

# Benefit bulletin: Big benefit changes and news

Produced by the Active Inclusion Newcastle Unit, Newcastle City Council

## In this issue

### **‘Full service’ Universal Credit rolls out to the rest of Newcastle in early 2017 .....2**

The details .....2

Support for residents claiming Universal Credit .....3

Universal Credit, Council Tax Support and Housing Benefit.....3

More details about Universal Credit .....3

### **More people to see their benefit capped from 7 November 2016 .....3**

### **Other benefit changes .....4**

Benefit limited when going abroad for a temporary period .....4

DLA and PIP are no longer suspended for under 18 year olds going into hospital ....4

Shorter forms for PIP reassessments .....4

### **Other benefit news and information .....4**

Two fifths of those claiming Universal Credit are working .....4

Middle income families get 30% of income from benefits and tax credits .....4

Benefit sanctions – Government response to Parliamentary Committee .....4

£13 billion of available income related benefits went unclaimed in 2014-15 .....5

New DWP ministers .....5

National Minimum Wage rates goes up in October 2016 .....5

Government consults on its plan to pass responsibility for Attendance Allowance to local councils.....5

Consultation announced on second independent review of PIP .....5

### **Benefit tip(s) – a new addition to the benefit bulletin .....6**

### **News from the DWP .....6**

### **Further information and training.....6**

## **‘Full service’ Universal Credit rolls out to the rest of Newcastle in early 2017**

The Government have [announced](#) that ‘full service’ Universal Credit will be rolled out at:

- **Newcastle East Jobcentre (Coquet House) in February 2017, and**
- **Newcastle West Jobcentre (Condercum House) in March 2017**

You may be aware that ‘full service’ Universal Credit was rolled out to those living in the area covered by Newcastle City Jobcentre (Cathedral Square) on 25 May 2016. Before that, there was a limited roll out of Universal Credit for single jobseekers for the whole of Newcastle in April 2015, called ‘live service’ Universal Credit.

**It is therefore important to know which Universal Credit area someone lives in to know what their situation is.** This is determined by the post codes for the areas covered by each Jobcentre Plus office. Details can be found on our [Universal Credit web page](#).

### **The details**

- Someone living in a ‘full service’ Universal Credit area will not be able to claim any of the six ‘legacy benefits’ that Universal Credit is replacing. They will be directed to claim Universal Credit.
- Someone living in a ‘full service’ Universal Credit area who receives a ‘legacy benefit’ and has a change in circumstances that may mean a claim for another ‘legacy benefit’ will be told to claim Universal Credit instead. We have produced a [guide to explain what those main changes are](#).
- Those on ‘live service’ Universal Credit in an area that becomes a ‘full service’ Universal Credit area will, at some stage, be told to make a claim for ‘full service’ Universal Credit. This means making a full Universal Credit claim online.
- Those who aren't affected in the above ways can continue to claim 'legacy benefits' until they are transferred across to Universal Credit between 2019 to and 2022.

### **In summary, currently Newcastle residents are either:**

- On the benefits that Universal Credit is replacing – called ‘legacy benefits’, or
- On ‘live service’ Universal Credit, or
- Living in the area covered by Cathedral Square Jobcentre office area and *may* be on ‘full service’ Universal Credit.

**From early next year**, people who live in the other two Jobcentre Plus office areas may at some stage become entitled to ‘full service’ Universal Credit.

### **Some more detail**

It is no surprise that there are some caveats to the above. For example, a family with more than two children making a new claim for Universal Credit between 6 April 2017 and November 2018 will be directed instead to claim Tax Credits and potentially other ‘legacy benefits’. This is due to an overlap with the Government plan to limit the amount of Tax Credits and Universal Credit to two children. [More details on this were announced in Parliament by the Work and Pensions Secretary](#).

## Support for residents claiming Universal Credit

Just a reminder of the support available for claiming Universal Credit. This can be found on our [Universal Credit web page](#), such as in the document [information for staff on the support arrangements for Universal Credit](#).

## Universal Credit, Council Tax Support and Housing Benefit

### Universal Credit does not include help with the Council Tax bills

This must be claimed separately and online from the [Council Tax Reduction](#) scheme on the City Council website.

### Should Housing Benefit or Universal Credit be claimed?

Newcastle residents making a [claim for Housing Benefit](#) online must use the postcode checker to see if they should claim Housing Benefit or Universal Credit for help with their rent payments. The [postcode checker](#) will direct them to the correct application form.

### More details about Universal Credit

Can be found on our special [Universal Credit web page](#).

For the full Jobcentre Plus office addresses, visit our page [Benefit advice services in Newcastle and benefit offices](#)

See the [statement to Parliament by the Work and Pensions Secretary on the roll out and the two child limit](#) and the [latest list of the roll out by the Department for Work and Pensions \(DWP\)](#).

## More people to see their benefit capped from 7 November 2016

The household benefit cap is the total amount of benefits that working age families can receive, unless they are exempt. This change reduces the ceiling from the previous weekly £500 to £385 for people with children or couples without children, and from £350 to £258 for single people without children. The amounts are higher in London. This means that residents will see their benefits reduced.

A letter from the DWP to Local Authorities in July stated that "... the benefit cap changes will start to be implemented from 7 November 2016 and this will be managed over a number of weeks".

### Newly announced exemptions from the benefit cap

In addition to existing exemptions, from 7 November 2016 all households which include someone entitled to Carer's Allowance,\* the carer's element of Universal Credit or Guardian's Allowance will be exempt from the benefit cap.

\* This includes those who have an 'underlying entitlement' to Carer's Allowance. This is where Carer's Allowance is claimed but not awarded because another similar 'earnings replacement' benefit like Retirement Pension is being paid.

More details on the benefit cap from [Gov.uk](#) and [Citizens Advice](#).

## Other benefit changes

### Benefit limited when going abroad for a temporary period

Housing Benefit can be paid whilst temporarily away from home for up to 13 weeks or 52 weeks in limited circumstances. From 28 July 2017, the period was reduced to 4 weeks for those who go abroad temporarily. The 4 weeks limit is also applied to Pension Credit.

Longer periods are allowed in various circumstances, such as those going abroad for medical treatment, the death of a child or family member and for Housing Benefit only: fleeing domestic violence and member of the armed forces. Other exceptions apply.

- [Link to the legislation](#)
- [DWP guidance on how it applies to Housing Benefit](#)
- [DWP guidance on how it applies to Pension Credit](#)

### DLA and PIP are no longer suspended for under 18 year olds going into hospital

From June 2016, a new rule was introduced where the payment of Disability Living Allowance (DLA) and Personal Independence Payment (PIP) is no longer suspended after 84 days in hospital for those aged under 18. They can also make a new DLA or PIP claim whilst in hospital. It means that connected benefits may also continue, such as the Motability scheme and Carers Allowance, so long as the rules for them apply.

For those aged 18 and over, the rule suspending DLA and PIP after 28 days in hospital still applies.

For details see the new DWP guidance [DMG memo 14/16](#) and [ADM memo 16/16](#).

### Shorter forms for PIP reassessments

Many PIP awards are reassessed periodically, when the form 'How your disability affects you' is sent to the claimant. The DWP have announced a new shorter version of the form, called the AR1, which concentrates on what has changed since the last assessment, asking whether it is easier or harder to perform activities or if there has been no change. Claimants can ask the DWP for a copy of their previous review form.

## Other benefit news and information

### Two fifths of those claiming Universal Credit are working

[DWP statistics](#) show that out of the almost 280,000 currently claiming Universal Credit, 41% are in employment.

### Middle income families get 30% of income from benefits and tax credits

According to a [new report by the Institute for Fiscal Studies](#).

### Benefit sanctions – Government response to Parliamentary Committee

Certain benefits are cut if a claimant fails to comply with their work related requirements. See the recent [responses by the Government to the Parliamentary Work and Pensions Committee](#) who are considering various parts of work related requirements, schemes and sanctions, such as Jobcentre work coaches.

## **£13 billion of available income related benefits went unclaimed in 2014-15**

Recent DWP statistics also found, for example, that 6 out of 10 of those entitled to Pension Credit claimed it and 5 out of 10 of those entitled to income based Jobseeker's Allowance claimed it. The details can be found in the DWP document: [Income-related benefits: Estimates of take-up in 2014/15](#).

## **New DWP ministers**

Here is a list of the 'new' ministerial team at the DWP:

- Damian Green – Secretary of State for Work and Pensions
- Penny Mordaunt – Minister of State for Disabled People, Work and Health
- Damian Hinds – Minister of State for Employment
- Lord Freud – Minister of State for Welfare Reform
- Caroline Nokes – Parliamentary Under-Secretary for Welfare Delivery
- Richard Harrington – Parliamentary Under-Secretary for Pensions

[Further details from Gov.uk](#)

## **National Minimum Wage rates goes up in October 2016**

The increases will be as follows:

- 21 to 24 year olds (from £6.70 to £6.95 per hour)
- 18 to 20 year olds (from £5.30 to £5.55 per hour)
- 16 to 17 year olds (from £3.87 to £4.00 per hour)
- apprentices (from £3.30 to £3.40 per hour)

The Government's National Living Wage of £7.20 per hour for those aged 25 and over will continue until April 2017. At which time, the Government will align the National Minimum Wage and National Living Wage cycles so that both rates are amended in April each year.

This may have a knock on effect for some benefits that take earnings into account and claimants should notify their benefit offices of such changes.

See the [ACAS website for more details](#).

## **Government consults on its plan to pass responsibility for Attendance Allowance to local councils**

The Government are proposing that councils retain 100% of business rates. As part of this, "...the government will consider giving more responsibility to councils in England to support older people with care needs – including people who, under the current system, would be supported through attendance allowance."

The consultation closes on 26 September 2016. More details from the consultation paper [Self-sufficient local government: 100% business rates retention](#) available from gov.uk and the [written answer by the minister for Disabled People](#) from Hansard.

## **Consultation announced on second independent review of PIP**

The DWP is seeking evidence from individuals and organisations to inform the [second independent review](#). "The review includes all stages of the PIP process, with a particular focus on the use of further evidence in the claim process, data sharing and the claimant experience." The consultation ends on 16 September 2016.

## Benefit tip(s) – a new addition to the benefit bulletin

### # Tip 1: If in doubt give us a call

If you are helping someone with their benefits, you may find it helps to phone the Newcastle City Council Welfare Rights Service consultancy line. It could save you time, and help you decide the next best action to take. Find the contact details on our [web page for professionals and volunteers](#).

### # Tip 2: Evidence, evidence, evidence

If you are helping someone with their disability or sickness benefits, such as PIP, it is important to provide medical or other evidence as early as possible in the process. This can save time and may avoid stressful challenges. In connection with this, [Government information](#) "... indicates that either new oral or documentary evidence supplied at the hearing are the leading reasons for PIP decisions being overturned in 75% of overturns recorded".

## News from the DWP

Sign up for the [DWP's Touchbase](#) - news for advisers and intermediaries. For example, items in the June and July editions include:

- New help for employers looking to diversify their workforce
- Movement to Work – support for young people
- Free appointment with Pension Wise for the over 50's
- New Universal Credit guides
- New text service for disabled people
- Tax free childcare
- New online Pension Tracing Service

## Further information and training

For more information on benefit changes, see our web pages: [Important benefit changes and news – timeline](#) and [Changes to the benefits system](#).

More details about benefits can be found on [Newcastle City Council's welfare rights and money advice web pages](#), including the benefits mentioned above, where to get advice in Newcastle, benefit self-help factsheets, a timeline of benefit changes since January 2014 and [changes to the benefits system](#).

This benefit bulletin was written in **August 2016** by the Active Inclusion Newcastle Unit, 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. The bulletin is part of the Active Inclusion Newcastle support to professionals, which includes **'Introduction to benefits' training**. [For more details, see our web page for professionals and volunteers](#).

You may also be interested in the 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](mailto:activeinclusion@newcastle.gov.uk)