

CALENDAR 3: 2009

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This article highlights some of the key social security benefit and related welfare changes earlier in a desperate year of recession, 2009, in the UK, while also looking briefly ahead to planned changes for the rest of the year, and a little beyond. It partly updates Calendar 2, by Terry Patterson, published with *Benefits* 15 (2) in June 2007 (<http://www.policypress.co.uk/journals.asp?>), that spanned the period 2006 to 2046. Of course, planned changes may be subject to change and the devolved assemblies decide some areas of social provision. You should always check for accurate current information about rights and procedures in each locality.

▶ JANUARY

Child Benefit increases from £18.80 to £20 a week for the first child and from £12.55 to £13.20 a week for other children in a family. This increase was brought forward from April 2009. Housing Benefit and Council Tax Benefit ignores the increase. The increase also benefits people who still get Income Support or Jobseeker's Allowance for children.

Under **Child Development Grant** pilots, the government plans to give £200 to low-income families with children under five who take up children's services in 10 pilot local authority areas. Jobcentre Plus personal advisers are due to be available in 30 Children's Centres to help parents to access work-focused activities and give Tax Credits advice.

To boost **childcare** for low-income families in 67 pilot areas of high need, £175 a week (£215 in London) towards childcare costs is made available under the Training for Learning and Work programme. This scheme can apply where one parent is working and the second parent wants to improve skills to return to work.

Jobcentre Plus' Rapid Response Service can now be made available to anyone affected by redundancy resulting from the recession, where the service judges that the cumulative impact on the local labour market justifies support. This includes contracted workers as well as employers in supply chains, small local businesses, freelance workers and self-employed people. Some of the help on offer includes modest funding for training to re-skill for specific types of available work.

Income Support, income-based Jobseeker's Allowance, income-related Employment Support Allowance or Pension Credit can include an amount for **mortgage interest** and some other housing costs. Some people have had to wait for a certain period before they get help. For example: someone aged under 60, who took out their mortgage after 1 October 1995, has had to wait 39 weeks before the help starts. From 5 January 2009, there are three temporary changes to new claims, under 'special rules'. First, the 39 weeks 'waiting period' is cut in many cases to 13 weeks. Second, the capital limit on loans increases from £100,000 to £200,000 for most new claims, but only for those aged under 60. Third, mortgage help for new Jobseeker's Allowance claims will only last for two years. This will not apply to existing claims or to new claims from those in receipt of other benefits: Income Support, Pension Credit or income-related Employment Support Allowance. Also, when calculating the amount allowed, the Department for Work and Pensions (DWP) has kept the standard interest rate at a higher level of 6.08% for six months from December 2008. In Budget 2009, this was later extended for a further six months. Those people who had served 13 weeks or more of their waiting period by 4 January 2009 got full eligible help with mortgage interest from 5 January. Those who have served a period of less than 13 weeks at 4 January will receive full eligible help at the date at which they will have served a full 13 weeks. A person has to be in receipt of Income Support, or income-related or contributory Jobseeker's Allowance/Employment Support Allowance for the 13 weeks' waiting period of the special rules to commence. If not, for example because their part-time wage puts them just above the benefit level before adding mortgage interest, they still have to wait up to 39 weeks and will only receive help on the first £100,000 of their mortgage.

The State Pension is 100 years old, having first been collected as the **Old-Age Pension** from Post Offices in 1909 at five shillings a week by 500,000 people over the age of 70. It was non-contributory but means-tested and it had a 'character test' that excluded people who had refused work when able, made themselves poor in order to qualify, or had been imprisoned or were habitually inebriated. Today, the contributory **State Retirement Pension** is paid almost solely by automatic cash transfer to over 12 million people over state retirement age, with major rule changes due from April 2010 and beyond.

The 2008 £10 **Christmas Bonus** has a temporary increase of an additional one-off £60, paid between January and March 2009. Eligibility is the same as for the annual Christmas Bonus, except the 'relevant week' to qualify was the week commencing 22 December.

The government's **Mortgage Rescue Scheme** starts in England, with preparatory work with local authorities and housing providers. Scotland has had a mortgage-to-

rent scheme since 2003, assisting more than 700 households. The Scottish Assembly plans to extend it and also to develop a new mortgage-to-equity programme to help some homeowners keep full possession of their homes while substantially reducing their debt. Wales has a mortgage rescue scheme in place with registered housing associations and Northern Ireland's Department for Social Development is consulting on setting up a similar scheme.

Magistrates' fines can be deducted from a person's benefit. Now, the court can ask the DWP what benefits they are on to find out whether it is worth making such a request.

UK work restrictions continue for Bulgarians and Romanians, who are **Accession 2** (A2) workers in the UK. These restrictions will be reviewed at the end of the year.

▶ FEBRUARY

A new electronic '**fit note**' is due to replace paper-based 'sick notes' in pilot areas in 2009. Its intention is to ask general practitioners (GPs) to consider what work patients can do, and when, rather than simply being unable to work due to incapacity. It is part of a package of proposals aimed to keep people in work with support from healthcare and joined-up local services. Launching a 'Fit for Work Service' Programme of Piloting, the government called for organisations to apply to participate in forming 'Eligible Partnerships'.

Tax Credits Overpayment recovery guidance is amended by Her Majesty's Revenue & Customs (HMRC), with new sections in its Debt Management and Banking Manual. These sections expect more sympathetic treatment in recovery of Tax Credit overpayments in cases of bereavement, domestic violence, relationship breakdown and mental health difficulties.

▶ MARCH

A new law to tackle **child poverty** is laid before the National Assembly in Wales, including duties to develop a Child Poverty Strategy for Wales and duties on public bodies.

The DWP has recruited about 4,000 new staff so far to cope with rising demand in **Jobcentres**. The main focus has been to hire staff externally, but many hundreds of staff have also been redeployed from the Child Maintenance and Enforcement Commission and the Pensions, Disability and Carers Service. Six thousand frontline staff were due to be put into jobcentres across the UK in 2009/10.

The government announces that 20,000 **severely visually impaired people** should get the high rate of Disability Living Allowance for mobility from 2011.

A pilot scheme since 2001 bringing benefit sanctions to **ex-offenders** who breached community service orders has not shown the 'advantages expected' and is to be brought to an end. The costs of the pilots ran at £5.60 for every £1 saved.

When a claimant makes a new or repeat claim for a main Jobcentre Plus benefit, data for **Housing Benefit** and **Council Tax Benefit** are captured by the Customer Management System. Until now, those data have been printed out on a clerical Local Authority Input Document (LAID) and forwarded to the local authority. Following e-Transfer Project pilots since January, this transfer will be done electronically and a national roll-out should be largely complete.

A report assessing 46 **databases** across major government departments finds that less than 15% are effective, proportionate and necessary and that only about 30% of government information technology projects succeed. It finds that the benefits claimed for data sharing are often illusory, as sharing can harm vulnerable people by leading to discrimination and stigmatisation.

The UK Border Agency extends the list of categories of non-EEA foreign nationals, who apply for leave to remain in the UK, to require biometric **ID cards**. For example, Commonwealth citizens of UK ancestry or overseas domestic workers are affected. ID cards can help to prove identity, rights to benefit entitlement, immigration status and rights to work. Or they may affirm disqualifications.

► APRIL

As part of the attempt to eradicate child poverty, Child Benefit is paid from the 29th week of pregnancy, through the introduction of **Health in Pregnancy Grants**. These grants of £190 are available to women from the 25th week of pregnancy, after having had health advice from a health professional such as a midwife. The grant is ignored by income-related benefits, is not taxable and is payable for each pregnancy. There are restrictions based on immigration status, presence or rights of residence in the UK. Early claims could have been made from January for babies due from 6 April. The payments are administered by HMRC.

A raise of £50 a year above inflation for the child element of **Child Tax Credit** is brought forward from April 2010. This element is available to lower-income families. The family element of Child Tax Credit again remains at £545 a year.

The requirement for providers to receive a **Child Trust Fund** voucher from parents before opening an account becomes voluntary rather than mandatory. The extra

payment that is made if receiving Child Tax Credit with income at or below a threshold (£16,040 for 2009/10) or Income Support or income-based Jobseeker's Allowance that includes an amount for children is paid if they had claimed those benefits within 12 months (rather than three months). Additional payments of £100 a year will be paid for disabled children.

The charitable **Family Fund** by now has extended across the UK to low-income families with a severely disabled child up to the age of 17.

Income Support is now available for young people who are in relevant full-time non-advanced education and who are also 'estranged' from their parents, or persons acting as parents, up to their 21st birthday. However, the young person must have been enrolled or started their course before their 19th birthday, partly negating the impact.

The government announces in Budget 2009 a further **employment package**, including £1.7 billion of additional funding for the DWP to ensure Jobcentre Plus and forthcoming Flexible New Deal programmes have the capacity to respond to rising unemployment. The package will also include £1.2 billion of support for those aged between 18 and 24 who have been claiming Jobseeker's Allowance for 12 months, by offering them a job, training or a work placement lasting at least six months.

The government announces that some 50,000 traineeships in social care will be offered to young people through a new **Care First** scheme. Social care providers would receive funds for offering sustained employment and training to 18- to 24-year-olds who have been out of work for 12 months.

The first three stages of a new four-stage **jobseeker's regime** are launched. Stage one, 'self-managed job search', is for 13 weeks and includes mandatory 'Back to Work Sessions'. However, those with greatest challenges to find work may be accelerated instead to stage three. Stage two is 'directed job search' for a further 13 weeks, stepping up expectations on the level of jobseeking activity in a revised Jobseeker's Agreement. Stage three is 'supported job search', with a detailed Action Plan and checks for up to 26 weeks. This will include mandatory activity backed up by Jobseeker's Directions.

A new recruitment subsidy, worth up to £2,500, is available for employers taking on someone who has been unemployed for at least six months. Presented by the government as '**Employers' Golden Hellos**', they include a £1,000 cash subsidy and, depending on location, up to £1,500 worth of training to help the person have the right skills for the job. The recruitment subsidy is part of a package of measures announced in January and later, including new training places, work-focused volunteering options and help to set up a business.

The government introduces a **Self-Employment Credit** for those who have been on Jobseeker's Allowance for at least six months and are interested in moving into self-employment. Administered by Jobcentre Plus, it is a weekly payment paid at the rate of £50 per week for a period of up to 16 weeks. It cannot be paid with any other in-work credit payments, such as the Return to Work Credit or the In-Work Credit. It will be disregarded for Housing Benefit, Council Tax Benefit, income tax, National Insurance Contributions (except Class 2 contributions), Working Tax Credit and Child Tax Credit.

A new **National Apprenticeship Service** provides a single point of contact for any individual or employer who wants to take up, or offer, an apprenticeship. Wider funding is available for apprenticeships.

The minimum annual **holiday leave** entitlement for workers increases from 24 to 28 days. It went up from 20 days to 24 in October 2007.

Jobcentre Plus launches a **drug treatment** referral scheme for claimants who are heroin or crack cocaine users. Drug coordinators have been placed in each Jobcentre Plus region in England to establish links between jobcentres and treatment providers. This development is in advance of welfare reform proposals for mandatory employment-support programmes for problem drug users.

The DWP and the Department of Health are to carry out a joint review to explore how the benefits system can better help people with **alcohol problems** to get treatment and back to work.

Cancer sufferers get free **prescriptions**, covering those undergoing treatment for cancer, the effects of cancer or the effects of that treatment. The GP or hospital needs to sign the 'medical exemption certificate' that is shown to the pharmacist. The government plan is that free prescriptions will be extended to all patients with long-term conditions in the next few years. The standard NHS prescription charge in England rises to £7.20.

The phased abolition of **prescription charges** continues in Scotland, with the charge for drug and medicine prescriptions cut from £5.00 to £4.00. NHS prescription charges were abolished in Wales in April 2007, while the cost of NHS prescriptions in Northern Ireland was reduced to £3 in January 2009, ahead of the abolition of these charges by April 2010.

Changes allow wider access to **Independent Living Funds**. They include removing the overall care package initial limit of £785 a week and newly prioritising applicants whose income is above the Income Support level but no more than the Income Support level plus 25%. Maximum weekly payments increase to £815 or £475 and the capital limit rises from £22,250 to £23,000.

In pilot areas, from April and June, **Social Fund Crisis Loans** for living expenses will generally not be granted where an applicant has had three such loans in a 12-month period. However, subsequent loans can still be made as a consequence of a disaster or unavoidable emergency. Social Fund funding was increased by £125 million for 2009/10 and £144 million in 2010/11 in Budget 2009.

Quicker responses are promised for **Crisis Loans** claims, now taken in one process. Those who take the call make the decision. There were to be more staff in the Crisis Loans section.

The annual **uprating** sees most non-income-related social security benefits, such as State Retirement Pension, going up in line with the Retail Price Index (RPI) from the previous September, namely 5.0%. Income-related benefits go up in line with the ROSSI index at 6.3%. The maximum savings credit in Pension Credit rises in line with average earnings, at 3.5%, while the Pension Credit Guarantee increases at 4.8%. These increases are well above the current headline rates of inflation, with the RPI slowing to -0.4% in March 2009.

In order to prepare for the future transition from **Incapacity Benefit** to Employment and Support Allowance, people on contributory Incapacity Benefit without an age addition have benefit uprated by the ROSSI index (6.3%) instead of the RPI (5%). But for people on Incapacity Benefit with an age addition, the increase is half the ROSSI index (3.15%), starting to erode the value of the age addition.

Fuel deductions are made when calculating Housing Benefit for someone who must pay a charge for personal fuel use in with rent. Unless their value is specified in the tenancy agreement or is not readily identifiable, standard amounts are used. The standard amounts are increased by the RPI for fuel and light, namely 39.6%. So, for example, someone covered by the standard deduction for heating, hot water, lighting and cooking now faces a deduction of £28.30 a week, up £8 from £20.30 a week last year. Meanwhile, the rate of Jobseeker's Allowance – from which claimants must pay fuel costs, food, clothing, travel, other key bills, living expenses and rent shortfalls – for the over 25s rises by just £3.80 to £64.30 a week. The under 25s get £50.95 a week.

Benefit payments are changing to fortnightly in arrears in the period up to March 2011. Some benefits are changing from being paid weekly to fortnightly in arrears, under the **'periodicity'** programme: Income Support, Jobseeker's Allowance, Bereavement Benefits and Maternity Allowance. A loan will be available to help people deal with gaps without benefit, recoverable over 12 weeks by deduction from benefit. The loan should not be taken into account as income for Housing Benefit or Council Tax Benefit. Another change is that payment days will be based on the last two numbers of a person's National Insurance Number. New claims will be subject

to the new rules straight away but existing claimants will be transferred across from 6 April 2009 to 31 March 2011. This change will affect 2.1 million people.

There is a change to the requirement for **National Insurance Numbers** (NINOs) to be allocated to partners in claims for Housing Benefit (HB) or Council Tax Benefit (CTB), when the partner has no right to be in the UK, but the claimant has that right. For example, this could be the case where a partner entered the UK with leave, but their leave has expired and they did not apply to the Home Office for an extension in time. The change to the HB/CTB rules removes the requirement for a partner who does not have leave to enter or remain in the UK to be allocated a NINO. However, Jobcentre Plus will continue to interview any individuals who are part of a claim for HB/CTB and do not have a NINO. The check is to establish identity and status and, if appropriate, to refuse to allocate a NINO and inform the local authority deciding the HB/CTB claim.

Before the roll-out of **Local Housing Allowance** (LHA) in April 2008, some local authorities piloted the scheme, each with their own version. Now they are all transferred to the national scheme. No matter how big the family or property, LHA is capped to the rate for five bedrooms. Existing LHA claimants in larger properties will be protected until 26 weeks after the date of their review. This follows media criticism of the amounts received by larger families.

Responsibility for the **Rent Service** is transferred from the DWP to HMRC, under the Valuation Office Agency.

The DWP calls for more local authorities to come forward to test pilots of making direct **Housing Benefit** payments to claimants living in temporary accommodation.

The government announces in Budget 2009 more help for homeowners, including an expansion in the provision of **HomeBuy Direct**, the shared equity scheme that helps first-time buyers, and an extension in the eligibility criteria for the **Mortgage Rescue Scheme**. The Budget also includes modest funding to encourage the revival of some stalled house-building schemes and for local authorities to build some new **council housing**. 4.5 million people are on waiting lists for social housing, at present, in England alone.

A **Homeowner's Mortgage Support** scheme commences throughout the UK with a number of banks and building societies, allowing eligible borrowers who suffer a temporary loss of income to cut their mortgage payments for up to two years.

Changes to **home seller packs** include the introduction of a new Property Information Questionnaire, removal of the temporary first-day marketing exemption and all searches must be complete, without gaps.

New rules allow some people to make additional voluntary Class 3 **National Insurance Contributions** to make up for gaps in their record. People who reach pension age from 6 April 2008 to 5 April 2015 will be able to pay up to six years of class 3 contributions for tax years from 1975/76, under special rules.

The **State Second Pension**, S2P, is due to become flat rate by around 2030. To help to achieve this, the upper limit on earnings that count towards S2P is being capped from 6 April.

Previously, **Pension Credit** claimants did not have to report changes in 'retirement income' for five years. This is called the 'assessed income period'. The income includes pensions and income from savings. The Pension Service automatically adjusts Pension Credit to take into account normal and expected increases. An 'assessed income period run-on' for Pension Credit is introduced for people aged 75 or over. It can last for an indefinite period, unless there are foreseeable changes in circumstances. For those aged 80 or over, the assessed income period is deemed not to come to an end when it was due to and instead is treated as continuing indefinitely.

The government plans to launch a new 'tax back' campaign, contacting all 2.7 million **Pension Credit** recipients to encourage them to claim back tax they may have overpaid on their savings income and, where possible, register to receive interest on their savings tax-free in the future. This may be worth £200 on average to those pensioners who have overpaid tax in the past.

The government announces that grandparents who care for grandchildren are to get **National Insurance credits** towards the State Retirement Pension from April 2011.

The Local Government Association warns that several local authorities face shortfalls of over £1 million in maintaining the popular local arrangements for **free travel** for older people and disabled people.

The DWP extends its overseas **benefit fraud** hotline to the Costa del Sol and the Canary Islands. Already available in Alicante, residents can call a local number and their concerns will be passed on to investigators in the UK.

The DWP signs an agreement with five other countries to extend international cooperation on tackling **benefit fraud**. Signing the 'Windsor Agreement' with the United States, Canada, Ireland, Australia and New Zealand, the department has agreed to share intelligence, risk-profiling, strategies and best practice to identify fraud.

New '**Debt Relief Orders**' (DROs) commence in England and Wales, suitable for people with relatively low debt liabilities, little or no surplus income and no realisable assets with which to make contributions to creditors. In contrast to other forms of

debt relief, DROs are delivered in partnership with debt advisers from the advice sector, acting as 'approved intermediaries'. There is an application fee of £90 and debts are usually discharged after 12 months. A slight variation of the order is in the planning for Northern Ireland, expected later in the year. Scotland has a similar scheme, called the 'Low Income Low Asset' scheme (LILA), introduced in April 2008.

Pilots begin in North West and North East England to test regional **Money Guidance** services with the support of the Financial Services Authority, offering impartial financial advice via the internet, telephone and face to face. If the pilots, run by A4e and Citizens Advice with the Financial Services Authority, are successful, a national roll-out is planned for 2010.

► MAY

New rules in England mean that where a parent is entitled to Working Tax Credit in the four-week period after stopping work or reducing hours below 16 a week, their child is entitled to **free school meals**. A similar change applies in Wales from August 2009.

The government announces plans to introduce a new **permitted work** earnings disregard in Housing Benefit (HB) and Council Tax Benefit (CTB) from April 2010. The disregard of up to £92 a week, at current rates, will be introduced in HB/CTB for claimants getting contributory Employment and Support Allowance (ESA), Incapacity Benefit or Severe Disablement Allowance, aligning HB/CTB with income-related ESA; but a discrepancy continues with Income Support, which retains a disregard of £20 a week.

A new exemption from charging starts, if NHS bodies supply drugs in response to a **pandemic** influenza outbreak.

Pilots under a planned '**automaticity**' programme, under the 2008-09 Welfare Reform Bill, aim to test if Pension Credit can be awarded from other records already held by branches of government. However, the government states that it took first steps by testing if data held by the Pensions, Disability and Carer Service could be used to identify entitlement to Council Tax Benefit, but the results were disappointing.

A change to the **Mortgage Rescue Scheme** allows households previously excluded due to having negative equity to now, in certain circumstances, be eligible to apply for the scheme. Only six households in mortgage default out of 743 applicants in England had accepted an offer for help through the scheme in its first five months, although many others were at various stages of assessment or were offered other assistance.

The Worker Registration Scheme for **Accession 8** (A8) nationals is extended for two more years. This scheme covers workers from Poland, Lithuania, Latvia, Hungary, Slovakia, Slovenia, Estonia and the Czech Republic.

The Local Government Association warns that the recession could force more than 35,000 more people to turn to **loan sharks**, because they are unable to borrow money from legal sources. In actions against illegal lending and dangerous activity, Salford and Birmingham City Councils, for example, have each secured more than 40 years' imprisonment for loan sharks.

▶ JUNE

The government publishes a UK-wide Bill aiming to enshrine the commitment to eradicate **child poverty** by 2020 into law.

Key elements of the **Child Maintenance and Enforcement Commission**, worth up to £500 million over three years, are to be outsourced to up to 12 separate providers. These include collecting and assessing applications, providing information and support, managing cases, processing payments and managing arrears and recovery.

Ten local authorities in Scotland pilot new **Activity Agreements** for vulnerable young people who are leaving school at 16+ and who are likely to have a 'negative outcome' in getting further study, training or work.

The government reaffirms that **young people** under the age of 25 who have been out of work for more than 12 months will be required to take up a job, training or work experience placement, from next year.

In preparation for the launch of the Flexible New Deal in October 2009, 28 Jobcentre Plus districts are identified for Phase 1. In these areas, referrals to the current range of **employment programmes** will end in the week commencing 26 June 2009, rather than April, as originally planned. The contracts for these programmes will end just before the new Flexible New Deal contracts start.

A DWP review of the work capability assessment of **Employment and Support Allowance** is considering how the test might be modified as people adapt to their medical condition. Changes are expected to result in more people being considered able to look for work.

The UK ratifies the United Nations Convention on the Rights of **Persons with Disabilities** and will shortly start the process of ratifying an Operational Protocol to the Convention.

There is no legal aid for representation before an **Asylum Support Tribunal** and about 2,000 asylum seekers and failed asylum seekers appeal each year against a refusal or termination of asylum support. In an evidence report, Citizens Advice again calls for publicly funded representation to be made available, because of the particular vulnerability and disadvantage of the appellants.

► JULY

The current four-week run-on of **Working Tax Credit** in England also covers childcare, including for couples when only one stops working.

The government announces the first 47,000 youth jobs supported by the **Future Jobs Fund**, for young people who are unable to find work or training within a year.

The **Graduate Talent Pool** initiative launches its website, with 2,000 internships available and 4,000 more pledged. The goal is to have over 20,000 graduate internships in place.

The government announces that **Jobcentre Plus** staff will offer 'extra help for mums who lose their jobs in the recession' in the 25 most deprived local authority areas. Particularly targeting parents whose partners are still in work, the scheme aims to provide employment support at local schools, bring work trials and childcare support into the community and support parents seeking self-employment.

The government announces two pilots for implementing a requirement for those who are unemployed for two years or more to do six months' **work experience**. Pilots in Greater Manchester, Norfolk, Cambridge and Suffolk are planned for two years from October 2010.

The new testing regime for **Employment and Support Allowance** is finding two thirds of applicants to be fit for work and being directed onto Jobseeker's Allowance, according to press reports.

A Green Paper on the future of adult social care raises the option of switching budgets for elements of **disability benefits**, such as Attendance Allowance, to means-tested, bolstered, social care assessments by local authorities under a proposed 'National Care Service' framework.

The government announces plans from 2010 for a '**one stop shop**' to help people to plan ahead for older age, drawing together support online and government and third sector telephone and face-to-face advice services. The plan is to link this service with the Money Guidance service, which has been piloted since April 2009. Plans

are that the one stop shop will include new services as they become available, such as the NHS Mid-Life LifeCheck, the Adult Advancement and Careers Service and FirstStop, a care and housing advice service. It will also cover other age groups, for example when a parent stops receiving Child Benefit.

Underpayments by the **DWP** in 2008/09 are estimated at £1.2 billion, while a total of £900 million was lost to fraud, £900 million to claimant error and £900 million to official error. The National Audit Office qualifies DWP's accounts for the 20th consecutive year.

The Equality and Human Rights Commission issues its first inquiry into the delivery of a public sector body under recent duties to promote equality, addressing the efforts of the **DWP** and its agencies. It highlights some good practice, but finds several areas where systems were inadequate. It finds that some comments that 'equal treatment' will automatically lead to 'equal opportunity' lack an understanding of what the duties aim to achieve in ensuring that public services meet the needs of different groups.

A report on **benefits simplification**, published by the Centre for Policy Studies, proposes a hybrid weekly benefit, drawing together and partly simplifying the current contributory and income-based elements of several main benefits or tax credits. It would also bundle together the non-means-tested and income-based elements for children and disability, as well as recasting Carer's Allowance. It proposes replacing the current tapers in benefits that can contribute to high marginal withdrawal rates, with a single overall taper on benefits and tax credits of, perhaps, 50%, which is equivalent to 65.5% when combined with deductions for income tax and National Insurance Contributions (NICs). It calls for the creation of a single agency, based on the existing Jobcentre Plus offices, Pensions, Disability and Carers Service staff and staff and expertise from local authorities and HMRC, to offer a localised and complete service in which many claimants would become personally known. It proposes abolition of NICs, transferring them to income tax, or ringfencing contributions for individual entitlements. While the proposals are uncoded, the report notes that the government will be able to increase or cut expenditure with better understanding of the impact on households.

The Financial Services Authority implements interim protection for homeowners who are victims of '**sale and rentback**' schemes, offering them compensation by taking their case to the Financial Ombudsman. Full regulation of the firms is planned for 30 June 2010.

Summer

There were due to be 3,000 **Children's Centres** open by now, on the way to 3,500 by 2010.

Osteoarthritis of the knee from work as an underground miner is prescribed as a qualifying condition for **Industrial Injuries Benefit**, following a recommendation from the Industrial Injuries Advisory Council. Work as an underground miner must have been for 10 years or more in aggregate, with the additional requirement that any service from 1986 must have been in certain categories of work in coalmining.

Health, Work and Well-Being Co-ordinators will be appointed for each region of England, Scotland and Wales. They will stimulate action on health, work and well-being issues in their areas.

▶ AUGUST

The **Child Maintenance and Enforcement Commission** can now instruct banks or building societies to deduct a regular or one-off amount from the account of a liable person, under new 'lump sum' and 'regular deduction' orders.

All pupils whose parents receive both maximum Child Tax Credit and maximum Working Tax Credit in Scotland become eligible for **free school meals**. There is also entitlement when receiving Working Tax Credit in the four weeks after employment stops or hours of work fall to below 16 a week. Further plans to provide all Primary 1 to Primary 3 pupils in Scotland with free school lunches will come into effect from August 2010, with the aim of encouraging healthy eating habits from a young age.

For years, there has been a discrepancy in the rate of **Jobseeker's Allowance** paid for some couples where one partner is aged 16 or 17, compared to the rates of Income Support. These complicated rules have now changed, so that such couples claiming Jobseeker's Allowance receive the same amount of benefit as a couple in the same situation would receive in Income Support.

The government is to pay gap-year money for 500 **graduates** under the age of 24 to do voluntary work abroad.

Contribution-based **Jobseeker's Allowance** can be claimed online, according to a planned release timetable.

The government sets out plans to give new legal protection to **tenants** vulnerable to being thrown out on the street with little or no notice if their private landlord is repossessed. It is consulting on proposals to change the law, wanting tenants in this position to receive two months' notice to vacate the property and giving them time to find suitable alternative accommodation.

Plans to make **Housing Benefit** payments direct to those living in temporary accommodation are dropped.

The government is consulting on a points system for **citizenship**, in a move that would present a tougher citizenship test for recent arrivals who want to settle permanently in the UK.

► SEPTEMBER

Free **childcare** places for two-year-olds should have been extended by now in all local authority areas to reach 23,000 children.

The government pledged in Budget 2009 that the **September Guarantee** of a place in education and training to every 16- and 17-year-old who wants one will be met in full. There will be additional investment of £251 million in 2009-10 and £404 million in 2010-11, covering an extra 54,500 student places in the next academic year.

Skills accounts will be trialled across all regions of England for adults aged 19 or over, allowing people to find out how much government funding is available for them for courses and to access careers advice.

A pilot commences of new 'earned rights' to support or training for those who have spent a period of time outside the labour market **caring** for adults or children, or bringing up children. It offers an entitlement of up to £500 to encourage those returning to work from caring to update or refresh their skills.

In campaigns aimed to encourage jobseekers to use external self-help channels wherever possible, and to relieve pressures on their offices, **Jobcentre Plus** will discourage people from using Jobcentres, but ensure that people who do drop in are able to access the information or services they need online, on a freephone in the office or in a printed information product. The DWP does not want to encourage people to enter Jobcentres to look for jobs, general enquiries or information about other DWP products. It only wants people to go in to undertake conditionality reviews, sign on, get support for those who need it most and in similar instances.

The DWP's online **Benefits Adviser** is due to be enhanced, allowing customers the opportunity to get an estimate of the amount of benefit they might get.

Jobcentre Plus districts should have **Carer Partnership Managers** in place, forging local links in a work-focused role.

Autumn

HMRC is due to launch a charter setting out clear principles in its relationship with citizens, following two consultation exercises and a period of testing.

▶ OCTOBER

Under changes first introduced in November 2008, one reason for getting Income Support has been, until now, being a **lone parent** with at least one child under 12. As soon as there are no children under 12, then a phased transfer to Jobseeker's Allowance is introduced, unless there is another reason for getting Income Support or Employment and Support Allowance. The government is now lowering the age to 10 and plans to reduce it to age seven in October 2010. Those who do have to swap to Jobseeker's Allowance may be able to get a recoverable loan if they miss a payment as they transfer to benefit payments in two-weekly arrears.

The **Statutory Redundancy Payment** limit rises from £350 a week to £380 a week. The government is also suspending the annual inflationary increase due in February 2010.

The **Flexible New Deal** marks stage four of the revised jobseeker's regime that commenced in April 2009. It will be delivered by private, voluntary or public organisations under contract, taking referrals after one year on Jobseeker's Allowance, or, if there are greater needs, after six months on Jobseeker's Allowance. Flexible New Deal (FND) providers, in Phase 1 areas, will identify and deliver employment support tailored to individuals' needs. FND providers will work with customers for up to 52 weeks, and potentially for a further six months, aiming to put them in a position where they can find and sustain employment or self-employment. Sustained employment is defined as 26 weeks. The government planned that contractors will largely be paid for the outcomes they achieve. The FND includes sanctions for those who commit a FND 'offence' without good cause. For those who do not achieve at least four weeks' employment while on the FND, providers will need to demonstrate that the customer has undertaken at least four weeks of full-time work-related activity designed to improve their work prospects. This might be with a local employer, a community or voluntary organisation, or a work trial, and could be at any stage in the 12-month period. For those with ambitions to be self-employed it could include a period of 'test trading'.

Flexible New Deal (FND) replaces all the programmes of the New Deal for Young People (NDYP), New Deal 25 plus (ND25+) and Employment Zones. This also includes the Private Sector-led New Deal that operates in 12 areas, and both the New Deal for Musicians and the New Deal Self Employed options within NDYP and ND25+. FND will also replace the voluntary New Deal 50 Plus programme for Jobseeker's Allowance customers. Co-commissioning with City Strategy Pathfinders has been under consideration in the Jobcentre Plus Support Contract for the procurement processes of the FND.

Jobcentre Plus is introducing **Pathways to Work** 'conditionality' arrangements for people aged under 25 in 40% of its districts. The arrangements involve access to

support in employment, training and rehabilitation programmes, and advice. The under 25s will also be required to attend three mandatory work-focused interviews at monthly intervals with a Jobcentre Plus Pathways Adviser. The initiative will be targeted initially at 18- to 24-year-old existing customers who have been in receipt of Incapacity Benefit, or Income Support on the grounds of incapacity, continuously for 12 months or more and will be implemented between October 2009 and April 2011.

The government plans to lay a subsidy order now to change **Housing Benefit** subsidies to local authorities for claimants living in temporary accommodation. The proposed scheme aims to link maximum subsidy to Local Housing Allowance rates, within a wider policy commitment to reduce the long-term use of B&B accommodation as temporary housing.

The **Legal Services Commission** (LSC) invites law firms, the not-for-profit advice sector and other organisations to bid for the next round of civic legal aid contracts that are due to start from April 2010. The LSC has backed away from forcing agencies to merge, instead allowing bids from consortia, with linked contracts in three key areas of law: welfare benefits, debt and housing. The country has been split into 134 'procurement areas' for bids.

Current rules allow for **expenses** to be paid for volunteers or 'service users' to be disregarded in calculating benefits, as long as they receive no other payment for their involvement. However, as more service users are being paid modest amounts for their involvement, as well as receiving expenses, the government plans to change the rules by now allowing them to receive payment for attendance, subject to the usual rules about earnings disregards, and to have any expenses disregarded.

Topping up wages with tips is to be made illegal, with employers banned from using the tips of workers to boost pay to meet **minimum wage** requirements. This change aims to help staff in lowly paid work in restaurants, bars and hotels.

The tax-free annual **ISA** (Individual Savings Allowance) limit – aiming to boost savings – increases from £7,200 to £10,200 for people aged 50 or over. This higher limit will be available for the under 50s from April 2010. Of this, the amount that can be put into a cash ISA increases from £3,600 to £5,100.

Winter

The **Winter Fuel Payment** is to be maintained this winter, 2009/10, at the increased rates of £250 for the over 60s and £400 for over the 80s. People on benefits or pensions get the payment automatically, but others, such as men below pensionable age or those who have deferred retirement, still need to apply.

► NOVEMBER

As part of measures aiming to eradicate child poverty, Child Benefit is fully disregarded in calculating **Housing Benefit** and **Council Tax Benefit**.

In a related move, **child maintenance** payments, already disregarded in full in calculating Housing Benefit and Council Tax Benefit from October 2008, will be disregarded in full when calculating Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance from April 2010.

Up to £10,000 of **capital** or savings will be ignored for people aged 60 or over when calculating Pension Credit, Housing Benefit or Council Tax Benefit. This is an increase from the previous £6,000. The DWP estimates that around 750,000 claimants would benefit, with an additional 45,000 people newly becoming entitled. About 2,000 people who get only the Savings Credit part of Pension Credit may actually lose a little and the DWP proposed to compensate them by a one-off extra statutory payment of £40. These changes to 'assumed income from capital' mean that some people may gain more than expected if they have capital over £16,000 and if the reduction in their assumed income from capital means that they can newly receive the Guarantee Credit part of Pension Credit, suddenly passporting them to full Housing Benefit and/or Council Tax Benefit.

► DECEMBER

The pilot '**In and out of work**' benefits claim process is due to be rolled out nationally until December 2009. Normally, claimants have to provide information to various benefit departments, such as Jobcentre Plus, HMRC and local authority.

The government has aimed to set up a secure system to enable information to be collected by **Jobcentre Plus** and shared with other departments.

Late 2009

State Retirement Pension can be claimed online, according to a planned release timetable.

Greater Manchester residents can volunteer for national biometric **ID cards**, under a pilot scheme, at a basic cost usually of about £30. Other agencies, such as pharmacists, may enlist to help to deliver the scheme, adding costs for residents. Residents in other parts of the North West can apply from early 2010, with London

residents set to be able to apply later in 2010. 'Airside staff' in Manchester and London airports were previously announced for compulsory pilots of national ID cards, but this compulsion was later withdrawn.

Calendar 3 was written by Clive Davis, Newcastle Welfare Rights, who maintains an extensive calendar of social security and tax credit changes at <http://www.newcastle.gov.uk/welfarerights> (where you can sign up for a free benefit bulletin), and by Terry Patterson, a welfare rights specialist who writes in a personal capacity for the journal. Terry would like to acknowledge the comments and suggestions from the Greater Manchester Welfare Rights Advisers Group and thank those colleagues who scrutinised a draft document in a workshop in July 2009. He also notes that the Social Policy Digest (<http://journals.cambridge.org/spd/action/home>) is a useful source of updates on policy development.