get £140 from the Government towards their bills to help them to keep warm this winter.

Among those who will benefit is retired actor David Raven, a former body double for John Pertwee when he played Doctor Who during the 1970s.

Like many pensioners on low incomes he was worried about heating his home until he received a letter about the 'Warm Home Discount'.

Mr Raven, who is 81, said: "I didn't have to do anything, a lovely letter just popped through my door telling me Scottish and Southern Electric would be crediting my bill for £140.

"Getting that discount means I'll be a lot more confident about turning up the heating. Last year was not too bad because it was mild but I was worried about this winter, so the discount makes a huge difference."

Around 1.4 million pensioners will qualify for the discount this year. The vast majority of pensioners on Pension Credit will not have to do anything as they will receive the £140 discount automatically.

People on Pension Credit who have not already received a letter should call the helpline on **0845 603 9439 by 30 January 2015** to confirm that they are eligible for the £140 discount on their electricity bill for winter 2014/15. The helpline is open Monday to Friday between 8.30am and 4.30pm.

The Warm Home Discount was introduced in April 2011 and applies to pensioners in receipt of the guarantee credit element, including savings credit, of Pension Credit. It is a joint Government initiative between the Departments for Work and Pensions and of Energy and Climate Change and the major energy suppliers.

Some 4 million people could also get extra Government help as the cold weather begins.

Poorer pensioners and low-income households, including those with disabled people or children under the age of five, could get a £25 Cold Weather Payment each time temperatures either dip, or is forecast to dip, below an average of zero degrees Celsius for seven consecutive days.

Visit [Cold Weather Payments](#) for more information.

In addition, 9 million households will receive [Winter Fuel Payments](#) to help towards the cost of their heating bills. Households with someone at the State Pension age for women will receive up to £200 while those with someone aged 80 and over will receive up to £300.

For more information about the Warm Homes Discount scheme visit [GOV.UK](#).

Children at heart of support for separated parents

Separated parents are being offered a range of support by DWP to help them work together in the best interests of their children.



This support is part of the Help and Support for Separated Families (HSSF) initiative.

It includes:

- An **online service** that signposts parents to information on dealing with separation. It also includes links to organisations that can provide further support and is hosted by 40 partner websites;
- **Telephone support** – DWP has provided a telephony training package for organisations like Relate, Family Lives, NYAS (National Youth Advocacy Service) and Wikivorce, which offers free advice to separated parents;
- **The HSSF Mark** – this is awarded to organisations that promote collaboration between separated parents. It provides holders with a support network for parents. 35 organisations have already been awarded the mark and DWP is

working with them to raise awareness of the mark and to build up the network. Information on how to apply for a mark is available [here](#);

- **The Innovation Fund** has been brought in to fund and test innovative ways to support separated parents to collaborate with each other. There are 17 individual projects, each offering a different type of support including a free online service from Relate and a Families Together programme based at a city farm. DWP is currently evaluating these projects to find out which ones work best.



More information about the HSSF initiative is available in the [Child Maintenance Toolkit](#) and on [Sorting Out Separation](#). For more details about the HSSF Mark visit the [HSSF Mark Hub](#).

Other news in brief..

Employment rises again

A record-breaking number of people – 30.8 million – are now in work.

The latest figures from the Office for National Statistics show that 694,000 more people are in jobs compared to this time last year. Employment increased by 112,000 over the last three months alone, with the vast majority of the increase coming from people who secured full-time jobs.

The employment rate (73.0 percent) is now back to pre-recession levels. Compared to 2010, there are over 2 million more people in private sector jobs.

Youth unemployment fell by nearly a quarter of a million over the last year. Excluding full-time students, the number of unemployed young people is now 163,000 lower than in 2010.

There are record numbers of women in work, and since 2010 three quarters of the rise in female employment has been in managerial, professional and associate professional occupations.

Asbestos victims missing out on compensation

Victims of diffuse mesothelioma and their families may be eligible to receive compensation of £125,000, on average.

The new compensation scheme for diffuse mesothelioma, a cancer caused by exposure to asbestos, has paid out over £15 million in its first seven months. But DWP says there are hundreds more people who might be eligible for compensation.

DWP is now asking them to come forward and estimates that £32 million could be paid out by the end of March 2015. Men over 65, who worked in the building industry when asbestos was used extensively, are among those most at risk of having mesothelioma.

Compensation packages are made directly to individuals and include a sum that can be used towards legal fees. The scheme has been designed to accept direct applications so that people do not need to use a solicitor.

If they choose not to employ a solicitor they will be able to keep the money intended for legal fees.

Details on the Government compensation scheme and how to apply are available at www.mesoscheme.org.uk and on 0131 331 9090.

Carers satisfied with new digital service

DWP has launched a digital online application system for Carer's Allowance claimants, in partnership with the Government Digital Service.

The new [online Carer's Allowance application system](#) means that busy carers can now apply for Carers Allowance, which is for people who are looking after someone with substantial caring needs, at a time that suits them best.

One of the many improvements for the 240,000 carers, who claim the allowance each year, is a new way of verifying that the person they care for understands the claim. This removes the need for them to sign a paper declaration.

The new service has been tested and improved with real users and more than 125,000 digital claims have been made since trials began in October 2013, with a user satisfaction rate of 90 percent.

The service works on any device and in the trials more than a third of digital claims were made via a tablet or mobile phone.

