

Benefitscast Transcript July 2025

David Stickland: [00:00:03] Hello. Before we play you this month's Benefitscast recording, we think you should know we made an error. And that was with the increase to the standard allowance. Will gives an example of 5.7% or £443. And that's wrong. So sorry about that. Please ignore that. It will be a significant above inflation rise. But we think the example is unhelpful. Everything else is good. Thanks.

David Stickland: [00:00:29] Hello. Welcome to our July Benefitscast. This month joining Will and I is Maria Solomon. Maria, lovely to see you as always. And in a moment we'll find out what you've brought with you. But first up, as I usually do, let's turn to Will. Hi, Will. And what's your first item for today, please?

Will Hadwen: [00:00:48] Well, I thought we couldn't really avoid talking about the UC and PIP bill because I'm sure anyone out there who's heard that it has now been published will be quite anxious to understand it a little bit better, right. And probably the first thing to say is that none of this is happening immediately. The earliest that any of it is happening is April 2026. So I thought I would talk about that bit. What's happening in April. Now assuming the bill goes ahead, and that's the other thing to remember, is it might not all get passed, there might be amendments, it might change before it becomes law. Yeah. But if it were to go ahead as it is now, then the standard allowance is going to go up above inflation for four years in a row, starting with next year. And that's a considerable increase. I won't go into the details of that. But basically they take the rate by which it would be increased anyway consumer price index. And then they add a percentage. Right. So to give you an example of that if the consumer price index in September was around 3.4, they would increase it by not just that but an additional 2.3. So the the overall rise would be 5.7. So what we'd see in the standard allowance is, it would go up from around 400, which is at the moment, to nearly 443. Right.

Will Hadwen: [00:02:05] So you can see how significant these increases are. And then future increases would, would act on the increased standard allowance and increase it more. So it really is quite significant and this is happening for all claimants. Just just to emphasize that as much if you're a new claimant and old claimant. So we'll see what happens given that we know that Universal Credit isn't enough to live on. I think that's part of the bill, but might not be

opposed assuming that Members of Parliament think that there's enough money in the finances to make that a sustainable thing to do. So that's that. And then the other thing that we will, of course, be concerned about, the other side of the coin is the LCWRA element, which is currently the big the chunkiest element i think apart from the higher disabled child element. And what's going to happen is that for some types of claimants, that will be frozen. So if you're already getting it, it's frozen. If you're terminally ill, it's frozen. And if you're at what's called a severe conditions criteria claimant, it's frozen right. And for everyone else is new to the LCWRA element, it will be significantly less than it was before. And it's actually a little bit more than 50%. But you know, you could think of it as being effectively halved and you wouldn't be far out.

David Stickland: [00:03:29] So when you say frozen, this is a good thing because it's frozen at the higher rate rather than. It's frozen at 423. Quite often we think of freezes has been a bad thing, but in this case.

Will Hadwen: [00:03:38] You want to be in the frozen group and not in the, um, cut group, just, just to show exactly what that means. If you're in the cut group, you've never had the higher rate, so you won't personally experience as a cut. So, I think the people who are already on it, that's kind of self-explanatory. Terminally ill, same definition as now, 12 months prognosis of death. The severe conditions criteria, i think we shouldn't get into that in too much detail in case it changes. But for now, what we've got is you meet an LCWRA descriptor, which obviously you'd need to anyway. And you always will. Always will. And this is due to a mental or physical condition that has been diagnosed via NHS services. So all of that together is quite a high bar. Some people, especially people whose medical evidence is not from the NHS. And i think probably i should stop there, except the other thing that I just want to point out is that there's no changes to conditionality in the bill. So people who know me who know I'm obsessed with conditionality, but they have talked about making other people on LCWRA who don't have the severe conditions criteria, they have talked about making all of those people, um, subject to work related requirements. That's not in the bill. So nothing's changing there. If you've got LCWRA you still wouldn't have to look for work as of April.

David Stickland: [00:05:11] Okay. Thanks. Right. So the standard allowance that you mentioned Will, just just to be clear that you said this is for everybody in Universal Credit. So this is in work.

Out of work. Sometimes people make that distinction. But in Universal Credit we don't need to do it because it's included for, for everybody and and the rate you talked about CPI. So some of it is going to it's unknown because we don't know what the inflation rate will, will be. Obviously we'll wait and find out what that is but it will be a significant increase. What about for people that have transferred from legacy benefits and get a transitional element within their Universal Credit? What will it mean for for them?

Will Hadwen: [00:05:51] So if you get a transitional element in your Universal Credit, then what happens is you experience that eroding over time. And so when an increase happens, you don't get the full benefit of the increase. And sometimes you don't get any benefit at all because instead your transitional element reduces by the increase. So it would depend on the amount of the increase. And actually I think I haven't explained I've explained it correctly for, for the tax year that's just coming April 2026. But, but it's a little bit more complicated than what I just explained actually, because what you do is, first of all, you increase it by the CPI percentage, and then you take that amount and you increase that by the relevant uplift percentage for the tax year, which, next year will be 2.3. So you can ignore what I said about 5.7 because I was actually wrong. Oh, that's a real life on air error.

David Stickland: [00:06:50] Oh I'm glad we got to the bottom of that. That's good.

Will Hadwen: [00:06:52] Yeah. But you know. So, although it will go up significantly, it's not what I said. And will be something different. And it was only an example anyway. But, yeah, you're right. You could. You might not see the benefit of very much of this at all, depending on the level of your transition element.

David Stickland: [00:07:09] Okay. So that's because it will be used to reduce the, the increase will be used to reduce the transition element. For those people that have migrated. Yeah. Okay. Yeah. So there's two sort of really big issues around Universal Credit. One is is is positive. One definitely isn't and is essentially a real sort of tightening of the criteria for that higher amount, which we refer to as the LCWRA element.

Will Hadwen: [00:07:34] Yeah.

David Stickland: [00:07:34] Yep. Okay. Great. Thanks for explaining that. That's good. Um, okay. Maria. so following on from that, I think what's are you what's on your list? What's the first thing you've brought?

Maria Solomon: [00:07:47] Well, I'm following on from Will with the sort of UC and PIP Bill in that I'm going to talk about the PIP side of the changes within the Bill itself. And the first thing to say is that these new rules around PIP, the Bill doesn't give us a definite date when they will be introduced. But we do know from previous government communication that they're aiming for these rules to be introduced in and around November 2026.

David Stickland: [00:08:19] Okay.

Maria Solomon: [00:08:21] So the Bill's unsurprising really where PIP is concerned in that it just confirms what we already know. So first of all, it confirms that to be awarded the standard rate or the enhanced rate of daily living, the qualifying point score, the 8 or 12 points must include at least four points from one daily living activity.

David Stickland: [00:08:51] Right? Yeah. Which we've which we've spoken about before because it's been we've discussed it as a result of the green paper. So people will be familiar with that. And that's part of the Bill. So if it goes through then we'll see a real change to the daily living criteria in that respect.

Maria Solomon: [00:09:08] A significant change as well. The other thing though, and again this is more recent, but again, it's not surprising is that these new rules will apply to new claimants, we assume from November 2026. So existing claimants will be unaffected. It's only when their claim is to be reassessed, will these new rules kick in. So if they get four points from one single daily living activity within their 8 or 12 point score, fine, their award will continue. But if they don't get that four pointer, then their award will end. But it doesn't end straight away because the Pip award will continue for 13 weeks after the date of decision refusing entitlement. So that is a change. Okay. Yeah Okay. And there's another couple of things as well. Another two clauses within the Bill relating to PIP, which again like Will I'm just going to mention rather than go into detail. And the first clause is that it says that particular groups of people may not be subject to the new rules. Okay. And the second class says a person can exercise discretion in dealing with

any matter. What does that mean? We don't exactly know at the moment. We will wait for the regulations to come in to hopefully, explain to us what the government is intending with those two clauses.

David Stickland: [00:10:53] Right. So the Bill introduces the sort of bare bones of it, the detail we may need to wait for assuming the Bill goes through. Right.

Maria Solomon: [00:11:03] That's correct. Yeah. Yeah. Yeah. So yeah, unsurprising it's the four pointers. And we've got the 13 week run on, what we're not so sure about, because I think they've probably been introduced last minute by the government, is this particular group exemption. And also the use of discretion by the decision maker.

David Stickland: [00:11:23] Right. So this is this is new. We've not come across this or we've not been told about this. This is something that we need to find out more about.

Maria Solomon: [00:11:29] Yeah we need to wait and find out what exactly the government are thinking, you know. You know, so we can speculate. The government might be thinking, for example, that people of pension age might not be subject to these rules, but again, they've not, you know, we'll wait for the regulations to see.

David Stickland: [00:11:48] Okay. And between now and then, there'll be a vote in the House, and, um, may or may not pass. What can people do in terms of influencing that and what are the sort of timescales involved? That's a question to both of you, I think.

Maria Solomon: [00:12:07] Well it's contact your MPs. The first thing.

Will Hadwen: [00:12:10] It's it's write to your MP. Yeah. Um, so, um, a lot of MPs who said they would vote no have kind of pledged their allegiance to no, as it were, in a campaign. And so you might want to follow your MP on social media and just see, is there a picture of them holding a big no to disability benefit cuts outside the Houses of Parliament? And if there isn't, or you're not sure or you're worried that they might not abide by that even though they've said it, then write to them, just write to them, um, and try and do that before the 30th of June because that's that's yeah, that's the next big crunch.

Maria Solomon: [00:12:47] Yeah. Today is the 23rd. So we've got a week to contact your MP basically.

David Stickland: [00:12:51] And that's from today when we're recording, which is Monday the 23rd. So yeah make sure you email. Probably snail mail is probably not going to work but email um before the 30th if you can. I guess it's still worth doing if it's after then, because we can still influence things to some extent. Okay, great. Thanks both of you. Um, so I think we're looking at your second item, Will. What's that? I wonder?

Will Hadwen: [00:13:20] So my second item is it's about something that's been cropping up a lot. Um, it's probably just one of those coincidences when you get cases that are same because I think it's it's always been a situation that could occur. And that is when you get, more council tax reduction or more council tax support than you're entitled to, maybe because you haven't reported a change. And that's strictly speaking that's an over entitlement rather than an overpayment. But anyway, what happens in practice is you get a bill and you're charged for a past period because you shouldn't have had as much reduction in your bill as you got. Um, and in, in England and Wales that, that sort of it, except that there is a power in the Local Government Finance Act to give you a discretionary deduction anyway. So not using the council tax, um, reduction regulations, whatever rules you have in your particular local authority or, or the standard ones for people of pension age, but using just discretion and that discretion, you would expect they might apply it if, for example, the overpayment was not your fault. But there's there's no specific, uh, regulations on that but it would certainly make sense for the local authority to use that power in that situation. If they don't, then you can do things like you can check your council's policy on discretionary reductions. That would be a good idea. But you can, in any case, ask the local authority to reconsider. And then you appeal. But because of the nature of of the reduction in your council tax, it's a question about council tax. You don't appeal to a tribunal, as you might think. You apply to the Valuation Tribunal Service. So you don't apply to a Social Security appeal tribunal. You apply to you appeal to the Valuation Tribunal Service. So it's something that you might not have come across before. Um, it's actually explained fairly clearly, I think on the Citizens Advice, um, website. And I will put a link in about that on the public facing site. In Scotland it's different, very briefly in Scotland the overpayment may not be recoverable. And that's using broadly the same rules as housing benefit. So was it due to an

official error? Did the client contribute and could they reasonably have been expected to realise they were being overpaid? So these are the things to look at. And Northern Ireland doesn't have council tax so we might get into that another time.

David Stickland: [00:15:48] Okay. Thanks. Thanks for raising that. I think it's important for us all to think about. And I think what strikes me is, again, the level of complexity, isn't it? Because, um, we've not only got different situations in different nations, we've also got different schemes in different local authorities in England. Yes, in England, which adds some further complexity. Um, but the discretionary reduction, this is something that is available potentially to everybody. Is that what you're saying? Uh, potentially.

Will Hadwen: [00:16:20] No, so again, it's like, it's another complexity. I should have mentioned that, um, the bit of the local government finance bill, which allows a discretionary reduction is in the bit for England and Wales. Yeah. Which is not to say that local authorities in Scotland can't do something similar. Um, but it would be under a different power if so, and I confess I haven't checked that.

David Stickland: [00:16:43] Okay. Um, okay. Good. Thanks. Appeals to the Valuation Tribunal. Sounds like a bit of a throwback, doesn't it? Uh, the Valuations Tribunal. Um. Okay. Great. Thank you. Uh, Maria. So we're looking at number two. Uh, your second item. What's that?

Maria Solomon: [00:17:02] Yeah. This is about problems when legacy benefit run-ons go beyond two weeks. So I brought this up because I increasingly have seen this in my day to day work as well. It's a problem, especially with the managed migration now. So we know that when someone claims Universal Credit, a stop notice goes out to end legacy benefits. But some benefits then continue for two weeks run on, for example income related ESA and housing benefit. Now it looks like that stop notice, however, there can be a delay in issuing the stop notice. So it's not going out in a timely manner. And that appears to be linked to the fact that UC are waiting for someone's ID to be verified before they send out the stop notice. So that can mean that two week run on, well sorry, I'll rephrase that. That can mean that legacy benefits don't stop because the stop notice has not been issued.

David Stickland: [00:18:14] Okay. Right. Hence the overpayment.

Maria Solomon: [00:18:16] Yeah, exactly. In an overpayment. Now the general rules of overpayments don't apply here. So when the overpayment's happened that person then doesn't see a small deduction each month coming from their benefit. Because the overoverpayment of benefit is treated as unearned income. And deducted as one single lump sum from the award of Universal Credit. So for me, I keep seeing these random deductions, of it says, irESA, and usually for me it's about 300 and odd pounds coming out. And you know that creates confusion for people because I'm saying to them you're income related ESA ends. So claimants get get confused by this. So there's.

David Stickland: [00:19:10] Even more. So I guess when you consider that the two week run on doesn't amount to an over, it isn't unearned income.

Maria Solomon: [00:19:16] Yeah. Yeah, exactly. So it's, um, it's a really good, um, e-bulletin by CPAG on their early warning system. And again, I'll give you the link because. This bulletin explained to me why it's happening. So it explained to me that this overpayment is happening because of the fact that Universal Credit are waiting to be ID to be verified. So it means that I can explain to my client, look, you know, it looks like ESA has ran on beyond the two weeks. Can we just check that that's happened? So first of all, I can make sure that that is the case. And then the second thing I can reassure the client by saying look it's not going to happen next month. This is a one off deduction. So next month it'll be your full Universal Credit entitlement. But if you see a deduction like that contact me back. Okay. So in effect it's just you know an explanation of what's happening at the moment in terms of Universal Credit. Okay.

David Stickland: [00:20:18] And and as you say I think Maria this is, this is often when there's a delay because of a home visit. Right? So ?

Maria Solomon: [00:20:25] No, for my clients it's any sort of ID. So it might be if you've had to miss an appointment with a work coach because let's say childcare's fallen through, their ill, so they've had to rearrange it. Or for my clients, I'm getting a lot of telephone ID and again, it might take a bit longer for the telephone ID to come through.

David Stickland: [00:20:49] Right. So this is potentially affecting loads of people.

Will Hadwen: [00:20:53] Yeah. Oh yeah. Yeah. Especially now because 83,000 notices going out a month. We were told so that I think it's partly also to do with the scale. So there's like a backlog and everything.

David Stickland: [00:21:09] So there's there's another thing to think about in amongst a whole bunch of other stuff when, when people, particularly when people are migrating, you know, along with all of these other things that we have to consider. Great. Well, thanks for thanks for flagging that up, Maria. Um, and of course, we'll share the, the CPAG link as you as you say. Okay. Um, well, I think we've got time for your last one. Just briefly, if you can. I know I always say just briefly if that's possible.

Will Hadwen: [00:21:36] So I thought from an equity point of view because I talked about, um, council tax in England, Wales, Scotland, I'm not going to talk about the domestic rates that apply in Northern Ireland, but I'm going to talk about a Northern Irish specific issue. And that is something called the UC New Claims Grant. Now it's recently been renamed, it used to be the UC Contingency Fund but it's basically there hasn't been a policy change. It's just that they're trying to make it more obvious what they want to do with this pot of money. And what they want to do, in particular, is to make it easy for people who really need an advance, because otherwise they're just not going to manage, uh, to not have to take that advance and to be able to take a grant instead. It's not repayable just to emphasize, that's why it's called a grant, there is an element of discretion. You must have annual income below a certain amount, uh, in order to get it. And you must be in a situation where you clearly you do need that money, you can't afford to wait for the five week wait because your health, your your wellbeing, your safety would be at risk. And, but having said that, I think that applies to most people who've been on benefits long term. So I think and I understand from talking to colleagues that a lot of new claimants should get this. Now the pot has been underspent. Certainly historically they are supposed to offer it to you before they offer you the advance. Maybe that's not happening in all cases, but, um, that should be the procedure. And if you weren't happy, if you were turned down for it, then, um, you can ask for a review and you could take that further, you could take it to Discretionary Support Commissioner. So I just think it's really interesting part of the way that things have been set up slightly differently in Northern Ireland. Um, of course we do have discretionary support elsewhere as well, like the Scottish Welfare Fund. But that's it's got a

slightly different approach to this issue. Um, so it's just really to I wanted just to publicise that for any advisers from Northern Ireland. You're probably aware of it, but if you're not, this is a good moment to start talking about it with your clients. Especially now it's got this your more user friendly name.

David Stickland: [00:23:45] Great, that's really good. Thanks, Will. Um, like you say, really important. Um, if you're working in Northern Ireland, especially to, you know, when you consider that the, the whole system with advance, advances does just create a debt for the future? This is a way of avoiding that if you're working in Northern Ireland. So thanks for sharing that. Thank you both. Our time is up, uh, for this month. Thanks everybody for listening. As usual. Our courses are on our website, of course, and if you need any help, if you've attended training with us recently, you can send us an email to our advice service. Thanks both. All the best. See you. Goodbye.

Will Hadwen: [00:24:22] Bye bye.