Press release: Rent boost for millions of claimants moving onto Universal Credit

New Universal Credit claimants already getting support with their housing costs will continue to receive Housing Benefit for 2 weeks after their claim ends, to help them transition onto Universal Credit.

This non-recoverable extra support is worth an average £233 and is set to help around 2.3 million people when they move onto Universal Credit.

Work and Pensions Secretary of State Esther McVey said:

> Universal Credit has been specifically designed to be simpler and provide better personalised employment support. It ensures all benefits get paid in one monthly payment, so you won't be getting separate amounts from different agencies for housing or tax credits.
>
> However, we understand that moving onto Universal Credit can be a big change for those used to the previous benefits system – especially the monthly payment, designed to reflect the world of work. So this week, extra rent support is being made available to allow people to adjust from fortnightly Housing Benefit payments to monthly Universal Credit ones.
>
> Universal Credit removes the barriers which prevented people from taking up work in the past, most notably the 16 hour cut off rule and the prohibitive tax rates should someone start work. Instead, Universal Credit ensures it pays to take on extra hours of work, and provides additional employment support to not only help get you into a job but also progress up the career ladder.

This extra help with housing costs, worth £550 million, is part of a wider £1.5 billion package of improvements for people when they first move onto Universal Credit. This includes:

- extending the repayment of advances from 6 to 12 months, and allowing people to receive 100% of their payment upfront from January 2018
- from February 2018, abolishing the 7 waiting day period to reduce the wait for payment so no one has to wait 6 weeks for their first Universal Credit payment

Other measures that will come in soon include:

- Universal Credit claimants will be able to have their temporary accommodation costs met by Housing Benefit – this will enable local

authorities to recoup more money they spend on temporary accommodation directly from the Department for Work and Pensions (DWP), which will prevent losses to them of more than £70 million in 2018 to 2019
- extended partnership working with Citizen's Advice, to provide more face to face support to Universal Credit claimants
- making it possible for people to apply for advances online from spring 2018, making it even easier for a claimant to access an advance if they need it

Follow DWP on:

Notice: Jason Kenway: application made to abstract water

The Environment Agency consult the public on certain applications for the abstraction and impoundment of water.

These notices explain:

- what the application is about
- which Environment Agency offices you can visit to see the application documents on the public register
- when you need to comment by

Press release: Former FTSE 250 oil chiefs disqualified for breach of duties

The court recently ordered that Osman Shahenshah (56), the former chief executive of Afren PLC, and Shahid Ullah (59), the former chief operating officer, each be disqualified from running companies for 14 years, effective from 2 April 2018.

Afren was a former FTSE 250 listed independent upstream oil and gas exploration and production company, with operations across Africa and the Middle East, before it went into administration in July 2015 with an estimated deficiency of $1,754,614,564.

Shahenshah and Ullah's disqualifications focus on their failure to declare to the Afren board that they had a vested interest in a number of high-value transactions.

One transaction concerned payments totalling $300m by Afren to a joint venture partner that resulted in a 15% fee payable through an ‘Oilfield Development Optimisation Services Agreement’ with a British Virgin Islands company controlled by the two directors and their families.

But neither the agreement nor the $45m fee had been disclosed to Afren’s board. Shahenshah received $9.2m and Ullah received $7.9m, while $8.2m was paid to other Afren Group senior employees.

A second series of transactions worth $170m, with a different joint venture partner, was also looked at by investigators. Again, the two directors failed to declare to the board their interest as they were also negotiating a potential 30% ownership of that company after a management buy-out.

Both transactions took place after Afren’s shareholders had capped what they deemed as ‘excessive’ benefits packages for senior executives.

The disqualifications prevent Shahenshah and Ullah from directly or indirectly becoming involved, without the permission of the court, in the promotion, formation or management of a company for the duration of their bans.

David Brooks, Group Leader at the Insolvency Service, said:

> Afren PLC’s shareholders had expressed clear opposition for a number of years to benefits packages for senior executives in their company, which they viewed to be excessive. They capped such benefits shortly before the events in question.

> Shahenshah and Ullah have clearly then reacted to that decision by negotiating secret benefits for themselves. Their decision to agree an undisclosed contract via a BVI company, while receiving the funds via a Bermudan company of exactly the same name, best illustrates the cloak and dagger nature of their actions referred to in Chief Registrar Briggs’ judgment.

> I welcome the long period of disqualification given by the court, which underlines the gravity of directors breaching their fiduciary duties to a company and its shareholders.

Afren PLC (CRO No. 05304498) was incorporated on 3 December 2004 and traded from Kinnaird House, 1 Pall Mall East, London SW1Y 5AU.

Osman Shahenshah’s date of birth is in January 1962 and he has resided in recent years in London.

Shahid Ullah's date of birth is in February 1959 and he has resided in recent years in Texas, USA.

Court evidence

Osman Shahenshah and Shahid Ullah breached their duties to Afren PLC by failing to declare an interest in a proposed transaction, and a potential conflict of interests, prior to the transfer of $300M by Afren PLC to a joint venture partner from August to November 2013. As a result, again without disclosure to Afren PLC, benefits totalling $45M were charged to the joint venture partner by a company directly or indirectly controlled by Mr Shahenshah and Mr Ullah:

- On 4 July 2012, Afren PLC and the joint venture partner entered into a contract, effectively agreeing a $100M interest free advanced payment.
- On 23 August 2013 they entered into a second contract, by which $180M was paid by Afren PLC on 27 August 2013 and $120M on 1 November 2013.
- Afren PLC had received criticism from shareholders that its executive remuneration policies had led to excessive pay, and they had voted 80% against the proposed remuneration plan in 2013. A new remuneration policy was proposed in the 31 December 2013 annual report which capped executive bonuses to 200% of base salary for the CEO and 160% for other executive directors.
- Mr Shahenshah and Mr Ullah had been in negotiations with the joint venture partner from at least May 2013 that it would pay a fee to a British Virgin Islands ("BVI") registered Special Purpose Vehicle ("SPV") directly or indirectly controlled by Mr Shahenshah and Mr Ullah. An 'Oilfield Development Optimization Services Agreement' was entered into with the BVI SPV on 25 October 2013, including a 15% fee on net cashflows. Neither the negotiations nor the contract were disclosed to the Afren PLC board.
- On 8 December 2013 and 6 March 2014, the SPV invoiced the joint venture partner 15% fees based directly on the above payments from Afren PLC of $180M and $120M. Payments of $27M on 19 January 2014 and $18M on 11 March 2014 were made to a Bermudan company, which had the same name as the BVI SPV. Subsequently $9.2M was paid from this account to Mr Shahenshah, $7.9M to Mr Ullah and $8.2M to other Afren Group senior employees. Neither the invoices nor the payments were disclosed to the Afren PLC board.
- An internal investigation into potential listings breaches led to discovery of these communications and transactions by the AFREN Board in July 2014. The subsequent reporting of the dismissal of Mr Shahenshah and Mr Ullah for gross misconduct was a contributory factor to Afren PLC's insolvency and $8.1M is unpaid from a $20.1M settlement agreement between Afren PLC and Mr Shahenshah and Mr Ullah.

Mr Shahenshah and Mr Ullah breached their duties to Afren PLC by failing to declare an interest in a proposed transaction and a potential conflict of interests, both before and after agreements were made on 11-13 December 2013 with a project partner, by which Afren would pay $100M, and grant a bank guarantee of $70M. Mr Shahenshah and Mr Ullah failed to declare to the Afren PLC Board that they had been directly facilitating a management buy out within the project partner from at least May 2013, by which they would take a direct or indirect ownership interest of 30% in the purchasing SPV:

- On 11 December 2013, Afren PLC agreed an amended and restated production and technical services agreement with the project partner, as well as a resolution agreement, agreeing $100M as settlement for disputes over tax allowances. Afren PLC also agreed on 13 December 2013 to guarantee a bank loan to the project partner up to $70M.
- Afren PLC had received criticism from shareholders that its executive remuneration policies had led to excessive pay, and they had voted 80% against the proposed remuneration plan in 2013. A new remuneration policy was proposed in the 31 December 2013 annual report which capped executive bonuses to 200% of base salary for the CEO and 160% for other executive directors.
- Mr Shahenshah and Mr Ullah had been in negotiations with a director of the project partner from at least 29 May 2013, on which day a personal email proposed that they facilitate the director's proposed management buy out of the project partner. This included Afren PLC paying $100M for a 20% interest in the new company, and a further $100M as a tax settlement, with an SPV to receive bonus equity of 10% linked to these payments. A further 25% interest in the new company was proposed for the SPV. These negotiations, which reduced the total SPV fee to 30%, and the directors' subsequent personal involvement in the buy-out on 20 December 2013, were not disclosed to the Afren PLC Board prior to its above agreements with the project partner. On 23 September 2013, Mr Shahenshah sent an email to Mr Ullah with a draft of the proposed Board paper recommending the transactions, in which he additionally stated "I'm not sure about mentioning the buyout".
- Planning for a 30% stake in the SPV continued after the management buy out and Mr Ullah received an email on 24 February 2014 attaching a proposed restructure for the project partner and its new owning SPV. This set out that 30% of the SPV would be owned itself by an "Offshore corp". The proposed ultimate part-ownership of the project partner was not disclosed to the Afren PLC Board.
- An internal investigation into potential listings breaches led to discovery of these communications and transactions by the Afren PLC Board in July 2014. The subsequent reporting of the dismissal of Mr Shahenshah and Mr Ullah for gross misconduct was a contributory factor to Afren PLC's insolvency.

Case updates on the Serious Fraud Office's investigation into Afren PLC can be found here. The trial arising from the investigation is due to take place on 3 September at Southwark Crown Court.

About disqualifications

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership

- be a receiver of a company’s property

In addition that person cannot act as an insolvency practitioner and there are many other restrictions are placed on disqualified directors by other regulations.

Further information on director disqualifications and restrictions can be found here.

The Insolvency Service administers the insolvency regime, investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. It may also use powers under the Companies Act 1985 to conduct confidential fact-finding investigations into the activities of live limited companies in the UK. In addition, the agency authorises and regulates the insolvency profession, deals with disqualification of directors in corporate failures, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is available.

Media enquiries for this press release – 020 7637 6498 or 020 7596 6187

You can also follow the Insolvency Service on:

News story: New funding for sports prosthetics for children with disabilities

Children with limb loss will benefit from a further £1.5 million investment into sports and activity prosthetics.

The announcement is the next stage of a government fund that has supported 220 disabled children since its launch in March 2016. It means more children who have suffered limb loss or who were born with a limb deficiency will benefit from prosthetics such as running blades. The fund will also support research and innovation to improve prosthetic technology.

Minister of State for Care, Caroline Dinenage, said:

> Sport and activity are so important to any child’s health, wellbeing and confidence, and today’s announcement should help many

> more disabled children to fulfil their sporting ambitions.
>
> Hundreds have already benefited from the fund, and this additional investment will now help us to open up even more possibilities for children with limb loss, and hopefully ignite in them a lifelong passion for sport.

Kiera Roche, chief executive of LimbPower, the national disability sports organisation for people with limb impairments, said:

> LimbPower is delighted with the incredible news that the Department of Health and Social Care will continue the fund for a further 2 years.
>
> The impact this has had on the 220 children who have so far received their activity limbs is immeasurable.
>
> Children just want to be able to join in and feel included, especially at school and in the community, and this means playing and taking part in P.E. and games.
>
> The overriding messages we have received from children and parents is that they can be included, join in, run and jump just like their friends. They can be children and not patients.

News story: CMA launches Trinity Mirror/Express merger investigation

Trinity Mirror plc took over part of Northern & Shell Media Group Limited, including the Express and Star newspapers, in February 2018.

The Competition and Markets Authority (CMA) will now assess whether this deal could significantly reduce competition within the UK media sector, in line with its merger guidance.

The deadline for the initial decision is 7 June 2018. Further details, including how interested parties can submit evidence, are available on the investigation case page.