

Benefit Bulletin: Big benefit changes and news

Produced by the Active Inclusion Service, Newcastle City Council

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Where to get advice in Newcastle – updated again

Like other services, most of Newcastle’s advice services changed from face-to-face to mainly phone advice with some exceptions.

The latest details are in our **latest** version of **Where to get advice in Newcastle**, which can be found on the Newcastle City Council website page: [Benefit advice services in Newcastle and benefit offices](#). This includes details on the Welfare Rights Service’s Public advice line.

Professionals and volunteers working with Newcastle’s residents can get phone advice from [the Council’s Welfare Rights’ consultancy line](#).

Increased work activity requirements and sanctions

Various benefits such as Universal Credit, have work related requirements. Failure to comply with them can result in benefit being cut – called a ‘sanction’. The requirements do not apply to everyone and can be reviewed via the ‘Claimant Commitment’ via the Jobcentre work coach.

Work related requirements extended to more benefits

From 3 November 2021, work related requirements and sanctions have been extended to ‘New Style’ (contribution based) Jobseekers Allowance (JSA) and Employment and Support Allowance (ESA).

Details from Department for Work and Pension (DWP) guidance [LA Welfare Direct 11/2021](#) and their partner information [Touchbase](#)

Sanctions are increasing

As we move away from the coronavirus easements towards and a return to face-to-face interviews and greater expectations on claimants to fulfil their work related requirements, we are seeing a ‘...big rise in Universal Credit (UC) sanctions in June and July 2021’ according to analysis of DWP figures by Professor Webster, University of Glasgow. See the sanction reports on [CPAG’s website](#)

Avoiding sanctions workshop – interested?

As work-related requirements return to pre-pandemic levels, we want to make sure sanctions do not increase. Before the pandemic, Newcastle City Council and Jobcentre Plus jointly held quarterly workshops on supporting residents to avoid benefit sanctions and we are thinking about running them again but via Teams. If you are interested in attending please email activeinclusion@newcastle.gov.uk and let us know your name, where you are from and a phone number. If we have enough interest, we can set up a Teams session.

Avoiding sanctions factsheet

In the meantime, see ‘How can I avoid a benefit sanction?’ on our [Benefits information page](#).

Message from the Jobcentre on how to avoid a sanction

‘If someone can’t attend the appointment as scheduled, they should get in touch with the Jobcentre to explain why they can’t go to the Jobcentre at the specified time and make alternative arrangements to attend.’

What's happening to Post Office card accounts and benefits

For a number of years, people have been able to receive benefits through a Post Office card account.

The Government want to make people receive their benefits via a bank account or similar account like a Credit Union rather than a Post Office card account. The [Payment Exception Service](#) will still be available for people who do not have a bank account to collect benefit or pension payments but in the form of vouchers. The end of Post Office card accounts for [DWP benefits](#) has been delayed from November 2021 to November 2022 but a [HMRC press release](#) has advised that they are ending for Tax Credits and Child Benefit on 5 April 2022.

[The Government](#) have said that those who do not change payment to a bank or similar account will be '...migrated on a month-by-month basis to the [payment exception service](#)'.

For more information, visit the [GOV.UK](#) website and the [Money Helper Advice Service](#).

Universal Credit changes announced in the Autumn Budget 2021

These changes were announced in the [Autumn Budget and Spending Review 2021](#)

Increased amounts for some

Instead of continuing with the £20 a week uplift, the Autumn Budget announced these two measures that will increase Universal Credit for some workers:

The 'earnings taper rate' will be changed from 63% to 55%. It means that working claimants will be able to keep an extra 8p for every £1 of net income they earn.

The 'work allowance' will be increased by £500 a year. This means that some claimants will be able to keep more of their earnings.

The [Universal Credit Regulations 2013](#) brought in the above measures from 24 November 2021, earlier than the 1 December date in the Autumn Budget. See also DWP guidance [ADM memo 20/21](#)

A little more explanation:

Both the 'taper' and 'work allowance' are part of the Universal Credit calculation.

The work allowance is a sort of threshold amount that is applied only if you have a **child** or have **limited capability for work**. Earnings below that amount are ignored. For earnings above that amount, 63% (55% soon) of the excess is taken into account as income. The rest is ignored. There are 2 work allowance amounts depending on whether you have housing costs (help with rent). If you do have housing costs the present amount is £293 a month or £3,516 a year. If you don't have housing costs the present amount is £515 a month or £6,180 a year.

Also see DWP guidance: [ADM memo 20/21 Changes to the taper rate and work allowance](#)

Impact:

The Government said these two changes will benefit 1.9 million workers. The Resolution Foundation [estimates](#) that “The reduction in the taper rate in Universal Credit will bring an additional 400,000 families into the benefits system next year. Around 75 per cent of the 4.4 million households on Universal Credit will be worse off as a result of decisions to take away the £20 per week uplift despite the Chancellor’s new Universal Credit measures in the Budget.”

See also the [analysis](#) by the Institute for Fiscal Studies on the Budget’s measures and Universal Credit.

Should you now claim Universal Credit?

If you are on the ‘legacy benefits’ that Universal Credit is replacing, you always have the choice to claim Universal Credit if you are going to be better off. It *may* be that these two increases mean you may be better off. The best way to find out is to get a comparison or a ‘better off calculation’ which also takes into account any future considerations from an advice service. Please be aware that claiming Universal Credit will end your entitlement to [those ‘legacy benefits’](#).

Newcastle residents can get advice from a number of advice services listed in ‘Where to Get Benefit and Debt Advice in Newcastle’ on this webpage: [Benefit advice services in Newcastle and benefit offices](#)

The ‘surplus earnings’ amount will change from £2,500 to £300 from April 2023

Universal Credit usually assesses income each month. Instead of using the system of most other benefits where fluctuating earnings are averaged, it has the ‘surplus earnings’ rule. When your earnings in one month goes too high and stops your UC, the surplus amount is not forgotten about but carried forward. So, when your earnings drop and you reclaim UC, those surplus earnings are taken into account as income.

However, any surplus earnings above £2,500 is ignored. But from April 2023 it will decrease to £300 – so many more will see longer periods off UC, waiting for their surplus earnings to ‘wear out’. More details from [Revenuebenefits](#).

The roll out of Universal Credit will be completed by 2025

Many people still receive the benefits that Universal Credit is replacing such as Housing Benefit, income related ESA and Tax Credits. Latest figures show that in Newcastle, 13,757 (31%) households are on those ‘legacy benefits’ and 30,977 (69%) are on Universal Credit. The DWP recently ran a campaign to encourage people to think about a voluntary move from ‘legacy benefits’ to Universal Credit including a website [Could universal credit be for you?](#)

At some stage the DWP will tell people their ‘legacy benefits’ will stop and they have to claim Universal Credit instead. A ‘transitional amount’ will be paid if their Universal Credit is lower than their ‘legacy benefits’.

This date of 2025 is when the Government estimate that everyone will have moved off legacy benefits and onto Universal Credit.

Other benefit announcements in the Autumn Budget 2021

Housing benefit to be transferred to Pension Credit in 2025

Universal Credit replaces Housing Benefit but only for working age people and not pension age people. Therefore, when Housing Benefit is replaced by Universal Credit in 2025, the Government plan to replace Housing Benefit for people of pension age with a housing element added into Pension Credit.

The 'triple lock', which protects State Pension & Pension Credit from inflation, will be suspended in 2022-23

The triple lock guaranteed that state pensions would increase every year in line with the highest of either the average wage increase, inflation (CPI) or 5%. By removing the first one, the Government will save £6.7 billion a year. A House of Lords attempt to keep the triple lock was defeated back in the Commons.

Bereavement Benefit improvement

Previously, a surviving parent could only claim the financial support if they had been married or in a civil partnership at the time of their spouse or civil partner's death.

Following legal challenges, Widowed Parent's Allowance and Bereavement Support Payments will be extended to surviving cohabiting partners with children who were living with their partner at the time of death. Once approved by Parliament, the changes will apply retrospectively from 30 August 2018, with any backdated payments being made as lump sums. For more details, see the [Government press release](#) and [Child Poverty Action Group advice](#).

Terminal illness and benefits

The current 'Special Rules' for terminal illness which fast-track benefit applications for those with a terminal diagnosis of six months will be replaced with a new 12-month, end of life definition. The change will ensure that people in the final year of their life will receive financial support quicker than they can do at present, at a higher rate through revised Special Rules. See the [DWP press release](#).

The Government later told parliament that this will be from April 2022 for Universal Credit and Employment and Support Allowance and later for disability benefits like Personal Independence Payment.

Victims of domestic abuse and modern slavery and help with rent

The help with rent under Housing Benefit and Universal Credit for private tenancies (called Local Housing Allowance) is restricted for some residents aged up to 35 years old to the average amount for a bedsit. This is known as the 'shared accommodation rate'. There are several exemptions to this rule and the Autumn Budget 2021 brought forward the exemption to **victims of domestic abuse and modern slavery** from October 2023 to October 2022.

Those who are exempt from the 'shared accommodation rate' have the higher one-bedroom rate applied instead.

See also 'New sanctuary scheme exemption from the "bedroom tax"' below

Support for vulnerable people claiming Universal Credit

The Government funding for Citizens Advice to provide the Help to Claim service for those who have difficulty with claiming Universal Credit ends in March 2022. In September 2021, the Government requested applications for the [Future Support Offer](#) - grant funding for organisation(s) to deliver telephone and digital support for people making a Universal Credit claim. We await the decision on who is to receive this funding.

For information about how residents are supported with their Universal Credit claim see the document 'Universal Credit - information on support arrangements' found on the Council webpage: www.newcastle.gov.uk/universalcredit-moredetail.

Changes to Newcastle Council Tax Support

In 2020-21 working age people in receipt of Council Tax Support received £150.00 from the Council towards their council tax and in 2021-22 they received £160.00. This resulted in over 16,000 zero bills being issued.

In responding to the financial impact of coronavirus (COVID-19), the Council is changing the Council Tax Support scheme for working age people to provide additional financial support to some of the most vulnerable people living within our neighbourhoods. A consultation took place in Autumn 2021 and closed 12 December 2021. More details on the proposed scheme can be found [here](#).

More details on help for residents paying Council Tax: [Coronavirus – Information relating to Council Tax](#).

Other benefit and related news

New sanctuary scheme exemption from the “bedroom tax”

Claimants are exempt from the “bedroom tax” from 1 October 2021 if their home has been adapted under a domestic violence Sanctuary Scheme. For more details see DWP [guidance](#) and Government [legislation](#). This follows a [European Court of Human Rights](#) judgement that found it was incompatible with human rights law not to have this exception.

See 'Victims of domestic abuse and modern slavery and help with rent' above

PIP goes electric

The DWP continue to roll out the offer of an online Personal Independent Payment claim form (PIP2) to those who have an email address. The DWP have told advisers that by 6 December, '...the email service will be offered to all customers who make a claim in their own right (but appointees will still not be eligible).'

Afghan Citizens Resettlement Scheme and Relocations and Assistance Policy

The UK Government is resettling Afghan families under different schemes for example those who were locally employed staff of the UK Government and their families and for up to 20,000 other Afghans who would be at risk if they remained in Afghanistan modelled on the scheme for Syrian families. Afghans admitted under these schemes will receive immediate indefinite leave to remain in the UK and so will have access to public funds like benefits. For more details see Government [guidance](#) and Child

Poverty Action Group [information sheet](#). Also see DWP [guidance](#) confirming the Habitual Residence Test does not apply in such cases. These schemes were costed under the [Autumn Budget and Spending Review 2021](#).

Information on local help can be found on the Newcastle City of Sanctuary website [Newcastle City of Sanctuary](#) and on the City Council web [Refugees – how you can help](#).

Brexit and the European Union Settlement Scheme

Free movement for people between the European Union (EU) ended on 31 December 2020, with a new immigration system for those wanting to come to the UK from 1 January 2021. The [EU Settlement Scheme \(EUSS\)](#) was introduced to allow EU, European Economic Area or Swiss citizens a grace period to be able to continue living in the UK and receive benefits and housing if they claimed settled status or pre settled status before 30 June 2021. The Government are allowing late claims if they have reasonable grounds to apply late and [announced](#) they will have their rights protected while their application is being determined, including any appeal. Organisations offering support are available at www.gov.uk/help-eu-settlement-scheme.

For more information, see the Directors of Adults Social Services' [EUSS information hub](#) and the Greater London Authority's [European Londoners Hub](#) with up-to-date guidance for EU/EEA nationals on rights, entitlements and how to apply to the EUSS.

For those who are aware of the 'Frtila' case, the Supreme Court has just made its judgement. See explanations by [CPAG](#) and [Free Movement](#).

Rules tighten the exclusion of disabled students claiming Universal Credit

The Government have [legislated](#) to limit disabled students from claiming Universal Credit where they have been 'determined to have limited capability for work on a date before the person starts undertaking a course of education'. See the summary by [Disability Rights UK](#) and [Revenuebenefits](#).

Coronavirus (COVID-19) and benefits

Newcastle City Council website

As you will be aware, many of the Coronavirus (COVID-19) benefits support has ended but some have been extended or have not been withdrawn. Below is a summary of the latest situation. In the meantime, we are updating these pages:

[Coronavirus and benefits – what the changes mean for you](#)

[Coronavirus and benefits – news](#)

[Coronavirus and benefits – guidance and legislation](#)

See also the good report from the House of Commons library [Coronavirus: Withdrawing crisis social security measures](#)

Coronavirus (COVID-19) and benefits latest situation

Those claiming or entitled to **Employment and Support Allowance** and **affected by coronavirus** can continue to be treated as incapable of work without having to provide medical evidence or undergo a work capability assessment and forego the 7-day

waiting period with ESA paid from day one - until 24 March 2022. This date was extended by [The Employment and Support Allowance and Universal Credit \(Coronavirus Disease\) \(Amendment\) Regulations 2021](#). Note, these extensions do not apply to Universal Credit.

If you cannot work due to coronavirus, **Statutory Sick Pay can be paid from the first day** rather than the 4-day waiting period and 'isolation notes' can be used instead of fit notes. See regulation 2 and 3 of [The Statutory Sick Pay \(Coronavirus\) \(Suspension of Waiting Days and General Amendment\) Regulations 2020](#) which is being kept under review.

Where **Universal Credit awards have been reduced to nil** because of high income, it **can be reinstated** without making a new claim, or a reclaim, for up to six months. See regulation 3 of [The Universal Credit \(Coronavirus\) \(Self-employed Claimants and Reclaims\) \(Amendment\) Regulations 2020](#); and [UC, SEISS payments and automatic reclaims](#) by Child Poverty Action Group (CPAG). There has been no announcement to withdraw this.

Shielding and benefit help associated with shielding has been withdrawn.

The suspension of the **Universal Credit 'minimum income floor'** (for self-employed claimants) ended in July 2021 and was gradually phased in from August 2021 with jobcentre Work Coaches having the discretion not to apply it if earnings continue to be affected by coronavirus (COVID-19). This was put into law by [legislation](#) and explained in the DWP's [guidance](#) and their explanation to the [Social Security Advisory Committee](#) in July 2021.

The DWP reintroduced **Claimant Commitments and Action Plans** for all ESA claimants. More details in the DWP's [Touchbase 18 June 2021](#) and our [coronavirus and benefits news page](#).

Jobcentres are open but are requesting that people only turn up with an appointment or in exceptional circumstances. See the DWP's website [Understanding Universal Credit](#).

Accessing health and disability benefits assessments and the Jobcentre. Face-to-face assessments have resumed - with safety measures in place - as well as some assessments continuing by telephone and video. See the DWP webpage [Attending a face-to-face health assessment during COVID-19](#) and the websites of the service that carries out assessments for [most benefits such as Universal Credit and Employment and Support Allowance](#) and for [PIP assessments](#).

The **Universal Credit £20 a week uplift** was not extended beyond September 2021. Instead, the Autumn Budget 2021 announced the changes described above.

The **Working Tax Credit uplift** in the form of a £500 lump sum was not paid again, although those who missed out because they were not in receipt of the benefit were paid it if they were subsequently entitled.

The **Furlough Scheme** ended in September 2021

The **Self-Employment Income Support Scheme** ended with a fifth and final grant covering the period from May 2021 to September 2021

The rule that allowed **Carer's Allowance** to continue during a temporary break in entitlement 'as a result of isolation due to, or infection or contamination with, coronavirus disease of either the carer or the person cared for' ended on 31 August 2021.

The **coronavirus Working Tax Credit (WTC) easement** that allowed people to work less than the normal hours ended on 25 November 2021. See [DWP press release](#)

The **Kickstart Scheme for 16-24 years old on Universal Credit** – which provides six months paid employment along with support to develop employability and work-related skills is [closing](#).

The Government [said](#) it was giving £500m to councils to support vulnerable households over winter, called '**The Household Support Fund**'. See the City Council's webpage on how it will administer the [Household Support Fund](#).

Reports

Disabled claimant died underweight, 'unkempt and dirty' benefits wrongly stopped

A report by [Disability Rights UK](#) says that a disabled claimant died underweight, 'unkempt and dirty' after DWP mistakes. The DWP left the claimant to be supported by their elderly, disabled parents who themselves needed daily carers and meals delivered.

Philippa Day's family wins 'substantial' compensation over benefits death

The government contractor Capita has paid out "substantial" compensation to the family of Philippa Day who died by suicide after her disability benefits were taken away from her. The inquest into her death highlighted 28 examples of "systemic errors" by the Department of Work and Pensions and Capita which led to failures in how her claim was handled. Report by [Disability Rights UK](#).

Link between deaths and austerity measures reports

A report by York University and published by the British Medical Journal called: [Causal impact of social care, public health and healthcare expenditure on mortality in England: cross-sectional evidence for 2013/2014](#) said that "We compare the growth in healthcare and social care expenditure pre-2010 and post-2010. We find that there were 57,550 more deaths in the latter period than would have been observed had spending growth during this period matched that in the earlier period"

See also a similar report published a few days earlier entitled [Life expectancy and risk of death in 6791 communities in England from 2002 to 2019: high-resolution spatiotemporal analysis of civil registration](#) from the Lancet

Useful guidance

By MoneyHelper

[MoneyHelper](#) has replaced the Money Advice Service and is provided by The Money and Pensions Service which is 'an arm's-length' body sponsored by the DWP.

Internal guidance by the DWP

When you are supporting someone with a benefit issue, it may be useful to see what

guidance is being given to staff on that issue. Here are some examples:

[Advice for decision makers: staff guide](#) (memos and guides on Universal Credit, Personal Independence Payment etc)

[Decision Makers Guide](#) (memos and guides on legacy and other benefits)

[Housing Benefit and Council Tax Benefit Guidance Manual](#)

[Housing Benefit for local authorities: adjudication circulars](#)

[DWP factual medical reports: guidance for healthcare professionals](#)

Guidance for healthcare professionals who complete medical reports for DWP or one of its assessment providers.

Further support, information and training

Find our **earlier Benefit Bulletins** on our [website page for professionals and volunteers](#) and for **more information on benefit changes**, see our website page [Changes to the benefits system](#) which includes a **timeline of the main benefit changes** and of course the [Coronavirus and benefits](#) pages.

More details about benefits, including those mentioned above, can be found on [our welfare rights and money advice website pages](#), including benefit self-help factsheets.

Find **Where to get advice in Newcastle** on the [benefit advice services website page](#).

For details of our 'live' **Teams training** and **e-learning modules** for professionals such as 'Introduction to Benefits' and 'Universal Credit', see our [website page for professionals and volunteers](#).

Professionals can get phone advice from [the Council's Welfare Rights' consultancy line](#).

You can subscribe to the DWP information for professionals in [Touchbase](#).

This Benefit Bulletin was written by the Active Inclusion Service at Newcastle City Council. It is provided bi-monthly and at times of important benefit changes and news. It is as accurate as possible at the time of writing.

We also produce a weekly **Active Inclusion Newcastle e-bulletin** which provides a brief update on financial inclusion and homelessness prevention issues. If you want to receive this, or for more details, email activeinclusion@newcastle.gov.uk.