

## April 2026 Benefitscast - Transcript

**David Stickland:** [00:00:04] Hello. It's our April Benefitscast and joining Will and I this month is Charlotte Richards. I'll be keen to find out from you, Charlotte, in a moment, what your, what your first item is. But let's turn to Will first. Will, what are we what are we starting with this month?

**Will Hadwen:** [00:00:21] So I'm going to start with one of two cases that I wanted to talk about. And this is a case about student loans and Universal Credit, and it's a case called DM versus Secretary of State for Work and Pensions. And the case involves somebody who had a religious objection to taking out a maintenance loan as part of her student finance application because the loan was interest bearing. And that contradicted with her religious beliefs. So she notified the secretary of state of that. And in fact, there's more than one issue that comes up in this case. One of the issues being about whether notional income should apply and the other being about whether if it did, the overpayment should be recovered from her, given that the DWP didn't act on it very quickly. But anyway, I'm going to stick with the issue about the student loan. So the Upper Tribunal doesn't come to an actual decision on as to whether it was not reasonable for her to apply for one, but it does say is that the First tier Tribunal fell into an error by not considering an earlier case, which you might remember. A case about housing benefit called IB. Which did conclude that it could have been unreasonable for someone to apply for a student loan due to religious beliefs. So I think it's interesting because it's the first one that we've had for Universal Credit, suggesting that that principle applies, which we always thought it must do and I think that's promising. Obviously we still don't know what will happen to this particular claimant, but I think it's promising to say that that um, very strongly held objection to interest could mean it's not reasonable to take out a student loan and could in turn mean you shouldn't be treated as having that income in UC.

**David Stickland:** [00:02:22] Right. So there isn't then the penalty in UC, which is to reduce your Universal Credit by the notional income. Yeah. That would otherwise have been the income from the loan. Right. Okay. And you say it's not the end of it for, uh, DM it hasn't been decided exactly what's next for DM the claimant in this case.

**Will Hadwen:** [00:02:43] So as with a lot of Upper Tribunal decisions, it goes back to another First tier Tribunal. So all that's really been decided is that the First tier Tribunal erred in law and

that materially affected the outcome. Um, and so it has to be considered again, because they didn't apart from anything else, they didn't take the case law into account. So that has to be looked at. And then the whole thing will have to be looked at again.

**David Stickland:** [00:03:10] And presumably a lot of this is going to be on the facts of the case. And whether and to what extent was her objection, uh, on religious grounds, as you said yes, it will be for the first tier tribunal to establish all of those facts. Right?

**Will Hadwen:** [00:03:26] Yeah. That's right. And there is not a lot of facts really, in the Upper Tribunal decision, apart from, quite simply, that she was entitled to apply for a loan, but she didn't because it would be interest bearing and it would offend her religious beliefs.

**David Stickland:** [00:03:42] Right. Thanks. That's helpful and it, it made me think more generally about the student's student loan system because we, we hear so much of it about it at the moment, particularly in terms of really high interest rates. And you know what could amount to a more general objection? It's quite possible that people will have a more general objection to taking out a student loan in this way, when perhaps they could otherwise rely on universal credit. But what would somebody in that situation have much of a legal case based on this sort of decision?

**Will Hadwen:** [00:04:16] I think it's unlikely certainly the current student loan system, the one that most people will be applying to now if they were starting out on an undergraduate course, it's not quite so punitive. And so I don't think so in that particular case. I think there is obviously a huge issue about, um, I think it's called plan 2, um, which is the student loan system that has really incredibly high rates of interest and you can make payments and then still end up owing more than you did before. Um, so perhaps, perhaps it would have been unreasonable if somebody knew in advance that that was going to happen to them. But it would be very difficult to take a case now, because most of those people will have finished being students, I believe, not absolutely all, but most. And of course, the majority of students can't claim UC anyway, right?

**David Stickland:** [00:05:14] Of course. Yes. Good. Thank you. Which we cover on our Universal Credit and Students course, which is running in the summer. Very good. Thanks, Will. Charlotte, good to see you so I'm curious to find out from you what your first item is.

**Charlotte Richards:** [00:05:29] Well, another bit of case law. This one relates to planning and following journeys activity within PIP.

**David Stickland:** [00:05:38] Right.

**Charlotte Richards:** [00:05:39] This is quite helpful, I think. Um, it's quite a useful one. It's AH and AK versus the Secretary of State for Work and Pensions and it relates to two claimants who were awarded the 1E of the, um, of the mobility component. Right. Um, and they appeal to the Upper Tribunal on the basis that they thought they should have 1F and I should explain. So 1E is you cannot undertake any journey due to overwhelming psychological distress that gets you ten points. They argued that they should have had 12 points, which is 1F which cannot, which is cannot follow the route of a familiar journey without another person, assistance dog or orientation aid.

**David Stickland:** [00:06:33] Okay, so that wasn't awarded originally as part of the first decision?

**Charlotte Richards:** [00:06:37] No. So they both appealed two separate claimants, two separate appellants. So AH, just for context, suffered from anxiety, depression, panic attacks, back problems and fainting could only leave the home once a week, but needed somebody with them to encourage her and coax her to take undertake those journeys. And even when she did go with somebody she obviously knew well, she still suffered from severe physical symptoms, hyperventilating, heart palpitations, you know, quite severe. And then she was exhausted on returning home.

**David Stickland:** [00:07:18] Okay.

**Charlotte Richards:** [00:07:19] AK slightly different, but similar in that anxiety and depression, but also had a visual impairment. So they both argued that they should have had, as I said, the higher level of points, the 12 points. So the three judge panel on this case, um has sort of established a mandatory order having looked at through the case, um for advisors and decision makers to look at these descriptors, which is quite a different way to what we're used to. So we're used to looking at A, B, C, D, E, and f. And the upshot of this, um, Upper Tribunal decision is that actually we should be looking at 1F the cannot follow the route without another person, assistance dog, etc.. Before we consider 1E, which is the ten pointer. So we have a different

way of of, of looking at it really. I mean, what they've said is it can't have been the intention that someone would fall between the gaps in this and that, you know, they might not quite meet the overwhelming psychological distress criteria to get 1E um, but they also wouldn't meet the criteria for one F even though they're that kind of disabled by their conditions and need that that help.

**David Stickland:** [00:08:52] Okay, so it's kind of like to stop getting stuck at 1E without then having a proper look at one F.

**Charlotte Richards:** [00:09:01] Yes.

**David Stickland:** [00:09:01] Right.

**Charlotte Richards:** [00:09:02] Yeah. Which is the order that people have, you know, decision makers have tended to go through so far. You get 1E and if you've met that criteria they don't then go on to look at 1F and that was what they were arguing against.

**David Stickland:** [00:09:16] Right.

**Charlotte Richards:** [00:09:19] Okay.

**David Stickland:** [00:09:20] Great. Thank you. Good. So this is helpful because it's clear and unambiguous. This is the order that it should be done. You should it should be that 1F is looked at first and only if that one doesn't apply, should the decision maker go on to look at E so effectively they're considering the enhanced rate fully before then going on to consider other aspects of the standard rate. Have I understood that correctly.

**Charlotte Richards:** [00:09:48] Yes. Yeah. And they also sort of gave some helpful guidance on considering 1D and 1F, which are the um, the ones about cannot follow the route. And they're saying that you should first of all consider can they follow the route of an unfamiliar or familiar journey, whether it's D or F and then go on to look at, well, could they do it if they were accompanied by another person's assistance dog or orientation aid? So that that's quite helpful guidance really for us to think about when we're looking at cases like this. Um, yeah.

**David Stickland:** [00:10:27] Good, good. So that is clear and helpful in terms of the process, isn't it. And, and, and of course, really important for us all to think in the way that decision makers should be thinking about it. And tribunals too, of course.

**Charlotte Richards:** [00:10:37] Yeah.

**David Stickland:** [00:10:38] Great. That's helpful. We'll share that, um, court decision of course, people will be able to take a look at it if they should want to. Um great. Well, let's turn back to you. Um, so I think it's your second item. What's that i wonder?

**Will Hadwen:** [00:10:52] So my second item is another bit of case law. Um, and this case is about the childcare element, which is really such a complicated element. And I think people often don't realize how complicated it is. Um, the case is Secretary of State for Work and Pensions versus YN. And what happened was that the um claimant made some payments for childcare costs during a particular assessment period. One of those payments was for childcare that had been received in the previous assessment period, and one was for childcare that had been received in that assessment period. Right. So what that meant was they were both attributable to the assessment period in which she made the payments. They both belong to that assessment period. And therefore the overall cap um on how much the childcare element could be, applied to that assessment period. And she ended up getting, um, 85% up to that cap. Uh, so she didn't get very much money for the second payment at all. And she, I think had thought that she would get the, um, cap for the second payment in the next assessment period, but that just isn't how it works, right? Um, you have to think about how the childcare costs are attributable to the assessment period. You don't have that much wiggle room.

**David Stickland:** [00:12:17] Right? So YN in this case then thought, as I've understood it, thought, um, I've not paid my childcare costs when I ordinarily might have done. Um no, no problem. I'll, I'll, I'll pay it when I can. It happens to fall into the next assessment period, but you know, no problem. I'll get it. I'll get it anyway because it'll get included then, but because of the maximum amounts that can be included in terms of childcare costs element, she didn't get those amounts in full because there's effectively a ceiling, a cap.

**Will Hadwen:** [00:12:47] To be honest, um, her motivations for making the two payments when she did, we don't know. Um, but I assume that she believed that she would be able to get um,

the 85% in, uh, one assessment period and then again in the next. But in fact, she couldn't. Because the cap applied to the total of the payments, both of which had been made in the same assessment period.

**David Stickland:** [00:13:12] Right. Yeah.

**Will Hadwen:** [00:13:13] And it's just because you're very limited in what you can do here. Um, if you're able to pay for childcare in arrears and not many people can because, um, my understanding is that childcare providers don't normally want that, as you can imagine. Um, then you could maybe balance things a little bit better because you can pay in either of the two previous assessment periods for childcare that is coming up.

**David Stickland:** [00:13:44] Right.

**Will Hadwen:** [00:13:44] Um, but yeah, she didn't do that. And, um, she was paying, uh, for childcare from the previous assessment period and the current assessment period, but both of those fell into the.

**David Stickland:** [00:13:58] Right.

**Will Hadwen:** [00:13:58] Assessment period in which she was then awarded childcare element, but with, uh, nothing for that, well, hardly anything for the second payment because by the time she reached the cap, I think she just got 100 and something for the second payment. Yeah.

**David Stickland:** [00:14:12] Okay. Thank you. So, I mean, we're often thinking about reporting changes of circumstances in good time. And of course, that's really important. And we should be encouraging people to do that in the normal way. But here we're also talking about when the payment is made so effectively, there can almost be a sort of penalty for, you know, perhaps a payment getting delayed for some reason, it may only be just a few days or a week, it falls into the next assessment period. And then and then you're caught by this. So the advice should be aware of when you're making the payments and obviously as advisors, we can try and help people avoid this situation when otherwise there might be a restriction.

**Will Hadwen:** [00:14:47] Yes. And consider obviously it's very difficult to make the payments in advance for budgeting reasons. But if you can pay in advance, that's normally what the child care provider will want anyway. Um, and just think about what you're doing and which assessment periods is this going to be attributable to? And try not to pay in such a way that more than one payment is attributable to the same assessment period, because then you're going to be caught by the cap. Um, I suppose it's worth saying that the figures for the cap are rising.

**David Stickland:** [00:15:18] Right.

**Will Hadwen:** [00:15:19] In April, along with the other benefit rates, but it's still 85%.

**David Stickland:** [00:15:24] Mhm. And I understand that there have been some other announcements, I think, in the budget last autumn, um, to increase some of the childcare cost element further. But that's not we don't know when that's going to happen or if that's going to happen.

**Will Hadwen:** [00:15:38] Is that right? I think I think it is still going to happen, right? I haven't heard that it isn't, but we don't have a date. So, um, what they announced in the budget in the autumn was that there would be a further cap for people with three children or more, whereas at the moment there's two, um, childcare cap figures. One is if you're paying childcare for one child and one is if you're paying childcare for two or more. So to have a third higher one is obviously welcome, but I can't say when exactly that's going to happen.

**David Stickland:** [00:16:06] Okay, so that's good news, but we don't know as and when it will will happen. Good. Thanks. Will, uh, let's turn back to you, Charlotte. So, yeah, um, your second item, I think. Is that right?

**Charlotte Richards:** [00:16:17] Yeah. I've got a bit a bit of news about statutory sick pay. Um, so that's changing from the 6th of April, right. Um, so it's now going to start from the first day of sickness rather than having the three day waiting period.

**David Stickland:** [00:16:36] Okay.

**Charlotte Richards:** [00:16:37] As it's been for well, many, many years. Yeah. Um, so also the lower earnings limit is being removed. So previously you had to have earned over £125 a week in order to even get any statutory sick pay. So that's disappearing as well. Um, if so, payment will basically be 80% of your average weekly earnings or the standard rate of SSP, which is going to be £123.25.

**David Stickland:** [00:17:12] Okay.

**Charlotte Richards:** [00:17:13] So it's whichever is lower of those two figures is what is what you'll get. Um, so yeah, it's a bit of a change. Um, and I thought maybe there will be some people out there who potentially could have claimed universal credit. They might be on universal credit now because they're off sick. Um, so even if you're off sick now, um, and you might not have qualified for SSP, you know, at the moment because you weren't earning, you know, you were earning below the lower earnings limit as of the 6th of April, potentially you actually should qualify for some SSP. And remember, if if you were claiming universal credit, at the same time, SSP is treated in the same way as earnings. So not all of it's going to be taken into account. You might have a work allowance, but at the very least it will be the 55% taper that will apply. So, you know, it might be a little bit of extra for some people.

**David Stickland:** [00:18:16] Great. So I mean this is good news. It's an expansion. It may be a fairly modest one, but it's an expansion. It's good news nonetheless. And of course this is statutory sick pay for employees. Um, so if you're self-employed, uh, what does it mean for self-employed people?

**Charlotte Richards:** [00:18:32] No, it's, um, self-employed people, uh, can't get statutory sick pay. So it's only for employees.

**David Stickland:** [00:18:39] Right.

**David Stickland:** [00:18:39] So no advantage or improvement for self-employed people. This is statutory sick pay for employees only. Very good. Cool. Thanks, Charlotte. So we've got time for our last two items. I think about five minutes or so. So we'll, let's, let's let's move on to your third one briefly, shall we?

**Will Hadwen:** [00:19:00] Yes. So briefly, my third one is about the disregard of compensation for certain types of injury and, um, ill treatment that people have received in the past. So, um, in the universal Credit regs, for example, just using this as an example, um, compensation for historic institutional child abuse in the UK is disregarded. Um, but we've had a few enquiries, not many, but a few about people who've received payments from the Republic of Ireland because they were in institutions in the Republic of Ireland, and there's been a recent statement, joint statement from the leaders of the two countries saying that the UK will disregard payments from um, what's called the mother and baby scheme in the Republic of Ireland. So that's good news. Um, I think there's also an argument for saying that um these payments could in any case perhaps arguably be called personal injury payments. Um and um that's, that depends on which benefit you're looking at. Um, their wording is slightly different depending on the benefit, but, uh, for example, again, in universal credit, it says where a sum has been awarded to a person in consequence of a personal injury. Um, and obviously, if you've been through that experience, you're arguably, it's a type of injury. So, um, it, maybe they should have been disregarded anyway. But here we have a commitment that they will be disregarded. So that's, that's really good, I think. Yeah.

**David Stickland:** [00:20:42] Great. So much as you say a commitment, we'll, we'll, we'll provide proper clarification and we'll remove any doubt even though we think it may, you know, perhaps should have been disregarded. But this this will make it make it clear. So that's good. Right.

**Will Hadwen:** [00:20:59] And there's lots of other payments that some of which are specified, some of which are not. So for example, Windrush compensation, um specified. But if you come across something and it's not specified in the regulations and it is for some sort of harm or bad treatment, I think it's always worth considering whether it fits into the definition of personal injury.

**David Stickland:** [00:21:17] Yeah. If it seems that it could be unfair or wrong or.

**Will Hadwen:** [00:21:20] Yeah, have a.

**David Stickland:** [00:21:21] Go. It may be worth looking into. You could always contact us and we'll be happy to look at it with you. Great. Thanks, Will. And finally, Charlotte, what's the last of your items, I wonder?

**Charlotte Richards:** [00:21:30] Um, it's just the crisis and resilience fund, which is only applies in England, not in the other devolved nations. So England only. So the Crisis and Resilience Fund is replacing the Household Support Fund for local authorities. Um so it's a pot of money that they're given. It's been uh, the funding at the moment covers from the 1st of April this year until the end of March 2029.

**David Stickland:** [00:22:01] Okay.

**Charlotte Richards:** [00:22:02] Um, the idea behind it for local authorities is that it was, it's, um, got four strands to it basically: crisis payments, as you imagine, to cover households a particular crisis. So it might be a one off payment. We've got housing payments. So they replace, um, discretionary housing payments essentially though from what I'm looking at, it looks like, um, they're going to rely on the same principles that have already been established by DHPs (discretionary housing payments). So I don't imagine we're going to see much change. For those of us who are used to applying for those in England for people to. So that's for where you have a shortfall in your housing costs. So. Right. The amount of either housing benefit or the housing element of universal credit that you're getting doesn't quite cover the full rent for some reason. That might be to do with bedroom tax. It might be because it's the LHA rates lower or, um, something like that, or benefit cap. So there's various reasons why we might apply for a discretionary housing payment. Doesn't look like there's going to be much change to that.

**Charlotte Richards:** [00:23:16] You might see in some local authorities that it's been renamed just as a housing payment rather than a discretionary housing payment. Yeah. But I think there will be quite a lot of variation throughout the country because each local authority can do what they like really with this crisis and resilience fund. So as I say four strands, we've got crisis payments housing payments, resilience services. Um, so that's funding for services delivered either by the local authority or other agencies to improve financial resilience. And the final one is community coordination. So it's up to the local authorities themselves to decide how they are going to, you know, um, divvy up this, these various, uh, pots of money that it's for. Um, so I think really the message is have a look on your local authority website to find out what is

available in your particular area. And it runs alongside the local welfare assistance schemes that, um, local authorities have as well. So they'll probably still be available and they're different from one local authority to another as well.

**David Stickland:** [00:24:29] Great. Thanks, Charlotte, because as you said, it's important that people are aware of these changes. Um, and also, um, aware that, uh, some of it is, uh, will be familiar to us, let's say in terms of, you know, some of the, some of the situations that we're used to helping with when it comes to discretionary housing payments. Maybe a similar, maybe a similar decision making process. And, you know, retaining the sort of discretionary element people should still have have a go. Um, and no doubt we can share some links in our, in our sources, as we'll do for all of our topics that we've covered today. And, uh, I think that brings us to an end. Uh, thanks both. Uh, it's all good stuff. And thanks everybody for tuning in. Uh, until next month. We wish you well. See you. Bye.

**Charlotte Richards:** [00:25:18] Thank you. Bye.